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**Nissui Corporation**

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

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

### **1. Basic Views**

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

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

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

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

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

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

(Principle 1.4)

#### **(i) Policies on the reduction of cross-shareholdings**

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

#### **(ii) Review of individual cross-shareholdings**

Each year, the Board of Directors reviews appropriateness of all cross-shareholdings on an individual stock basis in light of underlying economic rationality, the purpose of holding, and other factors from a medium- to long-term perspective. More specifically, the Company decides it given the indices such as “achievement of targets for each individual stock and transactions for the past three years” and “percentage achievement of target ROIC.” From the end of FY2015 to the end of FY2024, the Company reduced its cross-shareholdings from 129 issues to 77 issues (in FY2024, the Company sold shares, including partial sales, of three listed companies [including three cross-holding shares], and one non-listed company for a total of four issues) and reduced the percentage of cross-shareholdings

to net assets from over 30% to around 12%. In FY2025, the Company also intends to sell the shares of a number of issues. For the progress made to date, please refer to the Annual Securities Report (Chapter IV. Status of the Company, 4. Status of Corporate Governance).

(iii) Criteria for exercising voting rights of cross-holding shares

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

(Principle 1.7)

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

(Supplementary Principle 2.4.1)

The Company Group considers the capabilities of its diverse human capital to be the source of creating value toward achieving the 2030 long-term vision. It recognizes that the melding of their diverse knowledge and experience and their mutual stimulation, beyond differences in gender, nationality, educational background, and careers, will propel the creation of innovation and revitalize the organization. Based on these beliefs, the Company incorporates DE&I in its management strategies and drives these initiatives as the core of human capital management.

The Company has set the improvement of the ratio of female managers as a major KPI for diversity and aims to raise it to 20% by 2030. To make this a reality, in addition to initiatives to expand the population of female employees, the Company has expanded the fields of work to which women are assigned, provides skill-enhancement support, addresses unconscious bias among managers, and conducts both in-house and outside career-building training. Through these efforts, the Company strives to provide opportunities for effective promotion and growth. In addition, we joined the "30% Club Japan" in 2021 and have been improving our internal systems based on numerical targets, making efforts to nurture a culture where women can play even greater roles.

Furthermore, the Company proactively hires mid-careers (experienced professionals) and promotes them based on fair and equitable criteria similar to those of new graduates. As a result, as of March 2025, experienced professionals accounted for 32% of all full-time employees and 24% of managerial position employees, signaling a departure for the Company from its traditional homogenous culture and a shift toward incorporating outside perspectives.

As for our global human capital, of the approximately 10,000 full-time employees of the Company Group, roughly half belong to overseas Group companies, and to realize the provision of "food" value rooted in each location, the overseas subsidiaries are basically run by local management. Meanwhile, as of March 2025, foreign nationals accounted for only 0.6% of the employees in managerial positions at Nissui. Therefore, going forward, the Company will focus on proactively promoting foreign nationals and having them play a greater part at the domestic bases.

For the progress made to date in our human capital strategies, please refer to the Annual Securities Report (Chapter II. Business Overview, 2. Sustainability-related Principles and Initiatives).

(Principle 2.6)

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

The DB Pension Committee determines an asset manager given its compliance status with the stewardship code, in addition to the investment performance versus benchmark. For the current asset manager, DB Pension Committee has monitored its compliance with stewardship codes at seven companies since 2018, and it also plans to interview several companies in FY2025.

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

(Principle 3.1)

- (1) In April 2022, the Company redefined its mission (purpose of being) and clarified its long-term vision as “GOOD FOODS 2030.”

Mission:

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

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

Long-term vision “GOOD FOODS 2030”:

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

To achieve the “GOOD FOODS 2030” long-term vision, the Company is accelerating “sustainability management” that creates value for a sustainable society, in consideration of multi-stakeholders. In parallel, the Company is reinforcing “business portfolio management” that concentrates its management resources on medium- to long-term growth fields with the aim of enhancing corporate value.

Furthermore, following in the footsteps of the Medium-Term Management Plan “GOOD FOODS Recipe1” which covered the period from FY2022 to FY2024, in the Medium-Term Management Plan “GOOD FOODS Recipe2,” which began in FY2025, the Company will aim more than ever before to be a company that continues to create value, and address the theme of “enhancement of value chain resilience” based on our material issues to respond flexibly and rapidly to changes in an uncertain environment. The Company believes that the components of the “enhancement of value chain resilience” will be the strengthening of value creation capability, sustainability, risk response capabilities, and human capital, and will promote initiatives based on the following basic strategies.

[Three Basic Strategies]

- (i) Strengthen the business portfolio
  - Deepen business portfolio management
  - Accelerate global expansion
  - Open up new businesses and business boundary areas
  - Promote digital transformation (DX)
- (ii) Deepen sustainability management
  - Strengthen the linkage between sustainability and business strategies
  - Promote human capital management and branding
- (iii) Strengthen governance
  - Risk management linked to management strategies
  - Strengthen group governance

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

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

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

Board Members including Outside Audit & Supervisory Board Members who are independent of management.

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

In accordance with the above policy, the compensation of Directors and Executive Officers consists of three elements: (i) basic compensation defined by title as fixed compensation, (ii) annual performance-linked compensation (annual incentive), and (iii) stock-based compensation (medium- to long-term incentive) linked to the achievement of the Medium-Term Management Plan. Until FY2024, the ratio among (i) basic compensation, (ii) performance-linked compensation, and (iii) stock-based compensation per year was roughly targeted at 55:25:20 when business performance targets were achieved 100%. However, from FY2025, in order to raise awareness among Directors of improving business performance and increasing corporate value over the medium- to long-term and make the system conducive to increasing corporate value for the Directors, the design of the system has been changed so that a greater portion of Directors, etc.' compensation, is linked to business performance and the ratio has been set at 50:20:30 when business performance targets such as consolidated ordinary profit, etc. and other KPIs of the Medium-Term Management Plan are fully achieved. Thus, the ratio of performance-linked variable compensation (performance-linked compensation and stock-based compensation) has been raised to approximately half of the total compensation. At the same time, to strengthen corporate governance, the shares of the Company to be delivered to Directors, etc. were made subject to transfer restrictions until their retirement, and the stock-based compensation was converted into the "Board Benet Trust-Restricted Stock (BBT-RS)" system at the 110th Ordinary General Shareholders' Meeting held on June 26, 2025, which made the shares of the Company to be delivered to Directors subject to transfer restrictions until their retirement. As a result, shares of the Company delivered to Directors, etc. during their term of office will, in principle, be restricted from disposal by transfer, etc. until their retirement. Furthermore, in the event of certain violations, etc., the Company will be able to acquire such shares without consideration. Compensation is paid (i) monthly for basic compensation, (ii) twice a year for performance-linked compensation, and (iii) stock-based compensation is in principle linked with the covered period of the Medium-Term Management Plan.

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

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

Audit & Supervisory Board Members are selected with the prior consent of the Audit & Supervisory Board.

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

(Supplementary Principle 3.1.3)

- Sustainability initiatives

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

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

- Initiatives to invest in human capital

To achieve the long-term vision for 2030 of becoming “a leading company that delivers friendly foods for people and the earth,” the Company has positioned human capital at the core of its management and promotes human capital management that holds “human capital” as the source of its competitive superiority. Based on these principles, the Company has formulated human capital strategies that are integrated with its management strategies and makes strategic investments into human capital.

(i) Development of human capital strategies linked to management strategies

In the long-term vision “GOOD FOODS 2030,” the Nissui Group aims to enhance corporate value by “accelerating sustainability management” and “reinforcing business portfolio management.” In reinforcing business portfolio management, the Company will concentrate its management resources in areas where sustained growth can be expected, and has designated the “International Marine Products and Food Products Businesses,” “Fine Chemicals Business,” and “Aquaculture Business” as areas promising growth.

In order to shift human capital to the growth areas, the Company has defined the “ideal human capital composition” from the standpoint of quality, quantity, and expertise, conducted analysis on differences with the current personnel structure, and has commenced discussions on clarifying the necessary human capital. We have incorporated these discussions into our development, hiring, and assignment processes, and embarked on human capital management that is consistent with our management strategies. Furthermore, we plan to build a framework in which employees “who want to take on a challenge” in the growth areas are provided with opportunities. In addition to the conventional company-driven personnel transfers, by enabling human capital assignments that respect the wishes of the employees, fostering an organization that supports growth, and backing up individuals to take on challenges, we will encourage human capital equipped with both the will and skills to take on greater roles, which, in turn, will lead to higher outcomes.

(ii) Nurturing management human capital and improving the succession plan

The Company Group is focusing on building a pipeline for nurturing successors. In FY2024, the new “Human Capital Development Committee,” chaired by the President, was established, and the qualities required of future leaders across the Group were defined. A leader sought by the Group is a person who is prepared to make decisions and take actions in the face of difficulty and is capable of driving challenges and reforms based on a hands-on approach. Furthermore, such a leader is keenly responsive to risks and opportunities and equipped with a wide array of qualities, including high ethical standards, a desire for self-growth, and respect for diversity. Based on these requirements, the Company has prepared an integrated process from the selection of candidates, the clarification of the required experience and skills, and the formulation of training programs, to the monitoring of progress, and is working toward the systematic development of management human capital.

(iii) Nurturing global human capital and strengthening the human capital base

The Company Group aims to accelerate its overseas business development and, to this end, it urgently needs to nurture and secure human capital capable of co-creating value beyond the boundaries of country and culture. It is providing practical growth opportunities, such as

seconding employees overseas and participation in projects across the Group, for nurturing “global human capital” equipped with flexibility and collaborative capabilities, in addition to linguistic skills and cross-cultural understanding, to strengthen the human capital base and make it more globally competitive.

(iv) Securing and utilizing highly specialized human capital

Securing human capital with a high level of expertise, such as those in the fields of R&D, sustainability, governance, and DX, has become an increasingly important factor for management. Through the flexible application of the Next Expert (NE) track, a personnel system that benefits human capital with a high level of expertise, which was introduced in FY2024, the Company is promoting the hiring and promotion of highly specialized human capital. The Company also allows flexibility to other human capital in changing their track, thereby supporting the discovery of areas of expertise and career development to the end of building an organization that is resilient to change.

(v) Securing diverse human capital and promoting their advancement

The Company is making efforts to improve the work environment so that all employees can demonstrate their capabilities to the fullest extent, regardless of gender, age, nationality, or whether they have disabilities. Specifically, we are implementing support measures to raise the ratio of female managers, expanding employment of persons with disabilities, revising our system for elderly employees, and driving initiatives that will enhance corporate value through the revitalization of the organization by leveraging diversity.

For initiatives on investments in human capital, please refer to the Annual Securities Report (Chapter II. Business Overview, 2. Sustainability-related Principles and Initiatives).

- Initiatives to invest in intellectual property

To ensure business sustainability, a designated unit set up in the Corporate Communication Section of Corporate Communication Department manages the Company’s corporate brand, a unit at the Marketing Planning Section of the Marketing Planning Department manages the Company’s product brands, and a unit at the Central Research Laboratory manages patents, designs, and technical information to focus on securing the intellectual properties of the Company and enhancing their value.

The Company believes that the corporate brand is a crucial intellectual asset that constitutes the foundation of its corporate value, and continuously makes investments toward the enhancement of its value. The brand is not merely a trademark or logo but is something that comprehensively embodies the relationship of trust with stakeholders, the mission and the long-term vision, the Company’s stance toward fulfilling its social responsibility, etc., and is considered to be one of the intellectual properties that will contribute to the creation of corporate value in the long term. Accordingly, multilateral initiatives are being promoted toward the enhancement of the corporate brand. Furthermore, in the domain of intellectual property rights, including patents, the Company pursues the development of new farming and processing technologies to further procure sustainable marine resources as well as the development of pharmaceutical products and health products (including research) which contribute to people’s healthy life. The Company has actively acquired the rights to many different intellectual properties arising from these developments, in order to ensure superiority and continuity in business.

- Disclosure based on TCFD framework

In 2021, the Company endorsed the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and joined the TCFD Consortium.

The “TCFD Compliance Project,” a cross-sectional project in which the CFO serves as the project owner, identifies risks and opportunities pertaining to climate change, assesses its business and financial impact through scenario analyses, and studies countermeasures. The findings of the studies are reported to the Board of Directors following deliberation at the Sustainability Committee, and the Board of Directors’ opinions and advice are reflected.

We analyzed the value chain as a whole of the Fisheries Business, the Food Products Business, and the Fine Chemicals Business, which together account for over 95% of consolidated net sales.

The Company discloses detailed information based on the four disclosure elements suggested by the TCFD Recommendations—namely, governance, strategy, risk management, and metrics and targets—on the Company’s website.

(<https://nissui.disclosure.site/en/themes/223>)

(Supplementary Principle 4.1.1)

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

(Principle 4.9)

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

(Supplementary Principle 4.10.1)

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

(Supplementary Principle 4.11.1)

The Company engages in the three core businesses of Fisheries, Food Products and Fine Chemicals, and to have effective and active discussions at the Board of Directors to drive its growth, it is important to secure an appropriate balance of personnel with in-depth knowledge, experience and insight into each business as well as flexibility and creativity to further integrate adjacent business areas of the existing businesses, experience as corporate managers at other companies, and expertise in finance, accounting, and others. To clarify such eligibility, the skills matrix of the Directors and Audit & Supervisory Board Members which outlines their qualifications and experience is included in the Notice of the 106th General Shareholders' Meeting (held on June 25, 2021). For instance, the Company has appointed two Independent Outside Directors who have experience as corporate managers at listed companies. The Company considers the appropriate number of members including the Audit & Supervisory Board Members to be between 10 and 15.

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

(Supplementary Principle 4.11.2)

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

(Supplementary Principle 4.11.3)

The Company has evaluated the effectiveness of the Board of Directors each year since FY2016. Until FY2020, we identified issues using a point-system questionnaire addressing all executives and conducted discussions facilitated by an Internal Director through which we deliberated measures toward resolving

those issues and future initiatives. In FY2021, after having all executives fill out descriptive questionnaires to discover awareness of problems and issues that cannot be fathomed by scores alone, we conducted individual interviews exclusively with outside executives and learned how they perceived the problems and other matters, to be utilized in subsequent discussions by all executives. From FY2022, to grasp the issues and how they are being overcome through fixed-point surveys, point-system questionnaires containing the same questions each year (with optional description fields) have been adopted. New Directors are also subject to supplementary interviews to explain their answers to the description fields in the questionnaires. Issues that have come to light through the questionnaires and discussions are identified, and discussions, separate from the framework of the Board of Directors and facilitated by an Outside Director, are also held with all executives to deliberate ways of overcoming the issues. A summary of the evaluation of the effectiveness of the Board of Directors for FY2024 may be found on the following website.

[https://www.nissui.co.jp/english/vision\\_policy/governance.html#gov07](https://www.nissui.co.jp/english/vision_policy/governance.html#gov07)

(Supplementary Principle 4.14.2)

The Company provides training for executives on business essentials such as laws and finance, and as needed, they can participate in specific seminars and make site visits including the Company's subsidiaries. For instance, around 10 briefing sessions were held by the executive in charge on each business, CSR, risk management, governance, and other topics for newly appointed Outside Directors and Outside Audit & Supervisory Board Members, in addition to several site visits to plants, aquaculture farms, the Tokyo Innovation Center, and the Oita Marine Biological Technology Center. Furthermore, the Company provides opportunities to constantly enhance insights of executives by holding workshops on law revisions, corporate management, and other timely topics. Since FY2020, workshops for all executives have been held by external instructors. In FY2024, workshops on "Shifting to a Sustainable Economy/Industry: Reforms Toward Achieving a Circular Economy and Building Social Infrastructure" and "Building a Venturous Organization" were held.

(Principle 5.1)

In order to contribute to its sustainable growth and enhancing corporate value over the medium- to long-term, the Company seeks constructive dialogue (meetings) with shareholders as follows:

- (1) The Company collaborates with CFO and Executive Officers in charge, Corporate Strategic Planning & IR Department, Finance & Accounting Department, and Legal Department, and exchanges views based on their professional perspectives on a daily basis, to have constructive dialogue with shareholders.
- (2) The Company holds, one-on-one meetings, briefing sessions on financial results and Medium-Term Management Plan, among others, and discloses information of such sessions by video distribution, posting their financial results presentation materials and Integrated Report (including English version) on its website.
- (3) The Company shares information with the senior management such as feedback from shareholders and analysts at the Board of Directors and Executive Committee, among others.
- (4) The Company thoroughly manages information to prevent leakage of unpublished material information (insider information) upon engaging in dialogue (meetings) with shareholders based on the Regulations on Management of Internal Information and Insider Trading.

#### [Action to Implement Management that is Conscious of Cost of Capital and Stock Price]

Content of Disclosure	Disclosure of initiatives (Update)
Availability of English Disclosure	Available
Date of Disclosure Update	April 8, 2025

#### Explanation of Actions

In April 2022, the Nissui Group formulated and announced the long-term vision "GOOD FOODS 2030," and has been aiming to enhance profitability through the major growth drivers of strengthening the



Aquaculture Business, accelerating overseas growth, and sales growth of EPA pharmaceutical ingredients in overseas markets, to raise the ratio of sales in overseas locations to 50% and achieve 1 trillion yen in net sales and 50.0 billion yen in operating profit by 2030.

In the “Medium-Term Management Plan GOOD FOODS Recipe 1” (hereinafter, the “previous Medium-Term Plan”), which was announced at the same time as “GOOD FOODS 2030,” the Nissui Group presented financial strategies aiming for enhancement of corporate value in the medium- to long-term, based on the improvement of capital efficiency through business portfolio optimization and an asset-light strategy, as well as a cash allocation policy that strengthened shareholders returns while at the same time balanced growth and financial health. The “Medium-Term Management Plan GOOD FOODS Recipe 2” (hereinafter, the “current Medium-Term Plan”), which covers the period from FY2025 to FY2027, continues to promote the above strategies, while also improving on disclosures of capital cost and ROIC by business, as well as driving capital policies to ensure financial efficiency and stability.

[Analysis of current status]

Following dialogues with the capital markets, the Nissui Group recognizes the Company’s cost of capital as being higher than the calculations based on the capital asset pricing model (CAPM) at approximately 5.0% and the cost of shareholders’ equity at approximately 7.5%. On the other hand, we have maintained a ROIC, an indicator of capital efficiency, of approximately 6% and ROE of around 10% while improving shareholders’ equity. Furthermore, thanks to the strong business performance and systematic cash allocation during the period of the previous Medium-Term Plan, our dividend payout ratio rose to 30% or higher, while shareholders’ equity increased to the targeted 200.0 billion yen or higher. We also acquired credit ratings, which allowed for diverse and stable fund procurement.

Meanwhile, although our share price increased to a certain level, the price-to-book ratio (PBR) remained steady at around 1, indicating the need for more initiatives to improve our evaluation from the market. Especially, while earnings volatility is mutually offset between the Marine Products Business and the Food Products Business, the evaluation from the market tends to focus on trends in the Marine Products Business, and accordingly, it has been difficult to improve our evaluation.

However, as we have secured a certain level of shareholders’ equity, we believe that going forward our evaluation from the market will inevitably rise through the appropriate management of the capital structure and the strengthening of shareholder returns.

[Policies and initiatives for improvement]

(i) Optimizing the business portfolio and reducing earnings volatility

We will strengthen the business portfolio by expanding and stabilizing the Aquaculture Business and through the re-growth of the Fine Chemicals Business, and ultimately reduce earnings volatility.

The Board of Directors evaluates each business from the perspectives of the ROIC spread, based on capital cost that has been calculated for each business and each area, the growth potential, and affinity with the Nissui Group’s mission, and discusses the medium- to long-term business portfolio objectives and ideal allocation of management resources. The business heads promote practices of the management style whereby, based on the results of these discussions, they set investment priorities within each business, expand or reduce the categories, and formulate and execute measures to enhance capital efficiency in collaboration with the Board of Directors.

(ii) Asset-light strategy

We will continue to dispose of non-business assets, including the reduction of cross-shareholdings and aim for a lean balance sheet. As for cross-shareholdings, each year, the Board of Directors reviews the appropriateness of all cross-shareholdings on an individual stock basis. From the end of FY2015 to the end of FY2024, the Company reduced its cross-shareholdings from 129 issues to 77 issues and reduced the percentage of cross-shareholdings to net assets from over 30% to around 10%.

(iii) Growth-focused investments and strengthening shareholder returns

Of the funds generated through business activities and the asset-light strategy, approximately 140.0 billion yen will be invested during the current Medium-Term Plan period while achieving both growth and financial security. On the other hand, in terms of shareholder returns, we will explore the

possibility of the acquisition of treasury stock and shareholder benefit programs, while setting the total shareholder return ratio as another indicator, and aim for a total shareholder return ratio of at least 40% over 3 years while maintaining stable dividends.

As announced on May 14, 2025, the Company decided to conduct a tender offer for the repurchase of its own shares to enhance shareholder returns and improve capital efficiency.

(iv) Reducing capital cost

We will promote sustainability management, and at the same time, engage in stable and low-cost fund procurement by diversifying our fundraising. Additionally, as the Company's shareholders' equity improves, we will aim for a net debt-to-equity (DE) ratio of 0.7–0.8 times at the end of FY2027, as an indicator of capital structure management.

(v) Incentive plan

In order to raise awareness among Directors of improving business performance and increasing corporate value over the medium- to long-term, the ratio of performance-linked variable compensation (performance-linked compensation and stock-based compensation) to compensation of the Directors has been raised to approximately half of the total compensation. Especially, with regard to stock-based compensation, the Ordinary General Shareholders' Meeting held on June 26, 2025 resolved to make the shares of the Company to be delivered to Directors subject to transfer restrictions until their retirement.

[Dialogue with shareholders and investors]

To encourage understanding of the businesses and growth investments of the Nissui Group and to bridge any gaps in perception, we hold financial results briefings and briefings on growth businesses, as well as conduct individual interviews and timely disclosures. The Company is improving its disclosures, including information on sustainability and upgrading IR activities.

For more details, please visit the IR Information of our website.

<ニッスイグループの中期経営計画「GOOD FOODS Recipe 2」について>

<https://contents.xj-storage.jp/xcontents/AS06310/db26ad37/6531/4546/8b88/578c1877326e/140120250408510385.pdf>

<Announcement of the Nissui Group Medium-Term Management Plan "GOOD FOODS Recipe 2">

<https://contents.xj-storage.jp/xcontents/AS06310/2df7deb3/e8a7/4d88/ab16/cd5cc7e303b2/140120250408510387.pdf>

<ニッスイグループ統合報告書 2024>

[https://www.nissui.co.jp/ir/download/integrated\\_report/2024\\_integrated\\_report\\_a4all.pdf](https://www.nissui.co.jp/ir/download/integrated_report/2024_integrated_report_a4all.pdf)

<Nissui Group Intergrated Reports 2024>

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## 2. Capital Structure

Foreign Shareholding Ratio	From 20% to less than 30%
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### [Status of Major Shareholders]

Name or Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	69,771,800	22.39
Custody Bank of Japan, Ltd. (Trust Account)	33,552,500	10.77
Mochida Pharmaceutical Co., Ltd.	8,000,000	2.57
Mizuho Bank, Ltd.	7,987,700	2.56
STATE STREET BANK AND TRUST COMPANY 505223	6,090,162	1.95

The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	4,947,300	1.59
STATE STREET BANK AND TRUST COMPANY 505001	4,342,269	1.39
STATE STREET BANK WEST CLIENT-TREATY 505234	4,006,400	1.29
JP MORGAN CHASE BANK 385781	3,840,995	1.23
JPMorgan Securities Japan Co., Ltd.	3,468,711	1.11

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

Supplementary Explanation

—

### 3. Corporate Attributes

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

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

—

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

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

### 1. Organizational Composition and Operation

Organization Governance System	Company with an Audit & Supervisory Board
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#### [Directors]

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

#### Outside Directors' Relationship with the Company (1)

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

\* Categories for "Relationship with the Company"

\* "○" when the director presently falls or has recently fallen under the category

"△" when the director fell under the category in the past

\* "●" when a close relative of the director presently falls or has recently fallen under the category, and

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

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

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Tokio Matsuo	○	—	In addition to his experience with CSR and compliance at a glass manufacturer, Mr. Tokio Matsuo has broad expertise accumulated as a Representative Director of a listed chemical manufacturer. The Company appointed him as an Outside Director in the expectation that he will provide effective guidance toward addressing social issues and deepening CSR activities of the Company. He satisfies the criteria for independent directors/auditors set forth by the Tokyo Stock Exchange and the Independence Criteria of Outside Executive Officers set forth by the Company. The Company has deemed him to have no potential conflicts of interest with general shareholders and designated him as an independent officer.
Atsumi Eguchi	○	—	Ms. Atsumi Eguchi has engaged in research & development and public relations/communications divisions at major beverage and food manufacturing companies and has broad knowledge and abundant experience. The Company appointed her as an Outside Director in the expectation that she will appropriately supervise overall management from a perspective of corporate communication and diversity at the Board of Directors meetings, etc. of the Company. She satisfies the criteria for independent directors/auditors set forth by the Tokyo Stock Exchange and the Independence Criteria of Outside Executive Officers set forth by the Company. The Company has deemed her to have no potential conflicts of interest with general shareholders and designated her as an independent officer.
Daisaku Abe	○	Mr. Daisaku Abe served as Deputy President & Executive Officer of our main bank, Mizuho Bank, Ltd. until April 2019, and a person engaged in business	Mr. Daisaku Abe has engaged in a wide range of operations such as IT, systems, and corporate planning at financial institutions over a long period of time and has broad expertise in sustainability, including

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

Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Compensation Committee	Established
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Status of Voluntarily Established Committee(s), Attributes of Members Consulting the Committee and the Committee Chairperson

	Voluntarily Established Committee Equivalent to Nomination Committee	Voluntarily Established Committee Equivalent to Compensation Committee
Committee's Name	Nomination and Compensation Committee	Nomination and Compensation Committee
All Members	6	6
Full-time Members	0	0
Internal Directors	2	2
Outside Directors	4	4
Outside Experts	0	0
Other	0	0
Chairperson	Outside Director	Outside Director

#### Supplementary Explanation

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

The activities of the Nomination and Compensation Committee in FY2024 were as follows:

1. Nomination Committee  
The Committee met six times in FY2024 and deliberated mainly on the skill matrix of the Board of Directors, succession planning, the system of nomination and compensation of Group companies, the composition of the Board of Directors (number of Directors, required skills going forward, etc.), and the structure of the Board of Directors after the General Shareholders' Meeting of FY2025.
2. Compensation Committee  
The Committee met seven times in FY2024 and deliberated primarily on the revision of executive compensation system, the revision of the stock-based compensation plan (introduction of BBT-RS), the evaluation for each individual for performance-linked compensation and stock-based compensation for FY2023, the amount to be paid to each individual of performance-linked compensation paid in June and December 2024.

#### [Audit & Supervisory Board Members]

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

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

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

audits.

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

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

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

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

Name	Attribute	Relationship with the Company*												
		A	b	c	d	e	f	g	h	i	j	k	l	m
Makiko Terahara	Lawyer													
Tomoshige Jingu	From another company							△						
Takeshi Tadokoro	Certified Public Accountant													

\* Categories for "Relationship with the Company"

\* "○" when the Audit & Supervisory Board Member presently falls or has recently fallen under the category

"△" when the Audit & Supervisory Board Member fell under the category in the past

\* "●" when a close relative of the Audit & Supervisory Board Member presently falls or has recently fallen under the category

"▲" when a close relative of the Audit & Supervisory Board Member fell under the category in the past

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

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

Name	Designation as Independent Audit &	Supplementary Explanation of the Relationship	Reasons of Appointment
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	Supervisory Board Member		
Makiko Terahara	○		<p>Ms. Makiko Terahara is well versed in corporate legal affairs as an attorney at law and serves as an Outside Director of other listed companies. She has professional expertise in determining the appropriateness of overall corporate activities. In addition, she serves as an Outside Audit &amp; Supervisory Board Member of a listed company engaged in the department store business and possesses insights into the retailing business. The Company appointed her as an Outside Audit &amp; Supervisory Board Member in the anticipation that her advice based on her experience and insights would be effective for the Company to promote sustainability and attain diversity.</p> <p>She satisfies the criteria for independent directors/auditors set forth by the Tokyo Stock Exchange and the Independence Criteria of Outside Executive Officers set forth by the Company. The Company has deemed her to have no potential conflicts of interest with general shareholders and designated her as an independent officer.</p>
Tomoshige Jingu	○	<p>Mr. Tomoshige Jingu served as Managing Executive Officer of our main bank Mizuho Bank, Ltd., from April 2012 to April 2016. During this time, from April 2014 to June 2014, he also served as Managing Executive Officer of Mizuho Financial Group, Inc., the parent company of Mizuho Bank, Ltd., and from June 2014 to April 2015, as Senior Managing Corporate Executive of Mizuho Financial Group, Inc. (He retired from these positions by April 2015). Subsequently, he served as Advisor (non-executive) of Mizuho Bank, Ltd. (He retired from this position by May 2016).</p>	<p>Mr. Tomoshige Jingu has experience as a corporate manager and a full-time Audit &amp; Supervisory Board Member of companies listed on the Prime Market of the Tokyo Stock Exchange, and as President and Representative Director of subsidiaries of a listed company. The Company appointed him as an Outside Audit &amp; Supervisory Board Member in the anticipation that his advice based on his broad experience in sales, human resources, and other areas at financial institutions will be effective.</p> <p>He satisfies the criteria for independent directors/auditors set forth by the Tokyo Stock Exchange and the Independence Criteria of Outside Executive Officers set forth by the Company. The Company has deemed him to have no potential conflicts of interest with general shareholders and designated him as an independent officer.</p>
Takeshi Tadokoro	○		<p>Mr. Takeshi Tadokoro has abundant experience as an accounting expert,</p>

			<p>including serving as a Representative Partner of a major audit firm as a certified public accountant. In addition, he has experience in advisory and human resources planning for financial reporting in the manufacturing, distribution, and service sectors at a major audit firm, and he has a wide range of personal connections and insight. The Company appointed him as an Outside Audit &amp; Supervisory Board Member in the anticipation that he will provide advice and recommendations based on his experience and insight.</p> <p>He satisfies the criteria for independent directors/auditors set forth by the Tokyo Stock Exchange and the Independence Criteria of Outside Executive Officers set forth by the Company. The Company has deemed him to have no potential conflicts of interest with general shareholders and designated him as an independent officer.</p>
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**[Matters Concerning Independent Directors and Independent Audit & Supervisory Board Members]**

Number of Independent Directors and Independent Audit & Supervisory Board Members	7
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**[Other Matters Concerning Independent Directors and Independent Audit & Supervisory Board Members]**

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

**[Independence Criteria of Outside Executive Officers]**

The Board of Directors of the Company shall recognize an Outside Director (note 1) and an Outside Audit & Supervisory Board Member (note 2) (hereinafter collectively “Outside Executive Officers”) to be independent if he or she does not meet any of the standards listed below.

Notes: 1) “Outside Director” denotes an Outside Director, pursuant to Article 2, item xv of the Companies Act.

2) “Outside Audit & Supervisory Board Member” denotes an Outside Company Auditor, pursuant to Article 2, item xvi of the Companies Act.

1. A person for whom the Company or the Company’s consolidated subsidiaries (hereinafter the “Nissui Group”) is a major client (note 1) or a person who executes business (note 2) thereof  
Notes: 1) “A person for whom the Nissui Group is a major client denotes a person who has received payment equivalent to 2% or more of the consolidated net sales of that person from the Nissui Group in the past three fiscal years.  
2) “A person who executes business” denotes an executive managing director, executive director, executive officer or manager or other employee (hereinafter the same shall apply).
2. A person who is a major client of the Nissui Group (note) or a person who executes business thereof  
Note: “A person who is a major client of the Nissui Group” denotes a person who has made payment equivalent to 2% or more of the consolidated net sales of the Company to the Nissui Group in the past three fiscal years.
3. A consultant, an accounting professional or a legal professional compensated by the Nissui Group with large amounts of money or other financial benefits other than as executive compensation (note) (If these benefits are received by an incorporated entity, union or association, then a person who belongs to such organization)  
Note: “Compensated by the Nissui Group with large amounts of money or other financial benefits other than as executive compensation” denotes being compensated with money or other financial benefits (other than as executive compensations) by the Nissui Group in amounts on average for the past three fiscal years, in excess of ¥10 million per year, in the case of individuals; and the higher of 2% of net sales/total income of the organization and ¥10 million, in the case of organizations to which the professional belongs.
4. A person who executes business of a company, in cases where the Executive Director or Standing Audit & Supervisory Board Member of the Nissui Group serves as an outside officer of the said company
5. A person who belongs or who has belonged in the past to an organization receiving large amounts of donations (note) from the Nissui Group  
Note: “Large amounts of donations” denotes donations in excess of ¥10 million per year on average for the past three fiscal years.
6. A spouse or close relative within the second degree of kinship of the following persons (Limited to persons in important positions)
  - (1) Persons who fall under items 1 through 5
  - (2) A person who executes business of the Nissui Group

**[Incentives]**

Implementation Status of Measures related to Incentives Granted to Directors	Performance-linked Compensation
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Supplementary Explanation for Applicable Items
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The Company introduced a performance-linked stock-based compensation plan called the “Board Benefit Trust (BBT)” (hereinafter, the “BBT Plan”) for the Company’s Directors (excluding Outside Directors and non-residents in Japan, unless otherwise noted) and Executive Officers who do not concurrently act as Directors (excluding non-residents in Japan, and hereinafter called as “Executive Officers;” Directors and Executive Officers are collectively called as “Directors, etc.”), as resolved at the 103rd Ordinary General Shareholders’ Meeting held on June 27, 2018. Additionally, at the 106th Ordinary General Shareholders’ Meeting held on June 25, 2021, the BBT Plan was partially amended. Furthermore, to strengthen corporate governance, the shares of the Company to be delivered to Directors, etc. were made subject to transfer restrictions until their retirement, and the BBT Plan was converted into the “Board Benefit Trust-Restricted Stock (BBT-RS)” system at the 110th Ordinary General Shareholders’ Meeting held on June 26, 2025, which made the shares of the Company to be delivered to Directors subject to transfer restrictions until their retirement. As a result, shares of the Company delivered to Directors, etc. during their term of office will, in principle, be restricted from disposal by transfer, etc. until their retirement. Furthermore, in the event of certain violations, etc., the Company will be able to acquire such shares without consideration. The Company aims to raise awareness among the Directors to contribute toward the enhancement of the corporate performance and corporate value over the medium- to long-term, by sharing not only the benefits of share price increase but also the risks of share price decline between the Directors and shareholders.

Persons Eligible for Stock Options	
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Supplementary Explanation for Applicable Items
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## Director Compensation

Status of Disclosure of Individual Directors’ Compensation	No Individual Disclosure
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Supplementary Explanation for Applicable Items
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Amounts of executive compensation for the previous fiscal year

- Directors (excluding Outside Directors): 387 million yen for seven people(\*1)  
The compensation consists of (i) basic compensation (207 million yen), (ii) performance-linked compensation (108 million yen)(\*2), and (iii) stock-based compensation (70 million yen)(\*3)  
\*1. The number of Officers paid for stock-based compensation includes one Director who retired on June 26, 2024.  
\*2. The performance-linked compensation of Directors includes the amount estimated to be paid in June 2025.  
\*3. Stock-based compensation is paid in July 2025 at an estimated amount of 100% of the achievement ratio of the Medium-Term Management Plan for FY2022 through FY2024. 249 million yen has been recorded as a provision.
- Outside Directors: 45 million yen for five people (The compensation for Outside Directors comprises only the basic compensation.)  
\* Compensation for Outside Directors includes one Director who retired on June 26, 2024.
- Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members): 26 million yen for one person
- Outside Audit & Supervisory Board Members: 36 million yen for four people  
\* Compensation for Outside Audit & Supervisory Board Members includes one Audit & Supervisory Board Member who retired on June 26, 2024.

Policy on Determining Compensation Amounts and Calculation Methods	Established
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## Disclosure of Policy on Determining Compensation Amounts and Calculation Methods

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A basic policy for the determination of executive compensation has been established, as per the following, in accordance with the Corporate Governance Code.

### [Compensation for Directors]

#### (Basic Policy)

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

#### (Executive compensation system)

The compensation for Directors (excluding Outside Directors) consists of three elements: "basic compensation," "performance-linked compensation," and "stock-based compensation." The compensation for Outside Directors and Audit & Supervisory Board Members consists exclusively of basic compensation (fixed compensation). Until FY2024, the ratio of each type of compensation payment for Directors was roughly targeted at 55:25:20 when business performance targets were achieved 100%. However, from FY2025, it was changed in order to raise awareness among Directors of improving business performance and increasing corporate value over the medium- to long-term. The design of the system has been changed so that the ratio has been set at 50:20:30 when business performance targets such as consolidated ordinary profit, etc. and other KPIs of the Medium-Term Management Plan are fully achieved. Thus, the ratio of performance-linked variable compensation (performance-linked compensation and stock-based compensation) has been raised to approximately half of the total compensation.

#### (Determination policy and procedures for compensation)

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

#### (Compensation for Audit & Supervisory Board Members)

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

### [Supporting System for Outside Directors and/or Outside Audit & Supervisory Board Members]

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

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

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

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Name	Job title/ position	Responsibilities	Terms and Conditions of Employment (Full/part time, with/without compensation, etc.)	Date when former role as president ended	Term
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Number of Persons Holding Advisory Positions  
(*Sodanyaku, Komon, etc*) After Retiring  
Representative Director and President, etc

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#### Other Related Matters

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

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

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

Regarding business execution, the Company has adopted the executive officer system (introduced on June 25, 2009) for flexible and efficient business management. The Executive Committee consisting of Executive Officers appointed by the Board of Directors is held at least once a month in principle, and makes quick and appropriate decisions and information sharing on major business execution matters, based on sufficient deliberation from a multifaceted perspective, in order to promote the sustainable growth and the enhancement of the corporate value of the Company and the Company Group. The Executive Committee consists of 17 Executive Officers (including one female Executive Officer) including six Directors concurrently acting as Executive Officers.

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

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

Regarding accounting audits, the Company has concluded an agreement with Ernst & Young ShinNihon LLC to conduct accounting audits based on the Companies Act and the Financial Instruments and Exchange Act. The audits were executed by certified public accountants, Tomohiro Miyagawa, Junichiro Tsuruta, and Masatoshi Komiya, with the assistance of nine certified public accountants and other 24 staff members.

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

## **3. Reasons for Adoption of Current Corporate Governance System**

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

[Matters regarding Outside Directors (roles and function of Outside Directors)]

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

### III. Implementation of Measures for Shareholders and Other Stakeholders

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

	Supplementary Explanations
Early Posting of Notice of the General Shareholder's Meeting	We posted the Notice of the 110th Ordinary General Shareholders' Meeting on the Company's website and Tokyo Stock Exchange website on May 30, 2025 in advance of mailing the printed notice on June 6, 2025.
Scheduling of the General Shareholder's Meeting on a Non-Peak Day	The 110th Ordinary General Shareholders' Meeting was held on June 26, 2025.
Electronic Exercise of Voting Rights	The electronic exercise of voting rights has been made available since the Ordinary General Shareholders' Meeting held on June 28, 2006 via the designated system by Sumitomo Mitsui Trust Bank, the Company's shareholder registry administrator.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	We have been participating in the Electronic Voting Platform for Institutional Investors provided by ICJ, Inc. since the Ordinary General Shareholders' Meeting held on June 27, 2007.
Provision of Notice (or Summary of Notice) of the General Shareholder's Meeting in English	We disclose the English language version of Notices of General Shareholders' Meetings on our website and that of the Tokyo Stock Exchange. The Notice of the 110th Ordinary General Shareholders' Meeting was disclosed on June 10, 2025.
Other	<ul style="list-style-type: none"> <li>We provide enhanced content in the Notice of the General Shareholders' Meeting, including the status of governance such as the executive compensation system and the evaluation of the effectiveness of the Board of Directors, a summary and the operation status of the internal control system, and details and the progress of the Medium-Term Management Plan.</li> <li>We indicate, in advance, supplementary explanations regarding the Notice of the General Shareholders' Meeting, accept questions, and disclose our replies on our website.</li> <li>We effectively use infographics for business presentations at General Shareholder's Meetings.</li> </ul>

#### 2. Status of IR-related Activities

	Supplementary Explanations	Explanation by Representative Director or a Representative Executive Officer
Formulation and Publication of Disclosure Policy	The Disclosure Policy is posted on the Company's website. <a href="https://www.nissui.co.jp/english/ir/disclosure_policy/index.html">https://www.nissui.co.jp/english/ir/disclosure_policy/index.html</a>	
Regular Investor Briefings held for Analysts and Institutional Investors	We hold results briefing sessions (speaker: CFO) in May and November, online briefing sessions (speaker: CFO) in August and February, and small meetings by the CFO each quarter for securities analysts and institutional investors. Additionally, on April 9, 2025, a briefing session on the new Medium-Term Management Plan and the President's small meeting for securities analysts and institutional investors were held.	Yes



Online Disclosure of IR Information	<p>The following documents and materials are posted on our website:</p> <ul style="list-style-type: none"> <li>• Consolidated financial results and supplementary documents (available in English),</li> <li>• Supplemental documents for results briefing session (available in English),</li> <li>• Timely disclosure materials (available in English),</li> <li>• Annual Securities Reports, Semi-annual Securities Reports, and Quarterly Securities Reports,</li> <li>• Notice of the General Shareholders' Meeting (available in English) and Preliminary Explanatory Materials for General Shareholders' Meetings,</li> <li>• NISSUI REPORT,</li> <li>• Integrated Reports (available in English), and</li> <li>• Financial results briefing session videos.</li> </ul> <p>&lt;IR website&gt;  <a href="https://www.nissui.co.jp/english/ir/ir_library/index.html">https://www.nissui.co.jp/english/ir/ir_library/index.html</a></p>	
Establishment of Department and/or Placement of a Manager in Charge of IR	<p>The Company's IR structure is as follows:  Responsible officer: Director, Senior Managing Executive Officer, Chief Financial Officer (CFO)  Officer responsible for information: Executive Officer, General Manager of Corporate Strategic Planning &amp; IR Department  Department in charge of IR: 4 dedicated staff of Investor Relations Section, Corporate Strategic Planning &amp; IR Department</p>	
Other	<p>We hold briefing sessions on business strategies and other matters, as well as visits to the facilities for analysts and institutional investors several times a year to deepen their understanding of the Group.  We also conduct individual dialogues with the analysts and institutional investors.</p>	

### 3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	<p>The Company and the Nissui Group endeavor to solve social issues through business activities in keeping with the five genes (Mission, Innovation, Hands-on approach, Global, Customer-Oriented) inherited since our foundation and the Declaration on Action of Sustainability toward its stakeholders (customers, employees, business partners, shareholders and investors, the environment, and society), in cooperation and collaboration with the stakeholders. We also have the Code of Ethics, the Quality Assurance Code, and the Environmental Code, which stipulate appropriate collaboration with stakeholders and respect for their interests, sound business ethics, and rules of conduct that employees should follow.</p> <p>The Declaration on Action of Sustainability, the Code of Ethics, the Quality Assurance Code, and the Environmental Code are posted on the Company website.  (<a href="https://www.nissui.co.jp/english/corporate/ethics/index.html">https://www.nissui.co.jp/english/corporate/ethics/index.html</a>)</p>
Implementation of Environmental Preservation Activities and CSR Activities, etc.	<p>In view of the importance of collaboration with diverse stakeholders related to our operations, we have announced the Declaration on Action of Sustainability for the customers, employees, business partners, shareholders and investors, environment, and society, founded the Sustainability Committee, and in 2016, determined the three Material Areas. Due to the manifestation of various issues including ESG-related matters such as climate change and human rights and the need to respond to geopolitical</p>

	<p>risks and technological innovation, in FY2023, we conducted a revision in response to the changes in the external environment and came up with the following ten Material Areas.</p> <ul style="list-style-type: none"> <li>• Driving the mainstreaming of marine biodiversity</li> <li>• Contributing to a decarbonized and circular economy</li> <li>• Structuring a sustainable supply chain</li> <li>• Resolving health issues</li> <li>• Developing human capital and empowering diverse personnel</li> <li>• Securing a stable workforce and improving productivity</li> <li>• Embracing our mission and establishing our brand</li> <li>• Innovating through digital transformation</li> <li>• Accelerating global operations</li> <li>• Generating innovations related to food</li> </ul> <p>Subcommittees have been established for each of the Material Areas to solve the respective issues.</p> <p>We have formulated the Nissui Group Basic Procurement Policy, which stipulates the guidelines for legal compliance, awareness of environmental preservation, and respect for human rights when procuring products and raw materials. In line with this policy and in cooperation with our business partners, we explain to our suppliers, utilize check sheets to check the actual situation, and provide feedback on the results. With respect to the social issue of ocean plastic pollution, we have established the Basic Policy Regarding the Problem of Plastics and the Container/Packaging Selection Guidelines, based on which we are striving to reduce the amount of plastic used as much as possible. Furthermore, we place our original mark “Mirai-no Umie” (meaning “For the future ocean”), which represents our consideration for the environment, on our product packaging as an index that customers, our significant stakeholders, can refer to when selecting products.</p> <p>Additionally, we are proactively promoting activities by volunteering employees to clean up the areas surrounding the business locations several times a year (Cleanup Campaign), <i>satoyama</i> conservation activities, and contributions to food banks.</p> <p>For more details about our activities, refer to the Sustainability Report. (<a href="https://nissui.disclosure.site/en/themes/121">https://nissui.disclosure.site/en/themes/121</a>)</p> <p>The Company’s environmental and sustainability activities including the Sustainability Report are disclosed in English. (<a href="https://nissui.disclosure.site/en">https://nissui.disclosure.site/en</a>)</p>
Other	<p>To achieve the long-term vision for 2030 of becoming “a leading company that delivers friendly foods for people and the earth,” the Group has positioned empowering diverse human capital at the core of its management strategies. It promotes human capital management based on DE&amp;I (diversity, equity, and inclusion) by building an environment where all employees, regardless of gender, age, nationality, or whether they have disabilities, can demonstrate their individuality and strengths to the fullest.</p> <p>Especially in terms of empowering women, the Group has set the target of raising the ratio of female managers to 20% by 2030 and has been implementing various measures to this end, both in hiring and promotions. In the hiring of women, we aim for a ratio of 50% women for new hires to expand the population of female employees, while also providing</p>

	<p>unconscious bias training to raise awareness within the Company and strengthening skill-enhancement support for career-minded female employees, leading to their promotion to managerial positions. Additionally, we have also been focusing on providing an environment in which individuals, regardless of gender, can choose flexible workstyles to mark their life milestones, by such measures as proactively encouraging male employees to take childcare leave.</p> <p>Furthermore, in terms of hiring people with disabilities, the Group not only complies with the statutory employment rate of persons with disabilities but also proactively provides a work environment where such employees can work with peace of mind and demonstrate their capabilities. As of March 2025, the Group's employment of persons with disabilities at 3.00% has already surpassed the statutory rate, and the departments at which such employees work and their type of work have been undergoing gradual diversification. In recent years, some employees with disabilities have been promoted from contract employees to full-time regular employees. Moreover, we are engaged in initiatives to encourage mutual understanding and opening up more opportunities for employees with disabilities to play vital roles by correcting the inherent bias on the hiring divisions, by hosting "Universal Manner Certification" courses to systematically embed the mindset and practice of working with a diverse workforce, holding "Reasonable Accommodation" training, in which employees with disabilities speak in their own words, and convening "Meetings of persons in charge of hiring" that support their growth and active participation. Going forward, we will continue to reinforce initiatives to support various careers that build on the characteristics of their disabilities and spread the awareness and practice of leveraging diversity across the Group.</p> <p>Through these initiatives, the Company will mobilize the strengths of our diverse human capital and build a powerful organization that leverages their knowledge and experience to create value.</p>
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## **IV. Matters Concerning the Internal Control System**

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

1. System to ensure that Directors and employees perform their duties in compliance with laws, regulations, and the Articles of Incorporation
  - (1) Directors and Executive Officers strive to raise the employees' awareness of the various codes including the Declaration on Action of Sustainability, Code of Ethics, Quality Assurance Code, and Environmental Code, which have been set forth in line with the Company's business philosophy, while taking the lead in acting in compliance with them.
  - (2) The Ethics Subcommittee, in which external attorneys participate, plans and implements initiatives to ensure compliance with laws, regulations, the Articles of Incorporation, internal rules, etc. ("laws, etc.") in business activities by means such as enhancement of education and training. It also makes final decisions on compliance-related business issues. The officer in charge reports the activities to the Board of Directors.
  - (3) The Company establishes a whistle-blowing system where the Group's officers and employees can directly report to the Ethics Subcommittee about possible acts in violation of laws, etc. in the Group. The helplines are set inside and outside the Company and what is received via the helpline is concurrently reported to Audit & Supervisory Board Members to ensure the early detection and correction of possible acts in violation of laws, etc. The Company never discloses what a whistleblower says and never treats him/her unfavorably.
  - (4) To ensure the reliability of financial reporting, the Company establishes a dedicated internal organization to know the state of company-wide internal control. In addition, the Company documents key business processes and builds a system to make evaluations and improvements on a consolidated basis.
2. System to store and manage information related to the execution of duties by Directors
  - (1) The Company appropriately stores and manages the minutes of General Shareholder's Meeting, the Board of Directors meetings, and Executive Committee meetings, other documentation of other meetings chaired by Directors or Executive Officers, as well as approval form (*ringi-sho*) and execution reports (*jisshi-hokoku*) (the "Documents, etc.") in accordance with laws, regulations, and internal rules.
  - (2) The Directors and Audit & Supervisory Board Members shall always be able to view the Documents, etc.
3. Regulations regarding the management of the risk of loss, and other systems
  - (1) The Risk Management Committee, which is under the direct control of the Representative Director and President, builds the Group's whole risk management system and strives to maintain and improve it in accordance with the risk management regulations. The officer in charge regularly reports the committee's activities to the Board of Directors.
  - (2) For high-priority risks of the Group, the risk management organization plan measures to improve the effectiveness of risk management and monitors their progress, while the managers in charge of business departments perform appropriate risk management for their business operations.
4. System to ensure that Directors execute their duties efficiently
  - (1) Meetings of the Board of Directors are held at least once a month in principle. At the meetings, they decide the organizational structure and work taken charge of by the Representative Director(s) as well as other Directors and Executive Officers who execute business. The Board of Directors also makes decisions on important matters and supervises the business execution of Directors and Executive Officers. The Executive Committee consisting of Executive Officers are held at least once a month in principle and make decisions on major business execution.
  - (2) The Representative Director and President supervises the Group's business execution, and each Director/Executive Officer bears the responsibility for the business execution of the department he/she takes charge of.
  - (3) The Board of Directors determines medium- to long-term business strategies and budget for each fiscal year. Each Director/Executive Officer determines specific measures that the departments they are in charge of should implement and the efficient business execution structure. In addition, they make sure that progress toward achieving goals is monitored and regularly report the status to the Board of Directors.

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

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

- (1) System for reporting to the Company on matters concerning the execution of duties by Directors, etc. of its subsidiaries
    - (i) The Company regularly holds group management meetings attended by representatives from each Group company to share information within the Group, and ensure the instructions on important matters on business execution and discuss them.
    - (ii) The Company requires the Group companies to regularly report on their business performance, financial status, and other important information.
  - (2) Regulations regarding the management of the risk of loss of its subsidiaries, and other systems  
Through the Risk Management Committee, the Company discusses the challenges and countermeasures for the group-wide risk management promotion, and disseminates them to Group companies.
  - (3) System to ensure that Directors, etc. of its subsidiaries execute their duties efficiently  
The Company requires the Group companies to comply with the subsidiary governance rules formulated by the Company while respecting each company's independence.
  - (4) System to ensure that Directors, etc. and employees of its subsidiaries perform their duties in compliance with laws, regulations, and the Articles of Incorporation
    - (i) The Company appoints an Executive Officer as a responsible officer for each Group company to ensure the Group's governance through measures such as having such officers attend each company's Board of Directors meetings.
    - (ii) Each Group company promotes its compliance activities in accordance with internal rules formulated by itself including the Code of Ethics by appointing an officer in charge of compliance and establishing a dedicated organization. The Company's Ethics Subcommittee supports those activities.
  - (5) Other systems to ensure appropriate business operations of the corporate group  
The internal auditing division, which is under the direct control of the Representative Director and President, conducts internal audits on the Group based on annual plans and reports the results to Directors, Executive Officers, Audit & Supervisory Board Members, and the heads of the audited organizations. It also regularly reports the summary to the Board of Directors.
6. Matters regarding employees in the case where the employees are appointed by Audit & Supervisory Board Members to assist them
- (1) If requested by Audit & Supervisory Board Members, employees from the internal auditing division, Secretarial Section, and other departments assist the duties of the Audit & Supervisory Board Members.
  - (2) If Audit & Supervisory Board Members request to appoint employees to assist their duties, the Company assigns staff for Audit & Supervisory Board Members
7. Matters regarding the independence of employees in preceding paragraph from Directors and the ensuring of the effectiveness of the directions by Audit & Supervisory Board Members
- (1) When employees assist the duties of Audit & Supervisory Board Members as referred to in the preceding paragraph, they shall not be subject to directions and orders of Directors, Executive Officers, etc.
  - (2) When assigning staff for Audit & Supervisory Board Members, the Company shall respect the opinions of the Audit & Supervisory Board Members for the personnel affairs and evaluation of the staff.
8. System for reporting to Audit & Supervisory Board Members
- (1) System for reporting from the Company's Directors and employees to Audit & Supervisory Board Members
    - (i) Directors, Executive Officers, and employees promptly provide the Documents, etc. (in 2 (1)) to Audit & Supervisory Board Members and provide explanation promptly and appropriately when requested.

- (ii) Directors, Executive Officers, and employees immediately report to Audit & Supervisory Board Members if finding a fact that may cause significant damage to the Group or an important fact that may affect the Group's management.
  - (iii) The internal auditing division reports the business audit results of the Group to Audit & Supervisory Board Members.
  - (iv) The Audit & Supervisory Board Members build a system, with which they inspect the matters discussed, resolved, and reported at the Board of Directors and if necessary, ask Directors/Executive Officers to provide the status of business execution and review it.
- (2) System for reporting to the Company's Audit & Supervisory Board Members from subsidiaries' Directors, Audit & Supervisory Board Members, employees, or a person who receives information from them
- (i) The officers and employees of the Group companies promptly and appropriately provide information on business execution to the Company's Audit & Supervisory Board Members when requested by them.
  - (ii) If officers and employees of the Group companies find a fact that may cause significant damage to the Group or an important fact that may affect the Group's management, they immediately report to the Audit & Supervisory Board Members through the Company's management department. Alternatively, they report it to the Company's whistle-blowing hotline, where information provided is also reported to the Audit & Supervisory Board Members.
  - (iii) When information is provided via the whistle-blowing hotline, the Company's Ethics Subcommittee provides the Audit & Supervisory Board Members with information on how the problem has been addressed as necessary.
9. System to ensure that whistleblowers are not treated unfavorably as a result of having provided information to Audit & Supervisory Board Members
- In the case where the Group's officers and employees provide information to Audit & Supervisory Board Members, the Company prohibits treating them unfavorably as a result of having provided information, and ensures that officers and employees of the Group are fully aware of it.
10. Policy for the processing of expenses, etc. arising from the execution of duties by Audit & Supervisory Board Members
- When Audit & Supervisory Board Members request the Company for payment of expenses, etc. incurred in executing duties, the Secretarial Section promptly processes the payment unless the expenses, etc. are considered unnecessary for their duties in accordance with regulations for officers.
11. Other systems to ensure that Audit & Supervisory Board Members execute their duties efficiently
- (1) Audit & Supervisory Board Members conduct audits in accordance with implementation guidelines for internal control that the Audit & Supervisory Board formulated to ensure the effectiveness of audits, and make discussions with Directors and Executive Officers as necessary to improve the effectiveness of audits.
  - (2) Audit & Supervisory Board Members regularly receive reports on audit plans and results from the Auditor of Accounts and exchange information and opinions with it. In addition, they also exchange information and opinions with the internal auditing division.

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

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

## V. Other

### 1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
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Supplementary Explanation for Applicable Items

### 2. Other Matters Concerning to Corporate Governance System

[Outline of the timely disclosure system]

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

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

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

Diagram: System of Corporate Governance

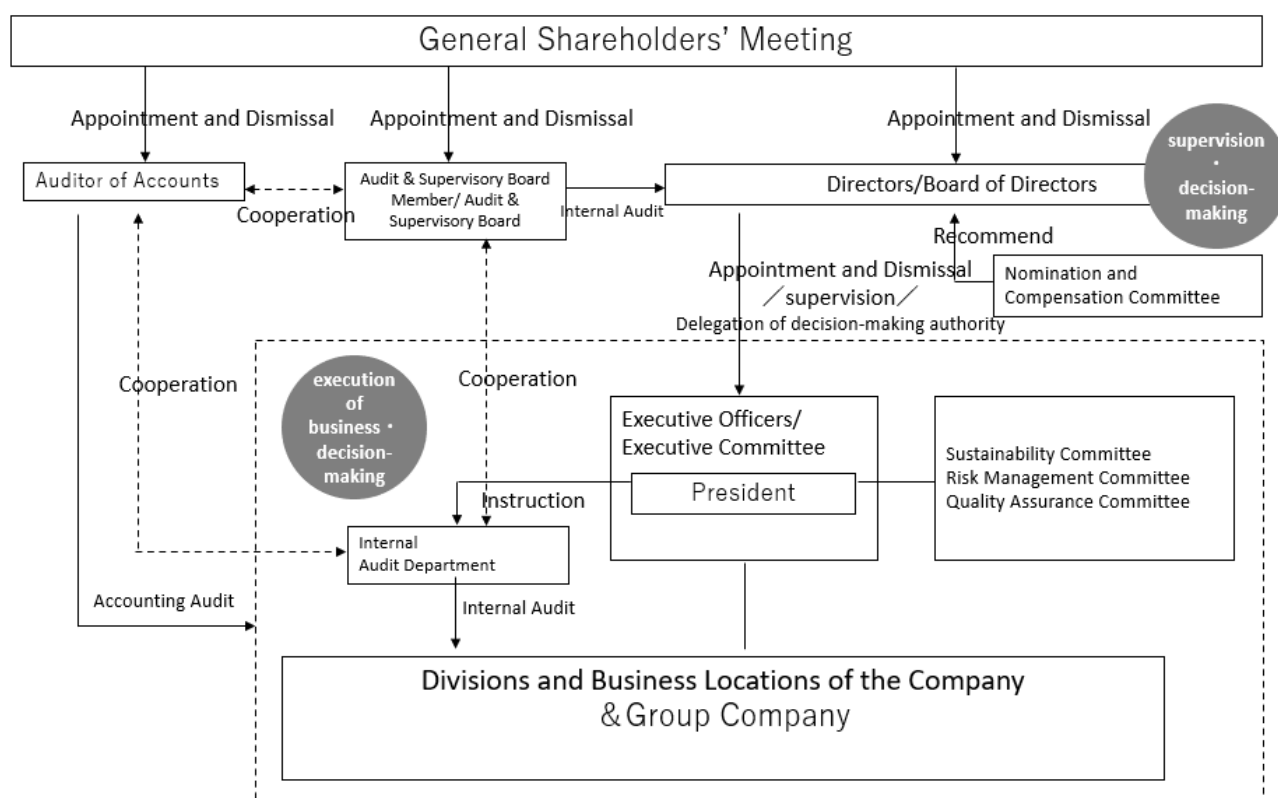


Diagram Outline of Timely Disclosure System

