

# Corporate Governance

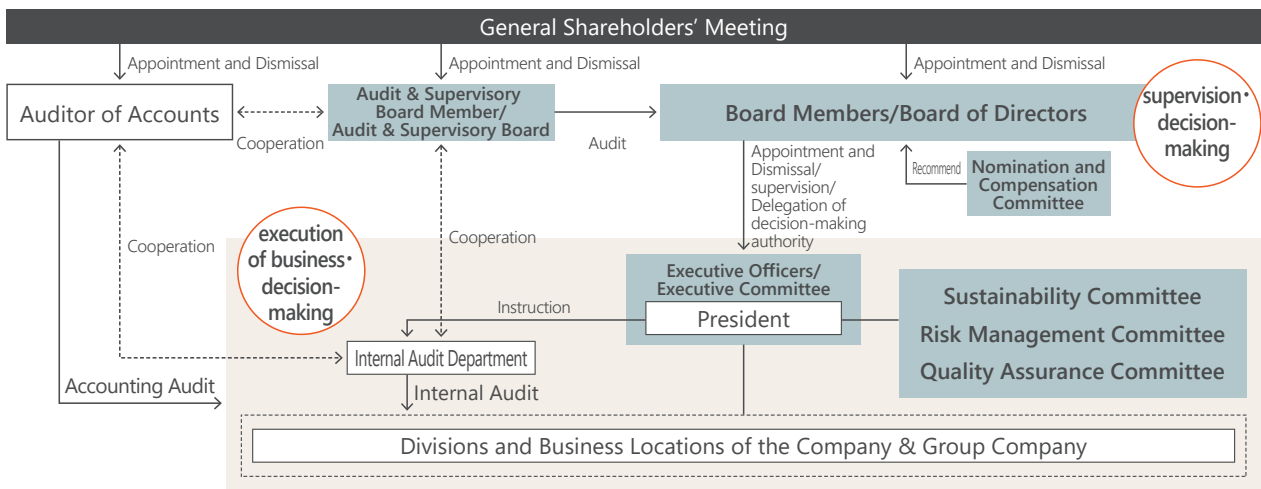
## Basic Approach to Corporate Governance

With a view to improving the profitability and the capital efficiency of Nissui and its Group companies, as well as to promoting initiatives toward sustainability 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.

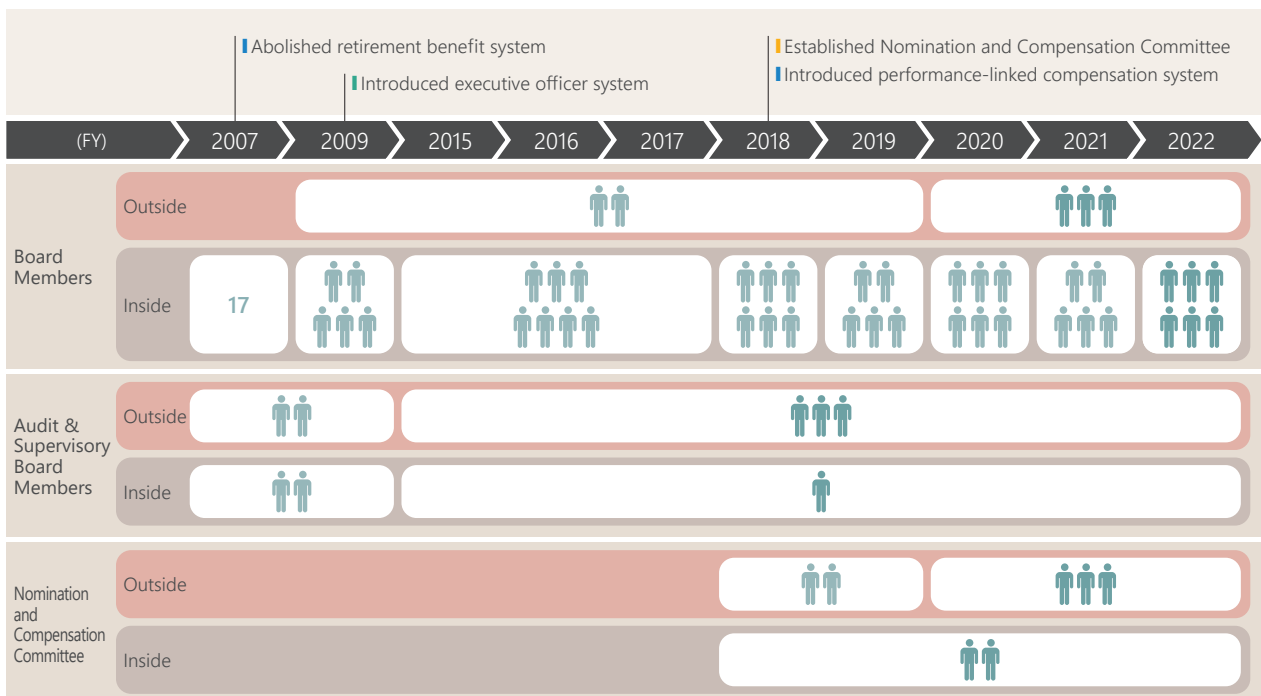
Furthermore, in addition to the above management supervising by the Board of Directors, Nissui has adopted the governance structure of a company with an audit & supervisory board, based on its belief in the effectiveness of an audit system over management comprising four Audit & Supervisory Board members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

Diagram: System of Corporate Governance (as of June 28, 2022)



### Progress toward a Stronger Corporate Governance System

Optional committees Executive compensation Systems



## ▶ Board of Directors

The role of the Board of Directors is to show the overall direction of the Company such as its mission, vision and mid- to long-term management strategies, etc., and to carry out important decision-making on business operations and provide appropriate supervision, to facilitate sustainable growth and mid- to long-term increase in corporate value while addressing social issues.

In order to fulfill the abovementioned roles, the Board of Directors must be composed of members with knowledge and experience of the Company's principal businesses, as well as flexibility and creativity to promote integration between businesses, in addition to expertise and experience in such areas as "corporate management," "finance and accounting" and "corporate governance." At least one-third of the Board Members are Independent Outside Board Members as it is important to incorporate diverse perspectives, including gender diversity, in its structure.

## ▶ Nomination and Compensation Committee

The Nomination and Compensation Committee is an optional committee that serves as advisory bodies to the Board of Directors. The Committee consists of three Independent Outside Board Members and two Representative Board Members, and is chaired by an Outside Board Member.

The Nomination Committee deliberates on issues such as the selection and dismissal of candidates for officers including the President and succession planning to make recommendations to the Board of Directors.

The Compensation Committee annually examines the system and levels, etc. of compensation in comparison with industry peers of similar scale. In calculating the amount of individual compensation, the Committee determines the basic amount of compensation based on corporate performance and business performance targets including sustainability, and evaluates individual performance to make recommendations to the Board of Directors. The final amount to be paid to each Board Member, etc. is determined by the Compensation Committee delegated by the Board of Directors.

## ▶ Executive Committee

An executive officer system has been adopted to carry out even more flexible and efficient business operations. The Executive Committee consists of Executive Officers who have been appointed by the Board of Directors, and hold a meeting, at least once a month, in principle, to make timely and appropriate decisions and share information regarding major business execution upon sufficient and multifaceted deliberations, in an effort to promote the sustainable growth and enhancement of corporate value of Nissui and its Group companies.

## ▶ Audit & Supervisory Board

Nissui appoints Audit & Supervisory Board Members who have the expertise required for auditing such knowledge as financing and accounting as well as extensive 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 who are independent of management. Each Audit & Supervisory Board Member attends the Board of Directors meetings and audits the execution of duties by the Board Members and attends the Executive Committee, when necessary.

## ▶ Other Committees

### Sustainability Committee

The Sustainability Committee, chaired by the President and comprising Executive Officers and Outside Board Members, is held six times a year. It consists of seven subcommittees to promote priority issues (Marine Resource Sustainability Subcommittee, Sustainable Procurement Subcommittee, Marine Environment Subcommittee, Plastics Subcommittee, Food Loss and Waste Subcommittee, Diversity Subcommittee and Human Rights Subcommittee) and the Environmental Subcommittee, to which Executive Officers have been appointed as Subcommittee Chairpersons, with members have been appointed by Subcommittee Chairpersons.

### Quality Assurance Committee

The Quality Assurance Committee shares customer feedback, discusses complaints and requests received and fine-tunes the quality assurance system. The Committee, chaired by the President and composed of the Executive Officers concerned, division and department heads, and two Outside Committee Members, meets once a month.

### Risk Management Committee

▶ P69

## Corporate Governance

## Roles of the Board Members and Audit &amp; Supervisory Board Members

Name	Position and Responsibilities	Number of Years on the Board	Number of Shares Owned (As of June 28, 2022)	Attendance (FY2021)			
				Board of Directors	Audit & Supervisory Board	Nomination and Compensation Committee	
						Nomination	Compensation
Shingo Hamada	Representative Board Member and President, Chief Executive Officer, Member of Nomination and Compensation Committee	5	32,800	20/20	–	5/5	8/8
Seiji Takahashi	Representative Board Member, Senior Managing Executive Officer, Member of Nomination and Compensation Committee	7	19,900	20/20	–	4/4	4/4
Shinya Yamamoto	Board Member, Managing Executive Officer, Chief Financial Officer	7	56,400	20/20	–	–	–
Koji Umeda	Board Member, Managing Executive Officer	2	14,200	20/20	–	–	–
Shinya Yamashita	Board Member, Managing Executive Officer	1	30,600	16/16	–	–	–
Masahide Asai	Board Member, Executive Officer	0	4,700	–	–	–	–
Mikito Nagai	Outside Board Member, Chairperson of Nomination and Compensation Committee	2	–	19/20	–	5/5	8/8
Yuko Yasuda	Outside Board Member, Member of Nomination and Compensation Committee	2	–	19/20	–	5/5	7/8
Tokio Matsuo	Outside Board Member, Member of Nomination and Compensation Committee	1	–	16/16	–	4/4	4/4
Hiroyuki Hamano	Standing Audit & Supervisory Board Member	3	6,100	20/20	17/17	–	–
Shino Hirose	Outside Audit & Supervisory Board Member	6	–	20/20	16/17	–	–
Masahiro Yamamoto	Outside Audit & Supervisory Board Member	1	–	15/16	12/12	–	–
Tadashi Kanki	Outside Audit & Supervisory Board Member	1	–	15/16	12/12	–	–

## Effectiveness Evaluation of the Board of Directors

## 1. Evaluation Method

The Company evaluated the effectiveness of the Board of Directors in FY2021 through the following steps:

- (1) Conducted a fully open-ended questionnaire for all officers in order to gain an understanding of the overall state of the Board of Directors.
- (2) Interviewed Outside Board Members and Audit & Supervisory Board Members to supplement the responses to the questionnaire referred to in (1).
- (3) Identified the issues faced by the Company based on (1) and (2), and presented the secretariat's proposed measures to address them.
- (4) Held a discussion participated by all executives on the basis of (3).

## 2. Outline of Evaluation Results

## ① Summary

In the responses, the executives generally rated the current performance of the Board of Directors high in that active exchanges of opinions were conducted between internal and outside executives under the appropriate leadership of the Chairperson. The executives also appreciated the fact that corrective measures were taken every time issues were identified through the evaluation of the Board of Directors' effectiveness, which has been conducted since FY2016. On the other hand, the responses indicate that there remain some issues for which sufficient improvement has not been achieved.

The interviews were conducted not only to supplement the written responses but also to find other companies' initiatives and compare the Company with them. In addition, the secretariat and the interviewees shared the measures taken and improvements made to date, and thereupon engaged in a candid exchange of views on measures to be taken going forward to make the Company's Board of Directors even more effective.

	Expected Areas of Expertise									
	Corporate management	Finance and accounting	Marketing and sales	Production and technology	R&D	International perspective	Corporate Governance	Risk management	Legal affairs and compliance	Sustainability
	○			○	○	○	○			
	○		○			○	○	○	○	
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Nissui Group's Vision

Management Message

Nissui Group's Value Creation

Sustainability

Governance

Data Section

## ② Discussions on Individual Issues

The following issues were discussed by all executives:

- Selection of topics to be discussed by the Board of Directors
- The efforts and support system needed to have more constructive discussions
- The necessity to revise the criteria for submitting proposals to the Board of Directors
- Method for evaluating effectiveness of the Board of Directors

## 3. Next Actions

Based on the results of the effectiveness evaluation questionnaire and relevant discussion, the Company will implement measures for improvement to render the Board of Directors even more effective.

Corporate Governance Report

▶ <https://contents.xj-storage.jp/xcontents/AS06310/427009fc/fd81/4bb5/85dc/02f2c0e5bf63/140120220720501897.pdf>

## Corporate Governance

### Executive Compensation

#### ▶ Policy for Determining the Amounts of Executive Compensation, etc.

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

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

#### ▶ Policy for Determining Executive Compensation

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

#### ▶ Executive Compensation, Calculation Method and Determination Process

Compensation of Board Members (excluding Outside Board Members) consists of three components, namely, “basic compensation,” “performance-linked compensation” and “stock-based compensation.” Outside Board Members and Audit & Supervisory Board Members receive only basic compensation.

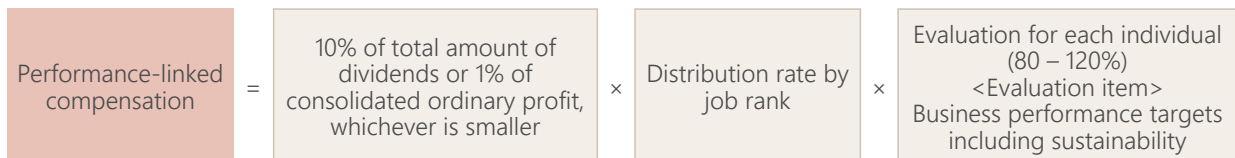
The ratio between basic compensation, performance-linked compensation and stock-based compensation of Board Members is roughly targeted at 65:30:5 when business performance targets are achieved 100%. The compensation ratio is demonstrated as a case where stock-based compensation is translated into compensation per year.

The retirement benefit system for Board Members and Audit & Supervisory Board Members was abolished on the day of the 92nd Ordinary General Shareholders’ Meeting held on June 27, 2007.

##### ① Basic compensation

The basic compensation consists of three elements, namely, representative consideration, supervisory consideration, and executive consideration, and executive consideration is set according to the job rank.

##### ② Performance-linked compensation



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

This compensation uses “consolidated ordinary profit,” which is a performance evaluation indicator, and “total amount of dividends” conscious of shareholders’ perspectives as indicators, and 1% of “consolidated ordinary profit” or 10% of “total amount of dividends,” whichever is smaller, is paid according to the job rank as the basic amount of the compensation. Evaluation for each individual was introduced in FY2021 with an aim to clarify the degree of contribution of each officer to the business performance for a single fiscal year. Business performance targets including sustainability were selected as items used in the evaluation for each individual, which is assessed within the range between 80% and 120%. The basic amount of performance-linked compensation paid, the distribution rate by job rank, and evaluation for each individual shall be determined by the Board of Directors after deliberation by the Compensation Committee. The amount of each compensation paid to individual officers shall be determined by the Compensation Committee delegated by the Board of Directors.

### ③ Stock-based compensation



The Company has adopted a Board Benefit Trust framework under the performance-linked stock-based compensation plan implemented in FY2018 in which stock-based compensation is provided to Executive Officers as non-monetary compensation in order to clarify a link between compensation of Executive Officers and business performance/stock value, and to raise awareness of improving business performance and increasing corporate value over the medium to long term.

In the new Mid-term Business Plan started in April 2022, indicators to evaluate corporate business performance have been selected from both financial and non-financial (sustainability) aspects, and the ratio between them is targeted at 70:30. Financial targets include net sales, ordinary profit, and ROIC, while non-financial (sustainability) targets include sustainability of marine products and CO<sub>2</sub> emissions at the Group's business sites. The achievement rates thereof are defined within the range between 50% and 150%. The pre-determined basic point in accordance with job rank is multiplied by the achievement rates. The number of shares to be issued to individuals is calculated by reflecting the evaluation for each individual to the foregoing. As items used for evaluation of each individual, we selected KPIs and sustainability items under the Mid-term Business Plan. The achievement rates thereof are defined within the range between 80% and 120%. The corporate achievement rates and the evaluation for each individual shall be determined by the Board of Directors after deliberation by the Compensation Committee. The amount of each compensation paid to individual officers shall be determined by the Compensation Committee delegated by the Board of Directors.

### ▶ Total Amount of Executive Compensation, etc. for FY2021

Total Amount of Compensation, etc. by Category of Officers/Type of Compensation and the Number of Officers Paid

Category of officers	Total amount of compensation, etc. (in millions of yen)	Total amount by type of compensation, etc. (in millions of yen)			Number of officers paid
		Basic compensation	Performance-linked compensation	Stock-based compensation	
Board Members (excluding Outside Board Members)	332	196	126 *1	9 *2	7 (Stock-based compensation: 7) *3, 6
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	26	26	–	–	1
Outside Board Members	36	36	–	–	4 *4
Outside Audit & Supervisory Board Members	38	38	–	–	5 *5

\*1 The performance-linked compensation of Board Members includes an amount estimated to be paid in June 2022.

\*2 The stock-based compensation of Board Members represents the difference between the actual payment made in July 2021 and the estimated amount recorded at the end of March 2021 (The stock-based compensation plan was deferred in FY2021).

\*3 The number of Board Members to whom stock-based compensation is paid includes 3 Board Members who retired from office on June 26, 2019 and June 25, 2021.

\*4 The compensation of Outside Board Members includes that of one (1) Board Member who retired from office on June 25, 2021.

\*5 The compensation of Outside Audit & Supervisory Board Members includes that of two (2) Audit & Supervisory Board Members who retired from office on June 25, 2021.

\*6 Status of shares issued for the Company's officers as compensation for their execution of duties during the fiscal year under review: The Company issued 39,100 shares of its common stock to seven (7) Board Members, excluding Outside Board Members, on July 21, 2021.

## Policies on the Reduction of Cross-shareholdings

### ① 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.

### ② Review of individual cross-shareholdings

Each year, the Board of Directors reviews 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 whether the holding purpose is appropriate given the indices such as "achievement of targets for each individual stock and transactions for the past three years" and "percentage achievement of target ROA."

In June 2021, the Board of Directors reviewed individual cross-shareholdings, and during the fiscal year, the Company sold shares of eleven issues, comprising five listed companies and six non-listed companies, including the partial sale of cross-holding shares. In November 2021, the Board of Directors decided to begin working to sell shares of six issues in and after FY2022 in line with the Mid-term Business Plan. At present, the Company is considering the method for the sale and other details.

# Corporate Compliance

## Our Approach to Compliance

The Nissui Group is working to enforce compliance in a thoroughgoing manner including complying with laws and regulations in/outside Japan as well as various internal rules pursuant to the Code of Ethics, in order to meet the expectations of all of its stakeholders such as customers, employees, business partners and shareholders and fulfill its corporate responsibility. Having established the Ethics Subcommittee under the Risk Management Committee, we are endeavoring to implement measures for the early detection, correction and recurrence prevention of compliance issues and striving to raise employees' awareness of compliance. We are also engaged in initiatives to develop and enhance the compliance structure of the Nissui Group as a whole, not just Nippon Suisan Kaisha, Ltd. (Nissui).

For more details on the Code of Ethics and the Ethical Behavior Standards, etc., please see our website.  
 ▶ <https://nissui.disclosure.site/en/themes/117>

## Compliance Promotion Framework

The Ethics Subcommittee is convened once every two months (i.e., six times a year) in principle for the purpose of enhancing compliance in Nissui as well as its Group companies in Japan. In addition, emergency meetings are held as necessary.

The Subcommittee is chaired by an Executive Officer (CFO) designated by the President and its members are internal officers and an outside attorney. The participation of an outside attorney ensures that the Subcommittee acts as a third party.

In FY2021, the Ethics Subcommittee was convened ten times in total, where whistleblowing response, compliance activity plans, compliance questionnaire surveys, etc., were deliberated.



## Initiatives to Identify Compliance Issues

### ▶ Overview of Whistleblowing System

We have a whistleblowing system in place, enabling employees of Nissui and its Group companies in Japan to directly notify the Ethics Subcommittee of questionable acts in terms of compliance, etc. We have established points of contact for whistleblowing both internally (i.e., the Legal Department serving as the secretariat of the Ethics Subcommittee) and externally (i.e., outside specialist), and have a mechanism whereby the Audit & Supervisory Board Members are also contacted simultaneously. Whistleblowing notices are given directly by such means as telephone, Web and email, and may be made anonymously.

In the event that a whistleblowing notice has been given, the Ethics Subcommittee conducts an investigation by selecting a person responsible for the investigation while giving consideration to ensure that the whistleblower will not be put at a disadvantage, and examines the findings of the investigation and improvement measures within the Subcommittee.

When conducting an investigation, there is a clear policy “not to look for the whistleblower,” and the protection of confidentiality and the prohibition of disadvantageous treatment of the whistleblower are stringently enforced. Of note, even if a notice given to the external point of contact for whistleblowing was not anonymous, there is a system in place to report it to Nissui anonymously upon the whistleblower's request.

For harassment incidents, multiple points of contact have been established, and such incidents are handled by the Harassment Desk (Human Resources Department). The Harassment Desk also collaborates in conducting investigations into notices given via the points of contact for whistleblowing.

In regards to the minutes of the Ethics Subcommittee including the nature of and response to notices, we have a system in place for the minutes to be reported to and made available for perusal by Directors, Audit & Supervisory Board Members and Executive Officers. Also, the officer in charge makes a report regarding important whistleblowing-related matters to the Board of Directors.

The aforementioned overview of the whistleblower system is stated in Nissui's whistleblowing rules. Of note, in FY2021, the rules were reviewed to prepare for the enforcement of the revised Whistleblower Protection Act.

### ▶ Questionnaire Survey on Employees' Compliance

Once every year, we conduct a compliance questionnaire survey covering employees for the purpose of getting a grasp of company-wide compliance trends, identifying compliance problems in the bud in each organization and making use of the findings to improve the workplace environment in the early stages.

The questionnaire survey conducted in October 2021 covered 2,505 employees (including temporary employees\*) of Nippon Suisan Kaisha, Ltd. (Nissui), of whom 2,183 employees responded, resulting in a response rate of 87%. For foreign employees, questionnaires translated into five languages (i.e., English, Spanish, Portuguese, Chinese, and Vietnamese) were distributed, to which 273 out of 317 foreigners on Nissui's payroll responded, resulting in a response rate of 86%.

Results of the questionnaire survey are sent to the officers and department heads and general managers of plants and are being used at each organization as a source of suggestions for improving workplace environments. Results of the questionnaire survey are also discussed at the Ethics Subcommittee meetings, the content of which are reflected in our compliance activities and utilized for other purposes.

\* Temporary employees: Temporary employees including directly-hired contract employees and part-timers.

### ▶ Questionnaire Survey on Business Partners' Compliance

Once every year, we identify transactions that may put Nissui in a particularly dominant position and conduct a compliance questionnaire survey covering business partners involved in such transactions for the purpose of getting a grasp of whether or not Nissui has engaged in acts of abuse/misconduct (such as violations of the Antimonopoly Act/Subcontract Act) by exploiting its dominant position against its business partners.

The questionnaire survey conducted in November 2021 covered 176 companies, of which 143 companies responded, resulting in a response rate of 81%.

## Initiatives to Raise Awareness of Compliance

### ▶ Compliance Training

Every year, we conduct compliance training in the form of a mandatory course for new recruits and mid-career hires.

Mainly for employees and type-II contract employees, compliance training is conducted by narrowing down the themes on an irregular basis each time an issue has arisen.

### ▶ Sharing the Code of Ethics

The "Code of Ethics" is posted on Nissui's internal portal site. The Code of Ethics is shared with employees to raise their awareness of compliance.

## Initiatives to Develop and Enhance Compliance Framework in the Entire Group

In order to reduce compliance risks in the Nissui Group as a whole, Group companies are promoting the development and enhancement of their respective compliance frameworks.

The status of compliance activities at each Group company is periodically reviewed through the Risk Management Committee. On top of this, since FY2020, a workshop has been held on a company-by-company basis to encourage Group companies to build a compliance framework of a higher standard suited to the nature of their respective businesses, management scale, etc. Opinions are exchanged on such matters as issues in responding to notices, response flow and future activity plans with the participation of the respective chairpersons of the ethics committees of Group companies, as well as the respective persons responsible for and persons in charge of the secretariats of such ethics committees. This workshop is conducted at about five companies per fiscal year and is scheduled to be completed at all Group companies within the scope of the workshop by FY2024.

Furthermore, in FY2021, we provided support to Group companies to make them develop a framework in compliance with the revised Whistleblower Protection Act, such as explaining the outline of the revision of the Act through workshops and distributing a sample of rules.



# Risk Management

## Our Approach to Risk Management

The Nissui Group, whose mission is to produce various food products, pharmaceutical ingredients, etc. from resources including marine products and supply them to people around the world, is striving to continue stable production and sales in order to fulfill such duty. In order to further solidify its business activities, we have established the "Risk Management Policy," and the Risk Management Committee is building and implementing a risk management system aimed at fulfilling the vision sought under the Policy. Furthermore, risks with a significant impact are identified as priority risks by the Risk Management Committee and addressed by setting up a dedicated subcommittee.

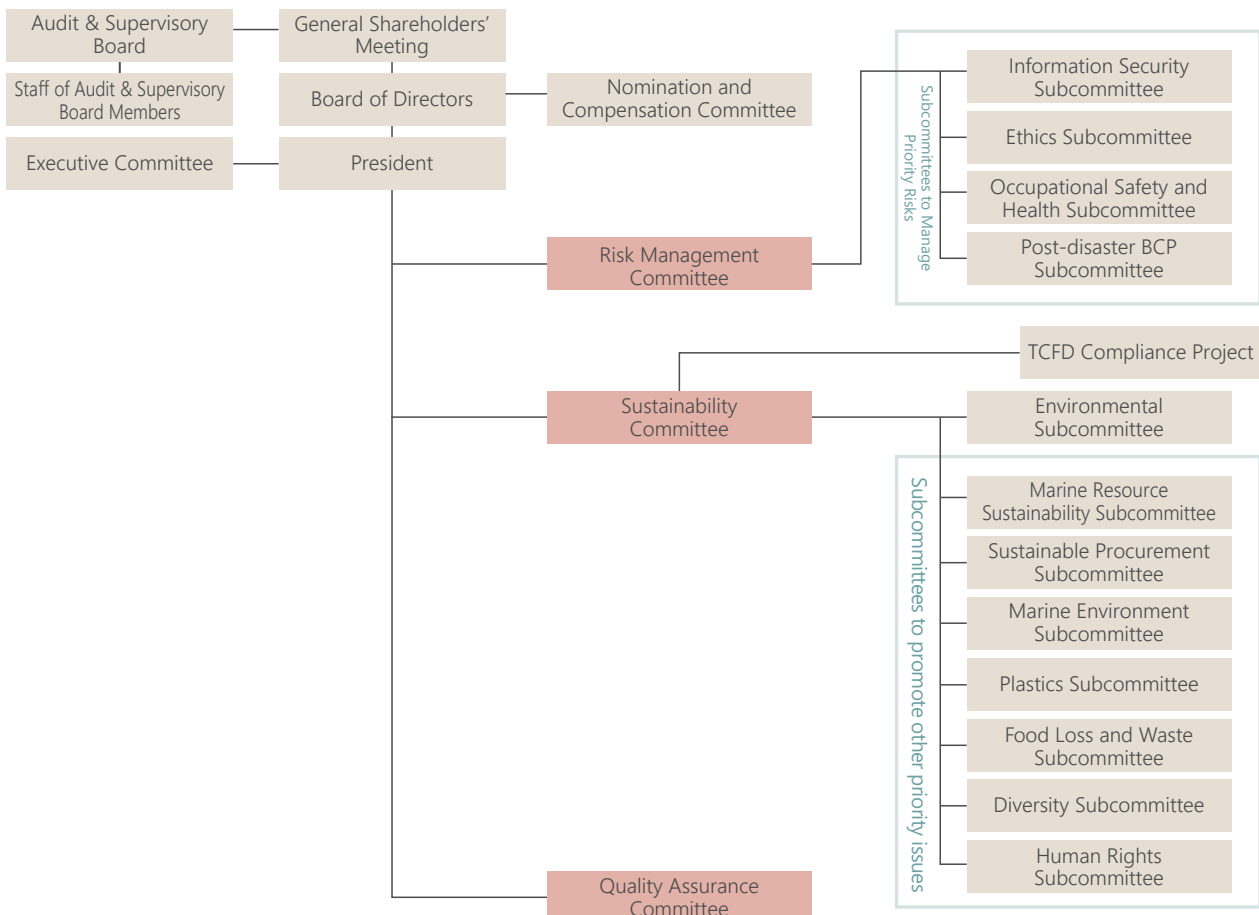
**Risk Management Policy**

Nissui and its Group's basic policy for risk management is to endeavor to prevent risks that may hinder business activities from arising, and in the event of an emergency, minimize the occurrence of losses by giving top priority to human life, give consideration to society such as providing aid to disaster victims, and make best efforts to preserve our management resources and continue our businesses and thereby maintain and improve corporate value.

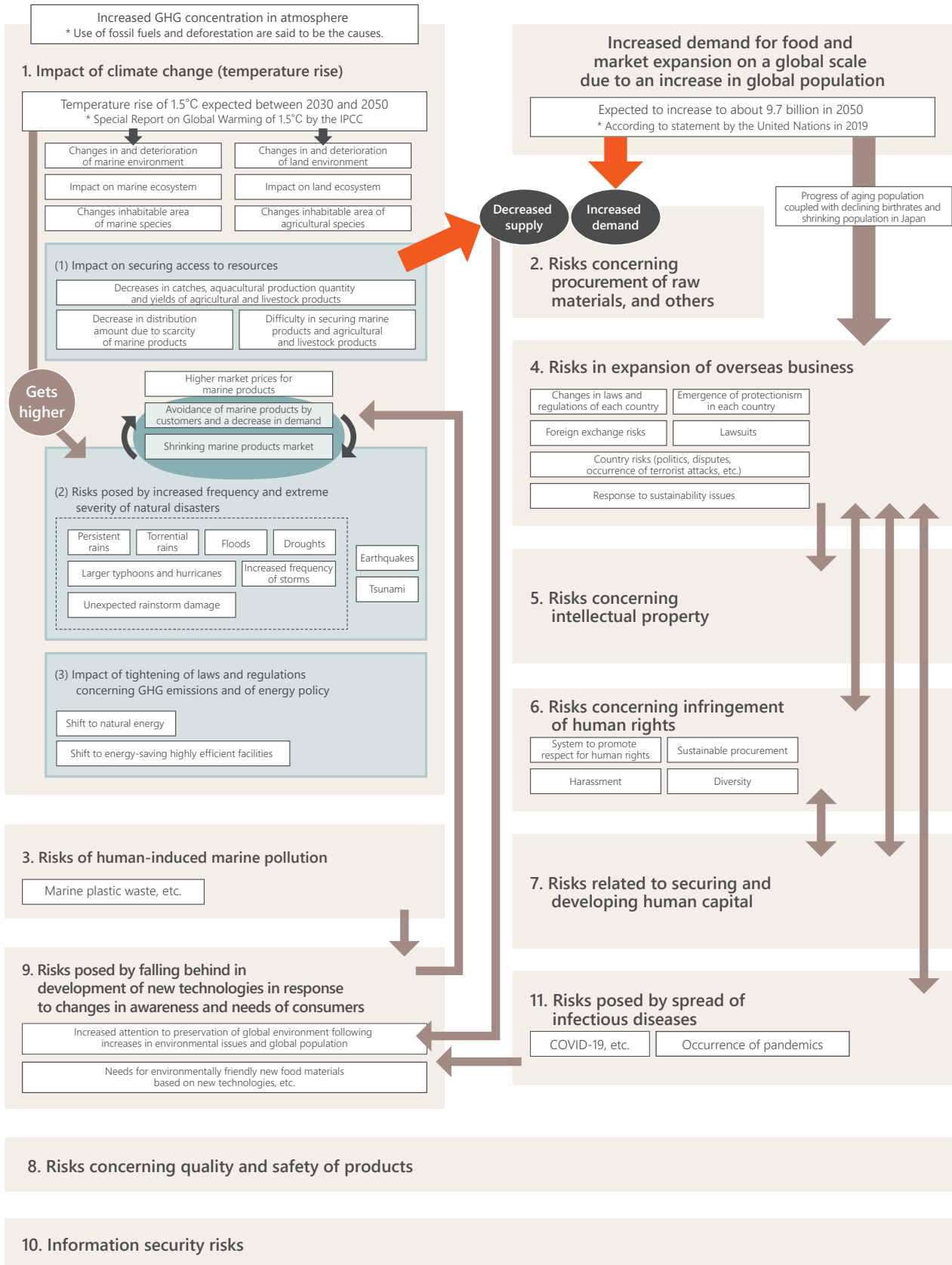
## Risk Management Promotion Framework

The Risk Management Committee, chaired by the President & CEO and comprising all Executive Officers, is convened four times a year. The Risk Management Committee strives to build, maintain and improve the risk management system of the Nissui Group based on the risk management rules. The Executive Officer (in charge of risk management) periodically reports its activities to the Board of Directors.

Promotion Framework (as of June 28, 2022)



## Relationship between each business risks



## Outside Board Members Roundtable Discussion

### Nissui's Governance Reforms Seen from an Outside Perspective



Tokio Matsuo  
Outside Board Member

Yuko Yasuda  
Outside Board Member

Mikito Nagai  
Outside Board Member

#### Could you give us your assessment of the governance structure overall and your opinion of the Board of Directors?

**Matsuo:** A year has passed since I began serving as an Outside Board Member in June 2021. My impression of the Board of Directors is that there is a determination to press forward aggressively with the strengthening of the governance structure. The atmosphere is much more open than I had imagined, and they have created an environment that allows us to speak up freely and easily.

**Nagai:** It is a very lively Board of Directors, in which all Board Members, both internal and outside, are happy to speak. In terms of the evaluation of effectiveness of the Board of Directors, questionnaires and interviews are conducted with all Board Members every year, and the results is compiled for detailed discussion at the Board of Directors and to help make improvements. In that process, one by one, improvements have been made, such as transferring authority to the executive side and allocating more time for discussion about business plans and business strategies. I am highly impressed by that willingness to keep improvement. It feels like a true reflection of Nissui's corporate culture. In recent times, some companies have been conducting third-party effectiveness evaluations, but Nissui's discussion-based

efforts are producing results, so I would be happy to stay with this arrangement for the immediate future.

**Yasuda:** As Mr. Matsuo and Mr. Nagai have just mentioned, a major feature of Nissui's Board of Directors is the free and open discussion by all members. This embodies the soundness of the company's management. I would say that it has much to do with the way in which President Hamada, who serves as the Chairperson, strives to create an atmosphere that encourages all Board Members to speak up, while also demonstrating firm leadership.

One characteristic is that a relatively large number of the agenda items of the Board of Directors meetings are focused on execution, and they delve into quite detailed aspects of execution. We Outside Board Members are given clear and detailed explanations even of these agenda items, but I am concerned that this makes it difficult to concentrate on the key issues for the agenda items of Boards of Directors.

**Matsuo:** Often, rather than the proposals themselves, the items that need to be resolved within those proposals are very detailed. I think we all need to be careful not to let the discussion fall into nitpicking about small details.

**Nagai:** This point has been recognized as a problem for some time. I have expressed my views on this issue from my position as an Outside Board Member, and my

feedback has been accepted both in the effectiveness evaluation and at Board of Directors meetings. As I mentioned, considerable improvements have been made with the transfer of authority to the executive side. I do feel that the Board is being steered toward discussions of more expansive themes, such as strategies and business theories.

Last fiscal year, partly because the long-term vision and the new Mid-term Business Plan were being drafted, we were able to discuss the kinds of themes that had not come up as proposals for the Board of Directors in the past, including topics such as sustainability, TCFD, and human capital. This fiscal year, I will be checking to see whether this trend has truly taken root, while also hoping to see even more improvements.



## What were your impressions of the drafting of the long-term vision and the Mid-term Business Plan?

**Yasuda:** There was an interval of a year from the end of the previous mid-term business plan, which gave us ample time to discuss the long-term vision and the new Mid-term Business Plan. To aid those discussions, we were briefed from the initial stages on the outline of the plan, after which we held discussions at the Board of Directors. My perception is that our opinions as Outside Board Members were incorporated into the drafting process.

I personally was quite surprised by the fact that the long-term vision, “Good Foods 2030,” has veered considerably in the “food” direction. I commend the extremely bold and ambitious shift away from the

previous focus on products and services that leverage marine resources to a new focus on contributing to health and wellbeing and to sustainability. At the same time, the fact remains that the company is changing course toward an intensely competitive direction.

**Nagai:** In our discussions, firstly, on the rebranding, including the change of corporate name, we listened to talks in various forums, and all the while, I was wondering whether the employees would be truly convinced. On this point, I found that Nissui’s employees, of all generations, were more positive than I expected. On the contrary, reflecting again on the company’s history, which began in fisheries, Nissui has always been a global company ever since it was founded. The opportunity that this process has given us to recognize the company’s R&D genes anew could be seen as a major outcome of the brand discussions.

However, the question now is, how do we establish the brand as a new identity going forward? I find the talk of “innovative food solutions” to still be somewhat vague, and I hope that there will be more effort from here on in to focus more on “foods” that only Nissui can offer and “foods” that Nissui can take the lead on.

Regarding the Mid-term Business Plan, the approach of backcasting from our vision toward 2030 was a major feature. In his first year as President, Mr. Hamada spent considerable time on this. As Ms. Yasuda said, he involved us Outside Board Members in the debate from the initial stages, and he also brought in the employees and incorporated their views. That process was another unique feature, which I commend highly.

Having said that, the vision toward 2030 is a very ambitious one, so when it comes to backcasting from that to formulate the Mid-term Business Plan, there is still a strong awareness of “building up,” and, to be frank, it seems to me that it has not really risen beyond a long-term operational plan. Conversely, the gap between our vision toward ten years into the future and the mid-term business plans that have been built up until now has been made clear, which is in itself an important point. How do we bridge that gap? That is a question we will need to discuss seriously in the first fiscal year of the plan.

**Matsuo:** We spent a long time discussing management strategies, and my initial impression was, is the aim really to become global? From a domestic perspective, Nissui is a Japanese company doing business internationally, but is it merely collecting businesses piecemeal in various countries and will it really be able to demonstrate Group synergies from a global perspective? Indeed, is it doing that now? I had the feeling that discussion with these questions in mind was lacking in the formulation of the Mid-term Business Plan. From our perspective as Outside Board Members, there were occasions when the debate became confused about whether we were discussing the domestic Japanese business or the Group as a whole.

## Outside Board Members Roundtable Discussion

However, as the debate proceeded, the executive side started to give form to their image of a global Nissui, and the drafting was moved forward with a focus on future global growth. I sincerely hope that this vision will become a reality and that the company will transform into a global Nissui Group in the true sense of the word.

In terms of aiming for the declared vision and moving the entire Group in the same direction, my greatest expectations lie with the leadership of the President. As I have said at Board of Directors meetings, I would like to see President Hamada's own voice delivered properly to the Group companies around the world and for him to act as the flagbearer for the whole of Nissui to face the same direction and to share and progress toward the same goals.

### What challenges do you see for Nissui's governance going forward?

**Yasuda:** One of the key policies included in the new Mid-term Business Plan is strengthening global governance in line with the acceleration of global business development. I see this as a major challenge for Nissui. Nissui's global expansion to date has primarily been in the form of the acquisition of outside Japan companies that operate their businesses in their own local markets. The state of the outside Japan group as it stands is more like a piecemeal collection of these kinds of local companies. These many and diverse global businesses are actually supporting Nissui's business, but from a governance and Group management aspect, it makes comprehensive management from Japan more difficult. As well as the differences in language and values, without the functioning of a common platform in the local area of "food," there are always going to be difficulties in conducting a global business. In circumstances where the operation of the acquired companies is almost completely entrusted to local management, a variety of problems will emerge in the areas of risk management, compliance, and human capital development. We need to consider how to gain a good grip on these areas moving forward. This is bound to become a prerequisite for the achievement of sound global growth.

**Nagai:** Nissui's global development, which follows a pattern of acquiring a local company and expanding the business while making use of that company's brand, is in some respects extremely unique. It is a rare outside Japan business model for a Japanese food company, and I commend Nissui for that aspect. However, because of that business model, functions such as planning Nissui's outside Japan business as a whole, the optimization of management resources, and total risk management from



the Head Office were weak, and not much had been done to develop those functions. This is something that I continued to point out as an Outside Board Member. Finally, in March 2022, an officer with overall supervision of the whole outside Japan business Group was appointed at the Head Office, and a structure of overall planning and risk management of the outside Japan business began. This could be described as a step forward.

**Matsuo:** From my own experience, I have found that when the number of subsidiaries of a company increases, as the Group stretches out in the shape of a tree, growing more and more branches of sub-subsidiaries and sub-sub-subsidiaries, the more difficult it becomes to maintain a grip on them. Even when forming a company makes it easier to do business functionally, when the shape of the organization as a whole becomes more complex and many companies are lined up side by side, there is the concern that risks will increase. So, what should be done about this? I think that what the Nissui Group will need going forward is some kind of constitution or common language, whose wording and rules would be understood in the same way by whoever hears them, and which would be used to effect governance.

In that respect, as I mentioned when talking about my expectations for the President's leadership, if the top management themselves can talk about the mission and vision in their own words, and full-scale efforts are made to embed these commonalities in the individual local companies, governance should become much easier to effect. I believe that this will be key to promoting the long-term vision and the Mid-term Business Plan.

**Nagai:** With both the mission and the vision, instead of the section in charge of planning coming up with them

and that being the end of it, it is an important job of the President, what I often call his "rule," to communicate them to the entire Group and to convince everybody to act on them. If people are convinced, it will bring out wisdom and energy in each workplace and position and drive the creation of things that did not previously exist.



**Yasuda:** It is all about the entrenchment of the mission, isn't it? For that, I think what is needed is to synergize that with the reinforcement of human capital. If the Nissui Group is going to bring "food" to the fore as its mission from now on, what kind of people will it really need to realize that mission? What kind of people will it need to compete in the global arena? Both in Japan and outside Japan, the core of the matter is that it will need to build systems for investing in and developing its people more. It seems to me that the company will need to give a great deal more thought to this point over the next few years.

**Nagai:** The new Mid-term Business Plan also includes topics about the business portfolio. If the Group wants to change its business portfolio, it should also change its human capital portfolio, and it needs to prepare for this. Expanding the outside Japan business will require an increase in the international workforce. That being said, this will require efforts to raise company-wide productivity and efficiency while shifting human capital flexibly from existing divisions and developing those human capital. I hope to promote discussion on these kinds of topics going forward.

This will also help to increase the sense of purpose that employees feel. Nissui's structure still has a strong tendency toward vertical segregation between divisions. Going forward, greater flexibility of human capital and various innovations such as rotations could also be

possibilities for creating synergies among the three core businesses and new businesses in the boundary areas between them.

## As Outside Board Members, what are your future hopes for the Nissui Group?

**Matsuo:** Nissui is a company that offers great many possibilities in terms of the diversity of its business. I believe that the breadth of its business is one of its strengths compared with other seafood companies. Also, the fact that the products that they themselves have created exist on the market and are recognized by so many people is truly a wonderful thing and something to be proud of. I hope that they will leverage those strengths to realize a culture of "innovative food solutions."

**Yasuda:** I hope that it will hold great aspirations and a sense of its mission to be an unparalleled company with the ability to solve social issues through marine resources. As a company whose backbone is its social nature and public utility, namely, that Nissui's existence is why people can enjoy delicious fish and other foods and why the ocean's resources can be protected, I hope that it will take in multifaceted perspectives and diversity and, in some cases, strive for co-creation with external parties, while accomplishing more and more abundant growth.

**Nagai:** I feel the same way as Mr. Matsuo and Ms. Yasuda, but if I may put it another way, I want Nissui to do things that only it can do. Setting its sights on things that only Nissui can do in response to social needs, such as health-consciousness and demand for individual meals, and capturing opportunities will surely be exciting. I hope that Nissui will be a company that can share that excitement and enjoyment with all its stakeholders.

# Company Officers

## Board Members and Audit & Supervisory Board Members (as of June 28, 2022)

### Board Members

Representative Board Member  
President  
Chief Executive Officer (CEO)




**Shingo Hamada**  
(January 7, 1959)

#### Career summary, positions, and responsibilities

April 1983 Joined the Company  
 March 2005 General Manager of Production Promotion Office  
 April 2008 General Manager of Hachioji General Plant  
 December 2011 President, Shandong Sanfod Nissui Co., Ltd.  
 Concurrently served as General Manager of China Business Office, the Company  
 March 2014 General Manager of Food Products Production Promotion Office  
 June 2014 Executive Officer  
 June 2017 Board Member, Executive Officer  
 Food Products Business Operating Officer  
 June 2018 Board Member, Managing Executive Officer  
 June 2019 Representative Board Member, Senior Managing Executive Officer  
 March 2020 Chief Operating Officer  
 June 2021 Representative Board Member and President (to present)  
 Chief Executive Officer (to present)

Representative Board Member  
Senior Managing Executive Officer  
Commissioned Fisheries Business Operating Officer




**Seiji Takahashi**  
(December 14, 1957)

#### Career summary, positions, and responsibilities

April 1982 Joined the Company  
 November General Manager of Live and Fresh Fish Feed Department  
 March 2004 General Manager of Feed and Aquaculture Department  
 March 2007 Executive Officer  
 June 2009 Business Supervisor in South America  
 March 2011 President, NIPPON SUISAN AMERICA LATINA S.A.  
 June 2015 Board Member, Executive Officer, the Company  
 Business Supervisor in North America  
 President, NIPPON SUISAN (U.S.A.), INC.  
 June 2018 Fisheries Business Operating Officer, the Company (to present)  
 Outside Audit & Supervisory Board Member, CHUJIBU SUISAN Co., Ltd. (to present)  
 June 2019 Board Member, Managing Executive Officer, the Company  
 June 2021 Representative Board Member, Senior Managing Executive Officer (to present)

Board Member  
Managing Executive Officer  
Chief Financial Officer (CFO),  
In charge of Corporate Administration Group



**Shinya Yamamoto**  
(June 6, 1961)

#### Career summary, positions, and responsibilities

April 1985 Joined the Company  
 April 2013 General Manager of Finance and Accounting Department  
 May 2014 Executive Officer  
 June 2015 Board Member, Executive Officer  
 May 2017 Representative Board Member and President, Nissui G Net Co., Ltd.  
 June 2017 Board Member, Managing Executive Officer, the Company (to present)  
 Chief Financial Officer, the Company (to present)

Board Member  
Managing Executive Officer  
Commissioned Food Products Business Operating Officer, In charge of Marketing Planning Department, Strategic Sales Department (joint)




**Koji Umeda**  
(February 19, 1961)

#### Career summary, positions, and responsibilities

April 1983 Joined the Company  
 March 2007 General Manager of Hiroshima Branch  
 March 2009 General Manager of Shelf-stable Foods Department  
 April 2013 General Manager of Fukuoka Branch  
 March 2015 General Manager of Metropolitan Consumer Products Sales Department, National Account Sales Division  
 June 2016 Executive Officer, General Manager of National Account Sales Division  
 March 2020 Food Products Business Operating Officer (to present)  
 June 2020 Board Member, Executive Officer  
 June 2021 Board Member, Managing Executive Officer (to present)

Board Member  
Managing Executive Officer  
Commissioned Fine Chemicals Business Operating Officer, In charge of R&D Group




**Shinya Yamashita**  
(June 30, 1959)

#### Career summary, positions, and responsibilities

April 1983 Joined the Company  
 March 2007 General Manager of Central Research Laboratory  
 March 2011 General Manager of Central Research Laboratory and General Manager of Tokyo Innovation Center  
 June 2016 Executive Officer, General Manager of Central Research Laboratory  
 March 2021 In charge of R&D Group  
 June 2021 Board Member, Executive Officer, Fine Chemicals Business Operating Officer (to present)  
 Board Member and Chairman, TN Fine Chemicals Co., Ltd. (to present)  
 Board Member, NISSUI PHARMACEUTICAL CO., LTD. (to present)  
 June 2022 Board Member, Managing Executive Officer, the Company (to present)

Board Member  
Executive Officer  
International Business Operating Officer,  
Commissioned General Manager of Business Supervisor in South America, In charge of International Business Development Department, Strategic Sales Department (joint), President of Nippon Suisan America Latina S.A. (N.A.L.)




**Masahide Asai**  
(March 14, 1962)

#### Career summary, positions, and responsibilities

April 1984 Joined the Company  
 March 2009 General Manager of Fisheries Business Department 2  
 May 2012 Representative Director and President, Yokohama Trading Corp., Ltd.  
 March 2014 General Manager of Fisheries Business Department 3, the Company  
 June 2018 Executive Officer,  
 Business Supervisor in North America,  
 Board Member and President, NIPPON SUISAN (U.S.A.), INC.  
 June 2019 Business Supervisor in South America, the Company  
 Board Member and President, NIPPON SUISAN AMERICA LATINA S.A. (N.A.L.) (to present)  
 March 2022 International Business Operating Officer, General Manager of Business Supervisor in South America, the Company (to present)  
 June 2022 Board Member, Executive Officer (to present)

Outside Board Member




**Mikito Nagai**  
(October 28, 1955)

#### Career summary, positions, and responsibilities

April 1978 Joined the Industrial Bank of Japan, Limited  
 April 2003 General Manager of Head Office Sales Department No.2, Mizuho Corporate Bank, Ltd.  
 April 2004 General Manager of Head Office Sales Department No.2 and General Manager of Head Office Sales Department No.9  
 June 2004 General Manager of Sales Department No.9  
 April 2005 Executive Officer, General Manager of Sales Department No.9  
 April 2007 Managing Director, Officer supervising Corporate Banking Unit  
 April 2009 Managing Executive Officer, Officer supervising Corporate Banking Unit  
 April 2011 Director and Vice President, Officer supervising Internal Control  
 April 2012 Director and Vice President  
 April 2013 Senior General Manager (until April 30, 2013)  
 May 2013 Vice President and Executive Officer, Nippon Steel Kowa Real Estate Co., Ltd.  
 June 2013 Vice President and Director, Nippon Steel Kowa Real Estate Co., Ltd.  
 June 2014 President and CEO, Nippon Steel Kowa Real Estate Co., Ltd.  
 April 2019 Director and Senior Advisor, NIPPON STEEL KOWA REAL ESTATE CO., LTD. (company name changed)  
 June 2019 Senior Advisor, NIPPON STEEL KOWA REAL ESTATE CO., LTD.  
 Outside Director (Audit & Supervisory Committee Member), OKASAN SECURITIES GROUP INC. (to present)  
 June 2020 Board Member of the Company (to present)  
 June 2021 Outside Director, Tohoku Electric Power Co., Inc. (to present)  
 Outside Director, OHBA CO., LTD. (to present)

Outside Board Member




**Yuko Yasuda**  
(September 16, 1961)

#### Career summary, positions, and responsibilities

April 1985 Joined IBM Japan, Ltd.  
 September Joined Booz Allen Hamilton Inc.  
 1991  
 September Joined Russell Reynolds Associates Japan Inc.  
 1993  
 June 1996 Managing Director, Russell Reynolds Associates Japan Inc.  
 April 2003 Representative in Japan, Russell Reynolds Associates Japan Inc.  
 Member of Executive Committee, Russell Reynolds Associates Inc.  
 April 2010 Member of The Board of Trustees, KEIZAI DOYUKAI (Japan Association of Corporate Executives)  
 June 2015 Outside Director, SCSK Corporation  
 June 2016 Outside Director and Audit and Supervisory Committee Member, SCSK Corporation  
 March 2017 Outside Director, Showa Shell Sekiyu K.K.  
 June 2018 Outside Director (Audit and Supervisory Committee Member), Murata Manufacturing Co., Ltd.  
 April 2019 Outside Director, Idemitsu Kosan Co., Ltd.  
 June 2020 Board Member of the Company (to present)  
 Outside Director, Murata Manufacturing Co., Ltd. (to present)  
 July 2020 Joined Board Advisors Japan, Inc. as Senior Partner (to present)

Outside Board Member



**Tokio Matsuo**  
(April 26, 1957)

#### Career summary, positions, and responsibilities

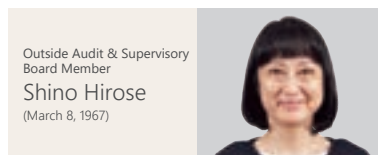
April 1980 Joined Asahi Glass Co., Ltd. (currently AGC Inc.)  
 January General Manager of Engineering Center  
 2006  
 January Executive Officer, General Manager of CSR Office  
 2010  
 Standing Director, The Asahi Glass Foundation  
 Scholarship  
 June 2016 Representative Director President and Executive Officer, NIPPON CARBIDE INDUSTRIES CO., INC.  
 June 2020 Counselor, NIPPON CARBIDE INDUSTRIES CO., INC.  
 June 2021 Board Member of the Company (to present)  
 Outside Director, Toyo Gosei Co., Ltd. (to present)

## Audit & Supervisory Board Members



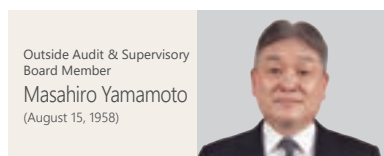
### Career summary, positions, and responsibilities

April 1982 Joined the Company  
 April 2013 General Manager of Secretarial Section  
 June 2015 General Manager of Finance and Accounting Department  
 March 2017 General Manager of Corporate Strategic Planning & IR Department  
 June 2017 Executive Officer, in charge of Finance and Accounting Department  
 March 2019 Executive Officer, in charge of Corporate Strategic Planning & IR Department, Finance and Accounting Department  
 June 2019 Standing Audit & Supervisory Board Member (to present)



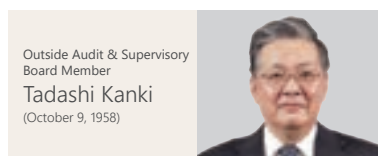
### Career summary, positions, and responsibilities

April 2000 Admitted to the bar  
 Joined Abe, Ikubo & Katayama  
 January 2004 Partner, Abe, Ikubo & Katayama (to present)  
 September 2014 Outside auditor, Joyful Honda Co., Ltd (to present)  
 June 2016 Audit & Supervisory Board Member of the Company (to present)  
 June 2021 Outside auditor, INNOTECH CORPORATION (to present)



### Career summary, positions, and responsibilities

March 1983 Joined Price Waterhouse Certified Public Accountants Office  
 March 1986 Registered as Certified Public Accountant  
 August 2000 Representative Partner, ChuoAoyama Audit Corporation  
 September 2006 Representative Partner, PricewaterhouseCoopers Aarata (currently PricewaterhouseCoopers Aarata LLC)  
 July 2019 Representative, Yamamoto Masahiro Certified Public Accountant Office (to present)  
 September 2019 Auditor, JAPAN PROFESSIONAL BASKETBALL LEAGUE (to present)  
 March 2020 Director (Audit & Supervisory Committee Member), OPT Holding, Inc. (the name of the company was changed to DIGITAL HOLDINGS, Inc. on July 1, 2020) (to present)  
 June 2021 Audit & Supervisory Board Member of the Company (to present)



### Career summary, positions, and responsibilities

April 1981 Joined the Dai-ichi Kangyo Bank, Limited  
 April 2002 Deputy General Manager of Corporate Planning Division, Mizuho Corporate Bank, Ltd.  
 December 2002 Corporate Officer aide to Officer supervising Planning Group, and Deputy General Manager of Administration Division  
 General Manager of Osaka Corporate Banking Division No.3  
 April 2005 Executive Officer, General Manager of Corporate Banking Division No.8  
 April 2011 Managing Executive Officer, in charge of Business Promotion  
 April 2012 Managing Executive Officer, in charge of Branch Banking Group (Deputy) of Mizuho Bank, Ltd.  
 April 2013 Managing Executive Officer, Head of Strategic Planning Group of Mizuho Financial Group, Inc.  
 Managing Executive Officer, Head of Strategic Planning Group of Mizuho Bank, Ltd.  
 Managing Executive Officer, Head of Strategic Planning Group of Mizuho Corporate Bank, Ltd.  
 Managing Executive Officer, in charge of Strategic Planning, Financial Control & Accounting Group of Mizuho Trust & Banking Co., Ltd.  
 June 2013 Executive Managing Director, Head of Strategic Planning Group of Mizuho Financial Group, Inc.  
 April 2014 Senior Executive Managing Director, Head of Internal Audit Group  
 June 2014 Senior Managing Executive Officer, Head of Internal Audit Group (until March 2016)  
 April 2016 Executive Vice President of Mizuho Research Institute Ltd.  
 May 2017 Advisor (until June 2017)  
 June 2017 Standing Audit & Supervisory Board Member, NIPPON EXPRESS CO., LTD.  
 June 2021 Audit & Supervisory Board Member of the Company (to present)  
 Outside Audit & Supervisory Board Member, NAGANO KEIKI CO., LTD. (to present)

## Managing Executive Officer

Munehiro Ise

## Executive Officers

Tetsuhiro Kuroda  
 Kazuhiro Matsushima  
 Koichi Oda  
 Hideyo Okumura  
 Teru Tanaka  
 Tsuyoshi Koriyama  
 Takumi Mitani  
 Hirofumi Nakano  
 Taro Baba  
 Terutaka Kuraishi