Public Relations & Investor Relations Division,
Nichirei Corporation

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Nichirei Group

INTEGRATED REPORT 2024

Editing Policy and Key Points of This Report/Contents

Editing Policy and Key Points of This Report

Integrated Report 2024 was created as a tool that facilitates meaningful dialogue with stakeholders, including shareholders and investors, by clearly communicating both financial and non-financial information along with our management strategies. We particularly focus on explaining three key points: how non-financial initiatives enhance corporate value, the overseas business as a core element of our growth strategy, and intangible assets as a source of growth.

Point 1

The Nichirei Group is working to realize its long-term management goals toward 2030 by addressing **five material matters (materiality).** We believe that advancing measures to do so will contribute to profitability improvement, reduction of capital costs, and growth expectations, and we explain how these improvements are **tied to the enhancement of corporate value**.

Point 2

We explain **the expansion of our overseas business**, a core element of the Nichirei Group's growth strategy, from various perspectives. For example, on pages 26 to 29 (Overseas Strategy), we summarize how each overseas operating company is developing and implementing its growth strategies, and on pages 40 to 47 (Human Resources Strategy), we cover our efforts for securing and developing globally capable human resources.

Point 3

Enhancing the value of **intangible assets**, which are a source of growth, is essential for sustainable enhancement of corporate value. This report focuses on human resources strategy, intellectual capital, and digital transformation (DX) strategy.

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Reporting Companies

Nichirei Corporation and its consolidated subsidiaries in Japan and overseas (As of March 31, 2024)

Reporting Period

April 1, 2023 to March 31, 2024 (Some information from before and after this period is included.)

Referenced Guidelines

- GRI Standards
- IFRS Foundation (formerly VRF) International Integrated Reporting Framework
- Task Force on Climate-related Financial Disclosures (TCFD)
- METI Guidance for Collaborative Value Creation 2.0
- Cabinet Office Intellectual Property & Intangible Assets Governance Guidelines

Environment Social Governance Guidance for Collaborative Value Creation

知財・無形資産 ガバナンスガイドライン

Issue Date November 2024

Note on Forward-looking Statements

Statements in this report pertaining to the future, such as forecasts of business performance, are rational judgments based on currently available information and contain a degree of uncertainty.Actual business performance may differ due to a variety of factors.

Notes: 1. Amounts and percentages are rounded to the nearest whole unit.
2. We have omitted trademark (™) and registered trademark (®) symbols where applicable.
3. The term "FY" preceding a year means the twelve-month period ended March 31 of that year. For example, "FY2024" refers to the twelve-month period ended March 31, 2024.

Overview of Nichirei Communication

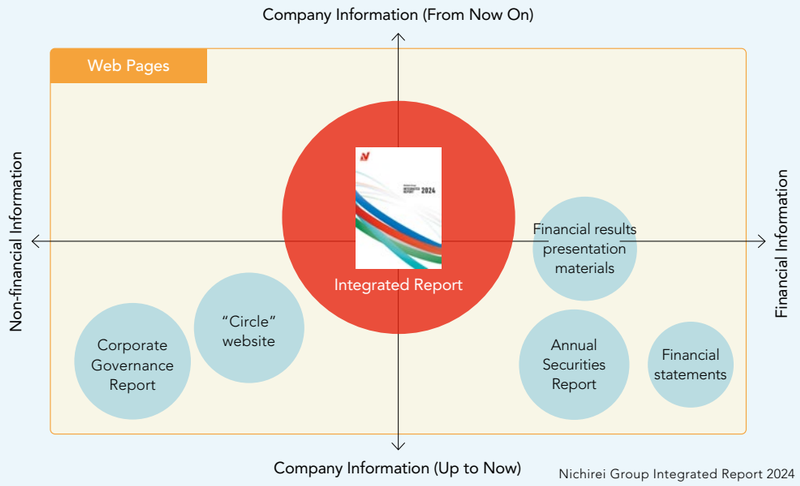
Web Pages

IR and investor information
https://www.nichirei.co.jp/english/ir

ESG investor information
https://nichirei.disclosure.site/en

Sustainability
https://www.nichirei.co.jp/english/sustainability

"Circle" website (Japanese only)
https://circle.nichirei.co.jp/



Nichirei Management Principles and Sustainability Policy

Mission

Focus on Lifestyles, and Provide True Satisfaction

Vision

We will continue to support good eating habits and health by leveraging our state-of-the-art manufacturing practices that optimize nature's bounty, along with our leading-edge logistics services.

Guiding Principles

1. Prioritize customers, safety, and quality
2. Ethical operations
3. Transparent management
4. Sustainable communities
5. Value creation

Sustainability Policy

- Making Our Communities More Sustainable -

The Nichirei Pledge

The Nichirei Group is committed to resolve social issues and create new value through its business activities, which include the procurement, production, logistics and sale of food, while considering the impact of those activities on the global environment and local communities and respect for human rights. We publicly disclose the details of these activities to promote stakeholder dialogue and increase transparency. Furthermore, we work to create more sustainable communities by fulfilling our responsibilities as a company that supports good eating habits and health.

Creating new value

We constantly strive to create new products and services, while pursuing business activities that help solve issues faced by our customers and communities.

Safe, high-quality products and services

We continuously work to earn the trust of our customers and communities by meeting diverse demands as well as offering safe, stable, and high-quality supply.

Sustainable supply chain and circular economy

We aim to realize an ethical and sustainable supply chain as well as a circular economy by building enduring and positive partnerships, while considering the environment, human rights and working conditions.

Climate change initiatives and biodiversity conservation

We strive to preserve the global environment and biodiversity by reducing greenhouse gas emissions and managing food and water resources appropriately.

Cooperative relationship with communities

We work to develop our communities and resolve social issues as a responsible corporate citizen by engaging in dialogue and close cooperation with our stakeholders.

Diversity and decent work

We respect the diversity of our employees, and strive to ensure occupational health and safety, provide fair treatment and opportunities for personal development, and continuously improve the workplace to enable every employee to thrive.

Good corporate governance

We are committed to employing highly transparent and fair management practices through stakeholder dialogue and information disclosure, while striving for appropriate resource allocation and swift management decisions.

Thorough compliance

We engage only in honest corporate activities that comply with the laws and regulations of each country in which we operate, respecting international norms of behavior and ensuring sound corporate ethics.

Kenya Okushi

Nichirei Corporation
Representative Director, President &
Chief Executive Officer

The Nichirei Group is expanding its business outside Japan and increasing the value of its intangible assets for further growth.

The Medium-term Business Plan in Review and Outlook for the Final Year

In FY2024, we faced skyrocketing raw material and energy prices due to an uncertain international situation, as well as supply and demand imbalances due to supply chain disruptions and exchange rate volatility. At the same time, we began seeing encouraging signs, such as rising inbound demand from foreign visitors to Japan and recovery in personal consumption. In this context, during the second year of Medium-term Business Plan Compass Rose 2024 we implemented relevant management policies with a balanced approach that addresses both our medium- to long-term objectives and the immediate management issues confronting us.

For sustainability, we have continued to prioritize environmental and procurement issues. To obtain SBT[1] certification, we are expanding the scope of our CO_2 emissions reduction targets, revising targets upward and stepping up environmental investments. We are also conducting human rights due diligence initiatives with domestic and overseas business partners for key raw materials. We also identified nature-related risks and opportunities as a matter of increasing importance. Addressing these issues is essential for the Nichirei Group, which depends on the bounty of nature in its businesses. Once we have gained an understanding of each business's impact, we intend to improve biodiversity and water resource resilience.

As for our business performance, both net sales and operating profit reached record highs. As costs continued to rise, we have been working to adjust prices appropriately by increasing the value we provide and improving productivity, as we deal straightforwardly with customers to gain their understanding. The operating environment is likely to remain challenging. We will develop and provide products and services that capture solid demand for frozen food, including needs arising from an increase in single-person households and rising health consciousness, and respond promptly to changing market conditions.

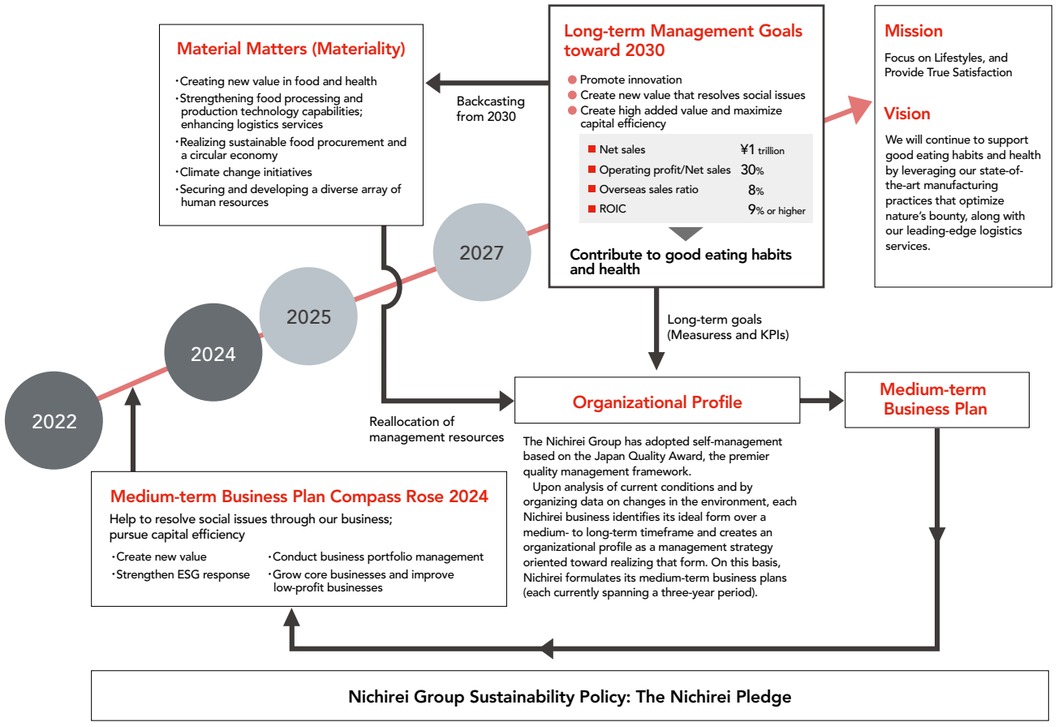
FY2025 is the final year of Compass Rose 2024. We intend to strengthen the earnings base of our domestic businesses and improve capital efficiency in order to allocate management resources to expanding overseas business and creating new value for our next stage of growth. First, in our processed foods business in Japan, we will strengthen sales of cooked rice and processed chicken products to expand in these strategic categories. For cooked rice products, we will cultivate mainstay brands and ramp up operations at our plant for frozen rice products in Fukuoka Prefecture, which went on line in 2023, with the aim of maximizing production and gross profit. For processed chicken products, we will step up sales promotion of products that incorporate our unique technologies and the rollout of products precisely tailored to the needs of each business category. In addition, to employ new types of added value to create markets, we will maintain our focus on growing the personal-use, single-serving product business while working to expand our lineup of products with enhanced health value.

In our domestic temperature-controlled logistics business, for some time now we have been taking measures to address a shortage of drivers, an issue exemplified by the so-called "2024 Problem." Measures include a rollout of *SULS*, our next-generation transportation and delivery system, and the use of trunk-route relay hubs as gateways. We see these measures as opportunities as well as a way to help resolve a social issue, and will use them as a framework for meeting diverse customer needs that will lead to business expansion. In addition, our logistics platform for frozen foods will offer a solution to the labor shortage as it will use both our own and other companies' assets, and as a result increase our share of products handled. For even greater labor savings and work efficiency, we will also expedite the introduction of robots, automated conveyors and other cutting-edge technologies.

In the marine, meat and poultry products business, we will select product categories to concentrate on and increase the number of high-profit products and marine products with MSC,[2] ASC[3] or other certifications that we handle.

1. Science Based Targets. Targets for reducing greenhouse gas emissions based on scientific evidence, administered by the Science Based Targets Initiative (SBTi).
2. Marine Stewardship Council (MSC) certification requires that wild seafood has been caught using methods that do not deplete the natural supply.
3. Aquaculture Stewardship Council (ASC) certification requires that marine products have been cultivated in a sustainable manner.

Nichirei Group Management Cycle



Implementing Management That Is Conscious of Cost of Capital and Stock Price

I believe that pursuing capital efficiency will become increasingly critical in the domestic market. We have been using ROIC to conduct business portfolio management through repeated discussions at meetings of the Board of Directors and the Group Strategy Committee, with the aim of improving profit margins and capital efficiency mainly in underperforming businesses. As a result of these efforts, overall Group ROIC has reached 7.5%, achieving our medium-term business plan target of 7% or higher. To further improve capital efficiency in our core businesses, we will work to embed and improve ROIC by utilizing it when creating business strategies and formulating budgets, and by setting and monitoring site-specific indicators that reflect the characteristics of each business.

To advance our business strategies from the perspectives of both growth and efficiency, we will achieve labor savings and work efficiency through investment in digital technology and other measures to address the accelerating population decline forecast for Japan. This will fortify our domestic earnings base to ensure stable cash flow, underpinning our shift to a business that captures growing markets outside Japan (expanding our overseas business).

Strengthening engagement with shareholders and investors and enhancing information disclosure are also important. We have been working to enhance disclosure in various ways. For example, we have been including ROIC trends by business segment in our presentation materials for the announcement of financial results since the third quarter of FY2024, and I have been proactively engaging in dialogue with investors. We believe that continuing these measures will lead to an appropriate valuation in the market.

	(FY)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 (Est.)
	Overall Group ROIC (%)	**4.2**	**4.3**	**5.9**	**8.0**	**8.1**	**7.8**	**7.6**	**7.5**	**7.8**	**6.9**	**7.5**	**7.8**
	NOPAT ratio (%)	2.0	2.1	2.7	3.7	3.7	3.7	3.6	3.9	4.1	3.5	3.9	4.0
	Capital employed turnover (Times)	2.1	2.0	2.2	2.2	2.2	2.1	2.1	1.9	1.9	2.0	1.9	1.9
	WACC (%)	—	—	—	—	—	—	—	—	—	4.0	4.0	4.0
Processed Foods	**Simple ROIC* (%)**	**3.2**	**5.2**	**8.3**	**15.3**	**14.4**	**13.3**	**15.1**	**13.9**	**10.3**	**8.5**	**10.8**	**12.5**
	Operating profit after tax/Net sales (%)	1.0	1.8	2.7	4.7	4.6	4.5	4.9	5.3	4.0	3.5	4.1	4.6
	Main capital employed turnover (Times)	3.1	2.9	3.1	3.3	3.2	3.0	3.1	2.6	2.6	2.4	2.6	2.8
Temperature-controlled Logistics	**Simple ROIC (%)**	**5.2**	**5.0**	**6.0**	**6.9**	**7.0**	**7.1**	**7.2**	**7.8**	**7.7**	**7.7**	**7.2**	**7.2**
	Operating profit after tax/Net sales (%)	3.3	3.1	3.6	3.9	4.0	3.9	4.0	4.3	4.5	4.3	4.2	4.1
	Main capital employed turnover (Times)	1.6	1.6	1.7	1.8	1.8	1.8	1.8	1.8	1.7	1.8	1.7	1.8
Marine Products	**Simple ROIC (%)**	**1.5**	**0.8**	**2.2**	**2.7**	**1.0**	**0.6**	**1.5**	**2.0**	**3.3**	**3.5**	**2.9**	**7.5**
	Operating profit after tax/Net sales (%)	0.4	0.2	0.6	0.8	0.3	0.2	0.5	0.6	1.0	1.0	0.7	1.8
	Main capital employed turnover (Times)	3.9	3.7	3.4	3.4	3.4	3.5	3.3	3.4	3.4	3.7	4.4	4.2
Meat and Poultry Products	**Simple ROIC (%)**	**1.6**	**3.5**	**6.2**	**29.4**	**16.3**	**16.8**	**13.6**	**21.5**	**20.2**	**13.8**	**12.4**	**16.8**
	Operating profit after tax/Net sales (%)	0.1	0.3	0.3	1.3	1.0	1.1	0.7	1.1	1.0	0.8	0.9	1.0
	Main capital employed turnover (Times)	15.9	13.1	22.3	23.3	16.4	15.1	19.1	20.0	20.1	17.9	14.1	16.2
Bioscience	**Simple ROIC (%)**	**8.4**	**9.6**	**14.9**	**9.5**	**9.4**	**2.4**	**(2.2)**	**(3.2)**	**(3.0)**	**8.9**	**12.5**	**9.2**
	Operating profit after tax/Net sales (%)	7.6	9.4	13.2	11.1	11.4	4.5	(4.5)	(6.6)	(6.1)	12.0	15.2	10.9
	Main capital employed turnover (Times)	1.1	1.0	1.1	0.9	0.8	0.5	0.5	0.5	0.5	0.7	0.8	0.8

* Simple ROIC = Operating profit after tax ÷ Main capital employed (Operating funds + Non-current assets)

Growth in Overseas Business

The average annual growth rate of our overseas sales over the past 10 years is 10%, demonstrating strong performance and reaffirming the high growth potential of this business. The Nichirei Group's current overseas sales ratio is 21%, rising faster than planned. However, there is still potential for growth in many countries and regions, so it will be crucial to identify market potential as we roll out our business with an emphasis on speed. Moreover, I have noticed that overseas markets can accommodate a more flexible response to the pricing issues that have been a challenge in the domestic market during the inflationary phase of the past few years. During the three-year period of the current medium-term business plan, we expect to make 26% of our capital expenditures outside Japan, a significantly higher percentage than in the initial plan. Including both investments and loans, we intend to raise that percentage to around half of total expenditures going forward.

In the processed foods business, we have high expectations for growth in North America, where the growth rate for Asian foods in the frozen food market has been higher than in other regions. Also, in FY2025 we have launched a new Latin-inspired brand, which together with our existing Asian brands will drive growth in our North American business.

Currently, we are focusing on the processed foods business in North America, and we are considering pursuing synergies with the marine products business there in the future. Due in part to the popularity of Japanese food overseas, potential for expansion of the marine products business is greater outside Japan than domestically. We intend to utilize the functions of both businesses, including our marine products processing base in Vietnam, to capture rising needs for healthier foods globally.

In the temperature-controlled logistics business, we aim to achieve growth in both sales and profits by increasing management efficiency in Europe. In January 2024, we conducted a reorganization in the Netherlands and the United Kingdom that will enable us to expand our one-stop services that integrate customs clearance, storage, transportation and delivery, and to extend our cross-border transport operations, such as from Germany to the United Kingdom. In Poland, we have established a new base and expanded an existing one to enhance our temperature-controlled logistics services for mass retailers. In Asia, we began operations of a new refrigerated warehouse in Vietnam in July 2024, with a focus on building our infrastructure and expanding sales in the ASEAN region, including Thailand and Malaysia.

At the same time, to avoid being limited solely to organic growth, we must develop markets through methods including M&A and alliances to expedite entry into new areas in both the food and temperature-controlled logistics businesses,

In advancing our overseas business expansion strategy, securing and developing human resources for our overseas operations is an issue. Faster-than-expected overseas business growth has created a pressing need to develop such talent, including people capable of dealing with governance and sustainability information disclosure. Our systematic initiatives to develop these human resources include dispatching junior employees overseas or on long-term postings with a specific theme, with the expectation that they will be assigned to management positions overseas in the future. Previously, each operating company conducted language classes and other off-the-job training separately, but from FY2025 we are working to provide a fuller range of learning opportunities across the Group.

Building a Foundation for Creating New Value

During the current medium-term business plan, we have been focusing on investment in intangible assets such as human capital, research and development, and brands, with the conviction that this investment is essential for sustainably increasing our corporate value.

Enhancing Human Capital

The key to creating new value is enhancing human capital. Securing the human resources we need to expand our overseas business, which I mentioned previously, is one example of this. In the Nichirei Group, we believe it is important to visualize how we perceive the value of our human capital and how we allocate management resources to enhance it, and we are working to do so. In April 2024, we conducted a major review of the organizations that deal with human resources at Nichirei Corporation, our holding company. Specifically, we did away with our previous Human Resources division and established new departments for Diversity Promotion, Human Resources Planning and Human Resources Development. With these three organizations working in their respective fields of specialization as well as in collaboration, we aim to roll out a human resources strategy linked to our management strategy. Diversity Promotion will step up efforts to secure and develop diverse human resources based on our Sustainability Policy. Human Resources Planning will be responsible for flexible system design, increasing use of human resources data and similar initiatives. Human Resources Development will handle various functions, including cultivating talent for overseas positions, advancing succession plans, and improving engagement.

In addition, we conduct a common Group-wide engagement survey in Japan, and use the analysis results to enhance employee motivation. One issue revealed by the survey was a lack of communication and dialogue. We intend to hone communication skills, mainly among management, and create more effective systems to support the growth of both our employees and our Group companies.

Conducting Activities to Create Value

Creating new value in food and health is a material matter for the Group. To provide society with value worthy of the Nichirei name, we strive to contribute to people's mental and physical health through the development and sale of eco-friendly products that maximize the potential of our materials and cooling power. Progress toward our targets for 2030 has been largely according to plan, but from a longer-term perspective, it will also be important to develop new businesses beyond our existing business fields. To this end, we are working to deepen our core technologies, investigate new technologies and step up our efforts to identify the needs of customers and new markets. These activities are based on our Innovation Management System (IMS). Because an interplay of diverse insights is essential for creating new value, we will actively seek out opportunities for collaboration with external partners. Inside Nichirei, we will establish a cycle in which talent with value-creation skills and knowledge gather to refine ideas, enhance their skills and build up expertise within the organization.

Strengthening Branding

Sensing the need to further increase trust in the Nichirei brand and brand loyalty, we are now working on rebranding that will encourage people to reappraise Nichirei's value. We are taking a fresh look at how the Nichirei brand is perceived from the outside. Internal branding is likewise important. Nearly 20 years have passed since Nichirei converted to a holding company structure, and particularly among junior employees, there is a growing awareness not only of the brand value of their own business, but also of the Group as a whole. They want to know how the Nichirei Group is contributing to society in its wide-ranging fields of food, logistics and bioscience, and seek a deeper understanding of other Group businesses, as well as more initiatives the businesses can carry out together. Because these sentiments are closely related to loyalty, nurturing them is crucial.

Disclosing Information on Sustainability

As our overseas business expands, we are keenly aware of the importance of disclosing sustainability information and the need to do so appropriately. In particular, we are closely monitoring legislation on disclosure of sustainability information in Europe and are making preparations, including developing human resources and studying systematization. Addressing this issue will be no simple matter, but we believe that once we have a stock of studying sustainability information, we can use it as a basis for making management decisions.

Working to Realize Our Vision for 2030

"We will continue to support good eating habits and health by leveraging our state-of-the-art manufacturing practices that optimize nature's bounty, along with our leading-edge logistics services." This is the Nichirei Group's Vision, and to achieve it, we must understand the needs of society to create and provide products and services that offer value and satisfy our customers. We believe that diet contributes significantly to people's well-being. Given the Nichirei Group's deep involvement in the entire food value chain, we are confident that we can help in this regard. We intend to continue to engage in detailed communication and dialogue with all stakeholders regarding the value we offer.

FY2025 is the final year of Medium-term Business Plan Compass Rose 2024, which we have positioned as a period of transformation toward 2030. In addition to steadily implementing management measures such as sustainability initiatives and strengthening our business foundation, we must also accelerate our shift to a strategy for growth of Nichirei's next generation. By linking the Nichirei Group's goal of helping resolve social issues through its business operations to the ambitions of each employee, and by building an organization that moves proactively, we aim to create social and economic value. In doing so, we look forward to your ongoing support.

TOWARD 2030

To achieve our long-term management goals toward 2030, we have identified material matters for the Nichirei Group based on the significant changes, risks and opportunities in our business environment.

We aim to realize our vision for 2030 by addressing these material matters and by drafting and implementing a medium-term business plan for every three-year period.

Set Our Long-Term Management Goals toward 2030

- Identify material matters for the Group

To FY2022

FY2023 to FY2025

A Period of Transformation toward 2030

- Ramp up sustainability management
- Pursue capital efficiency

FY2026 to FY2028

- Resolve social issues
- Expand overseas business
- Improve capital efficiency

FY2023–FY2025 Medium-term Business Plan

Compass Rose 2024

Details ▸ Pages 24-25

Help to resolve social issues through our business; pursue capital efficiency

Creating new value	Strengthen ESG response	Conduct business portfolio management	Grow core businesses and improve low-profit businesses
Details ▸ Pages 68-69	Details ▸ Pages 56-67, 80-87	Details ▸ Pages 30-31	Details ▸ Pages 32-39

Allocation of management resources

Growth investment	Overseas business expansion	New business
	Details ▸ Pages 26-29	
Environmental measures	Promotion of IT and DX	Human resource development
Details ▸ Pages 56-62	Details ▸ Pages 50-51	Details ▸ Pages 40-47

FY2031

Achieve Our Long-term Management Goals toward 2030

Contribute to good eating habits and health

Address material matters

Our Long-term Management Goals toward 2030

Net sales	Overseas sales ratio	Operating profit/Net sales
¥1 trillion	30%	8%

Promoting innovation to contribute to good eating habits and health for all people by creating new value that helps to resolve the issues of customers and society

ROIC
9% or higher

Create high added value and maximize capital efficiency

Business Overview

https://www.nichirei.co.jp/english/corpo/outline/ataglance.html

The Nichirei Group conducts business in areas including marine, meat and poultry products; bioscience; and real estate. Its main focus, however, is on processed foods and temperature-controlled logistics. Under a holding company responsible for overall Group strategy, each operating company aims to create new value for customers through flexible business operations in order to raise corporate value over the medium to long term.

Established

1945*

* Predecessor Teikoku Marine Products Control Company was established in 1942.

Number of Group Companies

96

Breakdown: 81 consolidated subsidiaries
15 equity-method affiliates

Number of Employees (Consolidated)

16,385

Dividend-on-Equity Ratio (DOE)

4.0%

Return on Invested Capital (ROIC)

7.5%

Return on Equity (ROE)

10.3%

Sales of Frozen Foods in Japan

No.1

Source: From an August 22, 2024 article in *Reishoku Nippo*, which is published by Shokuhin Sangyo Shimbunsha Co., Ltd.

Share of Refrigerated Warehouse Capacity in Japan

No.1

Source: Prepared based on *Refrigerated Warehouse Statistics*, November 2022 materials from the Japan Association of Refrigerated Warehouses
Note: Figures include warehouse capacity for each company's group companies.

Share of Global Refrigerated Warehouse Capacity

No.5

Source: Prepared based on the *Global Top 25 List*, April 2024 materials from the International Association of Refrigerated Warehouses

Ranking of *Honkaku-Itame Chahan* (fried rice) sales in the frozen fried rice category for 23 consecutive years since its launch

No.1*

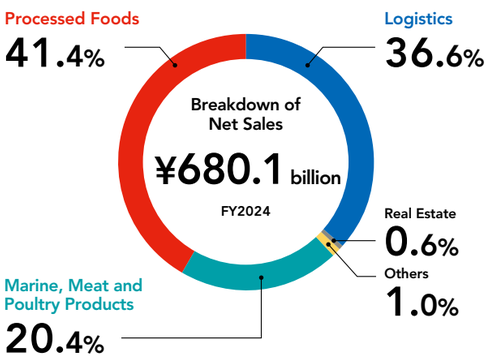
Number of Countries for Food Procurement

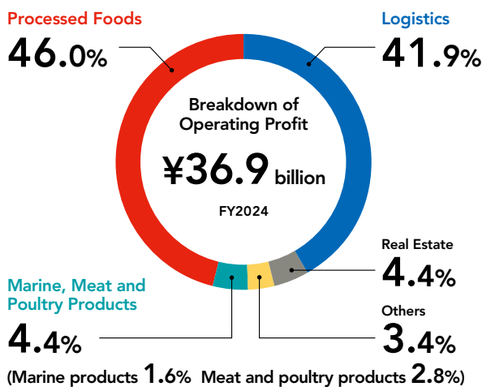
Approx. 30

Number of Countries to Which *N-Histofine* Brand Molecular Diagnostic Products Are Shipped

More than 25

* Sources: INTAGE SRI+ Frozen Prepared Fried Rice Market, March 2017–February 2024, cumulative sales amounts for each year
INTAGE SRI Frozen Prepared Fried Rice Market, March 2001–February 2017, cumulative sales amounts for each year





Note: "FY2024" refers to the twelve-month period ended March 31, 2024.

Processed Foods

Nichirei Foods Inc.

By closely following the way people live, we contribute to the realization of a healthy and abundant society through food that is characterized by seven basic values: delicious; healthy; enjoyable to eat; safe; simple and convenient to prepare; stable supply; and reasonably priced. We will continue to refine our distinctive abilities and create superb value through frozen foods, retort pouch foods and wellness foods, in order to become the most trusted food company in the world.

History
https://www.nichirei.co.jp/sites/default/files/inline-images/ir/integrated/pdf/ngir2022_en_nf_history.pdf

Logistics

Nichirei Logistics Group Inc.

We are the largest temperature-controlled logistics group in Japan. Our business comprises a logistics network focused on transportation and delivery; regional storage businesses providing storage and delivery services that are deeply rooted in their local areas; an overseas business that handles operations in Europe, East Asia, and Southeast Asia; and engineering services, which handle matters from logistics facility planning and design to maintenance management. Throughout our supply chain we provide high-quality service.

History
https://www.nichirei.co.jp/sites/default/files/inline-images/ir/integrated/pdf/ngir2021_en_nl_history.pdf

Marine, Meat and Poultry Products

Nichirei Fresh Inc.

In promoting the development of premium marine, meat and poultry products, we utilize our global procurement abilities and emphasize freshness, deliciousness, safety, security, health, and sustainability. In addition, we aim to provide greater value to consumers while considering resources and the environment.

History
https://www.nichirei.co.jp/sites/default/files/inline-images/ir/integrated/pdf/ngir2023_en_nfr_history.pdf

Bioscience

Nichirei Biosciences Inc.

By making the best use of biotechnologies to conduct business in the three fields of molecular diagnostics, immunochromatographic diagnostic reagents, and biomedical materials, we are able to contribute to the health of a large number of people. We provide high-quality products and services with the aim of becoming a technology-oriented company with outstanding expertise.

Nichirei Corporation (Holding Company)

Real Estate

As the holding company for the Nichirei Group, Nichirei Corporation aims to maximize corporate value by promoting organizational management. It carries out the functions of management planning, monitoring and fund procurement for the entire Group, as well as management support for each operating company. It also operates a real estate business to make effective use of Group-owned land and other assets.

History of the Nichirei Group

Nichirei 75th Anniversary (Japanese only)
https://www.nichirei.co.jp/75thhistory

We have provided true satisfaction by identifying the needs of individuals and society, enabling us to create the products and services required in each era. The Nichirei Group will continue to support eating habits through business activities covering a wide range of foods.

Accumulated Assets

A history and heritage of continuing to take on challenges to help resolve social issues

- Unique ingredients procurement network
- Japan's leading advanced temperature-controlled logistics services
- Development and production technology capabilities for reproducing deliciousness
- Human resources with a high level of expertise and experience

Comprehensive Group capabilities in food procurement, processing, distribution, and sales functions in its cold chain network

Ability to help resolve social issues

Refined and advanced capabilities in food processing, production technology and temperature-controlled logistics services

Continuing to create new value for the times with our capabilities as a food pioneer

Procurement → Processing and production → Sales

Storage and distribution

Comprehensive Group capabilities
based on our own cold chain network

1940s to 1950s

Launch of the Nichirei Group to rebuild the postwar food supply system and respond to rising consumption

Nippon Reizo was established to take over the marine products, refrigeration, and ice-making businesses. With a mission to provide a stable food supply after World War II, we diversified our businesses as consumption rose rapidly in the 1950s.

Headquarters building at the time of establishment

Provided frozen foods and other products to the Antarctic expedition

1960s to 1970s

The spread of electric refrigerators changes eating habits. Expanding into the broiler and processed marine products businesses.

With brisk economic growth, electric refrigerators became common household appliances and household-use frozen foods began to be accepted. We contributed to the government-led creation of a cold chain logistics network to maintain food freshness during transport from producing areas to stores.

Rotating poultry house at the Kamagaya Laboratory

Opened Terrace Nichirei (a restaurant) at the Osaka Expo

Unified products under the *Green Belt* brand with the spread of household frozen foods

1980s to 1990s

Increasing interest in frozen foods as more women began working outside the home. Actively developing new businesses

A management crisis led to Tomorrow's Nichirei, a bottom-up in-house campaign soliciting employee proposals for innovation and improvement, which led to a series of new businesses. In addition, rising numbers of women working outside the home spurred growth in demand for highly convenient frozen foods. From the latter half of the 1980s, we started full-scale overseas expansion in the fields of processed foods and temperature-controlled logistics.

Entered the acerola business

Newspaper advertisement announcing the change in the Company's name to Nichirei Corporation

Full-scale introduction of microwaveable products

2000s

Addressing diversifying eating habits and consumer concerns about food safety. Accelerating business operations by converting to a holding company structure

We fundamentally revised the structure of our traceability system to enhance quality assurance so we could provide safer, more reliable products. We also converted to a holding company structure and started new initiatives in each business.

Japanese pure-bred *Junwakei* chicken

Initial *Honkaku-Itame-Chahan* (fried rice)

GFPT Nichirei (Thailand) Co., Ltd.

2010s

Conducting management with a medium- to long-term perspective that addresses simplifying food preparation, increasing health consciousness, Japan's labor shortage, and globalization

By strengthening our earnings base and improving asset efficiency, we promoted profit growth and expansion of the scale of our overseas business. We also stepped up our ESG initiatives to increase corporate value.

Global Innovation Center

Began frozen food operations in North America

2020 onward

Becoming a company that creates new customer value and helps resolve social issues to achieve a sustainable society

We are forging a strong link between sustainable corporate growth and the achievement of a sustainable society, dealing openly with the public as we continue to support eating habits.

Nagoya Minato DC

COVID-19 antigen test kit

Value Creation Process

Group Material Matters

- Creating new value in food and health
- Strengthening food processing and production technology capabilities; enhancing logistics services
- Realizing sustainable food procurement and a circular economy
- Climate change initiatives
- Securing and developing a diverse array of human resources

External Environment

Opportunities

- Stable procurement of sustainable raw materials
- Enhanced food traceability
- Higher expectations for frozen storage, supply and control functions for food
- Rising demand for frozen foods
- Rising demand for health conscious products
- Promotion of personalized diets and medical care
- Providing new products and services in response to labor shortages and legal regulations
- Providing value through products and services that recycle resources

Risks

- Depletion of food and water resources due to climate change
- Labor shortage
- Disruption in passing down know-how
- Disruption or difficulty in maintaining a sustainable supply chain
- Increase in raw material procurement costs
- Increase in environmental investment due to shift to renewable energy
- Market changes spurred by changes in demographics
- Stricter regulations on imports and exports in each country

Input

Note: Data as of March 31, 2024, with some exceptions

Financial Capital

- Total assets: ¥485.2 billion
- Equity ratio: 52.2%
- Free cash flow (before dividends): ¥30.9 billion

Manufactured Capital

- Production facilities: 20 in Japan, 7 overseas
- Refrigerated warehouse storage capacity: 1.6 million tons in Japan, 0.8 million tons overseas

Intellectual Capital

▸ Pages 48-49

- Production expertise
- Technological strengths in cooking and processing
- Logistics expertise
- Brand strength

Human Capital

▸ Pages 40-47

- Number of employees (consolidated): 16,385
- Expert human resources
- Average length of service: (Men) 18.0 years, (Women) 15.8 years

Social and Relationship Capital

- Sales network
- Logistics network
- Donations to social causes: ¥620 million

Natural Capital

- Global procurement network for agricultural, meat, poultry and marine products: Approximately 30 countries

Ability to help resolve social issues

Refined and advanced capabilities in food processing, production technology and temperature-controlled logistics services

Continuing to create new value for the times with our capabilities as a food pioneer

Procurement → Processing and production → Sales

Storage and distribution

Comprehensive Group capabilities based on our own cold chain network

Output

Processed Foods

Financial result: Improvement in capital efficiency

Specific products and services: Strengthening of strategic categories such as rice products and processed chicken products

Temperature-controlled Logistics

Financial result: Expansion of overseas business

Specific products and services: Strengthening of one-stop services

Marine, Meat and Poultry Products

Financial result: Promotion of structural reform

Specific products and services: Expansion of the handling of high-value-added, future-oriented materials

Biosciences

Financial result: Improvement in profitability

Specific products and services: Expansion of sales of molecular diagnostic reagents and testing equipment

Outcomes

Co-creation with Stakeholders

- Customers
- Shareholders and Investors
- Business Partners
- Employees
- Local Communities
- Trade Organizations, NGOs, NPOs, and Related Initiatives

Details ▸ Pages 72-73

Economic Value

	FY2031 Targets
Net sales	¥1 trillion
Overseas sales ratio	30%
Operating profit/ Net sales	8%
ROIC	9% or higher
ROE	10% or higher

Social Value

	Details/FY2031 Targets
Enhancement of brand value	Details ▸ Pages 9
Creating new value	Details ▸ Pages 68-69
Reduction in environmental impact	Reduction in CO_2 emissions Scope 1+2 -42% Scope 3 -25% Details ▸ Pages 56-57
Sustainable procurement of raw materials and water resources	Details ▸ Pages 60-61, 64
Reduction of human rights risks	Implementation rate of ESG due diligence: 100% Details ▸ Pages 63, 65

Realize a Sustainable Society

Sustainability Policy

Management Principles

Group Material Matters (Materiality)

Material Matters (Materiality)

In 2020, the Nichirei Group identified five material matters (materiality) and set a vision for each of them in order to achieve the long-term management goals for 2030. We are promoting sustainability management by executing measures that address the material matters while balancing social and economic value.

Process for Identifying Material Matters (Materiality)

Nichirei Group Integrated Report 2020 Pages 15–20
https://www.nichirei.co.jp/sites/default/files/inline-images/english/ir/integrated/pdf/nichirei_IntegratedReport2020_all.pdf

Identifying stakeholders	Since our business domain is food provision, we have a tremendous social responsibility, being involved, as we are, with many stakeholders and impacting their lives and society at large. For this reason, we have identified stakeholders based on the level of their demands and the extent of our impact on society.
Identifying social issues (risks and opportunities)	After identifying our stakeholders, we delineated social issues from future and global perspectives.
Evaluating social issue criticality	We then evaluated the importance of those social issues, based on the fact that proactive measures result in business growth, and reactive ones are focused on minimizing damage to corporate value.
Mapping material matters	We mapped material matters that would require proactive and reactive steps, and in November 2019 we held initial deliberations on the details of mapping during the Nichirei Group Strategy Committee meeting, at which we usually discuss overall management strategies.
Creating drafts	We created separate drafts for those issues that would require a proactive or reactive approach.
Dialogue with experts	In December 2019, outside experts evaluated the validity of the drafts under consideration and exchanged opinions with Company corporate officers, including the president.
Integration and narrowing down	Based on opinions received from experts, we integrated and narrowed down material matters as proactive or reactive.
Finalizing the draft	In February 2020, at the second Group Strategy Committee meeting, after repeated deliberation on both the evaluation of validity by experts and opinions on distinctive Nichirei features, an agreement was reached, resulting in a draft containing five material matters.

	Material Matters (Materiality)		Vision for 2030
1	**Creating new value in food and health**	Create new markets and customer value by taking on challenges outside existing areas in both food and health	Discover the potential of materials and cooling power to contribute to the future of the Earth and people's mental and physical health through food
2	**Strengthening food processing and production technology capabilities; enhancing logistics services**	Further refine core competencies in food processing, production and logistics to resolve social issues and improve profitability through competitive advantages in global markets	Ability to generate cash improved by concentrating management resources on core businesses
			Overseas business as a new pillar of earnings
3	**Realizing sustainable food procurement and a circular economy**	Resolve various social issues related to the supply chain, which is the foundation of our business, and contribute to sustainable food procurement and the realization of a circular economy	All raw materials and ingredients are procured from suppliers and partner companies that comply with the Nichirei Group Supplier Code of Conduct and Supplier Guidelines
			Promoting a circular economy by creating new business models
			Understanding risks to natural capital and improving resilience related to biodiversity and water resources
4	**Climate change initiatives**	As a food and logistics company that is greatly affected by climate change, we will work with stakeholders to counter global warming and reduce energy consumption throughout the supply chain	Efforts under way to reduce CO_2 emissions both inside and outside the Group toward the goal of becoming carbon neutral by 2050
			Elimination of CFCs progressing at production and logistics facilities as a global warming countermeasure
5	**Securing and developing a diverse array of human resources**	Secure and develop diverse human resources and foster an inclusive corporate culture to achieve sustainable growth	Diverse human resources with various characteristics and skills, maximizing their potential to improve their job satisfaction and support the sustainable growth of the Group

Connection between Non-financial Measures and Corporate Value Enhancement

Nichirei believes that enhancing corporate value requires initiatives that improve profitability (ROIC, ROE), reduce capital costs (WACC), and promote growth expectations (PER). We view the execution of measures to address our material matters as contributing to the improvement of these three types of economic value, thereby enhancing corporate value. By continuing to promote non-financial measures that address our material matters, we will create both economic and social value, which will ultimately enhance corporate value.

Non-financial Measures		Expected Non-financial Value
Strengthening R&D and marketing functions	▸ Pages 48-49	•Creation of new value •Enhancement of brand value
Developing and promoting products and services addressing health and the global environment	▸ Pages 36-37, 68-69	
Promoting innovation	▸ Pages 8-9	
Enhancing processing and production technology	▸ Pages 48-49, 68-69	
Enhancing temperature-controlled logistics services	▸ Pages 70-71	
Conducting Supplier ESG Survey and due diligence with suppliers	▸ Pages 64-65	•Sustainable procurement of raw materials and water resources •Reduction of human rights risks •Enhancement of brand value
Promoting an increase in the ratio of marine products with MSC and ASC certification	▸ Pages 36-37, 64	
Sustainable palm oil procurement	▸ Page 64	
Conservation of water resources and biodiversity	▸ Pages 60-61	
Reduction of CO_2 emissions	▸ Pages 56-57	•Reduction in environmental impact •Enhancement of brand value
Transition to natural refrigerants	▸ Page 57	
Initiatives to promote women's participation	▸ Page 42	•Creation of new value •Improvement of performance •Enhancement of brand value •Securing human resources •Strengthening the management base
Upgrading the occupational health system and enhancement of health literacy education	▸ Page 44	
Securing and developing globally capable human resources	▸ Pages 23, 41	
Sustainability and DX education, and development of next-generation management personnel	▸ Pages 41, 50, 63, 65	
Improving employee engagement	▸ Pages 42-43	

Financial Value Drivers

- Profitability improvement (ROIC, ROE)
- Capital cost reduction (WACC)
- Growth expectations (PER)

→ **Enhancement of corporate value**

Financial Strategy

We will increase corporate value by conducting management that is conscious of cost of capital and stock price and by further increasing the value of intangible assets.

Kenji Suzuki

Director, Senior Executive Officer, Chief Financial Officer, Executive General Manager of Corporate Management Headquarters; in charge of Accounting & Tax Division, Public Relations & Investor Relations Division, Human Resources Development Division, Corporate Internal Audit Division, Quality Assurance Division and Real Estate Division; General Manager of Finance Division

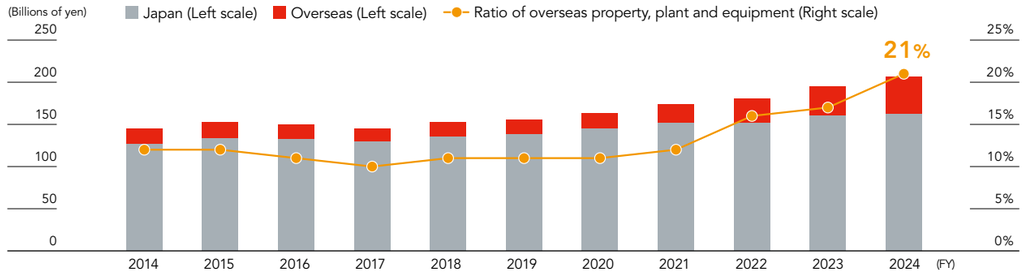
The Second Year of Medium-term Business Plan Compass Rose 2024 in Review

Our financial indicators show improvement in profitability, capital efficiency and financial soundness in FY2024. Our mainstay processed foods and temperature-controlled logistics businesses drove the Group to ¥36.9 billion in operating profit and ¥24.5 billion in profit attributable to owners of parent, both record highs. Profitability improved, with a ratio of operating profit to net sales of 5.4%, and we increased our ability to generate cash, as operating cash flow increased significantly from ¥37.9 billion to ¥62.4 billion.

ROIC increased from the previous fiscal year to 7.5% as a result of strengthening sales and recouping our investment in production facilities in strategic categories of the processed foods business, and utilizing the assets of other companies in the temperature-controlled logistics business. Net assets as of March 31, 2024 were ¥265.9 billion and the equity ratio was 52%, indicating that Nichirei is fully prepared for future growth investments and strategic investments. On the other hand, capital expenditures have fallen behind the medium-term business plan, totaling just under ¥62 billion over the past two years, compared with the planned ¥120 billion over its three-year period. Contributing factors to this shortfall, despite plans in the temperature-controlled logistics business for large-scale investments in the Tokyo metropolitan area and Kansai region, have included the difficulty of acquiring land, as well as a labor shortage and restrictions on overtime in the construction industry.
In FY2025, we intend to ramp up capital expenditures overseas, with plans to build warehouses in Vietnam, Poland, and the United Kingdom in the temperature-controlled logistics business. We expect the overseas capital expenditure ratio over the three-year period of the medium-term business plan to ultimately be around 26%.

We set targets of ¥130.0 billion for overseas sales and 20% for the overseas sales ratio in the final year of the current medium-term business plan, but we achieved these targets in the initial year of the plan. In FY2024, which was the second year of the plan, further grow drove overseas sales to ¥145.0 billion, and the overseas sales ratio exceeded 21%. The Nichirei Group has been viewed as vulnerable to a weak yen due to the large number of imported products and raw materials in our processed foods business, but we believe that increases in sales and operating profit in our overseas business will make us more resilient to exchange rate fluctuations.
We have set a target of 30% for the overseas sales ratio in 2030, and consider M&A or capital alliances to be necessary to further strengthen our foundation.

Property, Plant and Equipment (Balance in Japan and Overseas)



Management Conscious of Cost of Capital and Stock Price

Starting from its current medium-term business plan, Nichirei has made ROIC a KPI for improvement in capital efficiency. We have set cost of capital and target ROIC for each business in conducting business portfolio management. We also incorporate ROIC into the evaluation indicators for directors' remuneration in order to increase their motivation to contribute to improving corporate value over the medium to long term and to create common interests with shareholders.

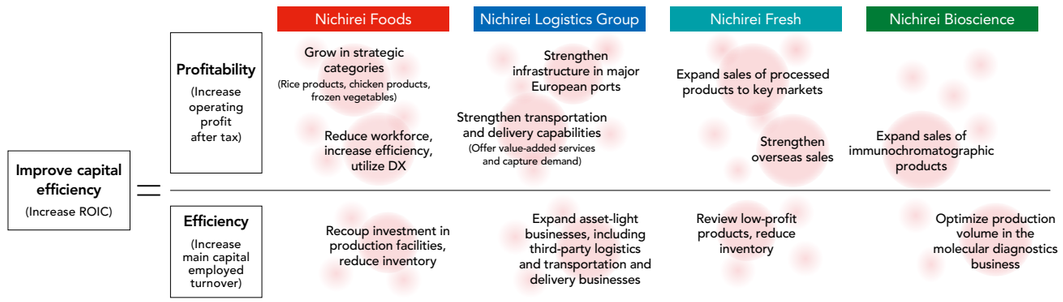
We review our weighted average cost of capital (WACC) when formulating our medium-term management plans. WACC is currently set at 4% on a consolidated basis. We calculate WACC in-house using a capital asset pricing model (CAPM), and before setting it we have five or more financial institutions calculate it for external confirmation of the required level.

In addition, a key point of discussion in managing the Group's business portfolio will be how to improve ROIC in a way that takes into account the characteristics of each business. However, we should avoid postponing investments simply to reduce the denominator in ROIC calculations in order to increase ROIC to achieve a target. Even if ROIC declines temporarily, making solid investments in businesses and priority areas that need to be strengthened will lead to future growth.

As for measures to improve ROIC, although we have traditionally held a strong belief in owning our own frozen and refrigerated warehouses in the temperature-controlled logistics business, we will enhance profitability by utilizing other companies' assets to help reduce invested capital. In the processed foods business, producing high value-added products and increasing utilization rates will be key for recouping investments in production facilities. By implementing measures to improve ROIC in each business and increasing capital efficiency across the entire Group, we aim to achieve ROIC of 9% or higher, as set forth in our long-term management goals toward 2030.

In addition, the stock price, analyst consensus, PBR, PER and other stock price-related indicators are reported to management and regularly discussed at meetings of the Monitoring Committee and the Board of Directors. While proactively engaging in dialogue with shareholders and investors, we will communicate our medium- to long-term growth strategy and disclose information related to ESG and other topics to gain the trust of capital markets. In this way, we aim to reduce the cost of capital and increase corporate value.

Measures to Increase ROIC

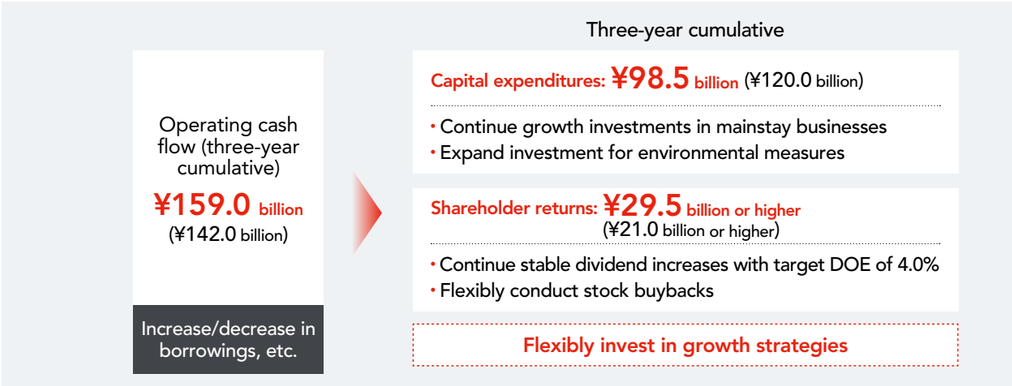


Capital Policy

We use the D/E ratio as a KPI from the perspective of balancing financial soundness and capital efficiency. Our benchmark is a D/E ratio of around 0.5 times, which will enable us to maintain our credit ratings and ensure the capacity to make large-scale investments and secure loans. From our dialogue with investors, we sense strong expectations for organic growth in our mainstay businesses, so we intend to allocate operating cash flow to organic growth, dividends and M&A, in that order. If we do not conduct M&A, we will consider a stock buyback.

The current three-year medium-term business plan projects operating cash flow of ¥159.0 billion, which we will continue to use for growth investments in mainstay businesses and for shareholder returns.

Allocation of Cash



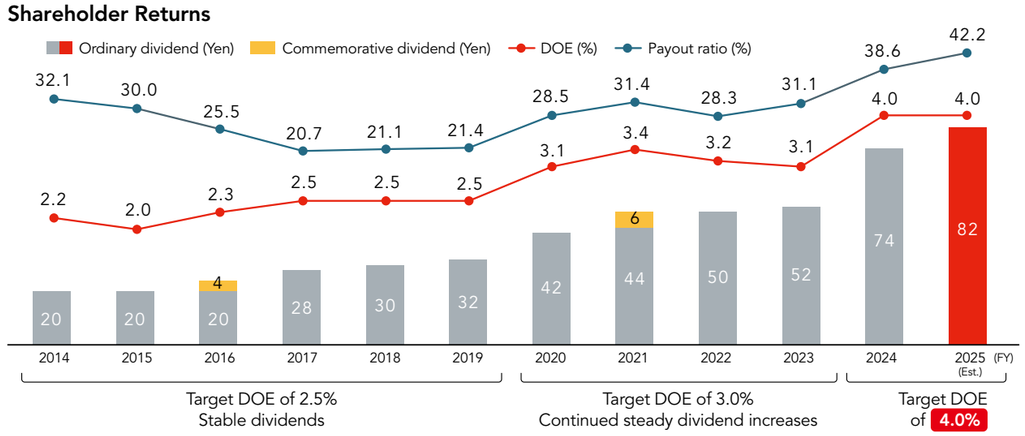
Note: Figures in parentheses indicate initial medium-term business plan.

Our basic policy on shareholder returns is to maintain stable dividends and to flexibly conduct stock buybacks. Since FY2007, we have used the dividend-on-equity (DOE) ratio as our criterion for dividends, and in FY2024 we raised the target DOE ratio from 3.0% to 4.0% to enhance shareholder returns and improve capital efficiency. In FY2025, we plan to increase our ordinary dividend for the ninth consecutive year (an ¥8 increase from the previous fiscal year to ¥82 per share).

Going forward, we will continue to steadily increase dividends toward the target DOE ratio of 4.0%.

Shareholder composition is another important aspect of our capital policy, but the ratio of Nichirei's individual shareholders has consistently remained at a very low level. Because balanced shareholder composition also leads to lower cost of capital, we will ramp up our approach to individual investors.

Shareholder Returns



Information Disclosure and Investor Relations Activities

Two years have passed since I was placed in charge of Investor Relations in FY2023, and the number of meetings with investors I have attended has increased substantially, from 11 in FY2023 to 41 in FY2024. One reason for the lower number of meetings in FY2023 was the lingering impact of COVID-19. I believe that actively meeting with investors, especially those with a long-term perspective, is important because it provides numerous insights for management. This belief is reflected in the number of meetings held in FY2024. Based on this dialogue, we have started disclosing new information such as long-term trends in ROIC indicators. In addition, our FY2024 ranking in an assessment of disclosure by The Securities Analysts Association of Japan rose from the previous year, due to a strongly positive evaluation of our management team's approach to investor relations and our enhanced disclosure of financial results briefing materials, among other matters. Aiming for sustainable growth, we will continue to utilize investor relations activities and dialogue with stakeholders in formulating and implementing the Nichirei Group's strategies.

1 Engage in dialogue and disclose information

Overview of investors with whom we held dialogue		FY2023	FY2024
Analysts and institutional investors	One-on-one meetings	Approx. 140	Approx. 190
	Small meetings	2	4
	Overseas IR activities	—	3
	Financial results briefings (incl. telephone conferences)	4	4
	Conferences held by securities companies	2	3
Individual investors	Briefings for individual investors	1	1

Dialogue topics
Medium- to long-term strategies, capital policy and shareholder returns, business portfolio management, capital expenditures, response to rising costs, overseas growth, risks and opportunities associated with the 2024 Problem, etc.

4 Reflect in management strategies and measures
(Details incorporated based on dialogue)
Expanded disclosure in financial results briefing materials (ROIC trends, etc.)

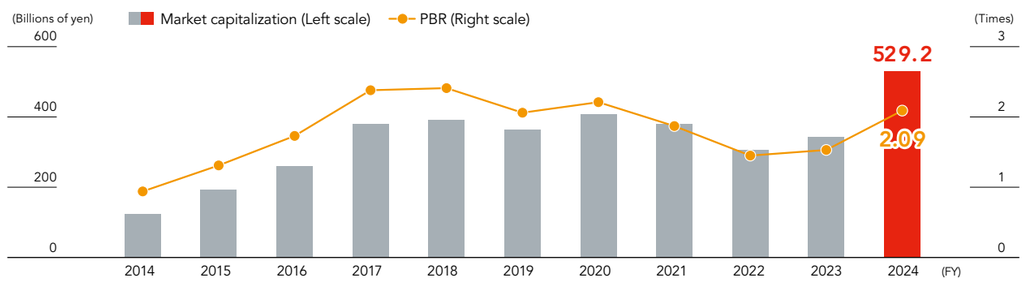
Intangible Assets and Overseas Infrastructure

Nichirei's top priorities for increasing corporate value are improving the value of its intangible assets and upgrading overseas infrastructure. Among our intangible assets, we consider our corporate brand and human capital to be particularly important. Highly loyal employees create brand value, so we will work to closely link improvement in employee engagement with the establishment of internal branding. We also want non-Japanese employees working overseas to have a strong awareness of being members of the Nichirei Group.

In upgrading our overseas infrastructure, human resource development and data management are important. For human resources working overseas, we are considering development in line with our business strategy, but the number of companies, degree of capital demand, amount of invested capital, rate of sales growth, complexity of capital relationships and other aspects vary by region. We intend to work with our operating companies to develop training and dispatch plans based on estimates of the number of people and capabilities we require considering the current and future state of the business we conduct in each region.

Going forward, we will continue to strengthen our management base, allocate resources appropriately, and increase the value of our intangible assets to reduce cost of capital, achieve sustainable growth, and increase our corporate value.

Market Capitalization and PBR



Medium-term Business Plan Compass Rose 2024

https://www.nichirei.co.jp/ir/news/2022/t_in170.html
(Japanese only)

Basic Policy of the Medium-term Business Plan

Medium-term Business Plan Compass Rose 2024 is positioned as a period of transformation that will take us to the halfway point toward realizing the long-term management goal of our vision for 2030.

The basic policy of the plan is to fulfill our social responsibility as a company that supports good eating habits and health through business activities that encompass our Sustainability Policy, as we work to improve our social and economic value by ramping up sustainability management and pursuing capital efficiency.

Group Strategy Help to resolve social issues through our business; pursue capital efficiency

Priority Measures

1	Create new value	• Use cooling power to develop ingredients and provide products that offer new health value • Utilize digital technology to provide new services and information that make meals better • Promote innovation activities by creating frameworks for generating and cultivating new value
2	Strengthen ESG response	• Implement ESG due diligence for core suppliers • Expand use of renewable energy • Continue to strengthen corporate governance • Introduce an ESG index target achievement system for executive compensation
3	Conduct business portfolio management	• Set cost of capital and target ROIC for each business • Promote the PDCA cycle by setting KPIs for profit margin and asset turnover • Consider business evaluation and resource allocation based on ROIC
4	Grow core businesses and improve low-profit businesses	• Improve profitability of processed foods through pricing strategies • Improve capital efficiency of temperature-controlled logistics by increasing third-party logistics, transportation and delivery, and proactively utilizing assets held by other companies • Restructure the marine products business and rebuild the earnings base of the bioscience business

Allocation of Management Resources

A	Growth investment	• ¥61.5 billion total Group growth investment (Processed foods: ¥16.5 billion; Temperature-controlled logistics: ¥43.5 billion)
B	Overseas business expansion	• ¥130.0 billion in overseas sales (Processed foods: ¥51.0 billion; Temperature-controlled logistics: ¥63.8 billion) • 20% overseas sales ratio
C	New business	• Allocate resources to R&D, DX and marketing to create new value
D	Environmental measures	• ¥29.2 billion investment in environmental measures (Installation of solar power generation equipment; investment in equipment upgrade for conversion to natural refrigerants)
E	Promotion of IT and DX	• ¥8.7 billion in information-related investment • Promote business innovation using digital technology
F	Human resources development	• Increase number of human resources with skills in digital technology, global operations, and sustainability • Conduct initiatives for reskilling

Financial/Non-financial Targets (Consolidated)

(Billions of yen, except where noted)

Financial Targets	FY2025 (Plan)	Initial Plan	Increase (Decrease)
Net sales	700.0	660.0	40.0
Overseas sales	168.3	130.0	38.3
Operating profit	40.5	37.0	3.5
Operating profit/Net sales	5.8%	5.6%	0.2%
Ordinary profit	41.2	37.8	3.4
Profit attributable to owners of parent	26.0	24.5	1.5
EBITDA	66.2	65.0	1.2
EBITDA margin	9.5%	9.8%	(0.3%)
ROIC	7.8%	7% or higher	
ROE	10% or higher	10% or higher	

Note: Financial targets were revised as part of the results announcement for the first quarter of FY2025

Non-financial Targets	
Creating new value	• Provide high-value-added products • Create new businesses
Sustainable procurement	• Procurement rate in accordance with guidelines • Implementation rate of ESG due diligence
Climate change countermeasures	• 30% reduction in CO_2 emissions • Natural refrigerant ratio
Securing and developing a diverse array of human resources	• Ratio of women managers • Investment in education/training

Financial Targets (By Segment)

(Billions of yen)

Net Sales	FY2025 (Plan)	Initial Plan	Increase (Decrease)
Processed foods	318.0	275.0	43.0
Logistics	276.0	260.0	16.0
Marine products	50.0	44.0	6.0
Meat and poultry products	68.0	95.0	(27.0)
Real estate	4.6	4.8	(0.2)
Others	6.4	6.7	(0.3)
Adjustment	(23.0)	(25.5)	2.5
Net sales	700.0	660.0	40.0

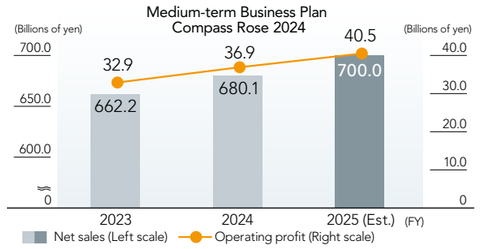
(Billions of yen)

Operating Profit	FY2025 (Plan)	Initial Plan	Increase (Decrease)
Processed foods	21.0	18.4	2.6
Logistics	16.5	16.2	0.3
Marine products	1.3	1.0	0.3
Meat and poultry products	1.0	2.0	(1.0)
Real estate	1.9	2.2	(0.3)
Others	0.9	0.5	0.4
Adjustment	(2.1)	(3.3)	1.2
Operating profit	40.5	37.0	3.5

Progress of Medium-term Business Plans

FY2025 First Quarter Presentation Material
https://www.nichirei.co.jp/sites/default/files/inline-images/english/ir/pdf_file/presentation/240806_e.pdf

Consolidated Net Sales and Operating Profit



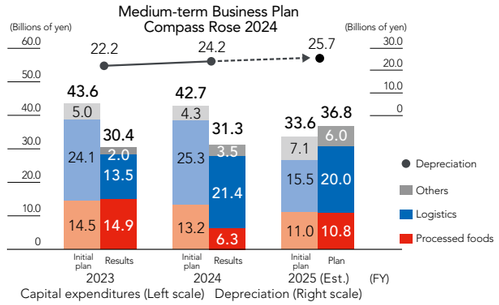
Simple ROIC

	Simple ROIC		
	FY2023 Results	FY2024 Results	FY2025 Plans
Processed foods	8.5%	10.8%	12.5%
Logistics	7.7%	7.2%	7.2%
Marine products	3.5%	2.9%	7.5%
Meat and poultry products	13.8%	12.4%	16.8%
Bioscience	8.9%	12.5%	9.2%

Overview of Capital Expenditures

We intend to strengthen our competitive advantages by continuing to concentrate investment in the processed foods and temperature-controlled logistics businesses to increase production capacity and the number of storage facilities. We will also increase investment in environmental measures to help achieve a sustainable society.

Capital Expenditures and Depreciation



Breakdown of Capital Expenditures by Segment

(Billions of yen)

	Projected 3-Year Total	Initial Plan	Increase (Decrease)
Processed foods	32.0	38.7	(6.7)
Logistics	55.0	64.9	(9.9)
Others	11.5	16.4	(4.9)

Breakdown of Capital Expenditures (Japan and Overseas)

(Billions of yen)

	Projected 3-Year Total	Initial Plan	Increase (Decrease)	Projected 3-Year Total (Composition)	Initial Plan (Composition)
Japan	73.2	101.4	(28.2)	74%	85%
Overseas	25.2	18.6	6.6	26%	15%

In FY2024, there were delays in the progress of investments to eliminate fluorocarbons at production plants and in the construction of refrigerated warehouses planned for the Tokyo and Kansai areas. As a result, total capital expenditures are expected to fall short of the initial target of ¥120.0 billion in the current medium-term business plan. On the other hand, because we are advancing the core Group strategy of expanding overseas business under the plan, the ratio of overseas capital expenditures is expected to be 26%, exceeding the initial plan target of 15%.

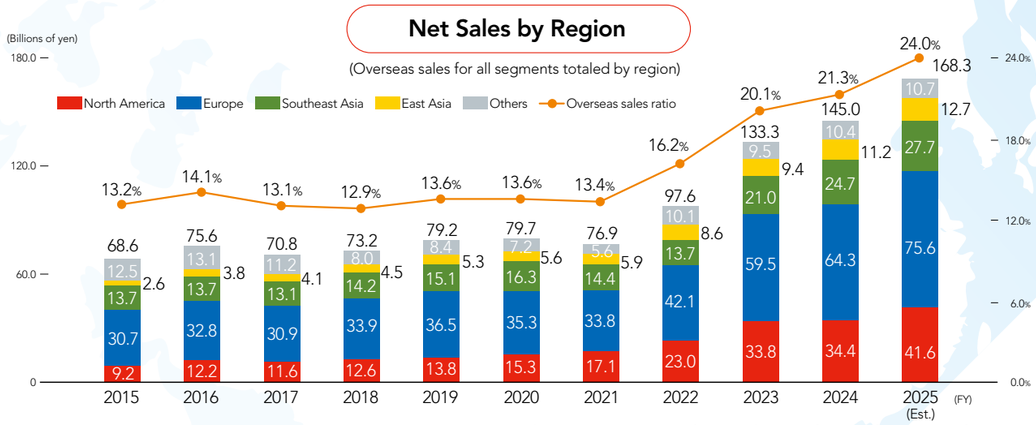
Financial Strategy

We allocate operating cash flow to investment in core businesses for future growth and returns to shareholders. Due to a change in our dividend standard in FY2024, we have raised our target for dividend on equity (DOE) from 3% to 4%. We will continue to steadily increase dividends in line with this standard in FY2025. In addition, we will conduct flexible share buybacks based on a comprehensive assessment of our financial condition and free cash flow outlook. The debt-to-equity (D/E) ratio has been set at 0.5 times as a yardstick from the viewpoint of financial soundness and capital efficiency.

FOCUS:

Overseas Strategy

The following section gives a region-by-region introduction of our operating companies' growth strategies and business activities for expanding overseas business, which is the core of the Nichirei Group's growth strategy.



Figures have been restated to reflect the change in classification of regions from the first quarter of FY2025.

North America

Processed foods: 5 companies, **Marine products:** 1 company, **Bioscience:** 1 company

Nichirei Foods — United States

Integrating Production and Sales to Further Strengthen the Marketing-driven U.S. Business

Asian foods are becoming part of daily life in the United States due to the increasing Asian population, and the market continues to expand. With marketing capabilities that can anticipate local tastes and trends, InnovAsian Cuisine Enterprises Inc. (InnovAsian) has been outpacing market growth and building its presence as a driver of Nichirei Foods' overseas business.

InnovAsian's main categories are chicken, processed rice products, and appetizers, and easy access to Nichirei Foods' technologies and insights is a major advantage. The Latino population of the United States is projected to exceed 30% of the country's total population by 2050. Against this background, InnovAsian launched a Latin-inspired brand in the same three categories as its Asian foods. Sales began in spring 2024, and the company is working to create new demand.

Meanwhile, in 2022 we established our own plant for processed rice products in California. Utilizing Nichirei Foods' strengths in processing and cooking technologies, the facility has built a production system that recreates the delicious flavors that meet local consumer needs.

We aim to capitalize on the continuing brisk food market in the United States and further expand business in terms of both production and sales.

Members of Nichirei Sacramento Foods Corporation, our plant in California

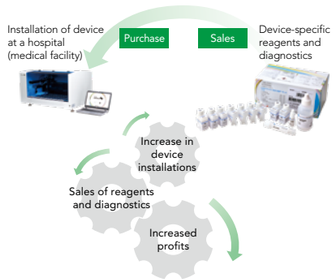
Asian-inspired brand *InnovAsian*
https://eatinnovasian.com/

Latin-inspired brand *DEL CORAZÓN*
https://www.eatdelcorazon.com/home

Nichirei Bioscience — United States

Contributing to Optimal Patient Treatment through Cancer Diagnosis

In 2019, we acquired Pathcom Systems Corporation (Pathcom), a U.S.-based medical device company that mainly sells products for cancer diagnosis in the United States and Europe. The number of cancer patients is increasing worldwide in tandem with the global increase in the elderly population. This in turn is expanding the market for immunohistochemical staining used in diagnosing cancer. Going forward, we will use Pathcom's fully automated staining devices as a platform for the overseas rollout of a device-specific reagent sales model that integrates the development, production and sale of medical devices and diagnostic agents.



Europe

Temperature-controlled logistics: 10 companies

Nichirei Logistics Group — Netherlands, Germany, Poland, France, United Kingdom

Business Expansion from an Intermediate Holding Company

Nichirei Logistics Group's European business began in 1988 with the acquisition of a cold storage company in Rotterdam, the Netherlands. From there, it expanded to Germany, Poland, France and the United Kingdom through mergers and acquisitions. Each European company is managed locally, and overseen by Nichirei Holding Holland B.V. (NHH), an intermediate holding company where Japanese employees from Nichirei Logistics Group have been stationed. While local management teams maintain their companies' pre-M&A customers, brands and hiring practices, NHH's responsibilities include monitoring the operations of European companies, formulating strategies, supporting their implementation, and strengthening governance. Through its years of experience, NHH has also developed the know-how and systems for M&A, including due diligence.

Ramping Up Expansion of Our Competitive One-stop Services and Strengthening Our Business Base in Poland

Our basic strategy for the temperature-controlled logistics business in Europe is to further expand our one-stop cross-border services that combine refrigerated storage functions at ports with services ranging from marine transport, drayage, customs clearance, and distribution processing to transportation and delivery. In January 2024, we reorganized our operations in the Netherlands and the United Kingdom. Objectives of the reorganization included ramping up the provision of one-stop services and sharing know-how across companies through an integration of the transportation and storage businesses, which had previously been run by separate companies. In May 2024, we also acquired a forwarding company in the United Kingdom.

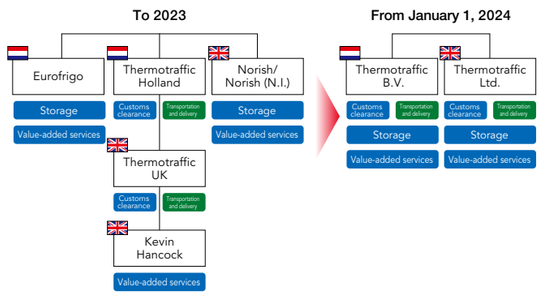
In Poland, we have grown to a dominant position in the refrigerated logistics business for mass retailers. We expanded our warehouse in Znin in July 2024, and are scheduled to commence operations at a new warehouse in Warsaw in the fourth quarter of 2024.

We will leverage this enhanced coordination between functions in our ongoing efforts to expand our one-stop services and strengthen our business base in Poland.

Leveraging Group Synergies to Increase Profits

Reorganization of Operations in the Netherlands and United Kingdom

- Further strengthen our foundation in the port business, which is central to our European operations
- Generate synergies that improve management efficiency and streamline operations
- Unify the company name as Thermotraffic to demonstrate our comprehensive capabilities at major European ports



Business Rollout in Western Europe

Aiming to further increase profits in the port business by generating synergies at major European ports

Southeast Asia

Processed foods: 3 companies, **Temperature-controlled logistics: 3** companies, **Marine products: 2** companies

Nichirei Foods — Thailand

Adding More Value to Every Chicken Part and Further Expanding Global Sales Channels

GFPT Nichirei (Thailand) Co., Ltd. in Thailand has established a fully integrated system that takes in live chickens from joint venture poultry farms, slaughters and cuts them up into parts, then handles all steps from processing and cooking to freezing and packaging at directly connected processing plants. The company is able to stably procure and process safe and reliable raw materials, and makes various use of every part of the chicken.

Because preferences for chicken parts vary by country and region, we consider effective uses and sales channels to add value before sale. Sales channels extend worldwide. For example, thigh and breast meat are sent to Japan and Europe, where demand for these parts is high, wings are processed as feed for farmed fish, and feet are popular in China.

Currently, the company processes by-products such as organ meat and blood into poultry meal, and is stepping up sales to pet food manufacturers in Thailand. Because organ meat and other by-products are easily affected by market prices, increasing the level of processing helps to stabilize profits.

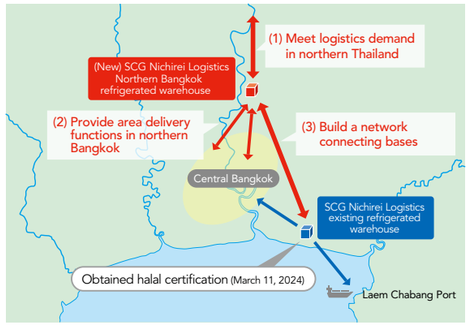
GFPT Nichirei (Thailand) Co., Ltd.

Nichirei Logistics Group — Thailand, Malaysia, Vietnam

A Focus on Establishing a Base and Expanding Sales in Each Country

We are focused on establishing a base and expanding sales in each country in the ASEAN region. In 2023, we made our affiliates in Thailand and Malaysia into consolidated subsidiaries, expanding both the area and scale of the businesses. In Vietnam, a new facility began operation near Ho Chi Minh City in July 2024. Located in a rapidly growing industrial park, it is aimed at steadily capturing robust demand for storage of raw materials and products for factories.

In Thailand, a new refrigerated warehouse is scheduled to start operation in spring 2025. It will target the brisk demand for temperature-controlled logistics in northern Bangkok, where food-related companies are concentrated. Our intention is to expand the business base in Thailand by increasing warehouse capacity and establishing a transportation and distribution network in the metropolitan area. Ultimately, we aim to develop operations linking Thailand, Malaysia and Vietnam.



Aiming to capture more storage and transportation demand by increasing warehouse capacity and establishing a transportation and distribution network in the metropolitan area

Aiming for stable operation of our new refrigerated warehouse by capturing growing demand for temperature-controlled logistics driven by Vietnam's economic development

Nichirei Fresh — Vietnam

Meeting Customer Needs with Advanced Processing Technology

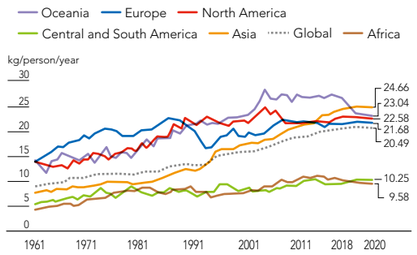
Global per capita consumption of seafood has doubled in the past 50 years, and is expected to continue increasing. In addition, market needs for seafood are diversifying, and we believe that precisely meeting those needs is our role, one that will ultimately lead to business growth.

Established in Phan Thiet, Vietnam in July 2017, Trans Pacific Seafood Co., Ltd. (TPS) has continued to grow by processing raw materials procured using the capabilities we have been cultivating over the years into products that customers want. TPS currently has six production lines on a 20,000 m^2 site, processing 2,000 tons of seafood annually with over 500 employees. In June 2024, a new freezer with a 2,000-ton storage capacity was completed to further stabilize quality and supply.

We will expand sales from TPS, the production base of our marine products business, not just to Japan but worldwide.

A processing line at the TPS plant

Global Annual per Capita Consumption of Seafood



Source: Fisheries Agency of Japan website (https://www.jfa.maff.go.jp/j/kikaku/wpaper/r04_h/trend/1/t1_4_2.html)

Other Areas (Central and South America)

Processed foods: 1 company

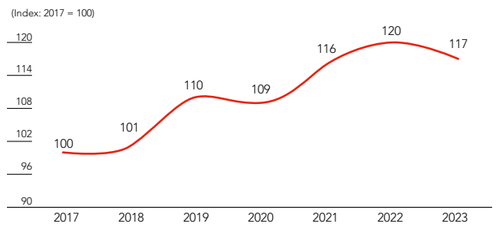
Nichirei Foods — Brazil

A "Clean Label" Business Using Acerola, a Natural Source of Vitamin C

Acerola is rich in natural vitamin C and has a strong antioxidant effect. Nichirei was among the first to notice the potential of this ingredient, launching *Acerola Drink* in 1987. In 1991, we established Nichirei do Brasil Agricola Ltda. (Niagro) in Brazil, and successfully standardized the natural vitamin C content through independent research. As a result, products that contain Nichirei's acerola ingredients can display labels with claims such as "One cup contains the recommended daily amount of vitamin C."

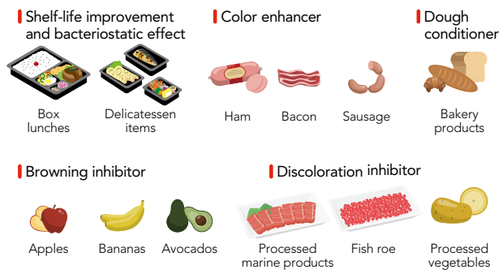
To further expand this business, Niagro began producing *Acerola powder* in 2023. The "clean label" market, which calls for food prepared using simple raw materials and ingredients with easy-to-understand labeling, is growing worldwide due to environmental concerns and increasing food safety awareness and health consciousness. Acerola is attracting attention in the clean label market as an ingredient that is effective in preventing oxidation and browning. *Acerola powder* can also be used in bakery products and processed meats, allowing us to propose its use in a variety of business categories. Niagro is working to expand its business by assigning new sales representatives to the high-demand areas of Europe and North America to drive growth centered on *Acerola powder*. We aim to further develop the acerola business by harvesting raw materials in cooperation with contract growers, building a stable production system and conducting sales activities globally.

Increase in Clean Label Products Launched in the Global Market



Source: Prepared by Nichirei Foods based on data from Innova Market Insights

Example Applications of *Acerola Powder*



Business Portfolio

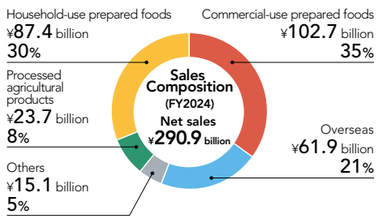
A Competitive Advantage Arising from Our Involvement in Wide-ranging Businesses throughout the Supply Chain

We have achieved solid results across our business portfolio in terms of growth, profitability and stability by concentrating resources on processed foods and temperature-controlled logistics. Our current business portfolio is broadly divided into two businesses: food and logistics, and also includes the marine products business and the meat and poultry business. Our competitive advantage arises from our involvement in a wide range of businesses throughout the supply chain, from food procurement to production, logistics and sales, enabling us to serve numerous customers and business categories over the long term. In addition, the main food factories of our processed foods business and the refrigerated warehouses of our temperature-controlled logistics business are located adjacent to each other, which improves operational efficiency and reduces costs for both businesses. These food products also comprise a certain amount of cargo for our temperature-controlled logistics business.

Processed Foods Business

Business Details

- A frozen foods pioneer with Japan's top market share
- Large lineup of household-use and commercial-use products



Advantages

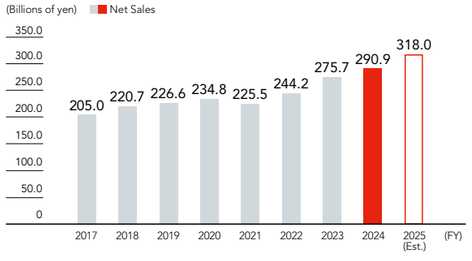
- Development and processing/production technology capabilities for reproducing the deliciousness of homemade meals or meals prepared by chefs
- Ability to make proposals tailored to diverse business types and consumer needs
- Quality assurance and traceability that support safety and reliability

Business Scale

Total assets	¥178.7 billion
Group companies	6 in Japan, 12 overseas
Employees (Consolidated)	9,942
Food factories	21 (15 in Japan, 6 overseas)
Main categories and products	• Rice products, processed chicken products, frozen vegetables

Financial Performance

Net Sales



Temperature-controlled Logistics Business

- Has the largest share of total capacity in Japan, with 75 refrigerated warehouses nationwide, and the fifth largest share in the world, including overseas bases
- Provides total logistics services including transportation and delivery
- Over 90% of volume handled comes from outside the Nichirei Group

Domestic Refrigerated Warehouse Facility Capacity

Area	Number of Facilities	Capacity (Thousands of tons)
Hokkaido	7	94
Tohoku	4	64
Kanto	17	555
Chubu	10	221
Kansai	13	311
Chugoku/Shikoku	12	130
Kyushu	12	176
Total	75	1,551

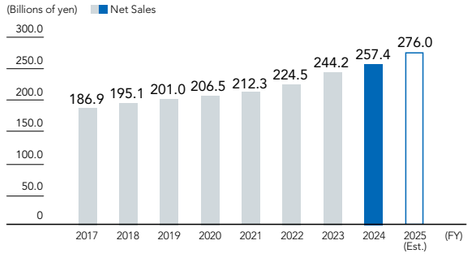
(As of March 31, 2024)

- Full utilization of storage capacity and transportation and delivery network, enabling optimal solutions that help resolve social and customer issues
- Operational capabilities at logistics sites that provide ongoing support for food based on increasing value through better user experience

Total assets	¥217.3 billion
Group companies	19 in Japan, 21 overseas
Employees (Consolidated)	4,893
Facilities	223 (Japan: 145, including 75 distribution centers (DC) and 36 cross-docking centers (XD); Overseas: 78 (Europe: 52, China: 13, Thailand: 2, Malaysia: 9, Vietnam: 2))
Main businesses	Storage, transportation and delivery, retail,[1] overseas business, 3PL,[2] and engineering services

1. Retail business: A general term for the operation of cross-docking centers (XD) for retailers and the transportation and delivery business that uses these centers
2. Third-party logistics

Net Sales



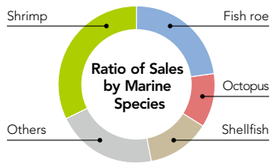
Characteristics of the Businesses

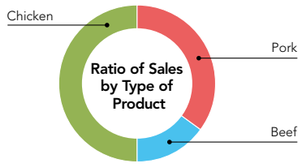
High volatility is an issue for the processed foods business because it is exposed to the risk of fluctuations in raw material prices and in exchange rates for imports, but due to our steady implementation of various measures, we expect further improvement in profitability. On the other hand, although the temperature-controlled logistics business generates stable earnings, it is characterized by substantial initial investment in refrigerated warehouses, which takes time to recover. As a result, it is difficult to make immediate post-investment improvements in capital efficiency. We therefore work to reduce the volatility of our overall business portfolio by combining our core processed foods and temperature-controlled logistics businesses.

Marine, Meat and Poultry Products Business

Marine Products
- Focus on expanding the handling of certified sustainable marine products and eco-friendly products

Meat and Poultry Products
- Expansion of sales of ingredients with future-oriented value, such as meat products with health value

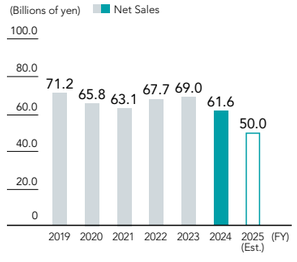




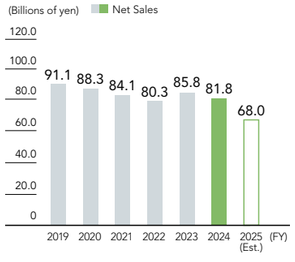
- Development capabilities for health- and sustainability-related ingredients with future-oriented value
- Capabilities that combine our trading company and manufacturer functions, enabling us to deliver on getting products to customers through optimal processing
- Quality assurance and a comprehensive production management system that support safety and security
- Procurement network based on long-term relationships of trust with suppliers

Total assets	Marine products: ¥23.1 billion	Meat and poultry products: ¥20.0 billion
Group companies	Marine products: 2 in Japan, 6 overseas	Meat and poultry products: 5 in Japan,
Employees (Consolidated)	Marine products: 690	Meat and poultry products: 403
Food factories	6 (5 in Japan, 1 overseas)	
Main categories and products	Marine products: Shrimp, octopus, fish roe, shellfish, and others	Meat and poultry products: Domestic and imported chicken, pork, and beef

Marine Products Business Net Sales

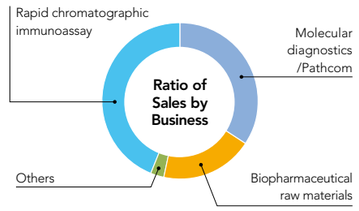


Meat and Poultry Products Business Net Sales



Bioscience Business

- Manufacture and sale of reagents and testing devices for identifying proteins present in cancer cells and finding appropriate treatments
- Manufacture and sale of diagnostic reagents, including diagnostic kits for influenza and COVID-19



- Accumulated technologies for development, production and quality evaluation of diagnostic agents that use antibodies
- A molecular diagnostics business model that combines the development and production of both diagnostic agents and immunostaining devices

Total assets	¥8.0 billion	Employees (Consolidated)	95
Main facilities	Nichirei Biosciences Global Innovation Center (production and R&D facilities), Pathcom Systems Corporation (California, United States)		
Main businesses	Molecular diagnostics, rapid chromatographic immunoassay, and biopharmaceutical raw materials		
Main products			

Note: Estimates presented here were disclosed in the first quarter of FY2025.

Processed Foods

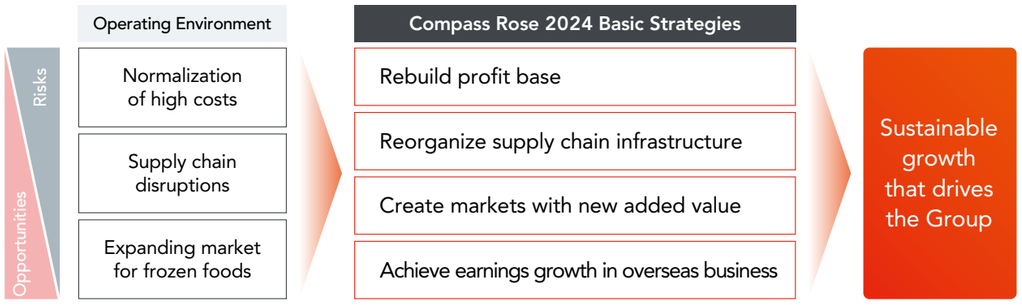
Nichirei Foods Inc.
https://www.nichireifoods.co.jp/en/corporate/

Masahiko Takenaga
Director, Senior Executive Officer, Nichirei Corporation
Representative Director, President, Nichirei Foods Inc.

Message from the President of Nichirei Foods Inc.

Nichirei Foods has adopted the new brand statement "Toward a world of sharing deliciousness and health—FoodJoy Equity." By making full use of our strengths in reproducing delicious flavor and the social value of frozen foods, including their convenience and shelf life, we aim to achieve a better world of fairness for all through our efforts to offer value tailored to each individual—or in other words, sharing. To make our brand statement a reality, we intend to evolve our business so that everyone we interact with, and society as a whole, can enjoy the convenience of frozen foods.

Basic Strategies



Progress of Medium-term Business Plan Compass Rose 2024

In FY2024 (the fiscal year ended March 31, 2024), our operating environment remained unstable due to factors including the weak yen, soaring raw material and fuel costs, and an egg shortage caused by avian influenza. Despite these conditions, we achieved record high operating profit of ¥17.4 billion. In addition to prompt price adjustments and other countermeasures to address rising costs, we conducted various other measures, such as promotions, to help stimulate demand.

In Japan, the business grew, centered on mainstay categories such as rice products, processed chicken products and frozen vegetables. In particular, the new plant for rice products at Kyurei Inc., which began operating in April 2023, helped drive both sales and operating profit as it was able to rapidly stabilize its operations through integration of production and sales. We also made progress in expanding the personal-use, single-serving business, which we have been focusing on in recent years. In the household-use category, we provided new value to the market with the launch of hit products such as *Kobashi-Men-no-Gomoku-Ankake-Yakisoba*.

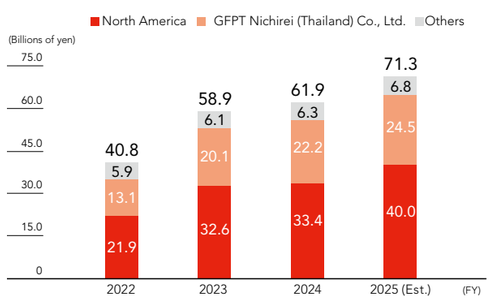
In FY2025, we aim for growth both in Japan and overseas, with an operating profit target of ¥21.0 billion. In Japan, we will focus on expanding business in areas that offer new value, such as health and personal-use, single-serving products, in addition to our mainstay categories such as rice products and processed chicken products. By doing so, we will establish the cornerstones of our next era of growth, which will serve as a foundation for our next medium-term business plan.

Progress of Overseas Business

Click here for "Overseas Strategy." ▸ Pages 26–29

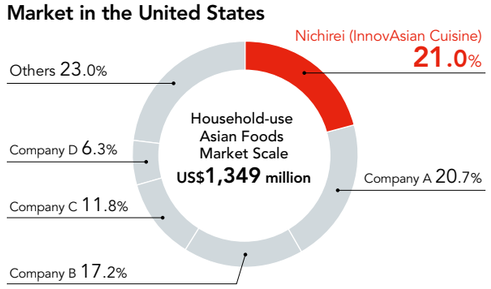
Our main overseas businesses are our operations in North America, the export sales business of GFPT Nichirei (Thailand) Co., Ltd., and the acerola business. In North America, we improved productivity at Nichirei Sacramento Foods, our production base for rice products, and established an integrated production and sales model similar to that in our domestic business. Moreover, aiming to expand sales through multi-branding, InnovAsian Cuisine is expanding beyond Asian foods from FY2025 with the rollout of the Latin-inspired *DEL CORAZÓN* brand. GFPT Nichirei Thailand is stabilizing earnings from by-products that utilize every part of each chicken, and ramping up both production and domestic sales of poultry meal, which is a raw material for pet food. In the acerola business, we are working to expand by fully utilizing newly established sales bases in North America and Europe to step up sales of *Acerola powder*, which is produced by Nichirei do Brasil Agricola Ltda. in Brazil.

Overseas Sales



Note: For North America, sales up to FY2024 are for the sales company InnovAsian Cuisine only. From FY2025, they also include the sales of Nichirei Sacramento Foods, our production base for rice products.

Our Share of the Household-use Asian Foods Market in the United States



Source: Calculated from Nielsen data on household-use Asian food brands (national brands only) for January–December 2023.

ROIC Initiatives

	FY2023 Result	FY2024 Result	FY2025 Plan
Simple ROIC	8.5%	10.8%	12.5%

To increase overall business profitability, we are restructuring our category portfolio with a focus on progressively expanding high-profit categories such as rice products, processed chicken products, and frozen vegetables, while improving the profitability of low-profit categories or withdrawing from them. To promote this strategy, in FY2025 we established Product Line & Marketing Strategy, a new division for considering category strategies across business formats. Based on the medium- to long-term category strategies considered by Product Line & Marketing Strategy, we will optimize our production bases to improve capital efficiency while addressing business risks such as labor shortages. To gauge the effectiveness of our measures, we are using digital technology to visualize ROIC for each business, and building a framework to increase internal momentum for driving the entire company forward.

Toward Our Vision for 2030

We expect the frozen food market to continue expanding globally. To accelerate growth, we will invest more of our resources in countries with growing populations. In Japan, there are concerns that the declining population will cause the food market to shrink, but we expect the frozen food market to continue expanding due to the shift away from home cooking to ready-made meals. For business growth, we will continue to invest in our mainstay businesses and in high-value-added areas such as health. Meanwhile, factors presenting risks that significantly impact our business, such as labor shortages, raw material procurement, and global demands for consideration of the environment and human rights, are becoming more apparent. To address these risks and even turn them into opportunities, we intend to invest substantially in building up our intangible assets in areas such as branding, sustainability, R&D, DX, and human resource development, with the goal of establishing a sustainable competitive advantage.

Temperature-controlled Logistics

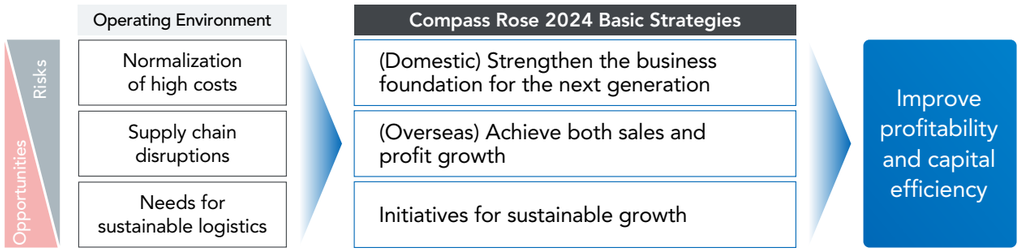
Nichirei Logistics Group Inc.
https://www.nichirei-logi.co.jp/english/index.html

Kazunori Shimamoto
Director, Senior Executive Officer, Nichirei Corporation
Representative Director, President, Nichirei Logistics Group Inc.

Message from the President of Nichirei Logistics Group Inc.

Nichirei Logistics Group is one of Japan's largest temperature-controlled logistics companies, operating a network business that utilizes its strengths in nationwide transportation and delivery, a refrigerated warehouse business with the largest capacity in Japan, and a retail business that provides customized logistics services tailored to each customer's needs. We also leverage the know-how we have cultivated over many years in Japan to provide high-quality temperature-controlled logistics in Europe and Asia. To offer our customers optimal solutions, we have a range of functions related to temperature-controlled logistics, including third-party logistics (3PL) and engineering services. We also have the know-how to deal with all cold chain situations, and human resources who create new added value. Amid significant changes in our operating environment, we will carry on our heritage of continuously creating new functions and services to make our advanced low-temperature logistics the world standard.

Basic Strategies



Progress of Medium-term Business Plan Compass Rose 2024

In FY2024 (the fiscal year ended March 31, 2024), the operating environment was challenging, with a persistent slowdown in the movement of domestic refrigerated and frozen cargo as imports decreased due to substantial yen depreciation, and demand decreased due to rising prices. Nevertheless, we increased sales and operating profit by steadily capturing storage, transportation and delivery demand both in Japan and overseas, ensuring appropriate collection of fees and improving operational efficiency, along with measures to mitigate the impact of high energy costs. As a result, we have achieved 14 consecutive years of increases in sales and nine consecutive years of record-high operating profit.

For years, we have been working on appropriate measures to address the logistics industry's 2024 Problem. One is the expansion of *SULS*, our sustainable next-generation transportation and delivery system. By operating the Atsugi Gateway, which is one of our own assets, and the Kansai Gateway, which utilizes the assets of other companies, and by setting up the Hiroshima Switch Center (a relay hub) utilizing other companies' assets, we have established a *SULS* network that extends from the Tokyo metropolitan area to Kyushu. In FY2025, we plan to open new routes connecting the Kanto region with the Tohoku region and Shizuoka and Niigata prefectures. We now have 34 trailers, which are key to expanding *SULS*, and plan to increase the fleet to 50 by the end of FY2025. Building a frozen food logistics platform is another area we are focusing on. Joint logistics operations with major frozen food manufacturers have progressed in the Kanto and Kansai regions. Going forward, we also plan to further expand volume of cargo handled in ways including joint transport on trunk lines from factories and central distribution centers.

In the retail business, we will proceed with the construction of a product supply network we call *NL+LiNk*[1] covering the areas originating from our cross-docking (XD) bases. We plan to start with the Tohoku region, and then progressively expand nationwide.

1. A new temperature-controlled logistics network based on the concepts of "connecting through Nichirei Logistics Group" and "connecting with customers." Leveraging the transportation network connecting Nichirei Logistics Group's facilities, we will build a system that enables products delivered to one facility to be delivered anywhere, including to facilities operated by other companies within the area.

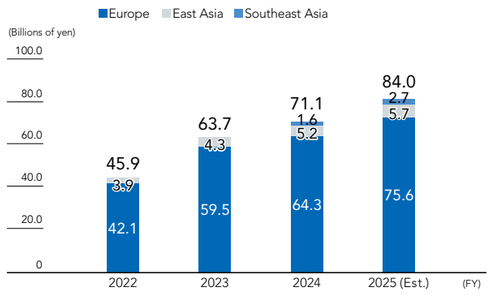
Progress of Overseas Business

Click here for "Overseas Strategy." ▸ Pages 26–29

We are proactively investing management resources in our overseas business with the aim of achieving growth in both sales and operating profit. In Europe, sales decreased on a local currency basis due to the impact of an inflation-related decline in consumption and a drop in ocean freight rates following the resolution of a container shortage. However, operating profit increased substantially due to the smooth operation of bases newly established or expanded in the past few years, the stabilization of electricity prices and the efficient use of our own vehicles. In FY2025, we will further strengthen the foundation of our core port business through the integration and reorganization of our companies in the Netherlands and the United Kingdom. We will deploy the comprehensive strength of our European business by unifying the companies under a single name to enhance branding, creating synergies and improving management efficiency.

In Asia, we made our equity-method affiliates in Thailand and Malaysia into consolidated subsidiaries[2] in 2023, and a new refrigerated warehouse began operations in Vietnam in July 2024. In ASEAN, an area poised for growth due to factors such as the increasing population and rising economic standards, we plan to leverage the knowledge and expertise in temperature-controlled logistics that we have cultivated in Japan.

Overseas Sales



Refrigerated Warehouse Companies' Share of Total Facility Capacity: Global Top Ten

Ranking	Company Name	Capacity (Thousands of tons)	Main Country of Business
1	Lineage	33,527	United States
2	Americold Logistics	16,891	United States
3	United States Cold Storage, Inc.	4,594	United States
4	NewCold Cooperatief U.A.	2,891	United States
5	**Nichirei Logistics Group Inc.**	**2,256**	**Japan**
6	Emergent Cold Latin America	1,778	Brazil
7	Constellation Cold Logistics Sarl	1,645	Belgium
8	Frialsa Frigorificos S.A. De C.V.	1,424	Mexico
9	Interstate Warehousing, Inc.	1,374	United States
10	FreezPak Logistics	1,306	United States

Source: Prepared based on the Global Top 25 List, April 2024 materials from the International Association of Refrigerated Warehouses

2. NL COLD CHAIN NETWORK (M) SDN BHD in Malaysia and SCG Nichirei Logistics Co., Ltd. in Thailand became consolidated subsidiaries in February 2023 and June 2023, respectively.

ROIC Initiatives

	FY2023 Result	FY2024 Result	FY2025 Plan
Simple ROIC	7.7%	7.2%	7.2%

We expect ROIC of 7.2% for FY2025. Given the nature of our business as an operator of refrigerated warehouses and similar facilities, this figure is not likely to fluctuate significantly. That said, increasing it is difficult, but we consider this ROIC very high for a temperature-controlled logistics company in FY2025. While the figure is important, we will maintain our focus on the balance with investments without giving undue concern to short-term fluctuations. In particular, because of the heavy depreciation burden incurred by newer refrigeration equipment, we consider it important to maintain an equipment portfolio that balances new equipment with fully depreciated equipment that has been in operation for 40 to 50 years.

Looking ahead, as construction costs and land prices in Japan continue to rise, we must carefully assess whether to invest in new construction and expansion of domestic facilities on our own or use the assets of other companies, depending on the nature of the business and the outlook for income and expenses. In expanding our business base, including *SULS*, our frozen food logistics platform, and *NL+LiNk*, we intend to proactively utilize the assets of other companies to generate profits.

Toward Our Vision for 2030

With a severe labor shortage forecast for Japan, we aim to raise our presence not only by enhancing the quality of our services in delivering sustainable temperature-controlled logistics, but also by stepping up efforts to establish a flexible wage structure and to conduct inner and outer branding. By doing so, we will be able to secure the human resources to support our logistics sites, as well as talent for overseas management, digital transformation and engineering, to become a company where diverse human resources can thrive and are satisfied with their jobs. In Europe, CSRD[3] will apply to Nichirei Logistics Group from FY2026, covering information disclosure in areas such as respect for human rights, responsible procurement and measures to address social issues, as well as strengthening system security and governance, so we will focus on enhancing our foundation for the next generation and realizing a sustainable society. We will also achieve the best mix of people and machinery, pioneer data-driven operations in the temperature-controlled logistics industry and create new business value as we make sustainable logistics a reality.

3. The Corporate Sustainability Reporting Directive, an EU directive on corporate sustainability reporting.

Marine, Meat and Poultry Products

Nichirei Fresh Inc.
https://www.nichireifresh.co.jp/en/

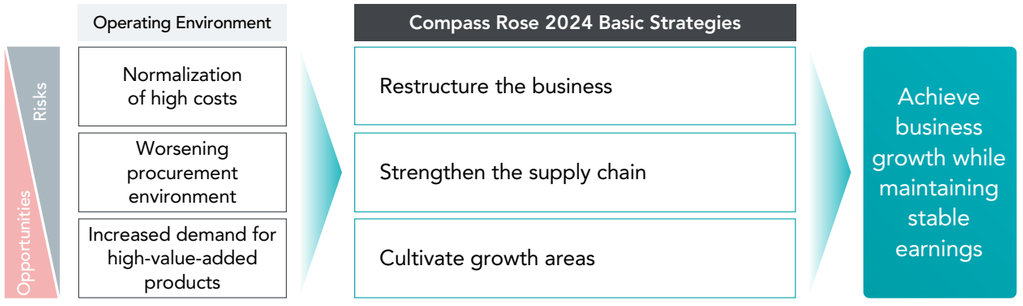
Wataru Tanabe
Director, Senior Executive Officer, Nichirei Corporation
Representative Director, President, Nichirei Fresh Inc.

Message from the President of Nichirei Fresh Inc.

Nichirei Fresh has consistently embodied its company slogan, "Linking Sea, Land and People," serving as an invaluable intermediary between producers worldwide and a constantly changing market, while continuing to grow alongside all of its stakeholders.

Dedicated to constantly tackling new possibilities to create value, we will continue to provide valuable products that lead to good eating habits, health, and sustainability as we head toward our next stage of growth.

Basic Strategies



Progress of Medium-term Business Plan Compass Rose 2024

In FY2024 (the fiscal year ended March 31, 2024), sales in both the marine products business and the meat and poultry products business decreased as forecast due to structural reforms that prioritized profitability. In terms of profits, we improved the operating margin through measures to improve earnings, mainly price adjustments to counter rising costs caused by high resource prices worldwide and the rapid depreciation of the yen. However, operating profit ultimately decreased.

Going forward, we will improve profitability and social value by accelerating our shift from products where adding value is difficult to "ingredients with future-oriented value," which contribute to the sustainability of the Earth and improved health value for consumers. In addition, we will focus on processed products tailored to consumer needs, with the aim of growing these materials into a profitable, value-added core business.

Specifically, in the marine products business, we will ramp up offerings of environmentally friendly products, including MSC- and ASC-certified products, which fall into the category of "ingredients with future-oriented value" mentioned earlier. We will also work to increase profit by shifting production to high-profit products at our processing plants and by increasing exports. In the meat and poultry products business, we will ensure stable profits by modifying or discontinuing low-profit products and shifting to processed products, as well as by making significant revisions to our existing sales and product strategies and implementing structural reforms linked to strategies for competitive advantage and growth.

Progress of Overseas Business

Click here for "Overseas Strategy." ▸ Pages 26–29

As a core strategy for our sustainable business growth and to contribute to the further spread of Japanese food globally, we will expand sales of marine, meat and poultry products overseas, rooted in our ambition to share the inherent deliciousness and healthiness of our ingredients with people around the world.

Our factory in Vietnam, Trans Pacific Seafood Co., Ltd., and major OEM partners have largely stabilized production, and we are promoting sales in North America, our highest priority market. We will continue making inroads into the market by selling shrimp, scallops, and processed meat and poultry products, mainly through Japanese food wholesalers.

In Greater China, despite the substantial risk of an embargo on seafood from Japan, we have been able to maintain a notable level of profit. However, considering geopolitical risks going forward, we aim to focus on a business model centered on local production for local consumption to secure stable profits in the country. We will also work together with other Group companies to develop sales channels and establish new sales schemes.

ROIC Initiatives

	Marine Products			Meat and Poultry Products		
	FY2023 Result	FY2024 Result	FY2025 Plan	FY2023 Result	FY2024 Result	FY2025 Plan
Simple ROIC	3.5%	2.9%	7.5%	13.8%	12.4%	16.8%

We have been focusing on ROIC-conscious business operations, and have had some success in improving capital efficiency, particularly in the marine products business. We are working to improve capital efficiency across all product categories. Measures include reviewing procurement methods, implementing selection and concentration in sales by modifying or discontinuing low-profit products, and reducing inventory.

To increase profitability, we are revising our product portfolio through measures such as withdrawing from low-profit product categories and expanding sales of processed products, and intend to increase our focus on highly profitable overseas markets. We will also continue to reexamine competitive business formats, and priority customers, among other topics.

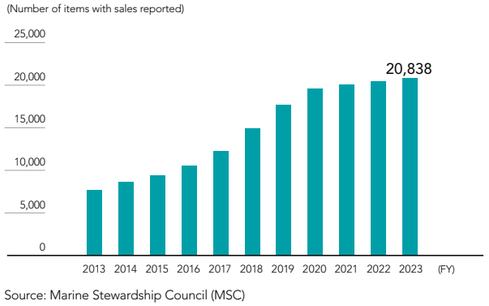
We have increased awareness of ROIC within the company by regularly holding study sessions led by a management department. As a key performance indicator, ROIC will continue to be central to our initiatives.

Toward Our Vision for 2030

We aim to make ingredients with future-oriented value a pillar of our earnings going forward. Now that safety, reliability, deliciousness, and other forms of value traditionally expected from ingredients are taken for granted, we believe that addressing changing social issues is now what defines the value of an ingredients business, and the wellspring of its growth. In marine products, we will work to expand sales of shrimp products procured from the *Inochi-no-Mori-Project* and the *Inochi-no-Umi-Project*, two of our in-house initiatives. In meat and poultry products, we aim to increase sales by expanding sales channels for our *Amani-no-Megumi* series and other products, as well as by proactively developing processed products.

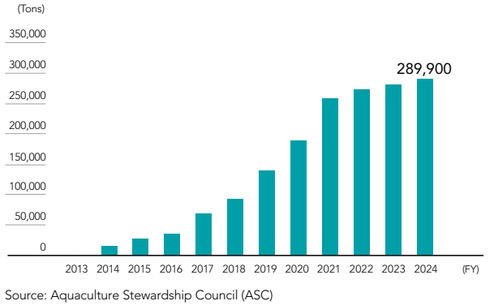
As another pillar of business growth, overseas sales expansion will mainly be driven by marine products, which face low barriers to trade, such as regulations and tariffs, making them easier to market across borders. We will lead the Nichirei Group in increasing the overseas sales ratio as we continue to create business and develop new customers outside Japan.

Number of MSC-labeled Products for Consumers Distributed Worldwide



Source: Marine Stewardship Council (MSC)

ASC Marine Products Sold Worldwide by Weight



Source: Aquaculture Stewardship Council (ASC)

Bioscience

Nichirei Biosciences Inc.
https://nichireibiosciences.com/

Hideo Yokoi
Senior Executive Officer, Nichirei Corporation
Representative Director, President, Nichirei Biosciences Inc.

Message from the President of Nichirei Biosciences Inc.

Market expansion and technological innovation are ongoing in Nichirei Biosciences' business fields due to the increasing number of cancer patients worldwide and advances in genetic technology. We see this trend as an opportunity to strengthen the competitiveness of our proprietary technologies. By honing the know-how and technologies generated at the Global Innovation Center, which is our R&D and production base, and at Pathcom Systems Corporation (Pathcom), our medical device manufacturing and sales subsidiary in the United States, we will create new value and provide high-quality products and services. Through these efforts, we will promote growth in the life science and healthcare fields in Japan and overseas.

We will continue to use the power of biotechnology to provide new value to people, and to support their health.

Basic Strategies

Operating Environment	Compass Rose 2024 Basic Strategies	
Expansion of the pathology testing market overseas	Expand sales of bulk reagent products for overseas markets	Growth through selection and concentration
Spread of new diagnostic technologies	Expand sales (rollout) of genetic testing products using the *Idylla* platform	
Increasing demand in the infectious disease market	Establish a stable supply system for immunochromatographic assay products	

Progress of Medium-term Business Plan Compass Rose 2024

In FY2024 (the fiscal year ended March 31, 2024), sales and operating profit increased compared with the previous fiscal year in our three main businesses: molecular diagnostics, rapid chromatographic immunoassay, and biopharmaceutical raw materials.

In the molecular diagnostic business, overseas sales of bulk detection reagents grew. For the *Idylla* genetic testing platform, we have obtained manufacturing and marketing approval for two in vitro diagnostics to be used as companion diagnostics* for molecular targeted drugs in colorectal cancer treatment. We remain focused on developing immunohistochemical staining and genetic testing devices and device-specific reagents to expand our share in the pathology testing market.

In the rapid chromatographic immunoassay business, our stable supply of simultaneous antigen test kits during the outbreaks of COVID-19 and influenza in FY2024 contributed to increased sales and operating profit. We will continue adapting to changing conditions in the infectious disease market, where demand fluctuates significantly. In addition, we see the change in status of the over-the-counter (OTC) market for antigen test kits as a new opportunity, and will proceed with regulatory approval and enhancement of sales routes.

In the biopharmaceutical raw materials business, sales of serum for industrial applications in vaccine production increased. We are also working to adjust serum in stock to a more appropriate level to reduce inventory. In FY2025, we will continue working to further improve capital efficiency.

* Diagnostic agents used for testing to determine whether patients are suitable candidates for specific drugs, enhancing the efficacy and safety of those drugs

Progress of Overseas Business

Click here for "Overseas Strategy." ▸ Pages 26–29

In the molecular diagnostic business, demand is growing outside Japan for bulk detection reagents that use our core technologies. Our supply system was insufficient to meet this demand in FY2023. By improving our manufacturing process technologies, we achieved a stable supply, which substantially increased sales in FY2024. Going forward, we will continue to cultivate new customers based on our stable supply system. In addition, we will work with our U.S. subsidiary Pathcom to establish a business model that integrates automated immunostaining devices with device-specific reagents. By expanding this business overseas, we aim to achieve further growth.

ROIC Initiatives

	FY2023 Result	FY2024 Result	FY2025 Plan
Simple ROIC	8.9%	12.5%	9.2%

We hold study sessions for employees, breaking down the elements of ROIC into indicators that are easily understood in the workplace, in order to inform and guide employees to make actions.

In the molecular diagnostic business, we are reducing inventory by optimizing production volume while maintaining a balance between stable supply and inventory reduction.

In the rapid chromatographic immunoassay business, we responded to rapidly fluctuating demand in the infectious disease market by establishing a system capable of rapidly supplying the required quantities during peak infection periods.

In the biopharmaceutical raw materials business, which imports products, we are working to reduce inventory and then capital used by managing purchasing volume accurately in line with demand.

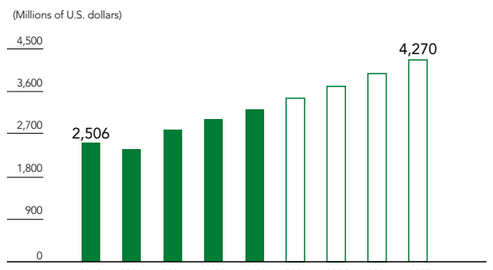
These initiatives are contributing to improvement in ROIC.

Toward Our Vision for 2030

In the molecular diagnostic business, which we have designated as a growth area, diagnostic and treatment methods are expected to further diversify as the number of cancer patients increases worldwide. In immunohistochemical staining, we will work to expand sales of device-specific reagents through sales of automated immunostaining devices. Moreover, we will take a multifaceted approach to the pathology testing market by developing products in new areas outside our existing lineup to further grow our business.

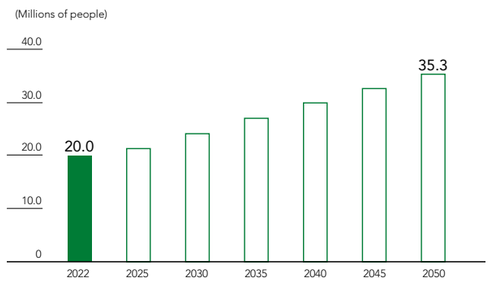
The bioscience business features a higher gross profit margin than other Nichirei Group businesses. We will continue transitioning to a business model with competitive advantages, strengthening profitability to achieve steady growth and both social and economic value.

Global Immunohistochemical Staining Market, Historical and Forecasts



Source: Prepared by Nichirei Biosciences based on *Tissue Diagnostics Market - Global Forecast to 2027*, MarketsandMarkets Research Private Ltd.

Number of New Cancer Patients Worldwide, Historical and Forecasts



Source: *Cancer Tomorrow*, International Agency for Research on Cancer (https://gco.iarc.who.int/tomorrow) Data version: Globocan 2022 (version 1.1)

Intangible Assets

Human Resources Strategy

Overview of Human Resources Strategy

Because it is people who will carry out our management strategy, we believe that our human resources are the source of our growth as a company. We have established a Group Human Resources Policy that covers our aims and organization for the human resources issues we must address to achieve the Nichirei Group's long-term management goals toward 2030 and our targets for material matters (materiality). To address these issues, we have defined a five-perspective human resources strategy and set eight themes to steadily advance this strategy. We will continue working to ensure that each of our personnel measures is designed and implemented to increase corporate value.

Achieving Our Long-term Management Goals toward 2030

Group Human Resources Policy (The Kind of Human Resources We Need and the Organization That We Aim to Be)

- Encourage empathy; use business to resolve social issues
- Generate value by linking knowledge and digital technologies
- Cultivate a safe, secure corporate culture to tackle challenges

Human Resources Strategy (Five Perspectives to Help Bridge the Gap between the Ideal Situation and Now)

DE&I
- Accept individual ways of thinking, as well as strengths and weaknesses in terms of knowledge, experience and work styles
- Create an environment and a culture that place importance on providing fair opportunities so that each individual can play an active role

Creation of new value
- Understand our purpose, and continually challenge ourselves to solve customer and social issues

Personalized learning opportunities
- Encourage personal growth, instill a sense of continuous learning, and carry out reskilling
- Provide not only standard learning opportunities, but also learning opportunities tailored to the individual

Work satisfaction
- Partner with employees to create a workplace environment where they can take pride in their jobs and workplaces and feel a sense of motivation based on mutual trust (improve engagement)

Health management
- Maintain the physical and mental health of employees, and create a stimulating workplace environment where they can communicate openly and safely

Eight Themes

Realizing Our Vision		Support for Work Satisfaction and Active Participation	
Develop human resources to support overseas business promotion	Obtain new perspectives from inside and outside the Group	Strengthen the relationship of mutual trust between the company and employees	Provide opportunities to women employees and realize their active engagement

Health Management	Creating a Workplace Environment in Which Employees Can Thrive and Grow		
Improve employee performance by maintaining and improving health	Educational practices related to digital and sustainability	Provide independent learning opportunities and practice	Compliance with laws and regulations and maintenance of a safe and secure working environment

Realizing Our Vision

Building A Management Team with Diverse Experience and Skills

Securing and Developing Management Personnel

In order to ramp up sustainability management and achieve ongoing growth in corporate value, it is essential for the Nichirei Group to develop management personnel who can set its management targets and make decisions to promptly address changes in the operating environment. The entire Group is therefore working over the long term to systematically augment the ranks and develop its next generation of management candidates.

We identified the prerequisites for the required talent pool in FY2024, and based on these prerequisites, we are conducting a variety of initiatives, such as promoting acquisition of the knowledge necessary for management through training and independent learning, developing the mindset of a manager through interviews with superiors, and transferring employees to other businesses or overseas to gain work experience that will complement experience in a single business over many years.

Securing and Developing Human Resources for Our Overseas Operations

An issue for accelerating business growth overseas is securing and developing the human resources who can promote and manage those businesses. We therefore began by identifying the traits required of human resources who can actively contribute overseas, such as English conversation ability, interest in and understanding of different cultures, and a spirit of challenge and initiative capable of overcoming adversity. We are systematically transferring and dispatching employees to positions overseas and elsewhere, based on their individual career goals as they align with the required traits. Meanwhile, we are also conducting training to develop human resources, mainly at Nichirei Corporation, with a rollout to some Group operating companies. Specifically, we offer language training tailored to different proficiency levels (by selection or open application) to improve basic English conversation, on-site training to give first-hand experience with overseas business, and dispatch to overseas universities to take MBA courses. From FY2025, we also began training in cross-cultural understanding to equip employees with the skills necessary for intercultural collaboration.

Nichirei Corporation is also recruiting foreign students studying in Japan who will graduate from university in FY2026. The Company is holding various events with the aim of hiring three new employees capable of working overseas in the future.

Company information event for international students studying in Japan

Selection	MBA (dispatch to overseas universities)	Deepen understanding of management essentials, using English as needed, to acquire practical skills for working in a global business environment.
	Overseas on-site training	Gain firsthand experience with overseas operations for a deep understanding and real sense of the skills required through direct interaction with international business and employees dispatched from Japan.
	Cross-cultural mindset	Cultivate a mindset for cross-cultural understanding that enables appropriate action in an environment of diversity, and acquire collaborative skills through practical activities in an intercultural setting.
	Language training	Build necessary English proficiency for advancing our overseas operations, progressing to a business level at a pace suitable to each individual.
Open Application	Language learning support	Raise the overall Group level of English proficiency by providing online English conversation lessons and other learning opportunities, partly at the Company's expense, for employees who want to improve their English.

Intangible Assets **Human Resources Strategy**

Support for Work Satisfaction and Active Participation

By bringing together the strengths of diverse individuals, we aim to help resolve social issues and increase corporate value.

Emi Kataoka
Executive Officer, General Manager of Diversity Promotion Division
Nichirei Corporation

For the Nichirei Group to continue growing, it must have a meaningful presence in society. That is why we must generate ongoing reform and innovation by respecting and incorporating diverse approaches, abilities and ideas. Promoting diversity, equity and inclusion (DE&I), which is one aspect of our human resources strategy, is crucial in this regard. Group companies previously conducted their own DE&I initiatives, but to promote such initiatives more vigorously throughout the Group, Nichirei Corporation established a new division, Diversity Promotion, in April 2024. By maximizing the diverse strengths of each employee and transforming them into organizational power, we hope to help resolve social issues and increase corporate value.

Becoming a Company Where Diverse Individuals Celebrate Each Other's Unique Efforts

DE&I initiatives generally tend to be considered as focusing on women. Although the Company is targeting a ratio of 30% for women employees in management positions, our ultimate objective in promoting DE&I is to enable a diverse range of people to participate in decision-making and create new value, regardless of their personal attributes. To achieve this objective, we begin by fostering a culture of mutual recognition through dialogue, nurturing individual employees' capabilities so they can develop their own careers, and creating a framework for recognizing and rewarding efforts that contribute to increasing corporate value. These efforts underpin our aim for greater participation by women in decision-making. Management capabilities are key for the effective functioning of this framework, so we will provide education to management as the starting point for further promotion of DE&I.

Improving Employee Engagement by Fostering Organizational Culture

The Nichirei Group has made employee engagement[1] a key non-financial indicator, and checks engagement levels through surveys at the 15 main Group companies. The analysis of the engagement survey results is presented on page 43. We acknowledge that differences in results between men and women in terms of career paths and the way work is assigned to them clearly indicate a DE&I issue that needs our attention.

Based on the results of the survey analysis, we will work to improve our organizational culture by addressing issues and promoting DE&I at each operating company. We believe that the steady implementation of these employee engagement initiatives will lead to higher productivity and, in turn, greater corporate value.

1. Employee engagement: A measure of an employee's commitment to their organization, characterized by high motivation, a willingness to contribute to organizational goals, and a strong sense of belonging or loyalty, sustained by a supportive work environment that fosters productivity, motivation, and overall well-being, creating a positive impact on both personal and organizational success. (Based on a definition by Willis Towers Watson Public Company (WTW))

Initiatives to Promote DE&I

Advancement of Women Employees	• Group project to promote the advancement of women employees, led by members active at the front lines of each operating company • Initiatives to resolve issues at each operating company (training and networking meetings, etc. for women managers)
LGBTQ	• Establishment of a consultation center staffed by experts to ensure psychological safety for LGBTQ people • Training for executives and basic training for personnel staff to prepare for in-house consultations
Active Participation by Seniors	• Assigning responsibilities after reemployment according to individual skills and experience, utilizing know-how cultivated in each workplace
Employment of People with Disabilities	• At special Group subsidiary Nichirei Aura Inc., 35 staff members with disabilities are engaged in a wide range of duties including office cleaning at the Head Office, and at the food factories and distribution centers of operating companies.

FY2031 Targets
(Nichirei Corporation)

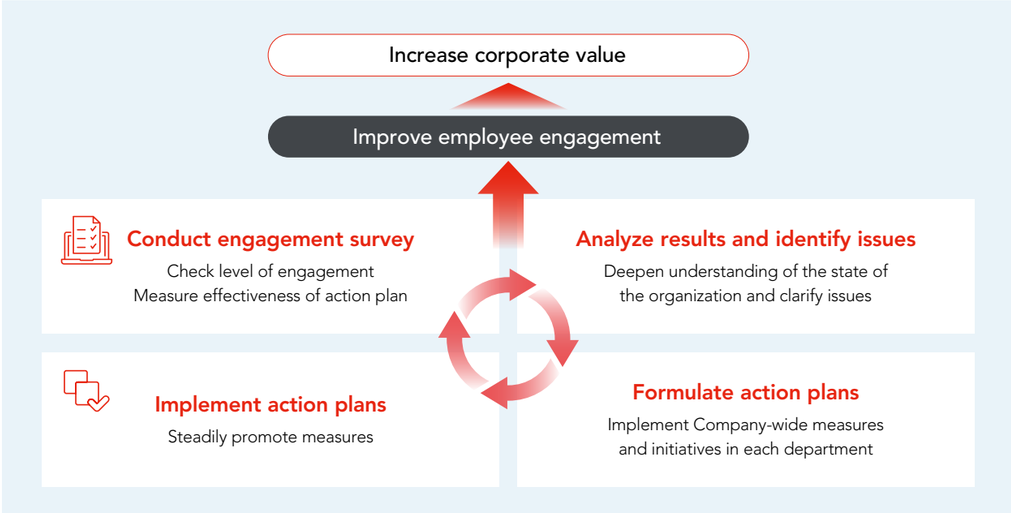
Ratio of women directors/ Audit & Supervisory Board Members
30% or higher

Ratio of women in management positions
30%

Initiatives Centered on Employee Engagement

For the Nichirei Group to achieve sustainable growth, it is essential to foster mutual trust between each operating company and its employees, so that the company's mission and vision resonate with its diverse talent, who in turn will be motivated to contribute to their company and their jobs. As a result, the Company can continue to maximize its performance as an organization. The Company has therefore positioned improving employee engagement as a key management issue for helping to increase corporate value, and is focusing on maintaining a consistent, survey-based cycle.

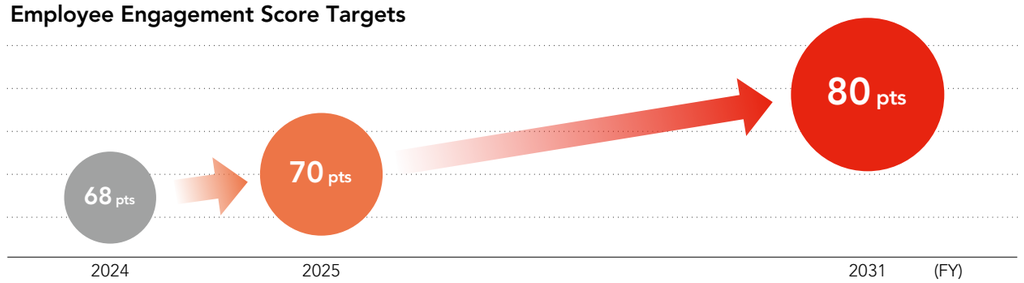
Cycle for Improving Employee Engagement



The overall employee engagement score for FY2024 was 68 points. The survey results confirmed support for sustainability management and a high level of awareness of compliance and honest corporate activities. However, they also revealed issues with establishing a smooth operational support system and in communication between management and employees. In addition, gender differences were observed in talent management[2] and performance management,[3] and we will work to correct them.

Improving employee engagement requires not only commitment and leadership from management, but also the active involvement of each employee, seeing it as personally relevant. Group companies and their employees are therefore working to address these issues together.

Employee Engagement Score Targets



2. Talent management: A series of activities, including recruitment, development and dispatch, through which a company secures and cultivates the human resources necessary for its business
3. Performance management: A series of activities focused on maximizing individual work performance while supporting career development

Health Management

The Nichirei Group Health Declaration

"Creating Savory Moments." With that core value deep in our hearts, every single person who works at the Nichirei Group will strive for good health maintenance.

Since FY2016, the Nichirei Group has set the maintenance and improvement of employee health as a management issue, and has been promoting initiatives based on the concept that the health and well-being of employees is fundamental to increasing their work satisfaction. In April 2024, a department specializing in this area was reorganized as the Well-being Management Promotion Office, and it is working to improve employee well-being by conducting measures for comfortable, satisfying work. in addition to occupational health and safety and health management.

A public health nurse lectures at a health-related event (held at a small workplace with full attendance)

Improving Employee Performance by Maintaining and Improving Health

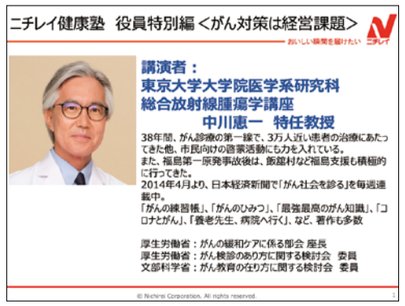
As a company that supports good eating habits and health, we want our employees to always work with enthusiasm and in good physical and mental health, regardless of their age or gender. Our initiatives to reduce absenteeism and presenteeism include thorough follow-up after health checkups, including cancer screenings, as well as mental health education and measures to improve health literacy. In recognition of these efforts, Nichirei was chosen for inclusion in the Health and Productivity Stock Selection in FY2021, FY2022 and FY2024. We have also been recognized under the Certified Health and Productivity Management Organization Recognition Program in the large enterprise category for each of the eight years since the program was established.

	FY2024 Results	FY2025 Targets	FY2031 Targets
Absenteeism[1]	3.4 days	2.6 days	1.0 days
Presenteeism[2]	79%	85%	90%

1. Lost workdays due to poor physical or mental health (average for Japanese companies announced by the Ministry of Economy, Trade and Industry is 2.6 days)
2. Actual performance level, compared with normal performance level set at 100% (average for the University of Tokyo Working Group's Single-Item Presenteeism Question (SPQ) is 85%)

Health-related Events to Create a Workplace and Organizational Culture Where Diverse Human Resources Can Work with Enthusiasm

To energize the organization by improving employees' physical and mental health and productivity through greater health literacy, we hold health-related events and seminars on topics that address the health issues employees face, such as preventing lifestyle-related diseases, women's health, sleep, muscle weakness and meals for late-night work. We also believe that management must take the initiative in creating a workplace and organizational culture where diverse human resources can work with enthusiasm. In February 2024, we invited Dr. Keiichi Nakagawa, an oncologist and project professor at the University of Tokyo, to give a lecture for our management entitled "Dealing with Cancer Is a Management Issue." Approximately 130 people, including the president, management staff and employees, attended. To support good eating habits and health, communication is important with suppliers, local communities and other stakeholders as well as Group employees. As part of our health support for suppliers, we held a seminar on health management for six of our business partners in FY2024, raising interest among participating companies. Through these initiatives, we aim to contribute to the overall health of society, help to realize a sustainable society and increase our corporate value.



Introduction slide of the presentation by Dr. Nakagawa

Creating an Environment in Which Employees Can Thrive and Grow

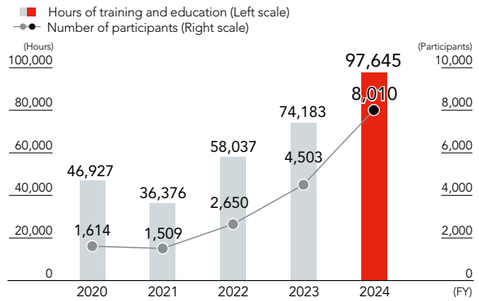
Providing Opportunities for Learning and Practice

We provide a variety of opportunities for learning so that employees can acquire the skills necessary to respond to the coming era and implement our management strategies. In addition, training attendance records and data on each individual's qualifications and foreign language abilities are collected in a talent management system. In this way, we have established a framework for implementing personnel measures according to the circumstances of our employees, such as conducting language training in tandem with the expansion of overseas business.

We develop specific training plans for the Group and for each operating company according to the characteristics of its business. For Company-wide training, we set a Group education and training policy every year and provide e-learning on a wide range of content such as governance, including compliance and protection of personal information, as well as on legal affairs and quality assurance. We are also implementing more in-depth training, such as DX training (see page 50) and position-based sustainability training, which we launched in FY2023.

At our operating companies, we provide annual training and separate programs for newly appointed managers, as well as offerings tailored to each company's area of specialization, such as overseas on-site sessions for production staff.

Hours of Training and Education, and Number of Participants



Flexible System Design

We design flexible personnel systems to create an environment where each individual can demonstrate their abilities and thrive. Creating a comfortable workplace and further improving the skills of diverse individuals will increase our corporate value.

For example, our childcare leave system was already in place before the October 2022 revision of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members, and exceeded its statutory requirements. After the revision, we enhanced our system to provide more options, including the ability to divide childcare leave into installments until the child is one year old.

In FY2024, we introduced a new Company-wide in-house side job system. Our aim is to generate new value through the exchange of knowledge and human resources within the Company, and to help employees improve their skills and develop their careers.

Comment

Yuto Nagi

Accounting Services for Processed Foods Business, Accounting & Tax, Nichirei Corporation
Joined the Company in 2021

Company-wide In-house Side Job System

I have always been interested in HR work, so when there was an opening on new university graduate recruiting for a side job, I gave it a try. Now that my time in the job has ended, in retrospect I think I was generally able to improve two skills. The first was communication skills. In my main job, accounting, most of my interactions are within the Company, but recruiting required me to communicate with students, and it gave me time to think about how to get my point across to people whose underlying knowledge and thoughts are different. The second was planning. In balancing my main job and side job, I became able to make clear in advance what I had to do and by when, and came up with ways to get started on tasks that could be brought forward. In my career going forward, I would like to use the skills I have strengthened and the wider network of contacts I have gained through my side job to broaden the scope of my work.

Employee Interviews

INTERVIEW 01

Working Overseas

Differences in values and wide-ranging work experiences broaden the world.

Nichirei Foods

Risako Yoshida
Nichirei Sacramento Foods Corporation

When I was working at a food production plant in Japan, I learned about differences in values by communicating with foreign co-workers, and I wanted to broaden my way of thinking through contact with various cultures, so I applied to work overseas. Now, I am at Nichirei Sacramento Foods, a food production plant in the United States, mainly in production planning, but also involved in accounting, quality assurance and other areas.

The respective characteristics of the two countries that I have noticed since coming here are how precise the production management system is in Japan, compared with the positive approach and motivation once people get started here in Sacramento. I feel that my role is to lead the plant in a positive direction by combining the best of both locations. What I find rewarding now is my sense that despite the differences in approach, making improvements little by little has improved productivity and reduced problems. In addition, my ability to get involved in a wide range of areas soon after joining the company was only possible because I was stationed at a rapidly growing overseas base, and I think that will be an asset in my life in the future.

In picturing my career going forward, I would like to go back to Japan to spend some time gaining specialized knowledge and then be posted overseas again to put it to good use.

INTERVIEW 02

Advancement of Women Employees

Support from others helped me get where I am, so I hope to encourage the next generation.

I am not exactly the type to put myself forward, but after being asked several times whether I would like to give it a try, I am now serving as a manager of my second base. My current workplace is a storage-type distribution center, which is different from the management department where I spent 15 years, so in my new position of leadership, I must navigate the daily challenges of many first-time experiences. Through it all, I feel the support of others. There are many people here who are well-versed in logistics in general, and they have been my mentors, kindly teaching me what they know about our work as well as more casual topics.

Through all this, I feel that one part of my role as a manager is to pass along the opinions of employees on the front lines. The front lines at a distribution center consist not just of administrative staff, but also people working in the warehouse and others involved in various tasks. During on-site discussions, new and innovative ideas have arisen from various perspectives. Thanks to the people around me who ordinarily speak up, we can have a lively exchange of opinions in discussions, and I feel that speaking up has made for a better workplace. Since I have received so much support from my colleagues, I would like to encourage others, including women who want to become managers.

Nichirei Logistics Group

Yasuyo Shiga
Manager, Komaki DC
Nichirei Logistics Tokai, Inc.

INTERVIEW 03

Paternity Leave

Childcare has given me a new perspective that enriches both my work and private life.

Nichirei Fresh Inc.

Kazuki Matsubara
Manager, Meat and Poultry Products Division, Procurement and Production Headquarters
Nichirei Fresh

I took childcare leave in two installments for my first child and one for my second. Many of my acquaintances have taken childcare leave, so it was a natural choice when we found out we were having a baby. Honestly, now that I have actually been through it, it was much harder than I had imagined, but childcare is a major long-term undertaking for a family, and I feel that I gained a lot by taking personal responsibility and becoming able to discuss the joys and worries with my wife from the same perspective.

Meanwhile, to deal with my absence from work, because of the nature of my job as a researcher I do much of the work on my own. For that reason, I made an effort to consult with my colleagues at an early stage, share information on projects widely, and complete as much as possible before taking leave. I feel that being the first man to take childcare leave has contributed in no small way to the increase in the number of men in the company who do the same, and I am grateful to everyone who supported me.

Now that I have two children, the places I go on weekends have changed, and my circle of acquaintances at the daycare center and elsewhere has grown. Raising children has given me a different perspective, and by overcoming the daily challenges of childcare, which does not always go as planned, I think I have become more adaptable both at home and at work. I want to continue broadening my horizons and apply them to both my work and private life, so that it leads to my personal growth.

INTERVIEW 04

Opportunities for Seniors

I will establish links to the next generation while continuing my work.

Nichirei Biosciences Inc.

Hirohisa Matsushita
General Manager, Quality Assurance
Nichirei Biosciences

I joined the company as a research and development employee, and later when the research institute was divided into foods and medical products, I was assigned to the medical products department. There I developed and commercialized an antigen test kit for new strains of influenza from scratch. Next, I was transferred to the Head Office and assigned to Quality Assurance, where I am today. For the past 10 years, I have been participating in diagnostic industry organizations, the first in the company to do so, and I have been a leader in some of their activities. For example, to help resolve issues with companion diagnostics, I participate in discussions on how the diagnostics should be used so there is no confusion in a medical setting. Through these discussions, I became involved in issuing notifications. Regarding regulation of clinical trials, I conduct discussions with government agencies, pharmaceutical associations, medical institutions and others, with the aim of achieving sound development of the industry and a better medical environment for patients.

I became eligible for retirement two years ago, but my role has not changed. During that time, I have become more aware of training my successor. I feel that my ability to establish a foundation for Nichirei Biosciences' activities in industry organizations will be a link to the next generation. I would like junior employees to broaden their network in the industry to get a sense of its current direction, and use this as an opportunity to think about what the company should be, as well as a chance for self-improvement.

Intangible Assets

Intellectual Capital

Technology, Know-how, and Intellectual Property Management

To carry out its Mission to "Focus on Lifestyles, and Provide True Satisfaction," the Nichirei Group leverages its strengths—its capabilities as a food pioneer, its capabilities in food processing, production technology and temperature-controlled logistics services, and its comprehensive Group capabilities—in businesses that take advantage of these characteristics. We view intellectual property as an asset for growth that adds value to these business activities and helps to increase our corporate value. In addition to developing technologies that give us a competitive advantage, we conduct intellectual property management that includes the acquisition, utilization and protection of patents, trademarks and other rights that are linked to our business activities.

Nichirei Foods

Technology Development

We deliver delicious products to the world through mutual collaboration and repeated trial and error in research and development, product development, and equipment development.

R&D	The research department conducts research from a medium- to long-term perspective, exploring technologies not yet available in the market and applying cutting-edge technologies to food products. Through these and other efforts, the department creates unique technologies that will form the core of Nichirei Foods as it moves forward. We actively collaborate in-house, and with external research institutes, among others.
Analysis	We bring to light the unique qualities of our products and those under development by using sensory evaluation, which evaluates food quality and palatability through human perception, as well as physical and chemical analysis, which identifies ingredients and physical properties using analytical instruments. The direction of development is then set to achieve the targeted quality.
Product Development	Deploying the power of the technologies we have accumulated through research, analysis, and equipment development, we turn concepts from the our planning departments into products. Our organization for developing innovative technologies is structured around the Nichirei Group Technology Development Center, together with highly responsive development departments at each production facility. The ability to maintain consistently good flavor—to reproduce deliciousness— is our greatest strength in developing products that also meet market needs for ease of preparation, long-term storage, and health functions. Our process scales up from handmade prototypes to medium-sized test lines and finally to production lines, enabling us to consistently reproduce the targeted quality in our factories.
Equipment Development	To achieve the deliciousness it aims for, Nichirei Foods develops its own equipment for use in its production lines. Specifically, based on original new manufacturing methods from our product development departments, we create concepts and conduct repeated experimental verification to turn them into production models, then design and introduce the equipment. Safety is also a key consideration, including inspection and prevention of foreign matter contamination, and we incorporate cutting-edge technologies such as AI in our development process.

Intellectual Property Management

The Nichirei Group acquires, utilizes and protects patents, trademarks and other rights linked to its business activities. Specifically, we strive to ensure customer safety and security and protect our brand value through measures including acquiring patents to protect our proprietary technologies and build market entry barriers, as well as by obtaining trademark rights for product names and package designs in Japan and overseas and taking rigorous actions against imitations and unauthorized use of our brands. In addition, to instill an understanding of the importance of intellectual property, we also provide intellectual property education within the Company, including e-learning for all employees and information sharing via our portal site.

Case Study

Development of Frozen *Hiyashi-Chuka*

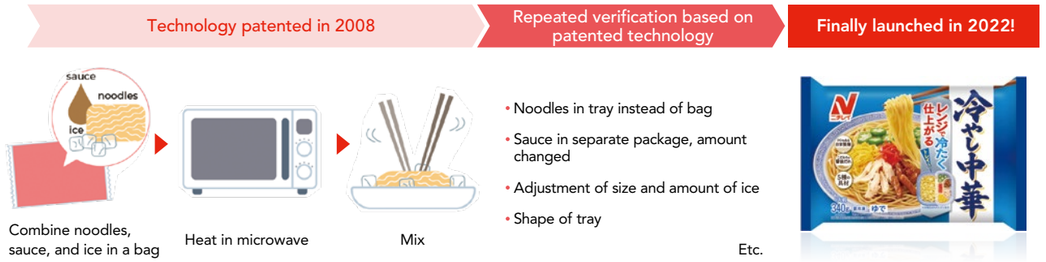
Leveraging Technological and Product Development Capabilities Built Over Many Years

Hisashi Okumura
Group Leader, Product Development Management Group
Product Development Department
Food Research Institute
Nichirei Foods Inc.

Before we developed this product, *hiyashi-chuka* (chilled Chinese noodles) was available in the refrigerated food section of stores but not in the frozen food section. We thought we could provide new value if *hiyashi-chuka* could be kept in the freezer and prepared simply by microwaving. However, there was no such thing as frozen *hiyashi-chuka*—no other company had yet launched such a product. The appeal of frozen foods is their ease of preparation in a microwave. If the time and trouble of chilling the noodles in water had to be added to the preparation process, there would be no point in selling the product as frozen food. The clue to balancing convenience with chilling was in a technology we patented about 15 years ago.

In 2008, Nichirei Foods obtained a patent for a technology in which noodles, sauce and ice are combined in a bag, heated in a microwave, and then mixed together. Ice is resistant to microwaves, so it does not melt easily when heated in a microwave oven. Therefore, when noodles and ice are microwaved together, only the noodles heat up, and the remaining ice cools them down afterward. However, the noodles would end up soaking in the sauce for an extended period in the bag, compromising both appearance and texture by the time the product reached the customer, so the product was not commercialized at that time. This time, development centered on two points: putting the noodles on a tray instead of in a bag, and putting the sauce in its own package to keep it separate. The initial trial did not result in improved appearance or texture, and we worried that we would never be able to commercialize the product. We repeatedly revised and tested every element, such as the size and amount of ice, the shape of the tray and the amount of sauce, and gradually worked our way toward a delicious product. For example, we intentionally adjusted the size of the ice so that some would remain frozen after microwaving, and then melt during the process of mixing the sauce with the noodles. For the sauce, we developed a formulation that resisted freezing just enough to make it easy to pour directly from the package.

In this way, Nichirei Foods was able to perfect a new method for preparing chilled food in a microwave oven, a first in the market, leveraging the technological and product development know-how it has accumulated over many years. We will continue to deploy our technological capabilities and the development know-how we have cultivated to create products that contribute to good eating habits.



Note: The package shown in photo was launched in 2024.

Intangible Assets DX Strategy

Overview of DX Strategy

For details, see the Nichirei Group DX strategy section of our website.
https://www.nichirei.co.jp/english/dx

The Nichirei Group has positioned various activities for business transformation using data and technology as DX, which stands for "digital transformation." We have established Value Creation DX, Production/Logistics DX, Sustainability DX, Human Resources DX, and Management Base DX, all linked to the Group's five material matters (materiality). Through DX activities in each of these areas, we will create new value and realize the Nichirei Group's vision.

DX Strategy

Each employee should have a command of data technology
to continue providing new value for the Earth and its people.

TOPICS Selection for DX Stocks 2024

For details, please see "About Our Selection for DX Stocks 2024" on our website.
https://www.nichirei.co.jp/news/2024/457.html (Japanese only)

Nichirei Corporation was selected for DX Stocks 2024 in recognition of its initiatives to change its existing business model, enhancing it through the use of digital technology. We will continue to fully leverage digital technology for corporate growth and new value creation.

DX銘柄2024
Digital Transformation

Training Level and Hours of Study over Three Years

Training Level	FY2023 Result	FY2024 Result	FY2025 Plan	Three-year Total
DX Gold	—	—	100 people **(2,000 hours)**	100 people **(2,000 hours)**
DX Silver	About 50 people **(800 hours)**	About 550 people **(9,300 hours)**	350 people **(5,800 hours)**	950 people **(15,900 hours)**
DX Bronze	About 1,200 people **(11,000 hours)**	About 2,600 people **(25,000 hours)**	200 people **(1,900 hours)**	4,000 people **(37,900 hours)**

- For the Gold level, we revised the implementation schedule to provide training in line with the selection of human resources who will lead DX (Digital Leaders).
- For the Silver level, some employees proactively completed training ahead of schedule in FY2024.
- For the Bronze level, all employees targeted in FY2024 completed training, bringing the number of employees who have completed the Bronze level to more than 3,800.

Identifying an Issue through DX Training and Initiating Operational Improvements

Yasuaki Mizuno
Manager,
Future Logistics ∞ IT Team,
Integrated Operations
Management Division
Nichirei Logistics Group Inc.

DX Silver training led me to focus on the Nichirei Group's unique data analysis-based human resources development program, addressing the practical issue of visualizing the time, number of cases, lead time and other factors required for all the stages from ordering to inspection work at each center. In streamlining duties to deal with the labor shortage and improve profitability, I deemed it imperative to start by visualizing the work to determine where the issues lie and what the best course of action is.

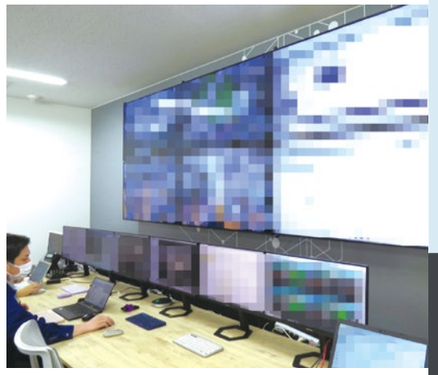
Feeling a sense of accomplishment from the results of the training program and recognizing the need to put what I had learned into practice, I proceeded with system development of a dashboard.* Launched in April 2024, this dashboard is now available to approximately 2,000 people with core system accounts, enabling them to use it for data analysis. This analysis has revealed bottlenecks at one center, such as the frequency of manual entries and same-day input tasks in registering incoming and outgoing goods. The Integrated Operations Management Division will continue to promote the use of the dashboard for analysis as it works to establish and support environments that enable logistics facilities to identify bottlenecks and make precise operational improvements.

* Dashboard: A screen created using a business intelligence tool that visually displays the results of data analysis in graphs and other easily understood formats.

Case Study Initiatives at Operating Companies

Nichirei Foods

Initiatives to Achieve Sustainability Management through a Smart Factory



The Nichirei Group aims to create social and economic value as it works to achieve sustainability management. As part of these efforts, Nichirei Foods and the new factory for rice products at Kyurei Inc. are promoting a "smart factory" initiative. The production site, production management and back-office departments are working together to the establish smart factory, which we consider to be factory that meet three conditions: reduction of headcount and waste through the use of AI and robotics, reduction of physical labor and dependence on individual skills through standardization and use of IT systems, and a faster improvement cycle through utilization of data. One specific example is the automation of an extensive amount of inspection work that was previously done manually (removal of burnt sections). By using AI and robots to do these tasks, we have reduced employee workload. Automation has enabled more precise removal of burnt sections, which has led to a reduction in food waste. Moreover, by promoting the visualization of environmental metrics, as well as effective utilization of waste heat, installation of solar panels, and utilization of renewable energy sources, we have been able to reduce CO_2 emissions by 50%.* In addition, we intend to further reduce dependence on personalized knowledge and skills by using AI to prepare production plans, and have introduced a cockpit system for real-time monitoring of the factory's status from the office, enabling prompt detection of problems and swift instructions to the factory floor for improvement.

Going forward, we will continue rolling out these technologies to our other factories, enhancing production efficiency, driving operational reform to establish new ways of working and, in turn, improving job satisfaction.

* Comparison of the former production line in October 2022 with the new production line in October 2023

Nichirei Logistics Group

Improving Working Conditions at Nichirei Logistics Group: Results and Outlook for AGV Introduction

To help resolve labor shortages caused by the Logistics Industry's 2024 Problem and reduce the burden on workers, in 2021 Nichirei Logistics Group introduced automated guided vehicles (AGVs) for transporting pallets at Sendai DC, Nichirei Logistics Tohoku Inc. As a result, the shift to on-site tasks that anyone can handle has progressed. Forklift operations that previously required about a year's experience can now be done by new employees after about one month on the job. Productivity and work efficiency have improved in the area where AGVs have been introduced, with the number of pallets transported per hour increasing by about 70%, and forklift operator person-hours decreasing by about 23%.* Further improvements are expected through continuous data collection and variation control.

Going forward, we plan to introduce AGVs at other bases. We aim to shift from operating AGVs as standalone units to linking them with existing equipment. We also plan to conduct demonstration tests aimed at reducing headcount in freezer operations. These initiatives are expected to significantly contribute to improving Nichirei Logistics Group's operational efficiency and productivity.

* Comparison of May 29 to June 4, 2023 with June 5 to June 11, 2023. Effectiveness may vary depending on which workflow AGVs are used in.

We will integrate our business and sustainability strategies to deploy them globally.

Yuichi Takaku

Director, Senior Executive Officer, Executive General Manager of Strategy Headquarters in charge of IT Strategy Division, Sustainability Strategy Division and Diversity Promotion Division, General Manager of Strategic Planning Division, General Manager of Innovation Planning & Development Division

Progress of Medium-term Business Plan Compass Rose 2024

The Nichirei Group's businesses are involved in the entire supply chain, from food procurement and production to logistics and sales, and we recognize that this requires us to address a wide range of social issues. The Group views the three-year span of Medium-term Business Plan Compass Rose 2024 as a period for ramping up sustainability management, and is advancing initiatives in this area. The Group Sustainability Committee is focusing on discussions of sustainable procurement and the environment as it conducts overall monitoring of the Group's five material matters to achieve our long-term management goals toward 2030.

■ Sustainable Procurement

To promote sustainability initiatives throughout the supply chain, in FY2023 we began conducting a Supplier ESG Survey in order to promote understanding of the Nichirei Group Supplier Code of Conduct and Supplier Guidelines and to share our values. Responses have been arriving steadily. We are also conducting human rights due diligence with domestic and overseas meat, poultry and marine products suppliers, and promoting initiatives to deepen mutual understanding of our values. Our first due diligence efforts overseas began in FY2024 with shrimp suppliers in Indonesia and Vietnam. For marine products and palm oil, which have been singled out as risks in terms of food resource sustainability, the environment and human rights, we established and started implementing procurement guidelines in April 2023, setting related targets and KPIs.

■ The Environment

As an initiative for becoming carbon neutral, we are promoting procurement of renewable energy. In addition to expanding the installation of solar power generation equipment at our own sites, in March 2024 we introduced new off-site corporate power purchase agreement (PPA) services at logistics and production facilities within the service area of Tohoku Electric Power Co., Inc. and logistics facilities within the service area of Shikoku Electric Power Company, Incorporated. As global warming progresses, we recognize the need to accelerate our initiatives to address climate change. To obtain SBT certification, we broadened the scope of our CO_2 emissions reduction targets to include overseas business sites and Scope 3 emissions, and revised the targets upward.

We recognize that the Nichirei Group's businesses, including agricultural, meat and poultry, and marine resources, are dependent on nature's bounty, which is derived from biodiversity. In March 2024, we adopted the recommendations of the Task Force on Nature-related Financial Disclosures (TNFD) and joined the TNFD Forum. In April 2024, we added targets for biodiversity, including water resources, to the Nichirei Group's material matters. We will continue to enhance information disclosure in line with the TNFD framework.

Because realizing a circular economy overlaps with initiatives for climate change and biodiversity, we will address these issues together in our environmental measures.

Integrating Business and Sustainability Strategies

Under the current medium-term business plan, we have strengthened our sustainability promotion structure by establishing a dedicated division and a Group Sustainability Committee, providing sustainability education, and setting and monitoring targets for each operating company linked to the Group's targets and KPIs for its material matters.

We provide position-based sustainability education. Study sessions for management were held six times in FY2023 and three times in FY2024, with over 130 executives and staff from related departments attending each session. Three more sessions are scheduled for FY2025, as we work to raise management awareness. In FY2024 we also started an SDGs educational program for approximately 1,300 managers or above, 51% of whom have completed the program. We are aiming for a 100% completion rate by the end of FY2025.

In April 2024, Nichirei Logistics Group established a Sustainability Promotion Department. Having now established such departments in each of our core companies, we are able to implement our measures with greater vigor. In its sustainability management, the Nichirei Group aims to improve both social and economic value. However, recent changes in our operating environment have driven home to us that we must further strengthen the integration of our business and sustainability strategies to enhance our capability to carry them out. While we view the costs associated with responding to social issues as upfront investments in a stronger sustainable business base, balancing social value and economic value will be important. We will therefore keep in mind the connection between non-financial and financial information while improving the quality of our internal discussions and dialogue with investors and other external stakeholders, with the aim of gaining a competitive advantage.

Moving Beyond Compliance to Strategic Deployment of Global Disclosure

Regarding information disclosure, which is the basis for dialogue with external stakeholders, the global trend to make it mandatory is accelerating, driven by initiatives such as the Corporate Sustainability Reporting Directive (CSRD) in Europe. Overseas business is a growth area for Nichirei, so there is an increasing need to roll out our sustainability management system globally and collect sustainability information in order to comply with disclosure regulations. In our next medium-term business plan covering the period through FY2028, we will ramp up our efforts to address this new challenge and further promote sustainability management.

Evolution of the Nichirei Group's Sustainability Management Structure

	FY2021	FY2022	FY2023	FY2024	FY2025
Company-wide			• Established Sustainability Policy: The Nichirei Pledge[1] • Revised the Nichirei Group Human Rights Policy		
Group Material Matters (Materiality)	• Identified five material matters	• Set KPIs	• Reviewed as necessary	• Reviewed as necessary	• Reviewed as necessary
Systems		• Established a Sustainability Promotion Department at Nichirei Foods	• Established a Sustainability Promotion Division at Nichirei Corporation • Established a Sustainability Promotion Department at Nichirei Fresh		• Changed name of Sustainability Promotion Division at Nichirei Corporation to Sustainability Strategy • Established a Sustainability Promotion Department at Nichirei Logistics Group
Governance		• Established the Group Supply Chain Committee[2]	• Established the Group Sustainability Committee[2] (members include all outside directors) • Incorporated ESG third-party evaluation in determination of officer remuneration		
Sustainable Supply Chain			• Established Sustainable Procurement Policy, Supplier Code of Conduct, and Supplier Guidelines • Began Supplier ESG Survey • Began human rights due diligence with suppliers	• Established guidelines and set targets for sustainable marine products and palm oil procurement	
Environment	• Adopted the TCFD recommendations • Set long-term environmental targets			• Expanded installation of solar power generation equipment • Introduced off-site corporate PPA services • Revised CO_2 emissions reduction targets upward and expanded their scope[3]	• Added targets for biodiversity • Joined the TNFD Forum
Sustainability Education			• Began sustainability study sessions for management	• Began "One for Future" SDGs educational program for manager or above	

1. A revision of Basic CSR Policy: The Nichirei Pledge
2. The Group Environmental Protection Committee and the Group Supply Chain Committee have been abolished.
3. Disclosure in FY2025 (targets changed at the Board of Directors meeting on November 21, 2023 and disclosed in the earnings results presentation materials on May 14, 2024)

KPIs for Group Material Matters (Materiality)

In 2021, we set Group targets for 2030, as well as measures and KPIs, to advance initiatives for the Group's material matters. Medium-term Business Plan Compass Rose 2024, which began in FY2023 (the year ended March 31, 2023), sets Group KPI milestones (targets) for FY2025 on the road to 2030, as well as measures and quantitative targets for the holding company and each operating company. We aim to achieve our targets by continuously monitoring KPIs and carrying out the plan-do-check-act (PDCA) cycle.

Material Matters (Materiality)		Group Measures	Group KPIs	FY2023 Results	FY2024 Results	FY2025 Plans	FY2031 Targets	Main Operating Companies Involved	Applicable SDGs
1	Creating new value in food and health[1]	• Allocate resources to R&D to investigate health, the global environment and diversifying customer value, as well as to marketing • Develop products and services and convey information to address people's mental and physical health and the global environment • Establish mechanisms to create and cultivate value in new fields and conduct innovation activities	Sales of products and services that create added value for people's mental and physical health and for the global environment	¥46.4 billion	¥55.2 billion	¥64.5 billion	¥140.0 billion	Nichirei Foods Inc. Nichirei Fresh Inc. Nichirei Corporation (Holding company) Relevant pages: 4-9, 32-33, 36-37, and 68-69	3.d 8.2 9.5
			People provided with information for good eating habits and health (Total number of people per year)	103 million	225 million	Maintain over 200 million	Maintain over 200 million		
2	Strengthening food processing and production technology capabilities; enhancing logistics services	• Promote capacity expansion, work process innovation, reduction of environmental impact, and development of business foundations through proactive capital expenditures in the processed foods and temperature-controlled logistics businesses	EBITDA margin	8%	9%	9%	12%	Nichirei Foods Inc. Nichirei Logistics Group Inc. Nichirei Fresh Inc. Nichirei Biosciences Inc. Relevant pages: 26-29, 32-39, 48-49, and 68-71	2.4 9.1/9.4
			EBITDA CAGR * FY2022 is the baseline for FY2023, FY2024 and FY2025 CAGR FY2031 CAGR is the CAGR for 2025–2030	5%	8%	8%	7% or higher		
		• Accelerate overseas expansion by securing and training globally capable human resources, cultivating partner companies, conducting M&As and other means	Overseas sales ratio	20%	21%	24%	30%		8.b
3	Realizing sustainable food procurement and a circular economy	• Establish a supply chain with consideration for human rights and the environment and conduct due diligence	Rate of procurement from suppliers and OEMs that comply with the Nichirei Group Supplier Code of Conduct and Supplier Guidelines	Support rate 89% (Main domestic suppliers and OEMs)	Support rate 99% (Main domestic suppliers and OEMs)	Support rate 100% (Main domestic and overseas suppliers and OEMs)	Procurement Rate 100%	Nichirei Foods Inc. Nichirei Logistics Group Inc. Nichirei Fresh Inc. Nichirei Biosciences Inc. Relevant pages: 52-53 and 60-65	8.7 12.2/12.6 14.4
			Rate of implementation of ESG due diligence for main raw materials and main suppliers	Domestic meat and poultry 25% (Main suppliers and OEMs)	Domestic meat and poultry 52% (Main suppliers and OEMs)	Domestic meat, poultry, and marine products 100% (Main suppliers and OEMs)	100%		
		• Work to conduct sustainable resource procurement and help to realize a circular economy	Rate of attendance for the SDGs education program aimed at realizing a circular economy	—	51% (Managers or above)	100% (Managers or above)	100% (All employees)		4.7 12.5
			Rate of waste recycling at all sites	99.5%	99.7%	99%	99%		
			Procurement ratio of sustainable marine products complying with the Nichirei Group Sustainable Marine Product Procurement Guidelines in marine products business[2]	91%	94%	99%	100%		14.4
			Ratio of marine products in the above from fisheries with MSC, ASC or other global certification[2]	19%	22%	32%	50%		
			Procurement ratio of sustainable palm oil (RSPO certified oil) [2]	100% (Book and claim)	100% (Book and claim)	100% (Book and claim)	100% (Certified oil)		15.2
		• Conserve biodiversity and water resources through business activities that consider ecosystems	Reduce water consumption at sites with high water stress[3]	—	—	—	Reduce water consumption at high-risk locations and implement water conservation activities		6.4 12.1
			Conduct biodiversity conservation activities at Nichirei Group sites and Company-owned land[3]	—	—	—	Engage in biodiversity restoration activities, including preservation of plant and animal species at Group sites		14.2 15.1/15.5
4	Climate change initiatives	• Reduce CO_2 emissions per unit of production and utilize renewable energy at food factories and logistics centers, and disclose information based on the TCFD recommendations	Reduction in CO_2 emissions[4] (Compared with FY2023; Scope 1 and 2 in Japan and overseas)	—	—	—	-42%	Nichirei Foods Inc. Nichirei Logistics Group Inc. Company-wide initiatives Relevant pages: 52-53 and 56-59	7.2 /7.3
			Reduction in CO_2 emissions[4] (Compared with FY2023; Scope 3 in Japan and overseas)	—	—	—	-25%		
			Reduction in CO_2 emissions[4] (Compared with FY2016; Scope 1 and 2 in Japan)	-25%	-30%	-33%	-56%[5]		
		• Replace all refrigerants used in freezing and refrigerating equipment in Japan with natural refrigerants	Rate of conversion to natural refrigerants Production equipment (Japan)	56%	63%	74%	100%		13.3
		• Switch to natural refrigerants overseas as necessary, based on on-site confirmation	Rate of conversion to natural refrigerants Logistics (Global)	53%[6]	56%[6]	61%[6]	75%		
5	Securing and developing a diverse array of human resources	• Conduct a Company-wide employee engagement survey[8] to monitor the effectiveness of measures • Establish a personnel system that enables Group employees to choose work styles according to their career outlook and contributes to productivity improvement • Establish and provide support for application of rules	Employee engagement score[7]	—	68pt	70pt	80pt	Nichirei Foods Inc. Nichirei Logistics Group Inc. Nichirei Fresh Inc. Nichirei Biosciences Inc. Nichirei (Holding company) Relevant pages: 40-47	4.3/4.4 5.1/5.5
			Ratio of women directors and women Audit & Supervisory Board members (Holding company)	13.3%	13.3%	18.7%	30% or higher		
			Ratio of women employees in management positions (Holding company)	15.3%	17.0%	20.0%	30%		
		• Promote communication activities and impartially provide learning opportunities in order to create a work environment and corporate culture in which employees are healthy, lively and satisfied with their jobs	Investment in human resources[7]	¥800 million	¥980 million	¥1.2 billion	¥2.0 billion		8.5

1. For material matter 1, "Creating new value in food and health," the vision for 2030, Group measures and Group KPIs and targets for FY2031 were revised by the Board of Directors of Nichirei Corporation on July 18, 2023.
2. For material matter 3, "Realizing sustainable food procurement and a circular economy," in April 2023 the Nichirei Group established procurement guidelines for marine products and palm oil, which are important food resources underpinning its business activities, and added related Group KPIs and targets.
3. For material matter 3, "Realizing sustainable food procurement and a circular economy," the vision for 2030, Group measures, Group KPIs and targets for FY2031 were partially revised and additions were made related to water resources and biodiversity by the Board of Directors of Nichirei Corporation on April 16, 2024.
4. For material matter 4, "Climate change initiatives," the Group's FY2025 and FY2031 targets for reduction in CO_2 emissions were reviewed by the Board of Directors of Nichirei Corporation on November 21, 2023. The Group's target for FY2025 was revised upward by 3 percentage points from 30% to 33% compared with FY2016. The scope of the Group's targets for reduction in CO_2 emissions was expanded and a new target was added for FY2031.
5. The rate of reduction compared with FY2016 assuming the Group's FY2031 target for Scope 1 and 2 emissions reduction in Japan is set at 42% compared with FY2023.
6. The scope was reviewed in April 2024, and the results and targets were revised accordingly.
7. For materiality matter 5, "Securing and developing a diverse array of human resources," Group KPIs and targets related to the employee engagement score were added and Group human resource investment targets for FY2025 and FY2031 were revised by the Board of Directors of Nichirei Corporation on May 21, 2024.
8. Engagement survey: A survey that shows degree of understanding of and resonance with the Management Principles and independent involvement in the organization (job satisfaction)

Sustainability
https://www.nichirei.co.jp/english/sustainability

Greenhouse Gas (GHG) Emissions

2050 Carbon Neutral Declaration

The Nichirei Group will achieve carbon neutrality by 2050

Committed to achieving carbon neutrality by 2050, the Nichirei Group will reduce Scope 1, 2 and 3 GHG emissions from its entire supply chain to zero to the extent possible, both in Japan and overseas. We will also implement programs to achieve carbon neutrality by absorbing or removing the GHG emissions we cannot reduce.

Group KPIs	FY2024 Results	FY2025 Plan	FY2031 Targets
Reduction in CO_2 emissions (Compared with FY2023; Scope 1 and 2 in Japan and overseas)	—	—	-42%
Reduction in CO_2 emissions (Compared with FY2023; Scope 3 in Japan and overseas)	—	—	-25%
Reduction in CO_2 emissions (Compared with FY2016; Scope 1 and 2 in Japan)	-30%	-33%	-56%[1]

1. The rate of reduction compared with FY2016 assuming the Group's FY2031 target for Scope 1 and 2 emissions reduction in Japan is set at 42% compared with FY2023.

FY2024 GHG Emissions: 3,696 thousand tons-CO_2e in Japan and Overseas

(Thousand tons-CO_2e)

Scope 3 Upstream	
1. Purchased goods and services	2,923
2. Capital goods	104
3. Fuel- and energy-related activities	67
4. Upstream transportation and distribution	115
5. Waste generated in operations	2
6. Business travel	1
7. Employee commuting	3
8. Upstream leased assets	0
Total	3,215

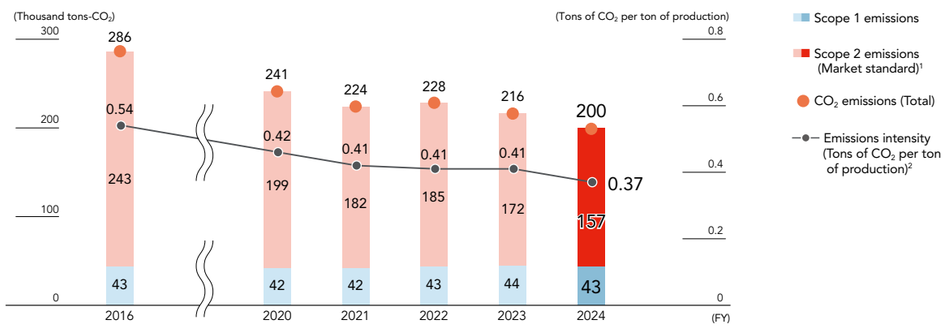
Group Scope 1 and 2

Scope 1 Direct emissions	Scope 2 Indirect emissions from energy
84	248
Japan 51%	Japan 63%
Overseas 49%	Overseas 37%

Total 332

Scope 3 Downstream	
9. Downstream transportation and distribution	11
10. Processing of sold products	76
11. Use of sold products	19
12. End-of-life treatment of sold products	20
13. Downstream leased assets	6
14. Franchises	N/A
15. Investments	17
Total	149

Nichirei Group's Scope 1 and 2 CO_2 Emissions in Japan



1. The CO_2 emissions coefficient for electricity has been adjusted for each electric power company (by the Ministry of the Environment).
2. Emissions intensity calculations are for Nichirei Foods and Nichirei Fresh factories in Japan (Some factories are excluded).

GHG Emissions Reduction Initiatives

Climate Change (Decarbonization and the Elimination of CFCs)
https://nichirei.disclosure.site/en/themes/225

Increasing Energy Efficiency and Preventing Refrigerant Leaks

The Nichirei Group owns large-scale refrigerated distribution warehouses and food factories, and is implementing various initiatives to increase energy efficiency. In addition, we conduct rigorous inspections and management on a daily basis to prevent fluorocarbon leakage. We also introduced high-performance fluorocarbon detectors in FY2022, and conduct regular inspections to reduce refrigerant leakage.

Freezer upgrades	Appropriate renovation of compressors and coolers
Optimization of cooling tower settings	Suppression of freezer pressure level and reduction of cooling tower operating time
Prevention of warm air infiltration	Installation of warm air exhaust equipment and installation of appropriate dock shelters
Early detection and elimination of refrigerant leaks	Introduction of high-performance fluorocarbon detectors

Switching Energy Sources

The Nichirei Group is switching over to energy sources with lower CO_2 emissions. While switching to electricity from renewable energy sources with zero CO_2 emissions, we are also moving forward with initiatives to switch to fuels that produce low amounts of CO_2 when generating electricity or heat used for frying and baking on food factory production lines.

Switching to Renewable Energy Sources for Generating Electricity	In FY2024, we achieved a 13 percentage-point increase compared with FY2023. This increase resulted mainly from increased use of renewable energy in the Funabashi Hinode area, where the Funabashi Plant of Nichirei Foods and Funabashi DC of Logistics Network Inc. are located.

Electricity from Renewable Energy Sources (%)

FY2022	FY2023	FY2024
5	9	22

Note: Figures for Japan

Utilizing Electricity Generated from Solar Power

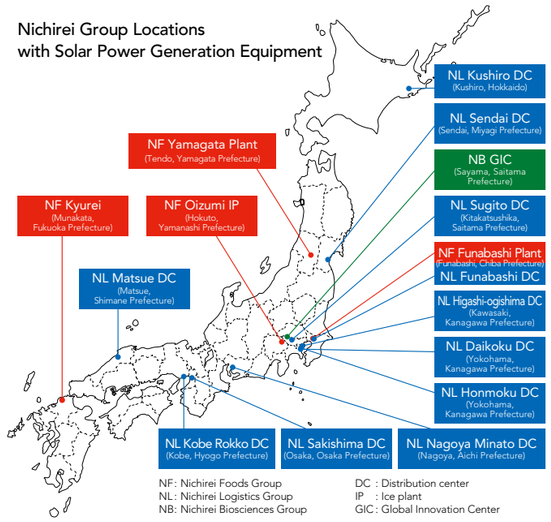
The Nichirei Group is installing solar power generation equipment on the premises of food factories and on the rooftops of refrigerated distribution warehouses. As of March 31, 2024, fifteen Nichirei Group facilities in Japan had installed solar power equipment that generated 4,268 MWh of electricity and reduced CO_2 emissions by 1,429 tons.

In addition, through our intranet we are also sharing information such as locations that have installed solar panels and daily power generation volume to help increase employee interest in renewable energy and CO_2 emissions reduction.

Solar power generation and CO_2 Emissions Reduction

Year of installation	FY2021	FY2022	FY2023	FY2024
No. of locations where installed (Cumulative total)	9	10	11	15
Power generated (MWh)	2,149	2,974	3,201	4,268
CO_2 emissions reduction (Tons)	986	1,408	1,429	1,842

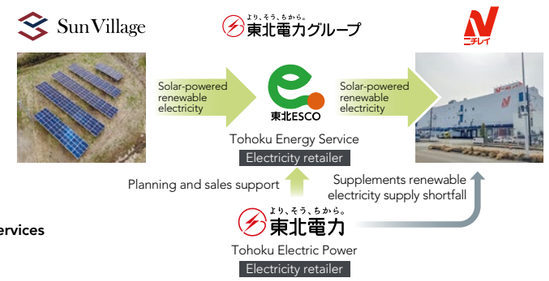
Nichirei Group Locations with Solar Power Generation Equipment



Use of Off-site Corporate PPA Services Initiated

The Nichirei Group has begun using off-site corporate PPA services that employ low-voltage solar power generation. We expect this initiative to reduce CO_2 emissions by approximately 2,000 tons annually. The Group will also increase procurement of renewable energy by expanding the use of these services to other areas, centered on the Kanto and Kansai regions.

Supply of Power from Off-site Corporate PPA Services



Nichirei Corporation Initiates Use of Off-site Corporate PPA Services Employing Low-Voltage Solar Power Plants (Japanese only)
https://www.nichirei.co.jp/news/2024/455.html

Addressing Climate Change (TCFD)

The effects of climate change are becoming increasingly serious and climate change is considered to be a contributing factor in the frequent abnormal weather patterns and natural disasters that we see currently. The Nichirei Group's business benefits from nature. Therefore, in addition to its importance as a social challenge, we see climate change as a potential threat to business continuity.

In June 2020, the Nichirei Group expressed its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and announced its participation in the TCFD Consortium. The Group has positioned climate change initiatives as one of the material matters it identified for achieving its vision for 2030. As such, we are actively promoting initiatives to help resolve social issues related to climate change.

In addition to appropriately responding to risks posed by shifts in the external environment caused by climate change, we will consider several scenarios in which climate change could give rise to business opportunities, and conduct timely disclosure.

Governance

In April 2022, the Nichirei Group established the Group Sustainability Committee, which formulates sustainability strategies, including initiatives related to climate change, and manages the progress of those strategies. Chaired by the representative director and president of the holding company, the committee includes all officers, including the director and executive officer responsible for implementing climate change strategies, outside directors and outside Audit & Supervisory Board members, as well as relevant personnel from the strategic planning and sustainability divisions of each operating company. The committee discusses and considers climate change-related strategies and targets. The officer in charge of sustainability then submits outcomes to the holding company's Board of Directors, which reviews the strategies, targets, and plans as appropriate.

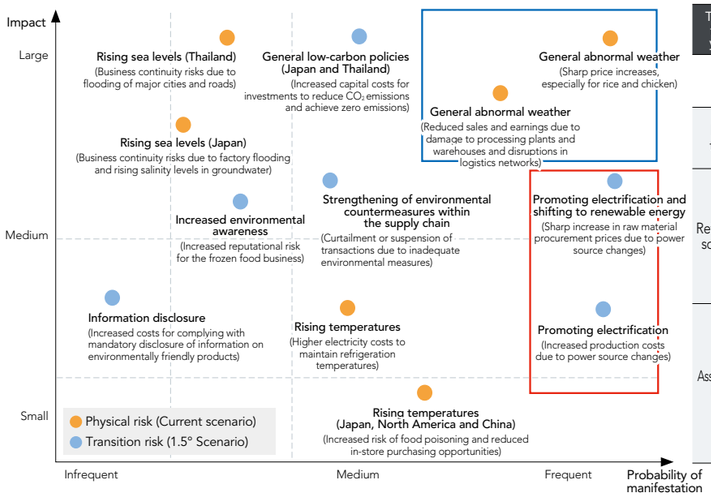
In addition, we established Sustainability Management as a division at the holding company in April 2022 (name changed to Sustainability Strategy in April 2024) to address a broad array of sustainability issues including climate change.

The Group Sustainability Committee also deliberates the details of various scenario analyses that have been conducted since 2019. The latest disclosure includes content deliberated at a committee meeting held on July 30, 2024.

Strategy

In the first phase (during FY2025), we reevaluated our scenario analyses and financial impact assessments for transition risks associated with carbon and energy price regulations, referring to FY2021 scenario analyses that identified risks and opportunities by degree of importance. During the second phase, we will also reevaluate physical risks and disclose the results as they become available.

Probability of Risk Manifestation vs. Impact (2020 Actual)



Risk Assessment Overview

Target fiscal years	FY2031 and FY2051				
	Phase 1	Phase 2			
Risk type	Transition risk	Physical risk			
Reference scenario	IEA WEO2023 and ETP2023	IPCC AR5			
Assessment items	Carbon and energy pricing regulations	Flooding and high tides	Drought	Water stress	Rising temperatures (Raw materials)

Financial Impact Calculation Results

Risk type	Business risk	Financial impact
Transition risk	Impact of the introduction of carbon pricing and fluctuations in prices of energy procured	Negative impact of ¥5.0 billion (FY2031 Scope 1 and 2) Positive impact of ¥700 million (FY2051 Scope 1 and 2)

Calculation Parameters Electricity and fuel prices: IEA WEO2022
Agency for Natural Resources and Energy, "Simplified Calculation Table for Energy Consumption (Crude Oil Equivalent)" and "Standard Calorific Value and Carbon Emission Coefficients"
Carbon pricing: World Bank, *State and Trends of Carbon Pricing 2023*
GX League Secretariat, *Rules for the First Phase of GX-ETS*

Reference Scenario IEA WEO2023・ETP2023

We did not identify any new opportunities in reevaluating our scenario analyses. However, we did estimate the financial impact from the transition risk associated with the introduction of carbon pricing and fluctuations in prices of energy procured to be negative ¥5.0 billion for FY2031 and positive ¥700 million for FY2051.

Based on these results, we will reduce CO_2 emissions by shifting to renewable energy in ways such as using solar power generation and expanding the use of corporate PPAs.

Risk Management

The Nichirei Group ensures that appropriate divisions employ optimum methods to comprehensively manage the impact of a variety of risks (including climate change-related risks) on business management. The risks are also deliberated and reviewed by the Group Risk Management Committee, which is chaired by the representative director and president. The committee has been managing the Group's responses to major risks related to business operations. However, due to the need to respond more quickly and accurately to various ESG-related issues, we established the Group Sustainability Committee in FY2023 as a separate entity to deal with ESG-specific risks and opportunities, including climate change.

The Group Sustainability Committee works with the strategic planning and sustainability divisions of each operating company to identify important ESG-related issues and risks for the Group. The most important themes are then deliberated by the committee. Specifically, risks associated with climate change scenarios are positioned as critical risks for the Group, and the committee deliberates and manages responses to business risks and opportunities identified through scenario analyses.

Metrics and Targets

Group KPIs	FY2024 Results	FY2025 Plans	FY2031 Targets
Reduction in CO_2 emissions (Compared with FY2023; Scope 1 and 2 in Japan and overseas)	—	—	-42%
Reduction in CO_2 emissions (Compared with FY2023; Scope 3 in Japan and overseas)	—	—	-25%

Conserving Biodiversity (TNFD)

Conserving Biodiversity (TNFD)
https://nichirei.disclosure.site/en/themes/167

The Nichirei Group is engaged in a wide variety of businesses globally, centered on food, and our business is dependent on the blessings of the Earth generated from biodiversity, including agricultural, livestock, and fishery resources. We depend heavily on the natural capital and ecosystem services that the Earth provides, and we recognize that our business activities impact these resources in a variety of ways. The Group is therefore implementing initiatives to conserve biodiversity and use natural capital sustainably.

Participation in the TNFD Forum

In March 2024, Nichirei Corporation endorsed the philosophy of the Task Force on Nature-related Financial Disclosures (TNFD) and joined the TNFD Forum to support its activities.

TNFD Forum Member

Strategy

Given the Nichirei Group's dependence and impact on natural capital, we conducted an assessment in accordance with the LEAP approach advocated by the TNFD to understand nature-related risks and opportunities for our businesses. This analysis covers our upstream value chain encompassing regions where we procure raw materials, as well as the direct operations of all 202 Nichirei Group business sites. Drawing on the results of this assessment, we identified water resources as the most important risk common to the Group, and have begun to implement specific initiatives, starting with sites with high water stress.

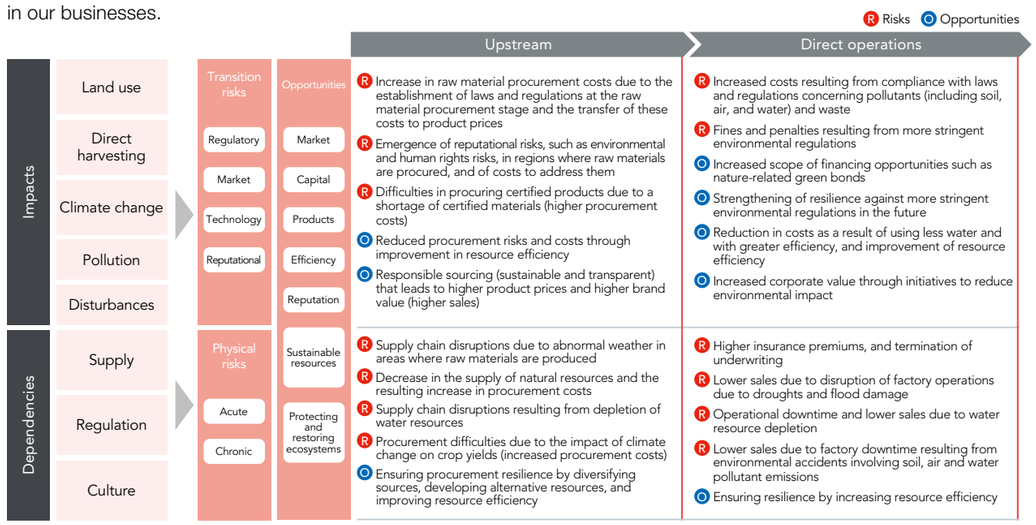
We will continue to conserve and restore biodiversity from perspectives including water resources and agricultural, livestock and fishery resources.

1. Dependence on and Evaluation of Nature in Business Activities

Our businesses are highly dependent on natural capital and ecosystem services. We clarified the relationship between our businesses and nature by identifying significant dependencies and impacts on nature in our upstream value chain and direct operations, and by assessing the degree of those dependencies and impacts.

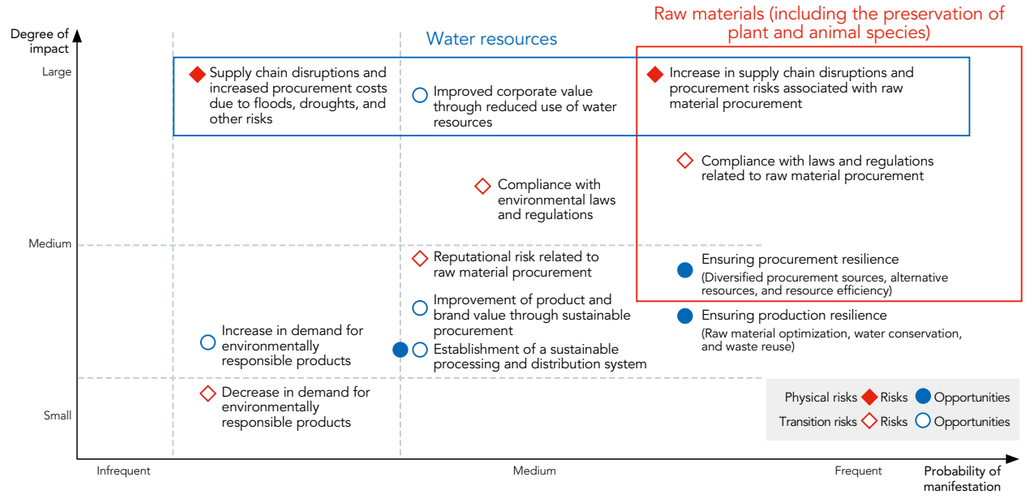
2. Identify Risks and Opportunities in the Value Chain

To delineate the relationships among Group businesses and nature-related dependencies and impacts, we used the four quadrants of upstream, direct operations, impacts and dependencies and then identified risks and opportunities in our businesses.



3. Identify High-priority Risks and Opportunities

We assessed the importance of identified risks and opportunities, with due consideration of the probability of manifestation and the impact on Group businesses, and identified items that may have a large financial impact on our businesses as risks and opportunities for the Nichirei Group.



Metrics and Targets

We have established metrics and targets for the conservation of biodiversity and water resources as a measure for realizing sustainable food procurement and a circular economy, one of the Group's material matters. (April 2024)

Group Measures	We will work to conserve biodiversity and water resources through business activities that take biodiversity into account.
Group KPIs	• Initiatives to reduce water consumption at sites with high water stress • Initiatives to restore biodiversity, including the conservation of plant and animal species, at Nichirei Group sites and Company-owned land

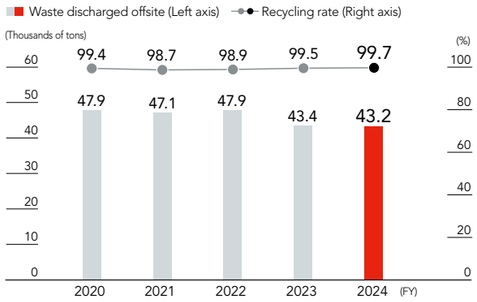
Resource Recycling Initiatives

Waste Recycling

The Nichirei Group is reducing the amount of industrial and general waste from its business activities. We aim to maintain a waste recycling rate of 99% by incorporating a variety of recycling methods.

Total Waste Recycling Rate for All Sites

FY2023 Result	FY2024 Result	FY2025 Plan	FY2031 Target
99.5%	99.7%	99%	99%



Reducing Plastic Use

Since FY2007, Nichirei Foods has been reducing the amount of plastic used for household-use frozen food product containers and packaging. Recently we reduced plastic use by over 215 tons for 10 items in a product series, compared with usage prior to these initiatives. While continuing to reduce plastic use by reviewing product containers and packaging, we will also work toward reducing our CO_2 emissions.

Initiatives for Thinner Packaging

(FY)	Products	Measures
2010	*Yaki-Onigiri* (grilled rice balls) 10-pack	Elimination of trays
2012	*Honkaku-Itame-Chahan* (fried rice)	Thinner packaging
2015	*Yaki-Onigiri* (grilled rice balls) 10-pack	Thinner packaging
2016	*Honkaku-Itame-Chahan* (fried rice)	Thinner packaging (second reduction)
2019	*Ebi-Pilaf* and *Chicken Rice*	Thinner packaging
2021	*Ebi-to-Cheese-no-Gratin* (shrimp and cheese gratin) and *Ebi-to-Cheese-no-Doria* (shrimp and cheese doria)	Thinner trays, reduced tray handle width
2022	*Yaki-Onigiri* (grilled rice balls)	Elimination of trays
2024	*Cho-Menchi-Katsu* (minced meat cutlet) *Kikubari-Gozen* (dietary-conscious meals) (selected items)	Reduced plastic use by switching tray material to STONE-SHEET®, which incorporates calcium carbonate

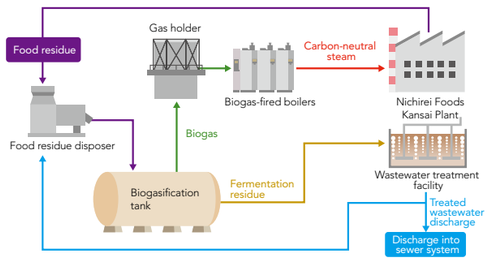
Food Residue Recycling

Kansai Plant to Install New Daigas Energy D-Bio Methane System for On-site Conversion of Food Residue into Energy

Nichirei Foods Kansai Plant will use a D-Bio Methane system that ferments food residue to produce methane gas. The methane gas is used as fuel to operate biogas boilers, generating carbon-neutral steam, which is circulated within the factory premises and reused in the manufacturing process.

Converting food residue into methane fuel enables the Kansai Plant to reduce the volume of animal- and plant-based waste it generates by approximately 20%. Furthermore, the recycling of carbon-neutral steam is expected to reduce annual CO_2 emissions by approximately 40 tons.

Overview of the New On-site Biogas System



Human Rights Initiatives

Nichirei Group Human Rights Policy
https://www.nichirei.co.jp/english/corpo/management/humanrightspolicy.html

At the Nichirei Group, we understand that our business activities, from research and development to procurement and provision of products and services, have potential or actual impacts on human rights. In line with the United Nations Guiding Principles on Business and Human Rights, we carry out due diligence to identify, prevent and mitigate adverse impacts on the human rights of people involved in the Nichirei Group's business activities.

Human Rights Education

Study Sessions for Management

Date	Theme	Lecturer	Number of participants (Number of directors in parentheses)	Percentage of Company directors attending
June 28, 2022	Sustainable Procurement and Human Rights Issues	Hidemi Tomita, President LRQA Sustainability Co., Ltd.	139 (8)	80%
January 24, 2023	"Human Rights" Tackled in the Supply Chain—What is the Human Rights Due Diligence Expected of Companies Nowadays?	Hiroshi Ishida Executive Director Caux Round Table Japan	154 (10)	100%
July 4, 2023	Considering DE&I from an LGBTQ perspective—How LGBTQ perspectives can transform the workplace and society	Maki Muraki Director NPO Nijiiro Diversity	173 (10)	100%

E-learning for All Employees in Japan

	Theme	Related global events	Number of participants	Participation rate
December 2022	Business and Human Rights	December 10/Human Rights Day	5,385	93.9%
December 2023	Business and Human Rights	December 10/Human Rights Day	5,391	94.2%

Human Rights Due Diligence for Foreign Technical Interns and Specified Skilled Workers

The Nichirei Group accepts foreign technical interns at its food factories in Japan. As a responsible host company, we provide various forms of support to ensure that interns can live safe, healthy and fulfilling lives, both mentally and physically. We arrange their living environment, offer safety training and provide lanugage support, including multilingual signage in factories. We also work closely and exchange information with supervising organizations that introduce interns to us.

In October and November 2022, we conducted a survey* on the actual conditions of foreign technical interns and specified skilled workers with the support of NPO Caux Round Table Japan (Executive Director: Ishida Hiroshi). Based on the issues identified in the survey, we have taken appropriate steps to improve conditions, such as installing personal lockers in intern residences and reimbursing the expenses interns paid in their home countries during their recruitment. We are also implementing a PDCA cycle for human rights due diligence.

Amid ongoing revision of our system for technical interns and specified skilled workers, in August 2023 we held a study session with an external lecturer, Shoichiro Ikebe of Worlding Inc. A total of 51 people from the human resource and sustainability departments of the Head Office and factories participated in the study session, deepening their understanding of the proper functioning of the system as a host company, ways to improve communication with non-Japanese workers, and examples of unforeseen human rights violations.

* *Nichirei Group Integrated Report 2023* **Page 89**
https://www.nichirei.co.jp/sites/default/files/inline-images/ir/integrated/pdf/ngir2023_en_jinken_p89.pdf

Discussing the Introduction of a Grievance Mechanism

The Nichirei Group has been operating an internal whistleblower hotline and consultation service (Nichirei Hotline) since October 2003 to allow employees to report and seek advice on actions that violate laws, regulations, the Articles of Incorporation, or internal rules, including human rights violations, as well as actions that raise social or ethical concerns. (See page 88.) We also recognize the need to set up a system and contact points that function as a grievance mechanism enabling employees of the Nichirei Group's business partners and suppliers to report human rights violations, either personally or through a representative, and are currently discussing this issue.

Building a Sustainable Supply Chain

The Nichirei Group is promoting sustainability initiatives in its supply chain, which is the foundation of its business. With reference to the OECD's *Due Diligence Guidance for Responsible Business Conduct*, we recognize that our business activities could potentially have a negative impact on workers, human rights, the environment, bribery, consumers and corporate governance. We therefore take action to avoid and address potential negative impacts associated with our business, our supply chain and other business relationships.

Nichirei Group Sustainable Procurement Policy https://www.nichirei.co.jp/english/sustainability/social/supplychain/supply.html

Nichirei Group Supplier Code of Conduct https://www.nichirei.co.jp/english/sustainability/social/supplychain/regulation.html

Nichirei Group Supplier Guidelines https://www.nichirei.co.jp/english/sustainability/social/supplychain/guideline.html

Sustainable Marine Product Procurement

Nichirei Group Sustainable Marine Product Procurement Guidelines
https://www.nichirei.co.jp/english/sustainability/social/supplychain/marine_products_guideline.html

Marine products are fundamental resources in the Nichirei Group's business. Problems identified in recent years include climate change, the impact on ecosystems from overfishing and bycatch, habitat destruction including deforestation for aquaculture, and fishery worker human rights violations. In April 2023, we established the Nichirei Group Sustainable Marine Product Procurement Guidelines, and also set KPIs and targets for the Nichirei Group material matters (materiality) for which initiatives are underway.

Nichirei Fresh Products That Have Obtained MSC/ASC Certification

(As of June 2024)

MSC Certification Number MSC-C-52165	Chinook salmon, Chum salmon, Coho-silver salmon, Pink salmon, Sockeye-red salmon, Pacific cod, Northern rock sole, Yellowfin sole, Flathead sole, Walleye pollock, Arrow-tooth flounder , Kamchatka flounder, Yesso scallop, Capelin, Snow crab, Herring, Arctic surf clam, Red king crab, Longfin squid, Pacific cupped oyster, Japanese carpet shell, Pacific ocean perch, Atka mackerel, Greenland halibut, Albacore tuna, and Skipjack tuna	ASC Certification Number ASC-C-01632	Giant tiger prawn, Whiteleg shrimp, Pacific cupped oyster, Atlantic salmon, Coho-silver salomon, and Rainbow trout

Sustainable Palm Oil Procurement

Nichirei Group Sustainable Palm Oil Procurement Guidelines
https://www.nichirei.co.jp/english/sustainability/social/supplychain/palm_oil_guideline.html

In August 2018, the Group became a member of the non-profit organization Roundtable on Sustainable Palm Oil (RSPO), which promotes the production and use of sustainable palm oil. We are advancing efforts to ensure that the palm oil used to make our products is from sustainable sources. Since 2018, Nichirei Foods' factories (at consolidated subsidiaries in Japan and overseas) that use palm oil have been purchasing RSPO certified sustainable palm oil credits (via the book and claim method) corresponding to 100% of the palm oil they use.

We are making progress toward achieving a procurement rate for RSPO certified sustainable palm oil of 100% by 2030.

4-1055-18-100-00

Membership profile page:
https://rspo.org/members/7750

Supporting Sustainable Development in Ecuador through Product Sales

https://www.nichireifoods.co.jp/news/2024/info_id40509/
(Japanese only)

Nichirei Foods has begun making ongoing donations through Provefrut S.A. for local community support activities carried out by local NPOs. Headquartered in Ecuador, Provefrut packs locally produced frozen broccoli. As a new approach to supporting Provefrut and the local community, we donate ¥1 to a local NPO via Provefrut for every bag of ready-to-cook, highland-grown broccoli sold. Through this initiative, we are contributing to local communities by sustainably procuring frozen broccoli from Ecuador.

Supplier ESG Survey

Since FY2023, the Nichirei Group has been conducting a Supplier ESG Survey in Japan and overseas. We ask suppliers to support the Nichirei Group Supplier Code of Conduct and Supplier Guidelines* and to answer a self-assessment questionnaire so we can confirm the status of their initiatives. The questions pertain to legal compliance and ethical conduct; human rights and labor; health and safety; environment; management; and corporate governance related to sustainability. We drew up the questions with reference to the *CSR Procurement Self-Assessment Tool Set (1st Edition)* created by the Global Compact Network Japan.

***Please refer to "KPIs for Group Material Matters" for information on the increase in the support rate.** ▸ Pages 54-55

Initiatives to Expand Use of Sedex

Nichirei Foods is implementing initiatives to expand its use of the Sedex sustainability platform.

July 2019	Nichirei Foods joins the Supplier Ethical Data Exchange (Sedex) as a Buyer/Supplier (AB) member.
May 2021–February 2022	We conducted a SMETA audit* for all 15 of the factories we own and operate in Japan (using the four pillars of Labor Standards, Health and Safety, Environment, and Business Ethics)
December 2022	Ten food and beverage companies, including Nichirei Foods, have formed the Buyer Members Sedex Working Team for the Japanese Food & Beverage Industry to promote shared use and standardization of Sedex within the food and beverage industry. https://www.nichireifoods.co.jp/news/2022/info_id14398 (Japanese only) January–February 2023: Conducted Sedex joint online briefing for supplier companies July 2023: Conducted an online briefing for companies involved in trading
February–March 2023	Nichirei Foods held four online briefing sessions to promote the use of Sedex among suppliers
October 2023–February 2024	Nichirei Food's Procurement Department held procurement policy briefings for suppliers at four locations in Japan to explain joint decarbonization and human rights initiatives, and promote the use of Sedex.

* An audit scheme managed by Sedex

Human Rights Due Diligence Initiatives with Suppliers

In FY2023, we launched human rights due diligence initiatives with agricultural, meat, poultry and marine product suppliers, which account for the largest proportion of procurement volume in the Nichirei Group's business activities. We determine priorities based on importance of transactions and human rights risk by country and industry. When conducting human rights impact assessments and human rights audits, we confirm with our suppliers that the goal is to address issues related to human rights, labor, and health and safety, while building long-term, mutually positive relationships.

Human Rights Due Diligence Results and Plan for FY2023–2025

	Target companies
FY2023 Results	Meat and poultry suppliers (Domestic chicken)
FY2024 Results	Meat and poultry suppliers (Domestic) Marine products suppliers (Overseas)
FY2025 Plan	Meat and poultry suppliers (Domestic) Marine products suppliers (Domestic) Agricultural Products suppliers (Overseas)

Identifying Human Rights Violation Risks

We use the human rights risk database of Verisk Maplecroft to identify human rights violation risks that the Group should be aware of, and prioritize our responses.

		Main human rights violation risks	Main countries of production and raw material procurement
Japan	Factories (Raw material in general)	• Appropriate working hours • Issues concerning foreign technical interns	—
Japan	Logistics industry	• Appropriate working hours	—
Overseas	Agricultural products	• Appropriate working hours • Fair wages	China, United States, Thailand, Brazil, Ecuador, and Vietnam
Overseas	Meat and poultry products	• Discrimination in the workplace • Migrant labor and forced labor	Thailand, Mexico, Brazil, Spain, China, Australia, United States, and Canada
Overseas	Marine products	• Freedom of association and collective bargaining	Indonesia, United States, China, Russia, Mauritania, Morocco, Vietnam, Thailand, Canada, and Norway

Human Rights Due Diligence Initiatives with Shrimp Suppliers

In September and October 2023, a third party conducted human rights impact assessments at three of Nichirei Fresh's shrimp suppliers (two in Indonesia and one in Vietnam), accompanied by Nichirei Group employees. While no serious human rights violations, such as forced labor or child labor, were identified, some macro-level risks were identified. We held follow-up dialogues with the two Indonesian suppliers in April 2024 to address the issues related to human rights, labor, and health and safety. Through these dialogues, we confirmed that some of the issues had already been resolved. For more challenging, longer-term issues, the parties discussed possible countermeasures while acknowledging the risks involved.

A human rights impact assessment in Indonesia

Management interview at a shrimp farm

Pond for extensive shrimp farming

Closing meeting

Sustainable Procurement Training for Personnel Involved in Procuring Raw Materials

Event date	Subject	Common theme	Lecturer	Themes by business area	Lecturers	Participants
November 28, 2023	Marine products	Why Sustainable Procurement Is Necessary	Hidemi Tomita President LRQA Sustainability Co., Ltd.	Sustainable Seafood Procurement	Wakao Hanaoka CEO Seafood Legacy Co., Ltd.	34
November 29, 2023	Meat and poultry products			Animal Welfare in Japan and Worldwide, Present and Future	Tsuyoshi Shimmura Professor, Faculty of Agriculture Tokyo University of Agriculture and Technology	34
April 18, 2024	Agricultural products			What Is Sustainable Procurement of Agricultural Products?	Akiko Minami, Akihiko Haga, Takashi Namiki, and Mei Haneo WWF Japan:	26

Providing Safe Products and Services

Providing Safe Products and Services
https://nichirei.disclosure.site/en/themes/180

Basic Philosophy

Fundamental Policies on Quality Assurance
https://www.nichirei.co.jp/english/safety/policies.html

Ongoing Support for Daily Routines

The Nichirei Group's fundamental policies on quality assurance aim to ensure the quality and safety of the food products and services it provides, to prevent consumer health hazards, as well as to maintain and improve Company-wide quality management and assurance standards, and ensure customer satisfaction.

Fundamental Policies on Quality Assurance

(1) Compliance with legal requirements regulating food products.
(2) Compliance with norms and standards defined by industry groups.
(3) Recognition of customer and partner needs regarding food safety and security, as well as making efforts to maintain Group quality management and assurance capabilities.
(4) Incorporation of food safety measures, food crisis management, steps to ensure food defense, and food fraud prevention initiatives to protect consumer health.

Quality Assurance Approach and Improvement Cycle

Management System

The Nichirei Group has established systems to properly manage and maintain the quality of the products and services it delivers at designated levels. We have established rules and standards for quality control and quality assurance, and perform internal audits and monitoring inspections based on our quality management standards to ensure that the Group's quality management system is functioning effectively.

The Nichirei Group Quality Assurance System

Holding Company

Quality Assurance Based on The Nichirei Group Quality Control Regulations

- Establishes the Nichirei Group quality control regulations
- Discusses the measures and policies for Group quality assurance upon receiving inquiries from the Representative Director and President, and reports to the Board of Directors
  Chairperson: General Manager, Quality Assurance **Committee members:** Relevant executives and division heads

- Conducts internal audits and monitoring inspections to verify the effectiveness of management systems for the products and services of operating companies in accordance with the Group quality control regulations.
- Plans and proposes measures and policies for Group quality assurance and submits them to the Group Quality Assurance Committee

Operating Companies

Quality Assurance Based on the Quality Control Regulations of Each Operating Company

- Establishes the quality control regulations for each operating company
- Discusses the measures and policies for quality assurance at each operating company and reports to the Board of Directors
  Chairperson: Representative Director and President of each operating company
  Committee members: Relevant executives and division heads of each operating company

- Operating companies implement quality control for their products and services in accordance with their quality control regulations.
- Plans and drafts measures and policies regarding quality assurance for each operating company and proposes them to the Quality Assurance Committee

Proactive Adoption of International Standards for Quality Control

To evaluate and verify that management is being conducted in accordance with our fundamental policies on quality, we are actively promoting the introduction of the internationally recognized Food Safety Management System (FSMS) and working to strengthen our quality assurance system while providing safe products and services.

FSMS Certification Status

Operating companies	Certified worksites					Target worksites	Certification rate[5]
	FSSC22000[1]	ISO22000[2]	SQF[3]	BRCGS[4]	Total		
Nichirei Foods Inc.	21	–	–	–	21	21	100%
Nichirei Fresh Inc.	3	2	–	1	6	6	100%
Nichirei Logistics Group Inc.	–	–	2	–	2	2	100%

1. Developed by the Foundation FSSC (Netherlands) based on ISO 22000.
2. Established by the International Organization for Standardization, based on ISO 9001.
3. Established by FMI, The Food Industry Association in the United States, based on hazard analysis and critical control points (HACCP) methodology and good manufacturing practice (GMP).
4. Established by British Retail Consortium (BRC; United Kingdom) based on HACCP methodology and ISO 9001
5. Certification rate (%) = No. of certified worksites ÷ Total no. of worksites of consolidated subsidiaries in Japan and overseas (food factories, processing centers, etc.).

Employee Education for Quality Enhancement

The Nichirei Group conducts training for quality assurance personnel at each operating company with the goal of enhancing their skills. In addition, the holding company conducts annual training on specific topics primarily for quality assurance personnel to enhance their food quality assurance awareness and capabilities.

Operating companies	Target group		Content	2021	2022	2023
Nichirei Corporation	Quality assurance personnel at each Group company		Annual topics	○	○	○
Nichirei Foods Inc.	Manufacturing and quality control personnel	New recruits to 3rd-year Group employees	Acquire fundamental quality assurance skills	○	○	○
		Mid-career employees	Acquire management skills	○	○	○
		FSSC22000 managers	Training to acquire and maintain FSSC22000 certification	○	○	○
Nichirei Fresh Inc.	Head Office and branch offices	New recruits to 2nd-year Group employees	Acquire basic quality control skills	○	○	○
		Mid-career employees	Training to enhance quality control skills	○	○	○
	Factories	Quality assurance personnel	Training to enhance practical quality control skills	○	○	○

Building a Traceability System

Case study Frozen vegetable quality control

Food quality and safety initiatives
https://www.nichireifoods.co.jp/corporate/company/vegetable.html (Japanese only)

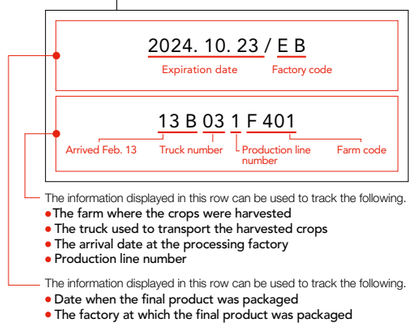
Nichirei Foods implements the following initiatives to ensure the quality and improve the safety of its frozen vegetables. These initiatives have helped Nichirei Foods to maintain zero violations due to the detection of pesticide residues during import customs clearance for 14 consecutive years.

Management of Designated Farms
Nichirei Foods limits cultivation to its own farms or contracted farms, and its personnel visit food factories to confirm the accuracy of cultivation records and monitor growth conditions.

Cultivation Management
(Pesticide Management System)
We select pesticides and stipulate usage methods based on Nichirei Foods guidelines, and field supervisors verify the use of pesticides to ensure compliance with Japan's positive list system.

Pesticide Residue Inspection System
We conduct tests for pesticide residues and are also enhancing the skills of our inspection personnel at factories outside Japan.

Traceability Management
We print lot codes on products and have a traceability system to track cultivation history, helping us to identify causes and implement countermeasures in the event of problems.



Safety Initiatives

Case study Loginet Cooperative Association Driver Contest National Competition

The logistics network of Nichirei Logistics Group and its partner companies in the Loginet Cooperative Association hold a driver contest to improve the safety skills of truck drivers. Drivers from six branches nationwide who advance through the preliminary rounds compete in their safety inspection skills and academic knowledge developed in their daily work. At the Eighth National Competition in FY2024, a woman driver won first place in the individual category for the first time. We remain committed to ensuring safe vehicle operation.

Nichirei Foods Inc.

Creating New Value through Frozen Foods

(Personal Use and Health)

Social Issues

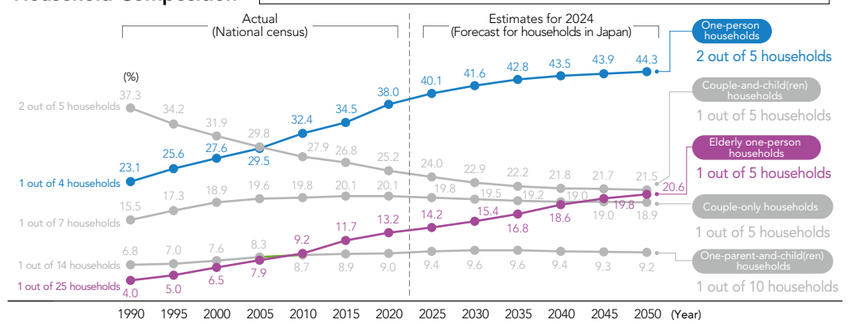
Increase in one-person households and decrease in household size
Growing attention to health (such as protein deficiency)

In Japan, the increase in the number of one-person households and the decrease in household size are accelerating rapidly. Furthermore, diversifying values and lifestyles are resulting in fewer occasions when even members of the same household share meals or mealtimes. These trends back a growing need for personal-use meals available in single-serving sizes.

Attention to health is also growing due to factors such as concern about infectious diseases and increased life expectancy. While there are many aspects to "health," protein deficiency and excessive salt intake are particularly important issues in Japan.

Trends and Outlook for Household Composition

Both one-person households and elderly one-person households are expected to continue to increase in the future. The proportion of one-person households is forecast to reach 44.3% by 2050 (based on a total of approximately 55.7 million households in 2020).



Source: Statistics Bureau of the Ministry of Internal Affairs and Communications, *Population Census of Japan*; National Institute of Population and Social Security Research, *Household Projections by Prefecture in Japan (Estimates for 2024)*

Initiatives to Help Resolve the Issues

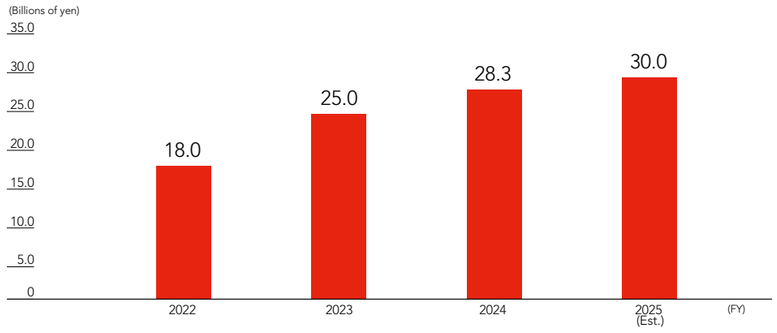
Frozen Foods Hold Great Potential for Helping Resolve Future Social Issues

Frozen foods are known for their value in terms of preservation and convenience, helping to overcome a variety of social issues such as labor shortages and food loss & food waste. Nichirei Foods is focusing on developing products that enhance value for personal use and health, while maintaining our capabilities for "reproducing deliciousness." By combining these values, Nichirei Foods is able to create unique products with distinctive value that can help overcome social issues.

We added a new production line for single-serving frozen meals at the Yamagata Plant in February 2022, and are ramping up development of noodle dishes and side dishes. Sales of personal-use products, including those produced at the Yamagata Plant, increased to ¥28.3 billion in FY2024, establishing this category as a growth driver for the frozen food market going forward.

The Nichirei Group leverages the knowledge and technology for nutritional component control that it has acquired over more than 30 years to provide health value, mainly through *Kikubari-Gozen* and other product lineups marketed on the Group's e-commerce site. Building on this strength, we launched a new brand in FY2025 that enhances health value through increased protein content. In addition, Nichirei Foods is developing health-related technologies such as salt reduction technology, and will continue to develop products that embody the company's distinctive approach to enhancing health value.

Personal-use Sales



Nichirei Foods' Unique Competencies

Development and processing/production technology capabilities for reproducing the deliciousness of homemade meals or meals prepared by chefs	Ability to make proposals tailored to diverse business types and consumer needs	Quality assurance and traceability that support safety and reliability
Details ▸ Pages 48–49		Details ▸ Pages 66–67

Case study A diverse lineup of personal-use products

New Product Development Utilizing the Single-serving Meal Production Line at the Yamagata Plant

We have launched noodle products produced on the Yamagata Plant's production line for single-serving frozen meals. These include the microwaveable *Hiyashi-Chuka* and *Kobashi-Men-no-Gomoku-Ankake-Yakisoba*, which have received an enthusiastic market reception. We have been able to replicate delicious flavor that rivals homemade meals by optimizing the flour blend for each product, placing particular emphasis on ingredient color and texture, and ensuring authentic aroma.

The production line is also flexible, and enables production of meal sets that combine a main dish and a side dish. We are aggressively developing the *Mitsuboshi Plate* series of meal sets, which is steadily establishing a position in the market. We will continue to expand our markets by developing a broad array of meals.

everyONe meal

Case study Launch of a new health brand

Delicious and Easy Way to Get Additional Protein in the Diet

Protein is a key nutrient taking center stage as health consciousness grows. In Japan, people of all ages are not getting their recommended protein intake, and in recent years daily protein intake per person in Japan has decreased to the same level as in the 1950s.* Given these circumstances, we launched a new brand called *everyONe meal* in FY2025 that offers a delicious way for people to add protein to their diet. This brand name combines "Everyone," representing individual customers, with "Meal," representing daily meals, and emphasizes the addition (adding on) of protein with "ON" in upper case letters, thus expressing our desire to deliver meals that provide essential nutrients. We are marketing this product via our own e-commerce site, and have also launched sales in certain retail stores.

* Source: Ministry of Health, Labour and Welfare, *Changes in Nutrition and Health in Japan 1947-1993*, 1994-2002 *National Nutrition Survey*, *National Health and Nutrition Survey* from 2003 (http://www.mhlw.go.jp/bunya/kenkou/kenkou_eiyou_chousa.html)

Social Value

- Meeting the demand for single-serving sizes from one-person households and others
- Helping to maintain and improve health
- Helping to ease labor shortages and reduce food loss

Economic Value

- Acquiring new customer segments
- Developing new growth categories

Nichirei Logistics Group Inc.

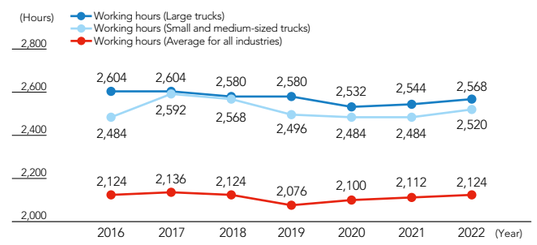
SULS Next-generation Transportation and Delivery System

Social Issue

The Logistics Industry's 2024 Problem:
A Shortage of Truck Drivers and Long Working Hours

Long working hours have become the norm for truck drivers due to business practices that require them to both drive long distances and help with incidental tasks such as loading and unloading at logistics facilities. The "2024 Problem" is a general term for the various issues that the shipping and logistics industries must now address as a result of the Work Style Reform Act of April 1, 2024, with the aim of improving working conditions by limiting driver overtime to 960 hours per year.

Annual Working Hours for Truck Drivers



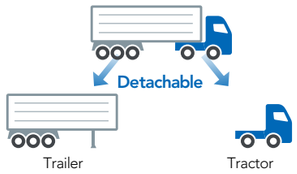
Source: Ministry of Health, Labour and Welfare, *Basic Survey on Wage Structure*

Initiatives to Help Resolve the Issues

Using *SULS* to Build a New Transportation and Delivery Platform for Temperature-controlled Logistics

SULS is an acronym for S&U Logistics System. The "S" stands for speedy, sustainable, and solutions, and the "U" stands for utility, usability, and user experience. By synergizing the advantages of Nichirei Logistics Group, we will generate speedy, sustainable logistics solutions and provide utility, usability and superior user experience to our customers and society.

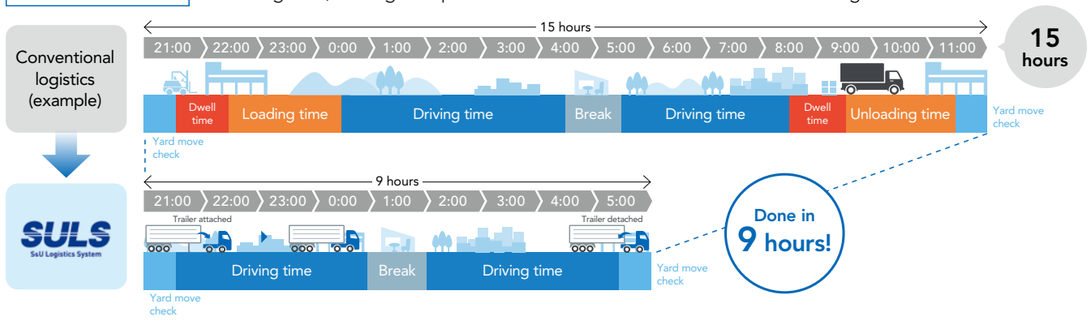
Using trailers with the largest capacity in Japan, capable of hauling 24-pallet loads
(1.5 times the capacity of a 10-ton truck loaded with 16 pallets)



Using low-temperature trailers with detachable cargo beds enables return trips from relay points.	▶ Reduction of long-distance transport
Loading, unloading and related work are performed by Nichirei Logistics Group facility personnel rather than the truck drivers.	▶ Help truck drivers devote their time to driving
Nichirei Logistics Group keeps its own trailers loaded and ready to go at relay points at all times to allow drivers to proceed to their next destination immediately after arrival.	▶ Reduction of dwell time at logistics facilities

Expected Effect

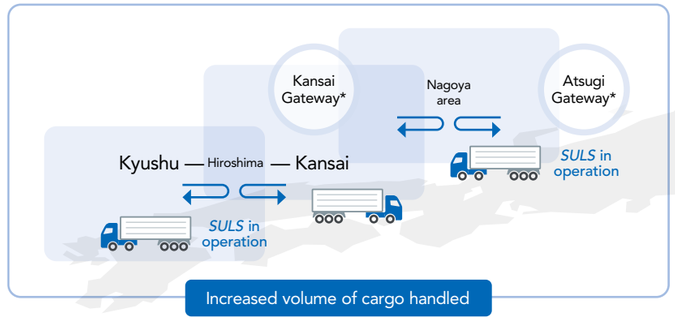
SULS dramatically reduces driver operation time including dwell time, loading time, and unloading time, making transportation more efficient than with conventional logistics.

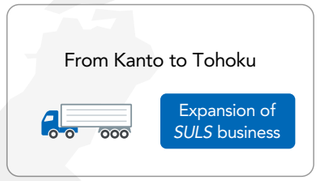


Nichirei Logistics Group's Unique Competencies

Nichirei Logistics Group-owned logistics facilities in approximately **80 locations** throughout Japan	Dominant lead in volume of storage consignors' products handled as base cargo	Collaborative partnerships spanning **more than 30 years** with **about 100** companies nationwide

Current *SULS* Operations





* A facility with storage capabilities that connects trunk-line transportation and local delivery, enabling more frequent trunk-line transportation.

In June 2023, the Kansai Gateway began operating and the *SULS* link between Kyushu and Kansai was opened through the use of the Hiroshima Switch Center, a relay hub. As a result, *SULS* now connects the Kanto region to Kyushu.

Initiatives in FY2025

- By the end of FY2025, we will increase the total number of trailers to 50, and expand operations in the Tokyo, Nagoya and Osaka regions, utilizing the trailers for deliveries within each region.
- With the opening of routes to Tohoku and Kyushu, the expansion of *SULS* will facilitate growth in the volume of cargo handled by trunk-line transportation from central distribution centers and the production facilities of manufacturers throughout Japan.
- Expanding collection of northbound cargo from western Japan

Social Value

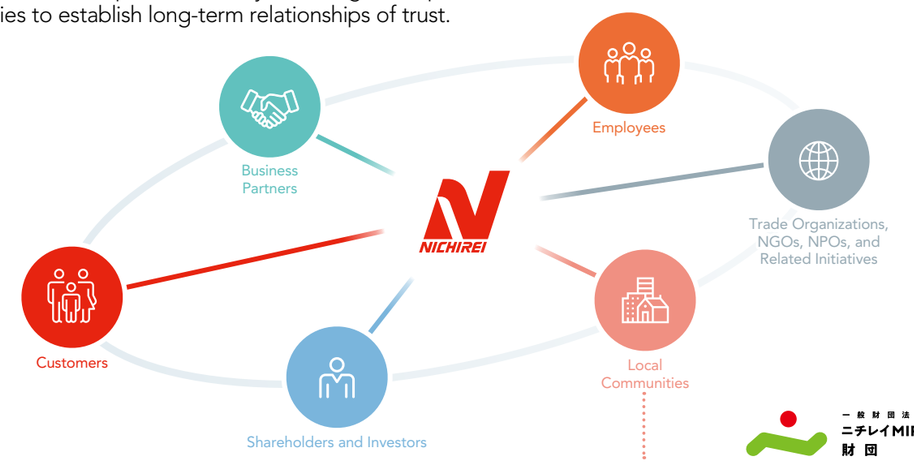
- Achieving stable and sustainable transportation and delivery
- Reducing truck drivers' workload by shortening their on-duty work hours
- Reducing environmental impacts
- Reducing risk of inability to transport cargo

Economic Value

- Significantly reducing total driving time
- Building efficient and seamless transportation infrastructure
- Significantly expanding transportation capacity

Stakeholder Engagement

The Nichirei Group engages in global business activities, and as such recognizes the importance of maintaining dialogue with its diverse stakeholders. We work to promote understanding of our business through various methods of communication with stakeholders and by disclosing information. The Group works to build corporate value by reflecting the expectations and concerns of stakeholders in its business activities to establish long-term relationships of trust.



一般財団法人
ニチレイMIRAI terrace 財団

(Japanese only)
https://nichireimiraiterrace.or.jp

The Nichirei MIRAIterrace Foundation

We established the Nichirei MIRAIterrace Foundation to conduct initiatives to resolve social issues related to food and health from a long-term perspective. The foundation supports social welfare organizations such as children's cafeterias. Activities in FY2024 included supporting the Meals on Wheels Logistics System project, a system that ensures that everyone, from children to the elderly, who gather at community spaces such as children's cafeterias across the country have access to meals. Support included the provision of grants. In addition, the foundation launched a new public grant application program through which it provided support to 30 organizations for the cost of food purchases and a portion of their operating expenses. We will continue to contribute to good eating habits and health through initiatives such as these.

Customers

Customers who use the Nichirei Group's products and services. By responding to the needs of diverse customers while providing new value, we will contribute to good eating habits and health.

Expectations and Interests
- Creation of new value
- Provision of safe, high-quality products and services
- Realization of good eating habits and health
- Provision of appropriate information
- Sustainability initiatives

Communication Channels
- Day-to-day sales and business activities
- Customer Service Center
- Customer satisfaction surveys
- Website
- Social media

Outcomes
- Solutions to customer issues through promotion of innovation

Related Capital
- Social and relationship capital

Related Material Matters
1 Creating new value in food and health
2 Strengthening food processing and production technology capabilities; enhancing logistics services

Shareholders and Investors

The providers of financial capital for the Nichirei Group. Through dialogue and information disclosure, we gain their support for our sustainable growth.

Expectations and Interests
- Maintaining and improving corporate value
- Appropriate distribution of profits
- Timely and appropriate disclosure of information
- ESG initiatives

Communication Channels
- General Meetings of Shareholders
- Financial results briefings
- Business information sessions, facility tours
- Detailed interviews with individual investors in Japan and overseas
- IR website, ESG website
- Integrated Report

Outcomes
- Improvement in long-term corporate value

Related Capital
- Financial capital

Related Material Matters
1 Creating new value in food and health
2 Strengthening food processing and production technology capabilities; enhancing logistics services
3 Realizing sustainable food procurement and a circular economy
4 Climate change initiatives
5 Securing and developing a diverse array of human resources

Business Partners

The suppliers who do business with the Nichirei Group, including suppliers of raw materials and commercial products; OEMs to which it outsources manufacturing; and third parties to which it outsources logistics services, such as transportation and cargo handling. They are important partners for co-creating value, and we build long-term relationships of trust with them for mutual growth.

Expectations and Interests
- Impartial, fair, and honest transactions
- Initiatives to improve quality
- Formation of long-term, constructive relationships and mutual development premised on coexistence and co-prosperity
- Realization of sustainable procurement throughout the supply chain

Communication Channels
- Day-to-day procurement and business activities
- Meetings and seminars for business partners
- Implementation of Supplier Code of Conduct, Supplier Guidelines, and Supplier ESG Survey
- Initiatives for improving quality through communication

Outcomes
- Mutual growth with partners
- Sustainable food procurement
- Realization of a circular economy
- Climate change initiatives

Related Capital
- Social and relationship capital
- Natural capital

Related Material Matters
1 Creating new value in food and health
2 Strengthening food processing and production technology capabilities; enhancing logistics services
3 Realizing sustainable food procurement and a circular economy
4 Climate change initiatives

Employees

Nichirei Group employees are indispensable for creating value and producing safe, high-quality products and services. We respect the diversity of our employees, and strive to ensure occupational health and safety and to provide fair treatment and opportunities for personal development. We also strive to increase engagement by continuously improving the workplace to enable every employee to thrive.

Expectations and Interests
- Occupational health and safety
- Health management
- Improvement of work satisfaction
- Opportunities for employees to develop and fully demonstrate their skills
- Diversity, equity and inclusion (DE&I)
- Respect for diversity

Communication Channels
- Internal whistleblower hotlines
- Employee assistance and mental health consultation center
- Labor–management council
- Health and safety committees
- Symposiums involving management and employees
- Employee award system
- Intranet
- Employee engagement survey
- Employee stress checks

Outcomes
- Success of diverse human resources

Related Capital
- Intellectual capital
- Human capital

Related Material Matters
5 Securing and developing a diverse array of human resources

Local Communities

As a member of society, the Nichirei Group contributes to the development of local communities and helps resolve social issues through dialogue and by thinking and acting together with a broad range of stakeholders. In addition to creating local employment through our businesses, we consider local communities and their environment and promote coexistence.

Expectations and Interests
- Coexistence with local communities
- Preservation of local environments
- Educational activities in local communities
- Contribution to job creation and local community development
- Consideration for the environment and noise levels, and safe operations

Communication Channels
- Social contribution activities
- Participation in local events
- Volunteer activities
- Dietary education activities (ethical consumption)
- Food factory and distribution warehouse tours
- Sponsorship of sporting events
- Website

Outcomes
- Coexistence with local communities
- Sustainable food procurement
- Realization of a circular economy
- Climate change initiatives

Related Capital
- Social and relationship capital
- Natural capital

Related Material Matters
3 Realizing sustainable food procurement and a circular economy
4 Climate change initiatives
5 Securing and developing a diverse array of human resources

Trade Organizations, NGOs, NPOs and Related Initiatives

By actively participating in trade organization conferences and other events, the Nichirei Group collaborates with other companies to help resolve issues. We also work to resolve such issues by collaborating and cooperating with various NGOs and NPOs in Japan and abroad.

Expectations and Interests
- Human rights
- Climate change
- Preservation of the global environment
- Food loss and food waste
- Sustainable procurement
- Resolution of industry issues through collaboration

Communication Channels
- The TCFD Consortium
- Japan Frozen Food Association
- The TNFD Forum
- Japan Association of Refrigerated Warehouses
- Japan Fisheries Association
- World Wide Fund for Nature
- Roundtable on Sustainable Palm Oil
- Caux Round Table Japan
- The Consumer Goods Forum
- The UN Global Compact

Outcomes
- Solutions to social issues through collaboration

Related Capital
- Social and relationship capital

Related Material Matters
3 Realizing sustainable food procurement and a circular economy
4 Climate change initiatives

Messages from Outside Directors

Our outside directors respond to questions about key topics of interest that have arisen during dialogue with investors and analysts.

Developing human resources who strengthen the Company through discussion from diverse perspectives

Mana Nabeshima
Outside Director

Q What do you consider the features of the Nichirei Group and the challenges it faces?

I think its sincere approach to providing safe, reliable food is an excellent characteristic. From a financial perspective, I feel that the results of its steady initiatives for ROIC management at each operating company are becoming apparent. As for the challenges that lie ahead, Nichirei may need to discuss the kind of company it wants to become over the long term to establish an advantage, and then consider reconfiguring its business portfolio accordingly by generating synergies among its businesses and through other methods. Doing so will require not only collecting more information, but also disciplined efforts in areas it has not been stressing, such as marketing, branding and recruiting human resources in the new field of ESG.

Q How has the Board of Directors changed since you were appointed?

I recognize that for some time now there have been lively exchanges of opinion and that discussions have been sufficiently thorough at Board of Directors meetings. Recently, members are more proactive in voicing dissenting opinions, and I believe Board meetings are run more effectively. In addition, the Company added one more outside director in June 2024. All outside directors have expertise in various fields, and three of us are women, which has increased the Board's diversity. For some time now the chairpersons of both the Nominating Advisory Committee and the Remuneration Advisory Committee have been outside directors, and opinions expressed at last year's Nominating Advisory Committee meetings have led to significant advances in the succession plan. To make the most of the expertise and diversity of outside directors, it might be a good idea for us to be involved in setting the agenda for future Board meetings. On the other hand, there are instances where it takes time to get a response to issues raised at Board meetings, and I look forward to improvement in this area.

Q Going forward, what topics would you like to concentrate on regarding intangible assets such as human resources and intellectual property?

Innovation is the wellspring of corporate growth, so I think it is important to concentrate on research and product development. I also feel it is time to consider proactive training of development personnel as well as recruitment of mid-career employees from outside the Company.

Moreover, based on the belief that discussion among human resources from diverse perspectives makes a company stronger, it is essential to take prompt action to develop women employees in line with their career plans and ambitions. Drawing up strategies and plans will be a challenge, but I have high expectations that the establishment of Diversity Promotion as a division, and the creation of a new position for a person in charge of this division, will expedite the process.

Since the appointment of a General Manager of Sustainability Strategy, Nichirei has made steady progress in addressing environmental risks, including presenting a renewable energy portfolio for 2030, and then backcasting from it. As for opportunities, Nichirei will be able to enhance its growth potential by discussing the kind of company it wants to become in order to clarify a specific direction and strategies. I look forward to the leadership and cooperation of each department.

Involving the next generation in shaping Nichirei's growth story will also drive the evolution of its corporate culture

Itsuo Hama
Outside Director

Q What are your thoughts on ROIC management?

ROIC management, which is aimed at improving capital efficiency, has taken hold at Nichirei, and progress in achieving the simple ROIC it has set for each business segment is discussed in almost every committee and Board meeting. However, I sense that due to shortcomings in the design of the Group's strategy from a medium- to long-term perspective, it has yet to eliminate the risk of not seeing the forest for the trees.

I expect that once the Nichirei Group employs backcasting for a more clearly designed growth strategy, it will rapidly establish a system for continuously maximizing corporate value by allocating cash obtained through ROIC management to future growth investments.

Q What are your impressions of Nichirei's approach to marketing and innovation?

Nichirei has yet to draw up scenarios for maximizing both its corporate brand and product brands through collaboration between the holding company and operating companies. For its corporate brand, it needs to promptly design a strategy and set evaluation indicators for maximizing the appeal of the Nichirei Group. For product brands, it needs to review points of differentiation in both the household-use and the commercial-use categories, and create scenarios for using those points to increase corporate value as the business expands. Overseas, in addition to these measures, Nichirei should first maximize the value of its brands in Japan, clearly identify the points of differentiation specific to each area, and then implement concrete marketing measures for those areas.

As for innovation, the Nichirei Group must first clearly define the value it wants to provide and its value creation story, and then promptly set specific themes for business and technological innovation, and secure a system for driving them forward.

Q What is your analysis of synergies within the Group?

I think it is necessary to draw up specific strategies for synergies by area, country and category.

Once its medium- to long-term growth story is clearly defined, the Group, from senior management to each business site, must share a common understanding of that story and work together to achieve its goals.

There currently appears to be a silo mentality, with a lack of candid interchange and understanding between businesses. Setting specific topics for collaboration and working together to achieve them should help remove such barriers.

In addition, I believe that involving the next generation of Group employees—and the generation after that—in shaping Nichirei's medium- to long-term growth story and designing its synergy strategies will drive the evolution of its corporate culture.

Taking a fresh look at Nichirei's strengths and what makes it stand out

Kenji Hamashima
Outside Director

Q How do you view Nichirei's continuing overseas business expansion and the associated issues?

Since Japan's market alone is not large enough for Nichirei to achieve its medium- to long-term goals, it is natural to seek growth opportunities overseas, and a rational approach given Nichirei's size. Overseas expansion requires market strategies tailored to each region and business, and labor markets are another key factor. If Nichirei intends to go beyond its long-term management goals toward 2030 as a global company, it will need to prepare strategies specifically for labor markets. Issues I see going forward are enhancing training programs for developing globally capable human resources and fostering greater tolerance for differences and diversity, including presenting Nichirei's many capable employees with clear and adventurous career paths that lead to senior management positions in the Group.

Q What are your thoughts on the business portfolio?

The bioscience business has performed strongly in recent years, but honestly, I feel that it has fallen short in terms of helping to develop basic technological capabilities for the Group overall. With the entry of many small and medium-sized companies into Nichirei's business domain as refrigeration technologies become commonplace, Nichirei must ask itself where its strengths lie and what factors make it stand out as competition intensifies. The entire Group needs to take a fresh look at these points. I have the impression that the Group's exit strategy is taking shape in terms of technological capabilities with the transfer of all technology development to Nichirei Foods in the reorganization conducted in April 2023.

I also think that new business opportunities are likely to arise from making synergy with the processed foods business part of the bioscience strategy. One example of the involvement of the bioscience business in a processed foods business is the technology for making *acerola powder*. The ability to powderize acerola has significantly facilitated distribution and increased its range of applications. I expect Nichirei to generate synergies among its respective strengths in ways like this, closely matching its development goals with its exit strategies to become a dominant advanced technology company in the food industry.

Q What is Nichirei's approach to officer remuneration and what are its associated initiatives?

Nichirei aims to balance social and economic value. To promote this, its system for determining officer remuneration consists of three elements: industry position, business performance evaluation and ESG third-party evaluation. Nichirei believes that evaluations must be structured in a way that balances short-term and medium- to long-term aspects. To ensure objectivity and validity, officer remuneration is determined annually, based on energetic discussions incorporating information from third-party organizations. Issues going forward include discussions on incorporating a method for allocating remuneration from a medium- to long-term perspective and employee engagement scores into the remuneration system.

Officer Career Summaries (As of June 25, 2024)

Please click the link below for detailed officer profiles.
https://www.nichirei.co.jp/english/corpo/outline

Directors

Kenya Okushi
Representative Director, President & Chief Executive Officer

Significant concurrent positions outside the Company:
■ Chairman, Japan Frozen Food Association

Years in office	7*
Number of the Company's shares owned	394 (Hundreds of shares)

* 5 since being appointed representative director in 2019

Apr. 1988 Joined Nichirei
Apr. 2011 General Manager of Business Coordination Division, Nichirei Foods Inc.
Apr. 2013 General Manager of Strategic Planning Division, the Company
Jun. 2014 Executive Officer; General Manager of Strategic Planning Division, the Company
Jun. 2015 Director, Managing Executive Officer; in charge of Brand Promoting Division, Human Resources Division, Business Administration Division, Business Promoting Division, Imported Products Procurement Strategy Division, and International Business Division; General Manager of Strategic Planning Division, Nichirei Foods Inc.
Apr. 2017 Representative Director, President, Nichirei Foods Inc.
Jun. 2017 Director, Executive Officer, the Company
Apr. 2018 Director, Executive Officer; in charge of Strategic Planning Division, the Company
Apr. 2019 Representative Director, President & Chief Executive Officer, the Company (to the present)
May 2020 Chairman, Japan Frozen Food Association (to the present)

Masahiko Takenaga
Director, Senior Executive Officer

Significant concurrent positions outside the Company:
■ Representative Director, President, Nichirei Foods Inc.

Years in office	5
Number of the Company's shares owned	275 (Hundreds of shares)

Apr. 1989 Joined Nichirei
Apr. 2013 General Manager of Brand Promoting Division, Nichirei Foods Inc.
Apr. 2015 Executive Officer; General Manager of Manufacturing Strategy Division, and General Manager of Manufacturing Administration Division, Manufacturing Division, Nichirei Foods Inc.
Apr. 2016 Executive Officer; Executive General Manager of Consumer Brand Division, Nichirei Foods Inc.
Apr. 2017 Managing Executive Officer; Executive General Manager of Consumer Brand Division, Nichirei Foods Inc.
Jun. 2018 Director, Managing Executive Officer, Nichirei Foods Inc.
Apr. 2019 Representative Director, President, Nichirei Foods Inc. (to the present)
Jun. 2019 Director, Executive Officer, the Company
Apr. 2023 Director, Senior Executive Officer, the Company (to the present)

Wataru Tanabe
Director, Senior Executive Officer

Significant concurrent positions outside the Company:
■ Representative Director, President, Nichirei Fresh Inc.

Years in office	3
Number of the Company's shares owned	116 (Hundreds of shares)

Apr. 1992 Joined Nichirei
Sep. 2009 Representative Director, President, Nichirei Fresh Farm Inc.
Apr. 2019 Executive Officer, General Manager of Strategic Planning Division, Nichirei Fresh Inc.
Jun. 2020 Director, Executive Officer, General Manager of Strategic Planning Division, Nichirei Fresh Inc.
Apr. 2021 Representative Director, President, Nichirei Fresh Inc. (to the present)
Jun. 2021 Director, Executive Officer, the Company
Apr. 2023 Director, Senior Executive Officer, the Company (to the present)

Kenji Suzuki
Director, Senior Executive Officer, Chief Financial Officer

Years in office	2
Number of the Company's shares owned	81 (Hundreds of shares)

Apr. 1991 Joined Nichirei
Apr. 2019 General Manager of Finance Division, the Company
Apr. 2021 Executive Officer; General Manager of Business Management Division, and General Manager of Finance Division, the Company
Feb. 2022 Executive Officer; in charge of Accounting & Tax Division, General Manager of Business Management Division, General Manager of Finance Division, the Company
Jun. 2022 Director, Executive Officer; in charge of Accounting & Tax Division, Management Business Division and Real Estate Division, General Manager of Finance Division, the Company
Apr. 2023 Director, Senior Executive Officer, Chief Financial Officer; in charge of Accounting & Tax Division, Public Relations & Investor Relations Division, Corporate Internal Audit Division and Real Estate Division, General Manager of Finance Division, the Company
Jun. 2023 Director, Senior Executive Officer, Chief Financial Officer; in charge of Accounting & Tax Division, Public Relations & Investor Relations Division, Corporate Internal Audit Division, Quality Assurance Division and Real Estate Division, General Manager of Finance Division, the Company
Apr. 2024 Director, Senior Executive Officer, Chief Financial Officer; in charge of Accounting & Tax Division, Public Relations & Investor Relations Division, Human Resources Development Division, Corporate Internal Audit Division, Quality Assurance Division and Real Estate Division; General Manager of Finance Division, the Company (to the present)

Yuichi Takaku
Director, Senior Executive Officer

Years in office	1
Number of the Company's shares owned	81 (Hundreds of shares)

Apr. 1994 Joined Nichirei
Apr. 2012 Seconded to Nichirei Holding Holland B.V., Nichirei Logistics Group Inc.
Apr. 2018 General Manager of Strategic Planning Division, Nichirei Logistics Group Inc.
Apr. 2021 Executive Officer; in charge of IT Strategy Division, General Manager of Strategic Planning Division, the Company
Apr. 2023 Senior Executive Officer; in charge of IT Strategy Division and Sustainability Management Division, General Manager of Strategic Planning Division, the Company
Jun. 2023 Director, Senior Executive Officer; in charge of IT Strategy Division and Sustainability Management Division, General Manager of Strategic Planning Division, the Company
Apr. 2024 Director, Senior Executive Officer; in charge of IT Strategy Division, Sustainability Strategy Division and Diversity Promotion Division, General Manager of Strategic Planning Division, General Manager of Innovation Planning & Development Division, the Company (to the present)

Kazunori Shimamoto
Director, Senior Executive Officer

Significant concurrent positions outside the Company:
■ Representative Director, President, Nichirei Logistics Group Inc.

Years in office	New appointment
Number of the Company's shares owned	0

Apr. 1996 Joined Nichirei
Apr. 2014 Shanghai Representative Office, Nichirei Logistics Group Inc.
Apr. 2017 General Manager, Bangkok Representative Office, Nichirei Logistics Group Inc.
Apr. 2020 General Manager of Sales Strategy Division, Nichirei Logistics Group Inc.
Apr. 2021 Executive Officer; General Manager of Strategic Planning Division, General Manager of Sales Strategy Division, Nichirei Logistics Group Inc.
Jun. 2023 Director, Executive Officer; General Manager of Strategic Planning Division, General Manager of Sales Strategy Division, Nichirei Logistics Group Inc.
Apr. 2024 Representative Director, President, Nichirei Logistics Group Inc. (to the present)
Jun. 2024 Director, Senior Executive Officer, the Company (to the present)

Outside Directors

Mana Nabeshima
Outside Director

Significant concurrent positions outside the Company:
■ Representative Director, Wakiaiai Co., Ltd.

Years in office	3
Number of the Company's shares owned	29 (Hundreds of shares)

Aug. 1991 Joined Citibank, N.A., Tokyo Branch
Oct. 2000 Joined Goldman Sachs Japan Co., Ltd.
Jan. 2015 Joined DBS Bank Ltd.
Aug. 2016 Representative Director and CEO, DBS Securities (Japan) Co., Ltd.
Sep. 2016 Country Head of Japan, DBS Bank Ltd.
Jan. 2020 Executive Officer; Head of Sales, HiJoJo Partners Inc.
Jul. 2020 Vice Chairman, DIGITAL GRID Corporation (to the present)
Dec. 2020 Representative Director, Wakiaiai Co., Ltd. (to the present)
Jun. 2021 Outside Director, the Company (to the present)

Itsuo Hama
Outside Director

Years in office	2
Number of the Company's shares owned	6 (Hundreds of shares)

Apr. 1977 Joined Lion Fat & Oil Co., Ltd. (current Lion Corporation)
Mar. 2008 Director; Executive General Manager of Household Products Division, Lion Corporation
Jan. 2009 Director
Executive General Manager of Household Products Division; responsible for Advertising Department, Behavioral Science Research Institute, Distribution Policy and Customer Development Department, Lion Corporation
Mar. 2010 Executive Director
Responsible for Health Care Products Division, Household Products Division, Gift and Channel-Specific Products Division, Advertising Department, Behavioral Science Research Institute, Distribution Policy and Customer Development Department, Lion Corporation
Jan. 2012 Representative Director, President, Executive Officer, Chief Operating Officer; responsible for Risk Management, Lion Corporation
Mar. 2016 Representative Director, President and CEO, Chairman of the Board of Directors, Executive Officer, Lion Corporation
Jan. 2019 Representative Director, Chairman of the Board of Directors, Chief Executive Officer, Lion Corporation
Mar. 2022 Representative Director, Chairman of the Board of Directors, Lion Corporation
Jun. 2022 Outside Director, the Company (to the present)
Mar. 2023 Executive Advisor, Lion Corporation (to the present)

Kenji Hamashima
Outside Director

Significant concurrent positions outside the Company:
■ Outside Director, Takamatsu Construction Group Co., Ltd.

Years in office	2
Number of the Company's shares owned	20 (Hundreds of shares)

Apr. 1982 Joined Ushio, Inc.
Apr. 1999 Director, President, CEO, Ushio America, Inc.
Nov. 2000 Director, President, CEO, Christie Digital Systems, Inc.
Apr. 2004 Senior Group Executive Officer, Ushio, Inc.
Apr. 2007 Group Managing Executive Officer, Ushio, Inc.
Jun. 2010 Director, Senior Managing Executive Officer, Ushio, Inc.
Apr. 2014 Representative Director, Senior Executive Vice President, Ushio, Inc.
Oct. 2014 Representative Director, Chief Executive Officer, Ushio, Inc.
Apr. 2019 Corporate Advisor, Ushio, Inc.
Apr. 2020 Special Counselor, Ushio, Inc. (to the present)
Jun. 2020 Outside Director, Inabata & Co., Ltd.
Jun. 2022 Outside Director, Audit and Supervisory Committee Member, Inabata & Co., Ltd.
Outside Director, the Company (to the present)
Jun. 2024 Outside Director, Takamatsu Construction Group Co., Ltd. (to the present)

Yukiko Yoshimaru
Outside Director

Significant concurrent positions outside the Company:
■ Outside Director, Sekisui House, Ltd.
■ Outside Director, Daiwabo Holdings Co., Ltd.

Years in office	New appointment
Number of the Company's shares owned	0

Apr. 1982 Joined Oki Electric Industry Co., Ltd.
Apr. 1998 Director, Oki America Inc., Head, New York Office, Oki Electric Industry Co., Ltd.
Oct. 2004 General Manager, Diversity Development Office, Nissan Motor Co., Ltd.
Apr. 2008 Joined Nifco Inc.
Jun. 2011 Executive Officer, Nifco Inc.
Apr. 2018 Outside Director, Sekisui House, Ltd. (to the present)
Jun. 2019 Outside Director, Mitsui Chemicals, Inc.
Jun. 2021 Outside Director, Daiwabo Holdings Co., Ltd. (to the present)
Jun. 2024 Outside Director, the Company (to the present)

Yumi Yamaguchi
Outside Director

Significant concurrent positions outside the Company:
■ Outside Director, Mitsui O.S.K. Lines, Ltd.

Years in office	New appointment
Number of the Company's shares owned	0

Apr. 1983 Joined Ministry of Transport (currently Ministry of Land, Infrastructure, Transport and Tourism)
Apr. 2001 Director of TF for 2002 FIFA World Cup International Passengers Transportation, Policy Bureau, Ministry of Land, Infrastructure, Transport and Tourism
Aug. 2005 Director of Logistic Facilities Industries Division, Policy Bureau, Ministry of Land, Infrastructure, Transport and Tourism
Jul. 2006 Vice-Governor, Okayama Prefecture
Jul. 2014 Senior Vice Commissioner, Japan Tourism Agency, Ministry of Land, Infrastructure, Transport and Tourism
Oct. 2015 Executive Advisor, Corporate Planning & Strategy Division, Mitsui & Co., Ltd.
Apr. 2016 Managing Officer, Mitsui & Co., Ltd.
President & CEO, Mitsui Global Strategic Studies Institute
Jul. 2020 Managing Officer; Deputy Chief Strategy Officer, Deputy Chief Digital Information Officer, Mitsui & Co., Ltd.
Apr. 2023 Executive Advisor, Mitsui & Co., Ltd. (to the present)
Jun. 2024 Outside Director, Mitsui O.S.K. Lines, Ltd. (to the present)
Outside Director, the Company (to the present)

Audit & Supervisory Board Members

Tatsushi Kato
Audit & Supervisory Board Member

Years in office	3
Number of the Company's shares owned	16 (Hundreds of shares)

Apr. 1987 Joined Nichirei
Apr. 2013 General Manager of Funabashi Plant, Manufacturing Division, Nichirei Foods Inc.
Oct. 2013 General Manager of Funabashi Plant, General Manager of Funabashi No. 2 Plant, Manufacturing Division, Nichirei Foods Inc.
Apr. 2015 Executive Officer; General Manager of Funabashi Plant, General Manager of Funabashi No. 2 Plant, Manufacturing Division, Nichirei Foods Inc.
Apr. 2016 Executive Officer; General Manager of Manufacturing Division, Nichirei Foods Inc.
Apr. 2019 Managing Executive Officer; General Manager of Quality Assurance Department, Nichirei Foods Inc.
Apr. 2020 Managing Executive Officer; General Manager of Quality Assurance Department, General Manager of Research and Development Department, Nichirei Foods Inc.
Jun. 2021 Audit & Supervisory Board Member, the Company (to the present)

Tetsuro Katabuchi
Audit & Supervisory Board Member

Years in office	2
Number of the Company's shares owned	9 (Hundreds of shares)

Apr. 1987 Joined Nichirei
Apr. 2005 Group Leader, Legal Affairs Support, Group Legal Affairs Service Division, Nichirei Proserve Inc.
Apr. 2011 Manager of Business Management Support Department, Nichirei Proserve Inc.
Apr. 2013 General Manager of Legal Affairs, the Company
Jun. 2022 Audit & Supervisory Board Member, the Company (to the present)

Yuhiko Saito
Outside Audit & Supervisory Board Member

Significant concurrent positions outside the Company:
■ Attorney

Years in office	5
Number of the Company's shares owned	20 (Hundreds of shares)

Apr. 1983 Appointed Public Prosecutor
Sep. 2012 Director-General of the Rehabilitation Bureau, Ministry of Justice
Jul. 2014 Chief Prosecutor, Kyoto District Public Prosecutors Office
Apr. 2015 Chief Prosecutor, Yokohama District Public Prosecutors Office
Sep. 2016 Superintending Prosecutor, Takamatsu High Public Prosecutors Office
Mar. 2017 Superintending Prosecutor, Hiroshima High Public Prosecutors Office
Jan. 2018 Retired from office
Mar. 2018 Registered as an attorney (Dojima Law Office) (to the present)
Jun. 2019 Outside Audit & Supervisory Board Member, the Company (to the present)

Takaaki Kato
Outside Audit & Supervisory Board Member

Significant concurrent positions outside the Company:
■ Outside Director, Kandenko Co., Ltd.

Years in office	New appointment
Number of the Company's shares owned	0

Apr. 1980 Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.)
Mar. 2005 General Manager, Hong Kong Branch, Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)
Apr. 2008 Executive Officer, Mizuho Securities Co., Ltd.
Apr. 2009 Managing Executive Officer, Mizuho Securities Co., Ltd.
Apr. 2011 Managing Executive Officer, Mizuho Securities Co., Ltd., Chairman, Mizuho Securities Asia Limited
Apr. 2013 Managing Executive Officer, KYB Corporation
Jun. 2015 Member of the Board of Directors, Senior Managing Executive Officer, KYB Corporation
Jun. 2017 Representative Director, Executive Vice President Executive Officer, KYB Corporation
Jun. 2023 Corporate Advisor, KYB Corporation (to the present)
Jun. 2024 Outside Audit & Supervisory Board Member, the Company (to the present)
Outside Director, Kandenko Co., Ltd. (to the present)

Hiromichi Matsushima
Outside Audit & Supervisory Board Member

Years in office	New appointment
Number of the Company's shares owned	0

Apr. 1982 Joined Ministry of Agriculture, Forestry and Fisheries
May 1999 Counselor, The Permanent Mission of Japan to the International Organizations in Geneva, Ministry of Foreign Affairs
Oct. 2003 Director, Milk and Dairy Products Division, Livestock Industry Department, Agricultural Production Bureau, Ministry of Agriculture, Forestry and Fisheries
Jul. 2005 Director, Regional Products and Industrial Crops Division, Agricultural Production Bureau, Ministry of Agriculture, Forestry and Fisheries
Oct. 2006 Director, Administration Division, Agriculture, Forestry and Fisheries Research Council Secretariat, Ministry of Agriculture, Forestry and Fisheries
Jul. 2007 Director, Personal Division, Minister's Secretariat, Ministry of Agriculture, Forestry and Fisheries
Jan. 2010 Director for Research Coordination, Policy Research Institute, Ministry of Agriculture, Forestry and Fisheries
Aug. 2011 Counselor (Environment and International Affairs), Minister's Secretariat, Ministry of Agriculture, Forestry and Fisheries
Apr. 2013 Director-General, International Affairs Department, Minister's Secretariat, Ministry of Agriculture, Forestry and Fisheries, Counsellor, Cabinet Secretariat
Jul. 2014 Director General, Ministry of Agriculture, Forestry and Fisheries
Aug. 2015 Vice-Minister for International Affairs, Ministry of Agriculture, Forestry and Fisheries
Jul. 2019 Advisor, Ministry of Agriculture, Forestry and Fisheries
Sep. 2020 Ambassador Extraordinary and Plenipotentiary to the Republic of Slovenia
Jun. 2024 Outside Audit & Supervisory Board Member, the Company (to the present)

Executive Officers

Yutaka Karino
Senior Executive Officer

In charge of Human Resources Planning Division, Legal Department Division, General Manager of General Affairs Division, General Manager of Secretarial Office

Hideo Yokoi
Senior Executive Officer

Significant concurrent positions outside the Company:
■ Representative Director, President, Nichirei Biosciences Inc.

Takuji Okugawa
Executive Officer

General Manager of Quality Assurance

Jouji Sakaguchi
Executive Officer

General Manager of IT Strategy

Emi Kataoka
Executive Officer

General Manager of Diversity Promotion

Corporate Governance

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

Basic Policy and Structure

Activities Aimed at Strengthening the Nichirei Group's Corporate Governance Structure
https://nichirei.disclosure.site/en/themes/189#sec1035_01-2

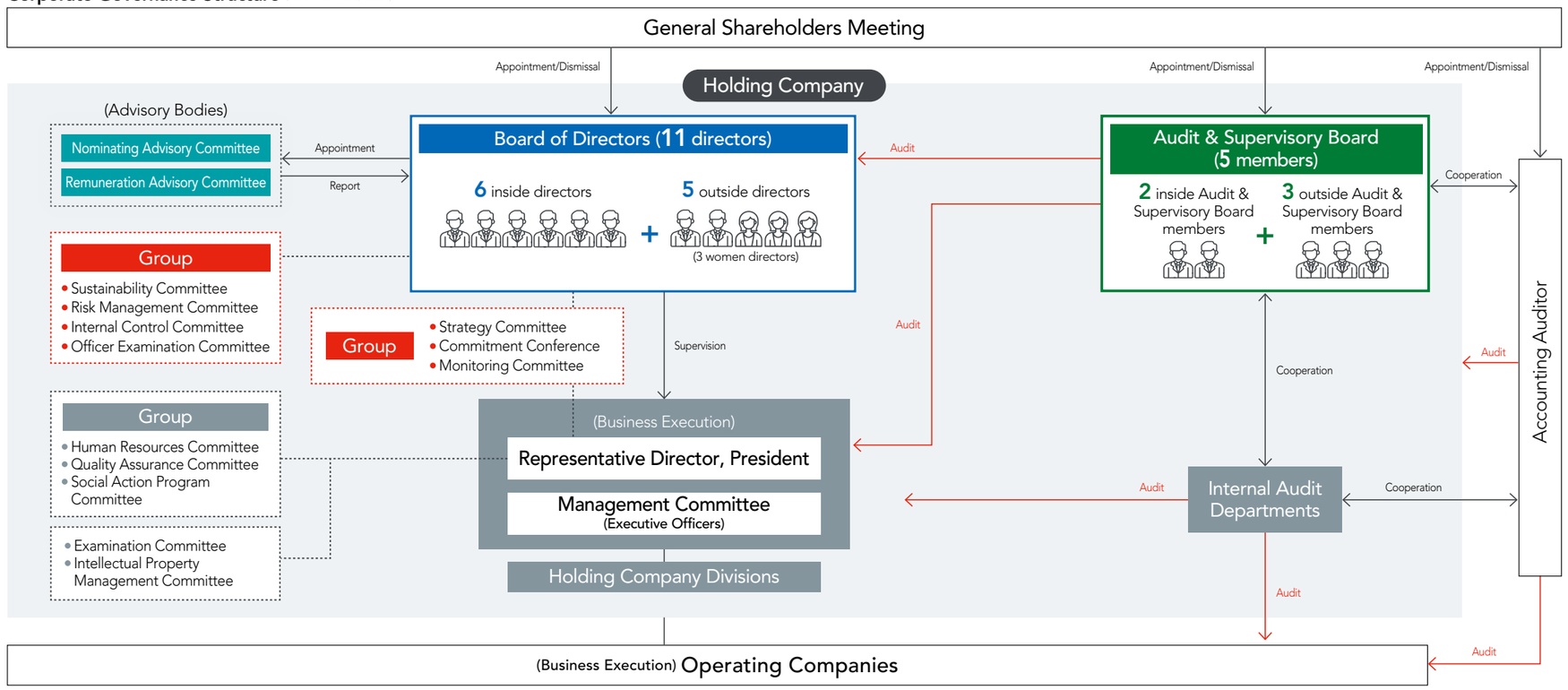
Under the holding company structure, Nichirei Group's operating companies engage in a wide range of businesses, including processed foods, marine, meat and poultry products, temperature-controlled logistics, and biosciences. In pursuit of sustainable growth and the enhancement of corporate value over the medium to long term, the Company's Board of Directors formulates Group strategies and supervises the business execution of operating companies.

The holding company adheres to the principles of the Corporate Governance Code and views the achievement of fair and transparent management as an important management issue. Accordingly, under the supervision of the Board of Directors, we will continue to strengthen governance by promoting appropriate resource allocation, speeding up decision-making and ensuring thorough compliance.

In addition, we have established ourselves as a company with an Audit & Supervisory Board system, an institutional design specified in the Companies Act of Japan.

Support System for Outside Directors (Outside Audit & Supervisory Board Members) /Policy for Training Directors and Audit & Supervisory Board Members
https://nichirei.disclosure.site/en/themes/189#sec1035_13

Corporate Governance Structure (As of June 25, 2024)



Board of Directors

▸ Please refer to the next page for details.

Audit & Supervisory Board

▸ Please refer to the next page for details.

Nominating Advisory Committee

▸ Please refer to the next page for details.

Remuneration Advisory Committee

▸ Please refer to the next page for details.

Group Sustainability Committee

Number of meetings held in FY2024: **4**
Chairperson: Kenya Okushi, Representative Director, President

The committee deliberates on efforts to realize a sustainable society and works to maximize the Nichirei Group's corporate value by balancing social and economic value.

Group Risk Management Committee

Number of meetings held in FY2024: **2**
Chairperson: Kenya Okushi, Representative Director, President

The committee uses the most appropriate and rational methods to comprehensively manage uncertainties that could damage the Nichirei Group's corporate value.

Group Internal Control Committee

Number of meetings held in FY2024: **1**
Chairperson: Kenya Okushi, Representative Director, President

The committee supports the business operations of Group companies and improves efficiency by establishing, operating, monitoring and improving internal control systems at each Group company.

Group Officer Examination Committee

Number of meetings held in FY2024: **2**
Chairperson: Consulting lawyer

The committee ensures the fairness of rewards and punishments for directors and executive officers of the holding company and four core operating companies.

Group Strategy Committee

Number of meetings held in FY2024: **2**
Chairperson: Kenya Okushi, Representative Director, President

The committee works to maximize the Nichirei Group's corporate value through deliberation and decision-making on strategies and quantitative targets for the medium to long term or the next fiscal year, for the holding company and four core operating companies.

Group Commitment Conference

Number of meetings held in FY2024: **1**
Chairperson: Kenya Okushi, Representative Director, President

The conference works to maximize the Nichirei Group's corporate value by clarifying and making decisions related to the next fiscal year's management policy and budget for the holding company and four core operating companies, and through the promotion of Group-wide efforts to achieve management targets.

Group Human Resources Committee

Number of meetings held in FY2024: **2**
Chairperson: Kenji Suzuki, Senior Executive Officer

Under a basic policy of creating an employee-oriented workplace and promoting diversity and health management, the committee works to create new value by improving work satisfaction through the monitoring of human resource policies and health promotion initiatives at Group companies, sharing information about effective measures, and promoting cross-departmental development.

Group Quality Assurance Committee

Number of meetings held in FY2024: **2**
Chairperson: Takuji Okugawa, Executive Officer

The committee works to achieve the product and service quality expected by customers and society.

Group Social Action Program Committee

Number of meetings held in FY2024: **1**
Chairperson: Yutaka Karino, Senior Executive Officer

The committee promotes social contribution activities that are unique to the Nichirei Group, such as education on food and logistics and contribution to local communities and environmental protection, as a good corporate citizen, by leveraging the business characteristics of Group companies.

Management Committee

Number of meetings held in FY2024: **28**
Chairperson: Kenya Okushi, Representative Director, President

The committee works to maximize the Nichirei Group's corporate value by discussing matters other than those to be resolved by the Board of Directors, as well as matters to be deliberated on before resolution by the Board.

Group Monitoring Committee

Number of meetings held in FY2024: **3**
Chairperson: Kenya Okushi, Representative Director, President

The committee works to maximize the Nichirei Group's corporate value by monitoring the status of business execution, budgets, and the progress of the "check and act" part of the PDCA cycle for each Group company. In this way, it ensures the holding company and four core operating companies fulfill their responsibilities regarding matters to be reported.

Note: The four core operating companies areNichirei Foods Inc., Nichirei Logistics Group Inc., Nichirei Fresh Inc. and Nichirei Biosciences Inc.

Overview of Board of Directors

Composition	11 directors (5 outside directors)
Number of Meetings in FY2024	19
Description of Operations	Promotes proper allocation of Group resources, swift decision-making and thorough compliance through supervision of the Group's strategy planning and business execution of operating companies. After discussion by the Group Strategy Committee, which meets twice a year, the Board of Directors formulates and approves the Group's strategies and conducts quarterly checks of the status of implementation at each Group business. It also engages in highly effective supervision of executive directors and executive officers.

Overview of Audit & Supervisory Board

Composition	5 Audit & Supervisory Board members (3 outside Audit & Supervisory Board members)
Number of Meetings in FY2024	17
Description of Operations	As a body that is independent from the Board of Directors, the Audit & Supervisory Board communicates with directors, the Corporate Internal Audit Division and other divisions of the holding company in accordance with the annual audit policy and audit plan, to gather information and prepare the audit environment.

Status of Voluntary Committees and Their Chairpersons

Committee	Role	Chairperson	Number of Meetings in FY2024
Nominating Advisory Committee	Discusses the suitability of candidates for senior management and directors/Audit & Supervisory Board members, as well as succession plans, and reports its findings to the Board of Directors.	Itsuo Hama Outside Director	9
Remuneration Advisory Committee	Discusses the remuneration system, remuneration levels, the appropriateness of remuneration amounts, and other related matters, and reports to the Board of Directors.	Kenji Hamashima Outside Director	4

Skill Matrix

The Nichirei Group believes that in order for the Board of Directors to effectively fulfill its roles and responsibilities, it must be composed of both inside and outside members with sufficient knowledge and experience in fields related to business management. We have designated the following knowledge and experience as important from a corporate management perspective. In addition to having appropriate experience in all of the following areas, the Company selects director candidates based on the areas in which the Company has particular expectations.

Skills Required for Decision-Making in Management (Contributing to Medium- to Long-term Corporate Value)

Corporate Management	Demonstrated leadership in corporate management as a top executive; management experience at a listed company with diverse stakeholders
ESG/Sustainability	Experience and expertise in promoting ESG initiatives; knowledge of and experience in making value judgments about ESG and social significance and sustainability for companies; knowledge and experience in promoting corporate sustainability; experience and expertise in human resource development related to continuously developing diverse human resources
Global	Cross-cultural communication skills and a high level of ability to get things done in overseas business as well as knowledge and expertise about markets, economies and business in specific countries and regions gained through experience including the management of local subsidiaries
Research and Development	Experience and expertise in research and development to establish a medium- to long-term competitive advantage
Marketing	Experience and expertise in sales and marketing
Human Resources Strategy	Experience and expertise in human resource development and strategy to continuously secure and develop diverse talent
DX	Experience, including management experience, and expertise in DX and IT-related fields

Skills Required for Supervision in Management (Contributing to Ensuring Continuity of Management)

Corporate Management	Demonstrated leadership in corporate management as a top executive; management experience at a listed company with diverse stakeholders
Financial Accounting/Finance	Expertise in financial accounting related to financial reporting and auditing; experience and expertise in corporate financing and management
Legal Affairs/Compliance	Experience and expertise in legal compliance, regulatory compliance, internal controls, and promotion of norms and corporate behavior required by society; experience in the legal profession; expertise and network related to quality assurance

Board of Directors Composition

Experience and Skills

Classification	Name	Board of Directors Meeting Attendance	Nominating Advisory Committee Meeting Attendance	Remuneration Advisory Committee Meeting Attendance	Audit & Supervisory Board Meeting Attendance	Corporate Management	ESG/ Sustainability	Global	Research and Development	Marketing	Human Resources Strategy	DX	Financial Accounting/ Finance	Legal Affairs/ Compliance
Directors	Kenya Okushi	19/19	9/9	4/4		●	●	●	●		●			●
Directors	Masahiko Takenaga	18/19				● (Processed foods)		●	●	●				
Directors	Wataru Tanabe	19/19				● (Marine, meat and poultry products)		●		●				
Directors	Kenji Suzuki	19/19					●	●			●		●	●
Directors	Yuichi Takaku	15/15 *1					●	●			●	●		
Directors	New Appointment Kazunori Shimamoto	*2				● (Logistics)		●		●		●		
Directors	Designation as Independent Officer Mana Nabeshima	19/19	9/9	4/4			●	●					●	
Directors	Designation as Independent Officer Itsuo Hama	19/19	9/9	4/4		●	●		●	●	●			
Directors	Designation as Independent Officer Kenji Hamashima	19/19	9/9	4/4		●	●	●					●	
Directors	New Appointment Designation as Independent Officer Yukiko Yoshimaru	*2	*2	*2			●	●			●			
Directors	New Appointment Designation as Independent Officer Yumi Yamaguchi	*2	*2	*2			●	●				●		
Audit & Supervisory Board Members	Tatsushi Kato	19/19			17/17		●		●					●
Audit & Supervisory Board Members	Tetsuro Katabuchi	19/19			17/17		●							●
Audit & Supervisory Board Members	Designation as Independent Officer Yuhiko Saito	19/19			17/17		●							●
Audit & Supervisory Board Members	New Appointment Designation as Independent Officer Takaaki Kato	*2			*2			●					●	
Audit & Supervisory Board Members	New Appointment Designation as Independent Officer Hiromichi Matsushima	*2			*2		●	●						

*1 As Mr. Takaku was newly appointed and took office at the 105th Annual General Shareholders Meeting held on June 27, 2023, his attendance is recorded for meetings held after his appointment.
*2 Since Mr. Shimamoto, Ms. Yoshimaru, Ms. Yamaguchi, Mr. Takaaki Kato, and Mr. Matsushima were newly appointed at the 106th Annual General Shareholders Meeting held on June 25, 2024, their attendance for FY2024 is not recorded.

Succession Plan

The Company positions the succession plan for the Group's senior management, including the president, as one of its most important issues and pursues it from a medium- to long-term perspective based on the corporate management philosophy. Specifically, the Nominating Advisory Committee, which is chaired by an outside director, carries out training, monitoring, and selection of successor candidates according to the selection process, and reports its findings to the Board of Directors based on thorough discussions. Based on the Nominating Advisory Committee's report, the Board of Directors approves and adopts the proposed new structure for the Group's senior management.

Image of the Succession Plan

1. Determination of Requirements for Top Management
2. Selection of Candidates
3. Training and Monitoring
4. Evaluation
5. Narrowing Down Candidates and Changing Them as Necessary

Note: In steps ❸ to ❺, 360-degree surveys, human resource assessments by outside organizations, and interviews by outside directors are used to decide on the final candidates.

Specific Discussions at Board of Directors' Meetings

In pursuit of sustainable growth and enhancement of corporate value over the medium to long term, the Company's Board of Directors formulates the Group's strategies and supervises the execution of business at operating companies. Specific matters discussed during FY2024 were as follows. Additionally, the details of discussions on items in bold is included.

Management Strategies	Revision of the Nichirei Group's material matters (materiality), review of target values/KPIs, and issues to be addressed in order to achieve them
Financial Strategy	**Measures for shareholder returns**
Medium-term Business Plan	Progress of Medium-term Business Plan Compass Rose 2024 and issues to be addressed
Sustainability	The Nichirei Group's 2050 Carbon Neutral Declaration and revision/expansion of CO_2 emission reduction targets, Group human resources strategy, **development of globally capable human resources**, ESG Index evaluation and challenges
Governance	Activities of the Nominating Advisory Committee and Remuneration Advisory Committee, and **review of the Nichirei Group Global Governance Basic Rules**
Business Strategies	Management strategy issues in significant domestic and overseas investment projects, the status of resource allocation by overseas region, and related issues

Agenda Items	Details of Discussions
Shareholder Return Measures	Finance explained the status of review of shareholder return measures (including past performance trends, comparison with other companies, and dividend simulations). Measures for increasing shareholder value, as well as dividend levels and shareholder composition were also discussed.
Development of Globally Capable Human Resources	Human Resources explained the status of review of the development of Nichirei Group human resources for overseas (including the required number of personnel by 2030, talent requirements, development initiatives, and development schedules). Discussions were also held regarding plans and methods for recruiting overseas human resources (including locally), methods for selecting development candidates, the number of candidates to be developed, and effective development methods, as well as the living arrangements during overseas assignments and career development after returning from overseas assignments.
Review of the Nichirei Group Global Governance Basic Rules	Legal explained the status of the review of Group policies, Group regulations, and the Nichirei Group Global Governance Basic Rules. Discussions were also held on the optimal structure for implementing the Global Governance Basic Rules in overseas group companies, the measures for disseminating and monitoring Group policies and the Global Governance Basic Rules after the structure review, and the education system for employees dispatched from Japan.

Evaluations of Effectiveness of the Board of Directors

As necessary, and with the assistance of outside experts, the Company conducts analyses and evaluations of the Board of Directors' activities to ensure its decision-making is effective. Summaries of the results are subsequently disclosed.

Evaluation Procedure	Subjects: Directors and Audit & Supervisory Board members (15 individuals in total) Period: January–February 2024 Methods: A self-assessment involving third-party engagement, where questionnaires and individual interviews are conducted by external experts. In addition to the annual questionnaire, individual interviews are conducted on a three-year cycle.
Summary of the Evaluation Results for FY2024	Summarizing the results of the questionnaire and opinions of the directors interviewed, in addition to the free and open exchange of frank opinions in an atmosphere conducive to discussion, there have been improvements in Board of Directors meeting materials, and discussions in the Nominating Advisory Committee and Remuneration Advisory Committee are being shared to some extent with the Board of Directors. As a result of the continuous implementation of such efforts to enhance discussions at Board of Directors meetings, in line with previous evaluations of the Board's effectiveness, many respondents expressed the positive opinion that the effectiveness of the Company's Board of Directors has been secured to a considerable degree. Furthermore, directors and Audit & Supervisory Board members pointed out multiple potential areas for improvement in order to further enhance the Board's effectiveness. These matters are expected to be reviewed in future deliberations of the Board of Directors. Taking the evaluation by the third-party experts to heart, the Board of Directors discussed the points raised or suggested, and has decided to reflect them in its operations as follows.

Issue Identified 1. Securing Time for Discussions Related to Long-term Strategies

Evaluation and Opinion	Numerous respondents felt that there is currently not enough time for discussions of the Group's long-term strategies and that more time should be allocated for this purpose. In response to questions about the Group's risk tolerance and preparedness, there were opinions pointing out that concrete measures to deal with these matters are an issue to be addressed going forward, as well as numerous negative evaluations on the five-point scale of the questionnaire, suggesting that many directors and Audit & Supervisory Board members feel that discussions on risk management have been insufficient.
Future Approach	The Board of Directors has decided to take the following measures to secure more opportunities and time at its meetings to discuss long-term strategies and risks. 1) Cooperation with other advisory bodies and committees of the Board of Directors In order to formulate medium- to long-term management strategies for the entire Group, the Board has decided to deepen cooperation with the Group Strategy Committee, which discusses medium- to long-term strategies, and with the Group Risk Management Committee, which deliberates on risks that could impair corporate value. 2) More efficient operation of Board of Directors meetings i. Further reduction of time spent explaining proposals and other matters The Board has decided to have its members evaluate and review the quality of proposal presentations and the allocation of time to deliberations on a specific proposal basis, and, depending on the proposal, to simplify or omit explanations on the day of the meeting to secure sufficient time for strategic discussions. ii. Further review of Board of Directors meeting materials In addition to specified proposals such as investments, the Board has decided to improve the content and quality of proposal materials that tend to be large in volume by having the Board of Directors' Secretariat work more closely with the proposing department to help prepare those materials. iii. Review of matters submitted for discussion at Board of Directors meetings The Board has determined that the revision of the standards for submitting matters to the Board of Directors (effective April 1, 2023), which oriented the standards toward a monitoring model, has had some effect from the perspective of more broadly delegating specific individual business execution decisions to the executive side, within the scope permitted by the current institutional design of a company with an Audit & Supervisory Board. The Board will continue analyzing the effectiveness of the revision. The Board has also decided to continue comparing and considering a potential shift to a company with an Audit & Supervisory Committee or a company with a Nominating Committee, etc., which would enable greater transfer of the authority of the Board of Directors to the executive side.

Issue Identified 2. Composition of the Board of Directors

Evaluation and Opinion	In light of Corporate Governance Code Principle 4.8 and social trends such as the increasing number of institutional investors who demand that outside directors constitute a majority of the Board, many respondents felt that the appropriate ratio of outside directors will continue to be an issue for ongoing study, and that the number of outside directors should be increased. On the other hand, there were also respondents who felt that the opinions of inside directors, who possess a deep understanding of the Company's business, are crucial. Therefore, even if the proportion of outside directors is increased, it is important to maintain a balance with the proportion of inside directors. In addition, numerous respondents felt that although the Company has made relatively good progress in appointing women directors and Audit & Supervisory Board members and that there is no need for urgent measures, women have never been appointed as inside directors or Audit & Supervisory Board members, and therefore it is necessary to expedite the training and promotion of women candidates for these positions.
Future Approach	At the Annual General Shareholders Meeting held on June 25, 2024, the Company proposed an increase in the number of outside directors by one, and 11 directors, including five outside directors (including three women), were elected. In addition, the Company has set a ratio of 30% for women employees in management positions at the holding company as a KPI for "securing and developing a diverse array of human resources," which is a material matter it has identified for achieving the Nichirei Group's long-term management goals toward 2030. With the aim of appointing women inside directors and securing diversity, the Company is steadily promoting women to management positions as a pool of candidates (the ratio of women employees in management positions in FY2024 was 17%). On April 1, 2024, the Company also established a Diversity Promotion Division, which is advancing initiatives under the leadership of the Company's first woman executive officer, appointed on the same day.

Officer Remuneration System

Policies for Determining Officer Remuneration

❶ Basic Policies

Directors (Excluding Outside Directors)	• Remuneration shall strongly encourage directors to perform their duties in accordance with the Group's Management Principles, Sustainability Policy: The Nichirei Pledge and management strategies. • In order to achieve long-term management goals, remuneration is set to strongly motivate directors to achieve specific management goals as stated in the Group's material matters (materiality) and medium-term business plans. • In order for remuneration to serve as an incentive toward the Group's sustainable growth, the ratio of remuneration linked to short-term results, performance of duties, etc. (performance-linked bonuses) and remuneration linked to medium- to long-term results and corporate value (stock compensation) will be set in an appropriate manner. • Directors shall be treated in a manner befitting their positions as officers of the Company in consideration of the significance of the Group's social role and responsibilities, trends at companies competing with the Group in business and human resources, including those in the food and logistics industries, and changes in the business environment.
Outside Directors	• In light of their role of supervising the Company's management from an independent and objective standpoint, outside directors are paid only basic (fixed) remuneration.

❷ Remuneration Composition and Levels

■ Remuneration for Directors Excluding Outside Directors

Basic (fixed) remuneration consists of role-based remuneration and a director allowance, and variable remuneration consists of performance-linked bonuses and stock compensation. Remuneration levels are set at appropriate amounts with reference to objective compensation market survey data (compensation levels of companies competing with the Group in terms of business and human resources, including those in the food and logistics industries), taking into consideration the responsibilities and number of directors, changes in the business environment going forward, and the opinions of third-party organizations.

Guideline for the Ratio of Remuneration for Directors Excluding Outside Directors

← Fixed remuneration →		← Variable remuneration →	
Director allowance	Role-based remuneration 60%	Performance-linked bonuses 20%	Stock compensation 20%

Remuneration Composition	Purpose/Description
Role-based Remuneration	Basic remuneration for performance of duties Set according to the significance of the role of each director
Director Allowance	Remuneration for the responsibilities of making and supervising the execution of management decisions Set at a uniform amount for all directors
Performance-linked Bonuses	Remuneration to motivate directors to achieve annual financial and strategic goals The amount paid when achieving goals ("standard amount") is set as a percentage of role-based compensation Paid within a range of 0-200% of the standard amount according to degree of achievement
Stock Compensation (Restricted Shares)	Remuneration to encourage management from a long-term/Group-wide perspective and the perspective of shareholders and investors Value of shares issued each fiscal year ("standard amount") is set as a percentage of role-based compensation Restricted shares are issued annually in an amount equal to the standard amount, and restrictions are lifted upon a director's retirement

■ Remuneration for Outside Directors

Only basic (fixed) remuneration is paid to outside directors. The level of remuneration is set at an appropriate amount, taking into consideration the time and effort spent by each outside director fulfilling expected roles and functions, as well as objective compensation market survey data (compensation levels of companies similar in business type and size to that of the Company).

❸ Performance-linked Bonuses

The amount to be paid to each individual as a performance-linked bonus varies within a range of 0% to 200% of the base amount for each position, depending on the achievement of Company-wide, business and individual performance targets.

Amount of individual bonus = Base amount by position × Performance evaluation coefficient (0–200%)
Note: The performance evaluation coefficient is a weighted average of the evaluation coefficients of each key performance indicator (KPI).

Evaluation Weight	(a) Company-wide Performance Evaluation					(b) Business Performance Evaluation			(c) Individual Performance Evaluation
	Net sales	EBITDA	Profit	ROIC	ESG third-party evaluation*	Net sales	EBITDA	ROIC	
Representative Director, President	100%					—			—
	10%	40%	10%	20%	20%				
Director (In Charge of Business)	60%					30%			10%
	10%	20%	10%	10%	10%	5%	15%	10%	
Director (In Charge of Function)	70%					—			30%
	5%	30%	5%	15%	15%				

* For ESG third-party evaluation, we utilize the assessments of multiple ESG assessment organizations to ensure objectivity and fairness. Specifically, we utilize the following three types of assessment.

ESG Third-party Evaluation	Reasons for Selection
• FTSE4Good Index Series • MSCI ESG Ratings • CDP Climate Change	• Appropriate management of ESG-related risks and opportunities • Strengthening of response to climate change

❹ Process for Determining Remuneration

In order to ensure appropriateness and objectivity in matters related to remuneration for individual directors, the Remuneration Advisory Committee, comprising mainly independent outside directors, discusses matters first and reports its findings to the Board of Directors, which then makes its decisions.

The details of officer remuneration for FY2024 are presented in the 106th Annual Securities Report.

https://www.nichirei.co.jp/sites/default/files/inline-images/english/ir/pdf_file/yuhohh-pdf/yuho_24e.pdf (nichirei.co.jp)

Officer Classification	Total Amount of Remuneration by Type (Millions of Yen)			Total Amount of Remuneration (Millions of Yen)	Number of Eligible Officers
	Basic Remuneration	Performance-linked Bonuses	Stock Compensation (Restricted Shares)		
Director (Excluding Outside Director)	118 (218)	36 (69)	69 (69)	224 (358)	7 (7)
Outside Director	48	–	–	48	4
Audit & Supervisory Board Member (Excluding Outside Audit & Supervisory Board Member)	48	–	–	48	2
Outside Audit & Supervisory Board Member	32	–	–	32	3
Total	246 (346)	36 (69)	69 (69)	353 (486)	16 (16)

Notes
1. The above includes one director who retired at the conclusion of the 105th Ordinary General Meeting of Shareholders held on June 27, 2023.
2. The total amounts of remuneration, etc., shown above are the amounts borne by the Company (the total amount of expenses paid, scheduled to be paid, or borne by the Company). The amounts in parentheses for directors (excluding outside directors) and in the total column represent the total amounts of consolidated remuneration borne by the Company and its subsidiaries.
3. The amount of performance-linked bonuses shown above is the sum of the bonus amount expected to be paid in FY2024 (the amount expected to be paid after June 2024 based on FY2024 performance, etc.) and the difference between the amount expected to be paid for FY2023 as of the submission of the securities report for the previous fiscal year and the amount actually paid after June 2023 (all of which is cash remuneration).

Approach to Cross-Shareholdings

Cross-shareholdings are only utilized when it is determined that they will contribute to improving the Company's corporate value: for example, by maintaining and strengthening trade and cooperative relationships. In addition, every year the Board of Directors reviews the economic rationale of individual shareholdings of this type from a medium- to long-term perspective. If the importance of a particular shareholding is determined to have diminished, the shares are sold. In conducting such reviews, the Board of Directors carefully examines and makes a comprehensive judgment on whether the benefits, such as profits from transactions, and dividends or risks are commensurate with the cost of capital, followed by consideration of a qualitative evaluation of the strategic importance of the shareholding.

In regard to the exercise of voting rights for cross-shareholdings, the Company will review all the details of the relevant proposals in the investee company's shareholders meeting agenda, and if any of the following apply to the investee company, the Company will make a decision after careful examination on a case-by-case basis:

(1) The investee has engaged in acts that will lead to a loss of shareholder value
(2) The investee's performance or stock price has deteriorated significantly
(3) There are other serious doubts with respect to agreeing to the proposal

Internal Control/Compliance/Risk Management

Approach to Internal Control

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

The Group recognizes that developing and operating an internal control system to facilitate operational effectiveness and efficiency, ensure the accuracy of financial reports, comply with laws and regulations pertinent to business, and to safeguard its assets will translate into higher corporate value.

In terms of the development of systems necessary to ensure that the execution of the duties by the directors complies with laws and regulations and the Articles of Incorporation, and other systems prescribed by ordinance of the Ministry of Justice as systems necessary to ensure the propriety of operations of the Company and the operations of the group of enterprises consisting of the Company and its subsidiaries pursuant to the Companies Act of Japan, the Company has established the basic policy for its internal control system. The Company will endeavor to improve the policy by reviewing it annually to adapt to changes in the business environment and other matters.

Compliance

https://www.nichirei.co.jp/english/corpo/compliance.html

The Nichirei Group is implementing various initiatives to promote highly ethical business activities in compliance with the laws and social norms of all the countries in which it operates. We have established a code of ethics, which serves as a guideline for officers and employees for following laws and regulations and the Articles of Incorporation and for acting in accordance with corporate ethics, and a Code of Conduct which sets forth basic matters to be observed by everyone working for the Nichirei Group to ensure thorough compliance. The Code of Conduct also includes information concerning prevention of corruption-related matters that have been deemed important from the perspective of international compliance, including insider trading bans and the prohibition of engagement or trading with antisocial forces.

Nichirei Group Code of Conduct

1. Compliance with Laws and Regulations Concerning Respect for Human Rights and Labor
2. Environmental Protection
3. Compliance with Laws and Regulations and Internal Regulations
4. Management and Preservation of the Company's Property
5. Prohibition on Personal Use of the Company's Property
6. Prohibition on Insider Trading
7. Ensure the Reliability of Financial Information
8. Management and Use of Information
9. Prohibition of Personal Acts Conflicting with the Company's Interests
10. Prohibition on Unfair Benefits Given to/Received from Public Officers or Business Partners
11. Prohibition on Involvement/Trade with Antisocial Forces
12. Compliance with/Reporting of and Consultation on Code of Conduct

Initiatives to Ensure Thorough Compliance
https://nichirei.disclosure.site/en/themes/191#sec1284_01

Initiatives to Prevent Corruption and Bribery
https://nichirei.disclosure.site/en/themes/191#sec1284_03

Efforts to Strengthen Governance at Overseas Subsidiaries (Establishment of the Nichirei Group Global Governance Basic Rules)
https://nichirei.disclosure.site/en/themes/191#sec1284_02

Internal Whistleblower Hotline and Consultation Service

In October 2003, we introduced an internal whistleblower hotline and consultation service (Nichirei Hotline) to respond to reports and consultations from employees regarding actions that violate laws and regulations, the Articles of Incorporation, internal rules, or actions that are ethically questionable. In FY2016, we introduced monitoring and checking functions through Auditors & Supervisory Board members and outside officers. In 2022, we updated the system again in line with the amended Whistleblower Protection Act that went into effect in June of that year and in compliance with government guidelines. The response system is being redesigned to strengthen whistleblower protection and confidentiality, and to expand the scope of whistleblowers.

To ensure that all officers and employees are aware of the new hotline, the Company created promotional posters for display at workplaces nationwide and distributed Nichirei Hotline reminder cards to all employees. All reports and consultations received are investigated by the administration office to confirm the facts, and corrective measures are taken if necessary, in accordance with the Group Whistleblowing Regulations. Whistleblowers are assured anonymity and any adverse treatment is prohibited, including retaliation by the Company, those who are the subject of complaints, or any other party. The whistleblower may also receive feedback from the secretariat if he or she so requests.

In line with the acceleration of overseas business expansion, the need for internal whistleblower hotlines and consultation services at facilities outside of Japan has also increased. In FY2024, we established whistleblower hotlines and consultation services at overseas affiliates in Thailand and Malaysia, leading the way in Southeast Asia.

The status of response to whistleblowing and consultation is regularly reported to the Board of Directors and monitored to ensure that it is being properly managed.

Number of Internal Reports Received

FY2020	FY2021	FY2022	FY2023	FY2024	Five-year Total (FY2020–FY2024)
21	27	20	26	26	120

Nichirei Hotline reminder card

Approach to Risk Management

https://www.nichirei.co.jp/english/corpo/riskmanagement.html

The Nichirei Group has established the Group Risk Management Committee, chaired by the representative director, president, to manage the various risks associated with its business activities in the most appropriate and rational way from a comprehensive standpoint, and to maximize the Group's corporate value. The committee identifies and evaluates Group-wide risks, and Nichirei Corporation and its operating companies take countermeasures to these risks of their own accord based on the established risk management cycle. Important items are reported to the Board of Directors of Nichirei Corporation, which also considers countermeasures for the holding company and its operating companies.

Risk Management Structure
https://nichirei.disclosure.site/en/themes/190#1280

Important Risks and Countermeasures

Risks related to finance and their countermeasures are detailed in II. Business Overview, 3. Business and Other Risks in the 106th Annual Securities Report. Relevant items in this report are noted with page numbers, so please refer to those as well.

1. Economic conditions and business environment ▸ Pages 32-39
2. Food quality issues ▸ Pages 66-67
3. Securing and developing diverse human resources ▸ Pages 40-47
4. Information security ▸ Page 89
5. Price fluctuations of commodities and raw materials ▸ Pages 32-33, 36-37
6. Fluctuations in crude oil prices, etc. ▸ Pages 32-37
7. Impact of exchange rate fluctuations ▸ Pages 32-39
8. Changes in laws and regulations, etc. ▸ Page 88
9. Sustainable food procurement ▸ Pages 60-61, 64-65
10. Climate change ▸ Pages 56-59
11. Large-scale natural disasters ▸ Page 89
12. International situation ▸ Pages 32-39
13. Technological innovation ▸ Pages 50-51
14. Holding of fixed assets ▸ Pages 32-39
15. Cross-shareholdings ▸ Page 87

Business Continuity Plan Initiatives

■ Nichirei Company-wide Crisis Management and Safety Confirmation Drills

Crisis management drills are conducted approximately once a year with the participation of representatives from the holding company and key subsidiaries. For example, drills are conducted to confirm whether actions can be taken in accordance with the BCP manual, such as establishing a crisis management headquarters at an alternate location in the event of a major earthquake in Tokyo that halts the functions of the headquarters.

The Nichirei Group has introduced a safety confirmation system in which all employees can report their status by email from their mobile phone, allowing designated individuals to grasp the situation at a glance. To ensure that all individuals, including newly hired employees, receive email notifications and can report promptly, the Nichirei Group conducts safety confirmation drills twice a year across the entire Group in Japan.

■ Overseas Crisis Management

In order to ensure the safety of business travelers, employees posted overseas and their families against various risks overseas, such as incidents, accidents, and natural disasters, the Nichirei Group manages and implements an Overseas Crisis Response Manual, which provides background knowledge and stipulates procedures and frameworks for responding to crises.

■ Information Systems

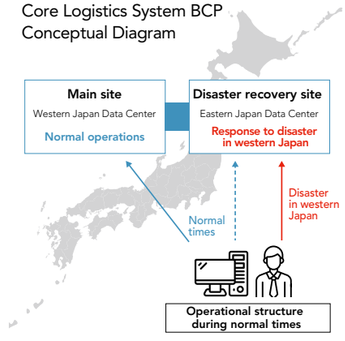
The Group's main core system is redundant for the purpose of business continuity, and includes a disaster recovery (DR) system. Specific examples are as follows.

• Enhancing the BCP for Our Core Logistics System

As part of its risk management, Nichirei Logistics Group has been enhancing BCP support for its core logistics system since February 2018. Assuming the possibility of damage to its data center, where operations are heavily concentrated, the company created a DR system that enables rapid resumption of business. In the event of a large-scale disaster, the company can quickly resume operations through the use of two sites, each of which can switch from the system at the company's main site to the DR site.

Approximately one hour is needed from the activation of the system until an online restart is possible. The system is designed to ensure that customer businesses and food distribution are not affected by any events. Nichirei Logistics Group plans to implement advanced initiatives to provide a food logistics lifeline that will contribute to the business continuity of its business partners.

Core Logistics System BCP Conceptual Diagram



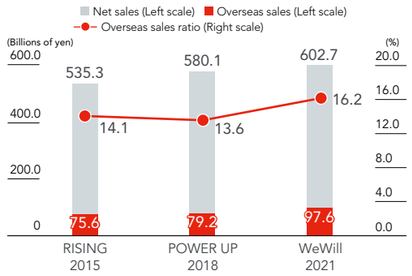
Overview of Medium-term Business Plans

—Past Achievements and Issues

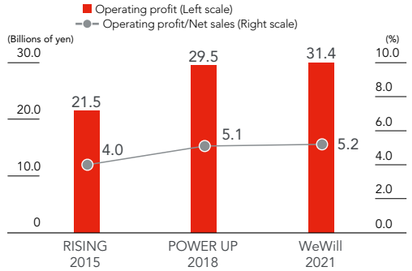
The Nichirei Group has achieved growth both domestically and internationally by creating new value as a company that addresses social issues.

	RISING 2015	POWER UP 2018	WeWill 2021
Medium-term Business Plan			
Concept	With the goal of achieving medium-term management vision GROWTH 2016, increase the corporate value of the Nichirei Group by realizing the sustainable growth targeted in the plan	Steadily strengthen the foundation of the Group and steadily implement structural reforms to generate the potential that enables sustainable growth	Aim to realize the long-term management goals toward 2030 with a strong intention to create a distinctive future
Period	April 2013 to March 2016	April 2016 to March 2019	April 2019 to March 2022
President	Kunio Otani	Kunio Otani	Kenya Okushi
Basic Strategy	Each operating company will, by displaying its unique capabilities and helping to resolve social issues through business development, fulfill its "six responsibilities" and establish a foundation for sustainable growth responsive to changes in the operating environment in Japan and overseas.	• Aim for profit growth from strengthening the earnings base and improving asset efficiency in domestic businesses and for accelerated expansion of scale in the overseas business. • Focus on business innovation and new business development for medium- to long-term growth.	Through planned investments significantly higher than the previous medium-term business plan, we aim to further accelerate sustainable profit growth and create new value that supports good eating habits and health.
Main Initiatives	(1) Bolster the earnings capacity of individual Group companies in Japan and overseas to achieve sustainable growth. (2) Build a global quality assurance system. (3) Allocate the Group's management resources appropriately and continue to implement a policy of providing appropriate returns to shareholders, including the acquisition of treasury stock and a dividend increase. (4) Upgrade corporate functionality in the holding company structure. (5) Strengthen the strategy on technological innovation in response to major changes in social and economic circumstances.	**General Strategy** (1) Ensure sustainable earnings growth and raise capital efficiency. (2) Pursue continued expansion in scale for overseas business. (3) Further enhance the Nichirei Group's capabilities for quality assurance. (4) Continue to strengthen corporate governance and other ESG-related efforts. (5) Focus more intently on utilizing diverse personnel. **Financial Strategy** • Maintain return on equity (ROE) of at least 8%. • Provide a continual, stable dividend with a target DOE of 2.5%. • Consider share buy-backs of around 20 million shares (approx. 7% of total issued shares)	(1) Realize sustainable profit growth. • Raise profitability in Japan by strengthening the management foundation and transforming the business structure. • Accelerate the expansion of scale in overseas operations. • Systematically allocate resources to core businesses. (2) Improve capital efficiency and increase shareholder returns. • Maintain ROE of 10% or higher and continue stable dividend increases with a target DOE of 3.0%. (3) Create new value that supports good eating habits and health, helping to resolve social issues through our business.
Review of the Plan			
Achievements	Made investments for sustainable growth and achieved Group targets for net sales and operating profit. Processed Foods • Strengthened the domestic in-house production system. • Expanded business scale in the United States. Logistics • Started operation of large-scale refrigerated warehouses in the Tokyo and Osaka metropolitan areas.	Achieved Group targets for net sales and operating profit by improving profitability of processed foods and stably expanding logistics. Processed Foods • Improved profitability in Japan on expanded sales of mainstay products. Logistics • Expanded cargo pickups mainly in metropolitan areas and improved balance of transport income. Meat and Poultry Products • Increased earnings.	Consolidated net sales and operating profit fell short of the plan due to factors including a pandemic-related decline in the operating rate at production facilities in Thailand and increased raw material procurement costs. Processed Foods • Increased sales of household-use products by capturing demand for eating at home. Logistics • Enhanced operating conditions by ensuring appropriate collection of fees, promoting business innovation, etc. Finances • Maintained ROE above 10%. • Continuously increased dividends with a target DOE of 3.0%. ESG • Upgraded infrastructure for sustainability and ramped up ESG initiatives.
Main Investments	• FY2014 Processed Foods Established Funabashi No. 2 Plant. Logistics Established Higashi-ogishima DC Phase 2 Building. • FY2015 Processed Foods Expanded cooked rice products production line. Logistics Established Sakishima DC and Tokachi DC. • FY2016 Logistics Rebuilt Funabashi DC.	• FY2018 Logistics Heiwajima DC (rental) Marine Products Established Trans Pacific Seafood Co., LTD. (Vietnam) • FY2019 Biosciences Established Global Innovation Center	• FY2021 Processed Foods Expanded production line at Funabashi Plant and at No. 2 Plant of GFPT Nichirei (Thailand) Co., Ltd. Logistics Established Nagoya Minato DC and Honmoku DC Acquired Kevin Hancock Limited (U.K.) • FY2022 Processed Foods Expanded production line at Yamagata Plant Logistics Expanded Maasvlakte DC (Netherlands), Lyon DC (France), and Le Havre DC (France) Acquired Norish Limited (U.K.) and Armir Logistyka Sp. z o.o. (Poland)
	Unresolved Issue Enhancing the profitability of each Group company	Unresolved Issue Stable and sustainable profit growth	Unresolved Issue Further improvement in profit levels and swift response to changes in the external environment and rising costs	Unresolved Issue Improve the profitability of low-margin businesses and enhance capital efficiency

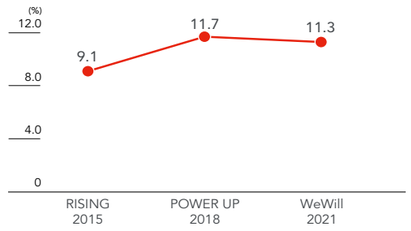
Net Sales, Overseas Sales, and Overseas Sales Ratio



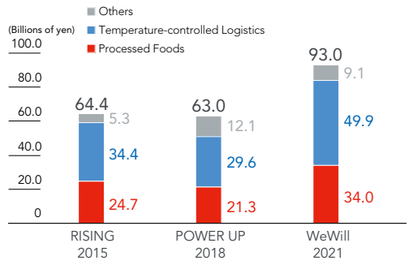
Operating Profit and Operating Profit /Net Sales



ROE



Total 3-Year Capital Expenditures



11-Year Financial Highlights

Download major financial data
https://www.nichirei.co.jp/english/ir/financial/download.html

Nichirei Corporation and Consolidated Subsidiaries for the Years Ended March 31

RISING 2015 | POWER UP 2018 | WeWill 2021 | Compass Rose 2024

		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	**2023**
Sales and Income												
Net sales	Note 1 (Millions of yen)	511,189	519,963	535,351	539,657	568,032	580,141	584,858	572,757	602,696	662,204	**680,091**
(Overseas sales)	(Millions of yen)	56,404	68,614	75,584	70,766	73,216	79,184	79,667	76,850	97,569	133,277	**145,014**
Cost of sales	(Millions of yen)	93,261	99,086	81,085	91,141	92,838	93,215	99,074	98,803	102,245	108,874	**120,145**
Selling, general and administrative expenses	Note 1 (Millions of yen)	77,472	56,376	59,501	61,831	62,940	63,704	68,038	65,853	70,835	75,939	**83,234**
Operating profit	(Millions of yen)	15,789	17,406	21,583	29,309	29,897	29,511	31,035	32,949	31,410	32,935	**36,911**
Ordinary profit	(Millions of yen)	14,443	16,902	21,394	29,105	30,650	29,864	31,777	33,532	31,667	33,448	**38,255**
Profit (loss) attributable to owners of parent	(Millions of yen)	8,898	9,516	13,471	18,751	19,097	19,943	19,609	21,212	23,382	21,568	**24,495**
Capital expenditures	(Millions of yen)	24,041	24,171	16,175	13,887	24,952	24,132	27,287	37,776	27,913	30,416	**31,283**
Depreciation and amortization	(Millions of yen)	14,475	15,621	16,455	16,057	16,155	17,481	18,355	19,669	21,089	22,198	**24,219**
EBITDA	Note 2 (Millions of yen)	30,264	33,027	38,038	45,366	46,052	46,992	49,391	52,618	52,499	55,133	**61,130**
Cash Flows												
Cash flows from operating activities	(Millions of yen)	11,073	27,803	37,032	40,828	29,859	31,311	39,441	45,453	34,660	37,865	**62,442**
Cash flows from investing activities	(Millions of yen)	(17,650)	(22,362)	(14,496)	(11,445)	(20,269)	(17,918)	(24,300)	(32,213)	(26,016)	(26,844)	**(31,592)**
Free cash flow	(Millions of yen)	(6,576)	5,441	22,535	29,382	9,589	13,393	15,140	13,240	8,643	11,021	**30,850**
Cash flows from financing activities	(Millions of yen)	2,580	(6,098)	(20,351)	(21,883)	(13,749)	(9,088)	(10,225)	(10,709)	(14,179)	(8,591)	**(31,255)**
Financial Position (As of March 31)												
Total assets	(Millions of yen)	318,507	342,014	338,497	346,195	367,268	377,257	390,004	405,719	427,606	457,333	**485,157**
Interest-bearing debt	(Millions of yen)	106,097	107,670	94,657	89,778	97,745	95,951	96,351	96,423	104,718	114,580	**97,954**
(Excluding leased assets)	(Millions of yen)	85,718	87,313	75,451	70,866	70,866	78,923	80,669	80,757	90,172	100,064	**83,891**
Net assets	(Millions of yen)	136,846	152,286	155,523	164,747	169,680	183,805	191,388	210,426	217,903	233,513	**265,942**
(of which owner's equity)	(Millions of yen)	133,298	147,094	150,442	159,141	162,729	176,820	184,504	203,325	211,169	224,443	**253,404**
Other Data												
Overseas sales ratio	(%)	11.6	13.2	14.1	13.1	12.9	13.6	13.6	13.4	16.2	20.1	**21.3**
(Operating profit/Net sales)	(%)	3.1	3.3	4.0	5.4	5.3	5.1	5.3	5.8	5.2	5.0	**5.4**
Return on invested income (ROIC)	(%)	4.2	4.3	5.9	8.0	8.1	7.8	7.6	7.5	7.8	6.9	**7.5**
Return on equity (ROE)	(%)	6.9	6.8	9.1	12.1	11.9	11.7	10.9	10.9	11.3	9.9	**10.3**
Debt-to-equity (DE) ratio	Note 3 (Times)	0.8	0.7	0.6	0.5	0.6	0.5	0.5	0.5	0.5	0.5	**0.4**
Profit per share	Note 4 (Yen)	31.12	33.29	47.15	135.11	142.23	149.65	147.16	159.19	176.72	167.14	**191.80**
Dividend per share	Note 4 (Yen)	20	20	24	28	30	32	42	50	50	52	**74**
Payout ratio	(%)	32.1	30.0	25.5	20.7	21.1	21.4	28.5	31.4	28.3	31.1	**38.6**
Dividend on equity (DOE)	(%)	2.2	2.0	2.3	2.5	2.5	2.5	3.1	3.4	3.2	3.1	**4.0**

Notes:
1. From FY2016, the accounting policy regarding standards for recording sales in the processed foods business was changed (the portion that had previously been recorded as promotional expenses has been excluded from net sales). Accordingly, the FY2015 figure has been retroactively adjusted to reflect the change in the accounting policy standards.
2. EBITDA: Operating profit + Depreciation and amortization
3. D/E ratio: Interest-bearing debt ÷ Net assets
4. From FY2017, values for Profit per share (yen) and Dividends per share (yen) are after the reverse stock split implemented on October 1, 2016. Accordingly, the figures from FY2014 to FY2016 have been retroactively adjusted to reflect changes in accounting policy standards.

Global Network (As of June 30, 2024)

Nichirei Group Bases/Main Areas of Activity

● Nichirei Foods Group ● Nichirei Logistics Group ● Nichirei Fresh Group ● Nichirei Biosciences Group

Europe

United Kingdom
- Thermotraffic Ltd.
- Admark Shipping Solutions Ltd.

Poland
- Frigo Logistics Sp. z o.o.
- Armir Logistyka Sp. z o.o.

Germany
- Thermotraffic GmbH

Netherlands
- Nichirei Holding Holland B.V.
- Hiwa Rotterdam Port Cold Stores B.V.
- Thermotraffic B.V.

France
- Transports Godfroy S.A.S.
- Entrepots Godfroy S.A.S.

Asia/Oceania

Vietnam
- Nichirei Suco Vietnam Co., Ltd.
- Trans Pacific Seafood Co., Ltd.
- Nichirei Fresh Vietnam Co., Ltd.
- Nichirei TBA Logistics Vietnam LLC

Australia
- Nichirei Australia Pty. Ltd.

Thailand
- Surapon Nichirei Foods Co., Ltd.
- GFPT Nichirei (Thailand) Co., Ltd.
- SCG Nichirei Logistics Co., Ltd.

China
- Nichirei Enterprise Management Consulting (Shanghai) Co., Ltd.
- Nichirei Corporation Shanghai Ltd.
- Shandong Nichirei Foods Co., Ltd.
- RIZHAO MAI LENG FOOD TRADING COMPANY LIMITED
- NICHIREI Fresh Hong Kong, Limited
- Nichirei Fresh Dalian Co., Ltd.
- Shanghai Fresh Line Express Co., Ltd.
- Shanghai Fresh Line Logistics Co., Ltd.
- Jiangsu Freshline Logistics Co., Ltd.
- Nanjing Freshline Logistics Co., Ltd.
- Nichirei Logistics Holding (Shanghai) Co., Ltd.
- Zhejiang Fresh Line Logistics Co., Ltd.

Malaysia
- NL Cold Chain Network (M) SDN BHD

Americas

United States
- Nichirei Foods U.S.A., Inc.
- Nichirei U.S.A., LLC
- InnovAsian Cuisine Enterprises Inc.
- Nichirei Sacramento Foods Corporation
- Nichirei Seafoods, Inc.
- Pathcom Systems Corporation

Brazil
- Nichirei do Brasil Agricola Ltda.

Japan

Nichirei Corporation
Nichirei Aura Inc.
Nichirei Business Partners Inc.
New Housing Inc.

- Nichirei Logistics Hokkaido, Inc.
- Sapporo Nichirei Service Inc.

- Fresh Chicken Karumai Inc.
- Nichirei Fresh Farm Inc.

- Nichirei Logistics Tohoku, Inc.
- Tohoku Nichirei Service Inc.

- Fresh Maruichi Corporation

- FRESH MEAT SAKUDAIRA Inc.

- Nichirei Foods Inc.
- Nichirei Ice Inc.
- me:new Inc.
- Nichirei Fresh Inc.
- Nichirei Biosciences Inc.
- Nichirei Logistics Group Inc.
- Tokyo Nichirei Service Inc.
- NK Trans Inc.
- Logistics Network Inc.
- Nichirei Logistics Engineering Inc.

- Nichirei Logistics Chushikoku, Inc.
- Chushikoku Nichirei Service Inc.

- CHUREI Co., Ltd.

- Kyurei Inc.
- Nichirei Logistics Kyushu, Inc.
- Kyushu Nichirei Service Inc.

- NICHIREI AGRICULTURE Inc.

- Kyokurei Corporation
- Kyokurei Operation Inc.
- Nichirei Fresh Process Inc.

- Nichirei Logistics Kansai, Inc.
- Osaka Nichirei Service Inc.

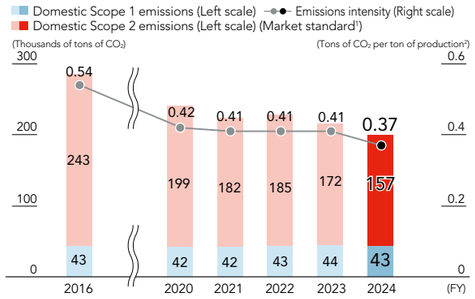
- NICHIREI WELLDINING Inc.
- Nichirei Logistics Tokai, Inc.
- Nichirei Logistics Nagoya Service Inc.

See the following for more details on our network.
https://www.nichirei.co.jp/english/corpo/outline/group

Non-financial Highlights

See the following for more details on non-financial data
https://nichirei.disclosure.site/en/themes/144

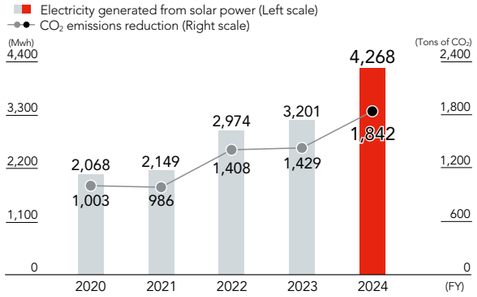
CO_2 Emissions



1. The CO_2 emissions coefficient for electricity has been adjusted for each electric power company (by the Ministry of the Environment).
2. The scope of coverage for emissions intensity per ton of production is the domestic plants of Nichirei Foods and Nichirei Fresh (excluding some plants).

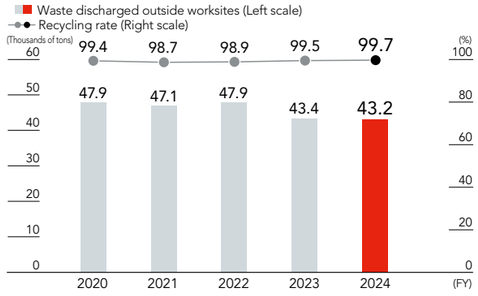
Our goal is a 42% reduction in domestic and overseas Scope 1 and 2 emissions by FY2031 (compared with FY2023). In addition to promoting energy conservation, we are expanding our use of renewable energy, including the installation of solar panels and purchase of Tradable Green Certificates.

Solar Power Generation and CO_2 Emissions Reduction



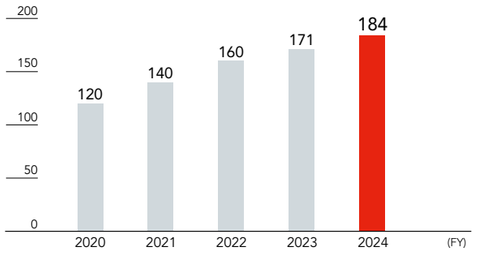
Our initiatives to reduce CO_2 emissions include installing solar power generation equipment on the premises of food factories and on the rooftops of refrigerated distribution warehouses.

Waste Discharged Outside Worksites and Recycling Rate



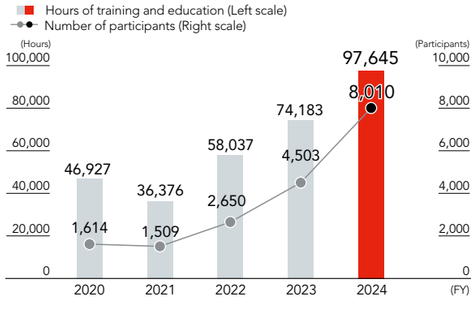
We have been actively working to reduce the amount of waste discharged and recycle food residue and waste generated by our business activities.

Number of Women Managers or Above



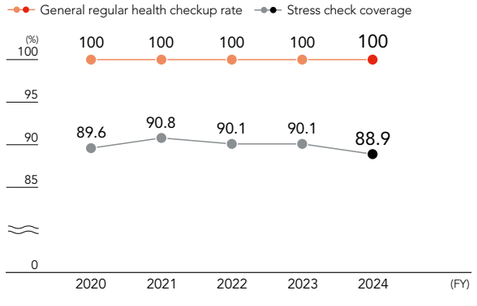
As work values diversify, we are creating opportunities for women employees to thrive and implementing measures to bring out their potential, including through study sessions for women managers or above, roundtable discussions, and networking events for women employees.

Training and Education Time and Number of Participants



We have been working to enhance the content of training and education as an investment in human resources. With the start of Company-wide training in Japan on DX and sustainability in FY2023, both training and education time and the number of participants have increased.

General Regular Health Checkup Rate and Stress Check Coverage



Under the Nichirei Group Health Declaration, we are striving for health management based on the three pillars of health maintenance and improvement, mental health measures, and safety and hygiene control. The general regular health checkup rate was 100%.

External Review

Inclusion in Indexes

FTSE4Good

2024 Sompo Sustainability Index

MSCI ESG RATINGS AA
CCC | B | BB | BBB | A | AA | AAA
As from Sep. 24th 2024, ranked A rating.

Disclaimers:
THE INCLUSION OF NICHIREI IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF NICHIREI BY MSCI OR ANY OF ITS AFFILIATES.
THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

JPX-NIKKEI 400
Selected from FY2014 through FY2025

Also selected in FY2025 for the JPX-Nikkei 400, jointly developed by Japan Exchange Group, Inc. (JPX) and Nikkei Inc.

Continuing Adoption as a Constituent Stock of All Six ESG Indexes (Domestic Stocks) Selected by the Government Pension Investment Fund

FTSE Blossom Japan Sector Relative Index

FTSE Blossom Japan

S&P/JPX Carbon Efficient Index

Morningstar Japan ex-REIT Gender Diversity Tilt Index

2024 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

2024 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

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Other Recognition

2024 健康経営優良法人 Health and productivity ホワイト500

Recognized by the Ministry of Economy, Trade and Industry under the Certified Health & Productivity Management Outstanding Organization Recognition Program under the large enterprise category for eight consecutive years.

DBJ健康格付 2024

In July 2024, received an Employees' Health Management Rated Loan from the Development Bank of Japan Inc. in recognition of Nichirei's efforts, evaluating them as "particularly excellent in terms of initiatives to care for employee health."

DX銘柄2024 Digital Transformation

Company stock selected under the Digital Transformation Stock Selection (DX Stock) 2024 program, which is sponsored by the Ministry of Economy, Trade and Industry, the Tokyo Stock Exchange and the Information-Technology Promotion Agency, Japan.

Awards and Commendations during the Past Year, including Recent News

(By Date of Announcement)

2023 Jun. 27	Nichirei Logistics Group	Received the Japan Logistics Press Association Award and Special Award at the 24th Logistics Environment Awards.
Jul. 10	Nichirei Foods	Nichirei do Brasil Agricola Ltda. received a "Platinum" rating in the EcoVadis Sustainability Survey, placing it in the top 1% of all companies evaluated for the first time.
Jul. 13	Nichirei Fresh	*Junwakei* chicken breasts won both the highest Superior Taste Award with an exceptional three-star ranking (for the third consecutive year), and the Crystal Award from the International Taste Institute.
Jul. 25	Nichirei Fresh	The *Amani-no-Megumi* series won the Japan Child Care Advocate Grand Prize from JCFS.
2024 Mar. 14	Nichirei Corporation	Won Semi-Grand Prize in the Third Nikkei Integrated Report Awards.
Apr. 17	Nichirei Bioscience	Received a "Silver" rating in the EcoVadis Sustainability Survey for the third year in a row.
Apr. 17	Nichirei Foods	Nichirei do Brasil Agricola Ltda. (NIAGRO) received a "Gold" rating in the EcoVadis Sustainability Survey.
May 27	Nichirei Corporation	Selected as a DX Stock.

Investor Information/Declaration of Authenticity/ Company Information (As of March 31. 2024)

Essential Stock Information

Stock Exchange Listing	Tokyo Stock Exchange (Prime Market) Securities code: 2871
Total Number of Authorized Shares	360,000,000
Total Number of Outstanding Shares	134,075,652 (including 6,354,029 treasury shares)
Share Unit	100 shares
Year-end Dividend Record Date	March 31
Interim Dividend Record Date	September 30
Number of Shareholders	20,551
Shareholder Register Administrator	Mizuho Trust & Banking Co., Ltd.
Annual General Shareholders Meeting	June
Auditors	Ernst & Young ShinNihon LLC

Ratings

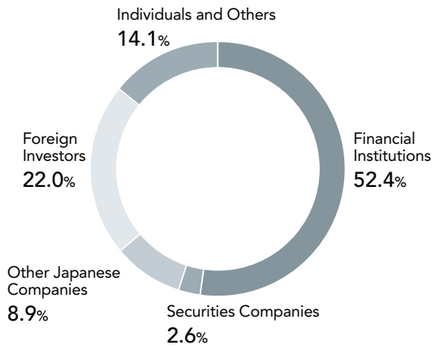
Rating Institution	Ratings
Rating and Investment Information, Inc. (R&I)	A+
Japan Credit Rating Agency, Ltd. (JCR)	A+

Major Shareholders

Shareholder Name	Number of Shares Held (Thousands)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	26,255	20.6
Custody Bank of Japan, Ltd. (Trust Account)	16,737	13.1
Nippon Life Insurance Company	5,744	4.5
Mizuho Bank, Ltd.	3,813	3.0
Nisshin Seifun Group Inc.	2,719	2.1
Fukoku Mutual Life Insurance Company	2,680	2.1
The Norinchukin Bank	2,675	2.1
SUMITOMO LIFE INSURANCE COMPANY	1,855	1.5
MUFG Bank, Ltd.	1,703	1.3
GOVERNMENT OF NORWAY	1,586	1.2

Note: Shareholding ratio calculated after subtracting repurchased stock (6,354 thousand treasury shares). Rounded off to the first decimal place.

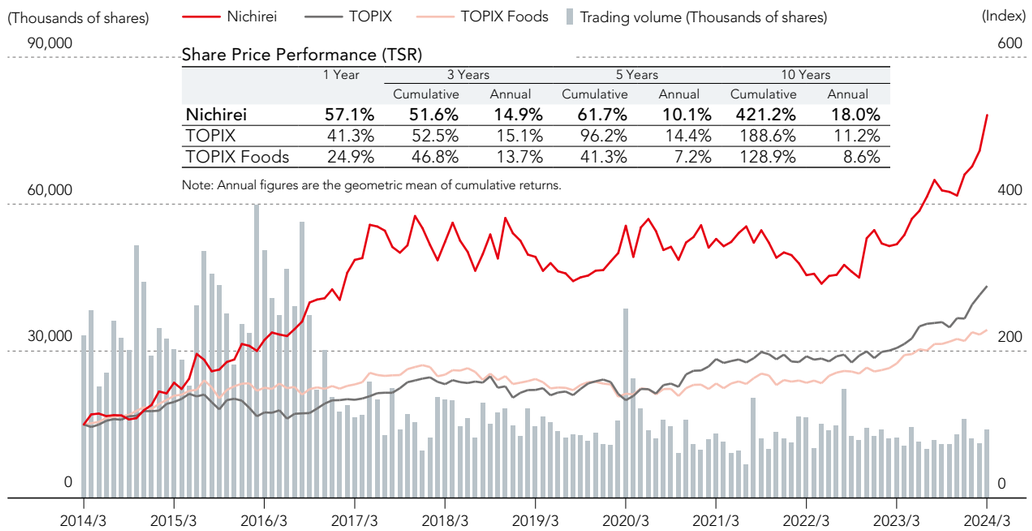
Composition of Shareholders



Note: "Individuals and Others" includes 6,354 thousand treasury shares.

Total Shareholder Return (TSR)*

*The sum of capital gains and dividends, representing the total yield on a shareholder's investment



Share Price Performance (TSR)

	1 Year	3 Years		5 Years		10 Years	
		Cumulative	Annual	Cumulative	Annual	Cumulative	Annual
Nichirei	**57.1%**	**51.6%**	**14.9%**	**61.7%**	**10.1%**	**421.2%**	**18.0%**
TOPIX	41.3%	52.5%	15.1%	96.2%	14.4%	188.6%	11.2%
TOPIX Foods	24.9%	46.8%	13.7%	41.3%	7.2%	128.9%	8.6%

Note: Annual figures are the geometric mean of cumulative returns.

Notes:
1. March 31, 2014 closing prices for Nichirei and TOPIX are indexed at 100.
2. TSR is based on a holding period to March 31, 2024.

Declaration of Authenticity

Thank you for your continued understanding and strong support for the Nichirei Group's business activities.

In this report, we have taken care to ensure your understanding of the Group's five material matters (materiality) and how they are linked to increasing corporate value, as well as the direction of the Group as a whole. This year, in the "Operations Based on Our Long-term Strategy" section, we have endeavored to clearly explain our overseas strategy, which is the core of our growth strategy, as well as our initiatives for intangible assets such as our human resources, intellectual capital and digital transformation strategy, which are sources of growth for realizing our vision for 2030. We also sought ways to provide a deeper understanding of our sustainability management-based ESG initiatives for increasing social and economic value, as well as the financial and business strategies of our medium-term business plan Compass Rose 2024 and their progress.

As the officer in charge of the production of this report, I hereby affirm that the preparation process was conducted properly and that the contents are accurate.

We will continue working to proactively disclose the Nichirei Group's management strategies and both financial and non-financial information. We welcome candid feedback and requests from stakeholders who have read this report.

Kenji Suzuki

Director, Senior Executive Officer, Chief Financial Officer, Executive General Manager of Corporate Management Headquarters; in charge of Accounting & Tax Division, Public Relations & Investor Relations Division, Human Resources Development Division, Corporate Internal Audit Division, Quality Assurance Division and Real Estate Division; General Manager of Finance

Preparation Process

Based on daily dialogue and interviews with shareholders and investors, as well as feedback and requests from a wide range of stakeholders, the Public Relations & Investor Relations Division was responsible for steering our comprehensive approach to the preparation of *Nichirei Group Integrated Report 2024*, editing it with the cooperation and collaboration of operating companies and related departments.

Company Information

Company Name	Nichirei Corporation
Established	December 1942*
Paid-in Capital	30,563 million yen
Head Office	Nichirei Higashi-Ginza Building, 6-19-20 Tsukiji, Chuo-ku, Tokyo 104-8402, Japan
Telephone	[+81] 3-3248-2101 (Main)
Number of Employees (Consolidated)	16,385
Business Network	14 countries

* Date of establishment of predecessor Teikoku Marine Products Control Company. Reorganized as Nippon Reizo Inc. in December 1945.