

## Company Officers

I want our food to make people smile worldwide, and I keep that thought in mind throughout my work.

Teru Tanaka  
Representative Director, President  
Chief Executive Officer (CEO)



When we marshal our efforts, nothing is impossible!

Shingo Hamada  
Chairman of the Board of Directors and Representative Director



Listening closely to change, earning trust, and building future value together.

Shinya Yamamoto  
Director, Senior Managing Executive Officer  
Chief Financial Officer (CFO), In charge of Corporate Administration Group



Focus on customer value to create a healthier, more sustainable future.

Koji Umeda  
Director, Senior Managing Executive Officer  
Chief Operating Officer (COO), Food Products Business Operating Officer, In charge of Convenience Store Sales Department, Marketing Planning Department, and Strategic Products Development Department

Building the future of the Marine Products Business through a strengthened revenue base and growth strategies.

Masahide Asai  
Director, Managing Executive Officer  
Marine Products Business Operating Officer

Increasing Nissui's international sales to be a food products company with a global presence.

Terutaka Kuraishi  
Director, Executive Officer  
International Business Operating Officer and Business Supervisor in Oceania, In charge of International Business Development Department and Strategic Products Development Department

Maintaining the status quo is a step backward!

Tokio Matsuo  
Outside Director

Support sustainable value creation with dialogue that encourages change.

Atsumi Eguchi  
Outside Director



I want to contribute insights based on careful observation and listening.

Daisaku Abe  
Outside Director



Committed to making Nissui a truly global company.

Keiko Tanaka  
Outside Director



I would like to help create an environment where everyone can confidently take on challenges.

Hiroyuki Hamano  
Standing Audit & Supervisory Board Member



Proactive governance is essential to making Nissui's unique identity shine!

Makiko Terahara  
Outside Audit & Supervisory Board Member



Strengthen governance and improve management quality to contribute to sustainable growth.

Tomoshige Jingu  
Outside Audit & Supervisory Board Member



Monitor with integrity to help enhance corporate value.

Takeshi Tadokoro  
Outside Audit & Supervisory Board Member



### Executive Officers

Hirofumi Nakano	Mitsuru Taniuchi
Takashi Koga	Koji Takami
Hiroshi Inoue	Kunihiko Toyama
Yoichiro Hiroi	Keiko Yoshida
Kiyonori Nakai	Masato Ohira
Mikio Susaki	

## Skills Matrix

### Roles of the Directors and Audit & Supervisory Board Members

Name	Position and responsibilities	Number of years on the Board	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
<b>Shingo Hamada</b>	Chairman of the Board of Directors and Representative Director Member of Nomination and Compensation Committees	8	○		○	○	○	○	○	○	○	○
<b>Teru Tanaka</b>	Representative Director, President Chief Executive Officer (CEO) Member of Nomination and Compensation Committees	1	○	○	○		○	○	○	○	○	○
<b>Shinya Yamamoto</b>	Director, Senior Managing Executive Officer Chief Financial Officer (CFO)	10		○			○	○	○		○	
<b>Koji Umeda</b>	Director, Senior Managing Executive Officer Chief Operating Officer (COO)	5		○	○			○	○		○	
<b>Masahide Asai</b>	Director, Managing Executive Officer	3	○	○			○	○	○			
<b>Terutaka Kuraishi</b>	Director, Executive Officer	0	○	○			○					
<b>Tokio Matsuo</b>	Outside Director Chair of Nomination and Compensation Committees	4	○		○			○	○	○	○	○
<b>Atsumi Eguchi</b>	Outside Director Member of Nomination and Compensation Committees	2				○			○	○	○	○
<b>Daisaku Abe</b>	Outside Director Member of Nomination and Compensation Committees	1	○	○				○	○	○	○	○
<b>Keiko Tanaka</b>	Outside Director Member of Nomination and Compensation Committees	1					○	○	○	○	○	○
<b>Hiroyuki Hamano</b>	Standing Audit & Supervisory Board Member	6		○			○	○	○	○	○	
<b>Makiko Terahara</b>	Outside Audit & Supervisory Board Member	1					○	○	○	○	○	○
<b>Tomoshige Jingu</b>	Outside Audit & Supervisory Board Member	0	○	○				○	○	○		
<b>Takeshi Tadokoro</b>	Outside Audit & Supervisory Board Member	0		○				○	○	○		



#### Notice of the 110th Ordinary General Shareholders' Meeting

► <https://contents.xj-storage.jp/xcontents/AS06310/5c6d7f2a/21b7/41cb/84b1/e27fbfd73e07/140120250609585374.pdf>

Note: The above table is not an exhaustive list of each individual's knowledge, experience, and other qualifying attributes.

## Roundtable Discussion among Outside Directors



**Keiko Tanaka**

Outside Director  
Member of Nomination  
and Compensation  
Committees

**Tokio Matsuo**

Outside Director  
Chair of Nomination  
and Compensation  
Committees

**Atsumi Eguchi**

Outside Director  
Member of Nomination  
and Compensation  
Committees

**Daisaku Abe**

Outside Director  
Member of Nomination  
and Compensation  
Committees

**Contributing to the Nissui Group's  
Corporate Value and  
the Realization of Its Long-Term Vision**

### Fulfilling the Business Portfolio Management Supervisory Function

**Matsuo** In FY2025, the Nissui Group launched “GOOD FOODS Recipe2,” its new three-year Medium-Term Management Plan. With new President Teru Tanaka having spearheaded certain initiatives since the plan’s formulation, I expect him to continue demonstrating strong leadership.

The focus of this roundtable discussion will be our views of the three basic strategies of Recipe2: strengthening the business portfolio, deepening sustainability management, and strengthening governance. We will start with strengthening the business portfolio. Given the new Medium-Term Management Plan’s focus on each business segment’s ROIC and cost of capital, there has been an increase in the number of questions from investors during financial results briefings and other IR events, indicating renewed attention on the Company’s business portfolio management approach. What are your thoughts?

**Eguchi** One of my concerns is that the Company’s approach to its future business portfolio is based on an extension of its current operations. While it is, of course, essential to build upon existing strengths, the rapidly changing world and business environment demand that the Company also significantly transform its growth strategies and business models. With the direction for the business portfolio now decided under the new Medium-Term Management Plan, the Directors must now ensure that business strategies are developed into concrete action and carried through.

**Tanaka** On the point that the business portfolio is based on an extension of current operations, this perhaps stems in part from the fact that the Company is generating a reasonable level of profit at present, leading to a degree of complacency. For example, it is typically hard for people to initiate change on their own unless faced with harsh realities such as ongoing losses or the risk of divestment. Investors expect Outside Directors to supervise management and express opinions on their behalf. Traditional Japanese companies tend to fall into groupthink (i.e., collective decision-making that leads to irrational conclusions), and what passes for common sense at such companies can turn out to be nonsense in the outside world. As an Outside Director, my role includes preventing the Company from falling into that trap.

## Roundtable Discussion among Outside Directors

**Tokio Matsuo****Career History**

Apr. 1980	Joined Asahi Glass Co., Ltd. (currently AGC Inc.)
Jan. 2010	Standing Director, The Asahi Glass Foundation Scholarship
Jun. 2016	Representative Director President and Executive Officer, NIPPON CARBIDE INDUSTRIES CO., INC.
Jun. 2020	Counselor, Nippon Carbide Industries Co., Inc.
Jun. 2021	Outside Director, Nissui Corporation (to present)



**Abe** I joined the Board of Directors in 2024. I feel that discussions have been well-considered and sincere, taking the current situation as the starting point for deliberations from the perspective of the business portfolio. Nevertheless, I would like to contribute to deeper discussion and a broader perspective on measures to strengthen the business portfolio will be perceived by investors, as well as how to explain objectives so that they are more readily understood.

**Matsuo** In discussions of the Medium-Term Management Plan, we divided the business portfolio into four categories: those that are growth-focused, those that have a stable earnings base, those that must achieve profitability improvement, and those in need of structural reinforcement. However, there has yet to be sufficient discussion, for each business, on what the priorities should be and how resources will be allocated. From a long-term perspective, it is essential to review existing businesses and, in some cases, consider downsizing or withdrawal. With these perspectives in mind, I intend to encourage more bold and constructive discussions going forward.

**Abe** The current approach focuses on how to grow existing businesses, so I would also like to pursue an approach that takes a more objective view of the Group as a whole. For example, it might be effective to discuss setting ambitious targets for the long-term vision "GOOD FOODS 2030" that cannot be achieved by merely maintaining the status quo. If the Company is able to demonstrate this kind of appetite for taking on challenges and a clear growth story, PBR will surely improve. I think the fact that PBR continues to hover around 1 reflects investor expectations that the Company has the potential to do better. In 2024, there were also periods when PBR exceeded 1. I believe the catalyst

driving the share price higher was that efforts to communicate the complementary relationship between the Marine Products and Food Products businesses in terms of profit, along with initiatives aimed at utilizing marine resources, began to gain traction with investors. This helped counter the high volatility of the Marine Products Business, which had previously constrained share price growth. Rather than treating volatility as a weakness, I would like Nissui to craft a growth story that reflects its unique connection to the ocean and to fish, and thereby further increase awareness of the Nissui brand among investors in and outside Japan.

**Matsuo** I agree. Within the Group, a number of food companies outside Japan have high operating profit margins. This indicates that low operating profit margins should not be accepted simply because operations are in Japan or because those are the margins of the food industry. When considering capital structure, including future investments, the Company must focus on generating more revenue from core businesses rather than relying on financial leverage. At Board meetings, various opinions were voiced regarding large-scale capital investments in the Food Products Business in Japan, including questions about how long it would take to recover investments, and the extent to which exit policies have been considered, indicating the need to closely monitor investment progress.

**Eguchi** Recipe2 is a plan that maintains a focus on both investments for growth—such as capital investments and M&A—and stable shareholder returns, and the overall framework is sound. However, to enhance profitability, the Company must take a broad view of its entire business and move beyond commodities to create high-value-added products. With particular regard to the Food Products Business in Japan, where capital

**Atsumi Eguchi****Career History**

Apr. 1980	Joined Suntory Spirits Ltd. (currently Suntory Holdings Limited)
Mar. 2018	Executive Officer, Manager of Corporate Communication, Ezaki Glico Co., Ltd.
Jun. 2023	Outside Director, Nissui Corporation (to present)



## Roundtable Discussion among Outside Directors

investment is required, while there have been discussions about upward price revisions and improving operational efficiency through digital transformation initiatives, there is a significant need for ideas on how to increase the operating profit margin.

**Abe** The Company's investment plans are fundamentally sound and grounded in on-site business needs, with growth and maintenance/renewal investments clearly laid out for each business. Going forward, this same approach should form the basis for checking and enhancing other investment plans. It is crucial to consider priorities and composition ratios in a top-down manner, particularly when considering whether appropriate investments are being made in existing businesses, whether growth investments are sufficient, whether internal reserves for risk management are at an appropriate level, and whether shareholder returns are adequate.

## Integrating Sustainability and Business Strategy Is Key to Enhancing Corporate Value

**Matsuo** Next, with regard to deepening sustainability management, one of the basic strategies under Recipe2, insufficient integration between sustainability strategy and business strategy is an issue. However, clarifying how material issue-related initiatives will contribute to reducing the cost of capital and driving business growth represents a step forward. It is important to link environmental value, social value, and value in human capital to financial value—in other words, business performance.

**Eguchi** The Company is focusing on surveying the procured marine resources sustainability, an activity that reflects its character and contributes to enhancing corporate value. Furthermore, Recipe2 adds quality-related KPIs that contribute to social value, including targets of a 100% acquisition rate of third-party certification for food safety, and zero major quality incidents such as product recalls within the Nissui Group. Quality incidents are a significant risk for food companies, so they must be managed properly by the executive team. The Company has always been truly committed to quality, and its employees take food safety seriously. Such sustainability initiatives will help it earn the absolute trust of its stakeholders. Moreover, I intend to encourage the Company to use its corporate website and social media accounts to communicate its stance with greater clarity, which should serve to enhance corporate value.

**Tanaka** I agree. Receiving positive external evaluations should serve to increase the motivation of employees. Moreover, if employees are able to see how sustainability initiatives contribute to business development, they can be expected to be more proactive in their efforts. Given that this represents one of the challenges that the Company faces, I want to continue working to address it. Another issue that concerns me is the need to develop globally competent talent among Nissui's workforce. Although the international net sales ratio has reached 40%, the Company is lagging behind in terms of developing truly global talent. With limited global human capital and only a small number of personnel handling duties relating to operations outside Japan, the skills and awareness for global success need to be further strengthened throughout the Company. Perhaps it is also the case that human capital strategy is not sufficiently aligned with business strategy.

**Abe** In discussions of individual business projects, issues related to securing the necessary talent are sometimes brought up. This is partly because tasks such as recruitment are left to the Human Resources Department, but the crucial point is how to resolve this issue. As things stand now, I think it will be quite difficult to achieve a breakthrough. Management has established the Human Capital Management Policy and has commenced the formulation of a full-scale human capital strategy. If human capital becomes a bottleneck for business operations, then there is a need to look at the entire internal structure and implement measures including adopting different approaches to recruitment, evaluation, and improvement—such as shifting the focus to business divisions while ensuring the overall quality of the Nissui Group's human capital—and having the Human Resources Department oversee this process.

Keiko Tanaka

Career History

Apr. 1984	Joined Nissan Motor Co., Ltd.
Apr. 2018	Executive Officer, Nissan Financial Services Co., Ltd.
Jun. 2019	Outside Director, Kurita Water Industries Ltd. (until June 2025)
Apr. 2020	Outside Expert of Sustainability Committee, NH Foods Ltd.
Apr. 2022	Corporate Vice President, Nissan Financial Services Co., Ltd.
Jun. 2024	Outside Director, Nissui Corporation (to present)



## Roundtable Discussion among Outside Directors

**Tanaka** The era when lifetime employment and seniority-based promotion were standard in Japan is over. Accordingly, I would like to see the Company select outstanding employees in their late 30s as future leadership candidates, give them diverse experiences and even consider assigning them to roles such as president of a subsidiary. Such efforts should not be limited to Japan. Indeed, I believe that if the Company does not develop global human capital, including at Group companies outside Japan, the impact on management succession in the future could be significant.

**Matsuo** NGLC is a forum at which all Global Links members can gather in one place. The presidents of regional headquarters companies attend, but I think the Group should also encourage personnel interactions at the next level down. I appreciate that it might be difficult to get global exchanges going straight away. However, because we have established various regional headquarters, it should be possible to facilitate exchanges among Local Links. Such opportunities could serve as a catalyst for generating Group synergies. I hope various companies can come together and take the initiative in proposing projects that they would like to tackle, an activity which I expect would then spread throughout the Group.

## Expectations for Risk Management Enhancements in Response to Global Growth

**Matsuo** Next we will discuss strengthening governance. The Nissui Group has expanded globally, with most of its subsidiaries outside Japan having joined through M&A. At present, the Group is in the process of transitioning from systems that addresses risks individually, to a Group governance framework that comprehensively identifies risks across the entire Group, then prioritizes and addresses them from a broader perspective.

**Eguchi** In a rapidly changing global environment marked by increasing uncertainty, I feel the Company must develop the ability to implement flexible risk management. To proactively anticipate geopolitical risks and act swiftly, a specialized project structure might be necessary—something akin to a special task force that gathers and analyzes information, strategically formulates Company responses, and takes action.

**Tanaka** That is certainly true. I also feel the need to further enhance risk awareness across the entire Group. Earlier you mentioned Nissui's commitment to quality, and while I truly believe the Company has reason to be confident in its quality, in BtoC business

even a single quality incident can have an immense impact on performance. I hope to ensure that risk management levels and awareness are maintained at a certain standard across all global operations. Moreover, I want to advocate for strengthening head office governance functions to promote a greater sense of vigilance.

**Abe** Risk management that takes a wide-ranging view of the entire Group is essential for appropriate risk taking. I have high hopes that Recipe2 will take root and lead to accurate quantification of risk levels. However, if risk identification is limited to simply adding up risks by type, it will lack the necessary broader perspective, thus it is crucial to consider the connections between risks in light of various scenario analyses. This requires a comprehensive understanding of and ability to forecast risks across the entire Group. Although risk management at individual companies will remain the responsibility of each company, I hope to encourage the aggregation of Group-wide data, the establishment of risk analysis systems, and the preparation of risk management infrastructure.

**Matsuo** Moving forward, tasked with enhancing corporate value in the run-up to 2030, the Nissui Group must consistently and visibly demonstrate to investors that it is capable of creating and delivering value over the medium to long term, not merely focused on short-term gains. I would like to see President Tanaka personally take the lead in conducting investor relations activities targeting institutional investors outside Japan. Management is a team effort, and we as Outside Directors will also closely monitor whether discussions are being conducted properly from the perspective of both Group and global management.



**Daisaku Abe**

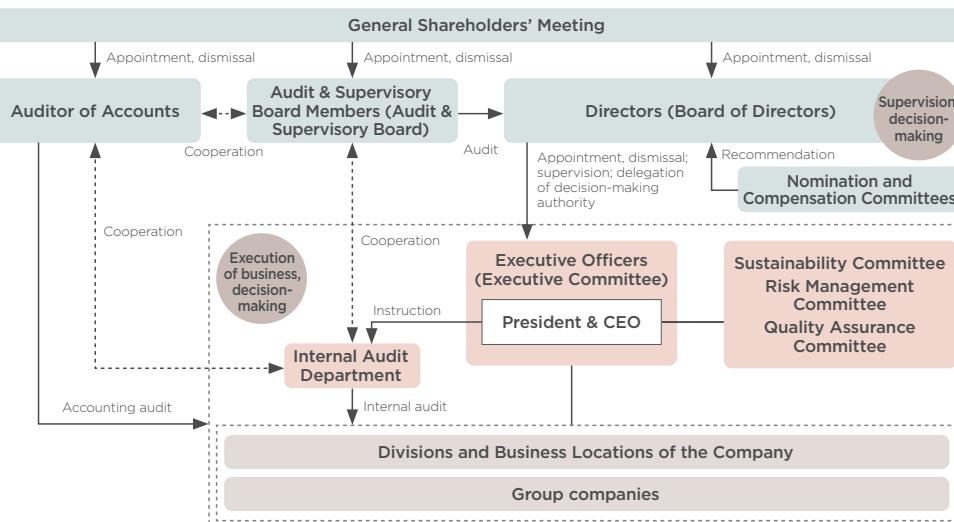
**Career History**

Apr. 1980	Joined the Industrial Bank of Japan, Limited (currently Mizuho Financial Group, Inc.)
Jun. 2020	Director and Chairman, Mizuho Leasing Company, Limited
Jun. 2022	Standing Advisor, Mizuho Leasing Company, Limited (until June 25, 2024)
Jun. 2024	Outside Director, Nissui Corporation (to present)

## • Corporate Governance

## Basic Approach to Corporate Governance

To improve the profitability and the capital efficiency of Nissui and its Group companies, as well as to promote social responsibility initiatives toward the achievement of sustainable growth and the medium- to long-term enhancement of corporate value, the Board of Directors sets the overall direction for corporate strategies and other matters, emphasizing supervisory functions while retaining important decision-making functions. Decision-making functions are entrusted to the Executive Officers (and Executive Committee) under the leadership of the Chief Executive Officer to accelerate the decision-making process and further separate oversight and execution. Furthermore, in addition to management supervision by the Board of Directors, Nissui has adopted the governance structure of a company with an audit and supervisory board, based on its belief in the effectiveness of an audit system for overseeing management. The Audit & Supervisory Board comprises four Audit & Supervisory Board Members, including Outside Audit & Supervisory Board Members who are independent of management.



## Board of Directors

The role of the Board of Directors is to set the overall direction of the Company, including its mission, vision and medium- to long-term management strategies, and to carry out important decision-making on business operations and provide appropriate supervision with the aim of facilitating sustainable growth and a medium- to long-term enhancement in corporate value while addressing societal 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 synergy between businesses,

in addition to expertise and experience in areas such as corporate management, finance and accounting, corporate governance, and sustainability. The Group places importance on incorporating gender diversity and other diverse perspectives in the structure of the Board, and as of FY2025, 40% of Directors are Independent Outside Directors.

## Main topics discussed in FY2024

- Business portfolio
- Specific material issues (including digital transformation, branding, human capital strategy, and innovation)
- Medium- to long-term strategies for each business

## Audit & Supervisory Board

The Company appoints Audit & Supervisory Board Members who have the expertise required for auditing in areas such as finance 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 Board of Directors meetings, audits the execution of duties by the Directors, and attends meetings of the Executive Committee, when necessary.

## Main topics discussed in FY2024

- Audit policy and audit plan
- Status of audit activities by the Standing Audit & Supervisory Board Member
- Communication with the auditor of accounts regarding key audit matters (KAMs)
- Consideration of the proposal to appoint Outside Audit & Supervisory Board Members
- Evaluation of the auditor of accounts

## Executive Committee

The Company has adopted an executive officer system in order to increase the flexibility and efficiency of its business operations. The Executive Committee consists of Executive Officers (appointed by the Board of Directors) and holds meetings at least once a month, in principle, to make timely and appropriate decisions and share information regarding major matters relating to business execution on the basis of sufficient and multifaceted deliberations. The committee works to promote the sustainable growth and enhancement of corporate value of Nissui and its Group companies.

## Main topics discussed in FY2024

- Deliberation on medium- to long-term strategies for each business (primarily on Recipe2)
- Material issues and risks (including sustainability, resolving health issues, human capital, digital transformation, innovation, and geopolitical risks)

## Other Committees

- Sustainability Committee ▶ Page 28
- Risk Management Committee ▶ Page 24
- Quality Assurance Committee ▶ Page 28

## Corporate Governance

## Effectiveness Evaluation of the Board of Directors

## Schedule for Effectiveness Evaluation

The Board of Directors Effectiveness Evaluation in FY2024 (the Effectiveness Evaluation) involved all officers (ten Directors and four Audit & Supervisory Board Members) and was conducted according to the following schedule.

January 2025	Implemented a survey using a four-point rating scale
February–March 2025	Collected survey results; conducted individual interviews via the secretariat with Inside/Outside Directors and Outside Audit & Supervisory Board Members, focusing on new appointees; and identified issues
April 2025	Discussions held separately from the Board of Directors, with an Outside Director as the facilitator

## Survey Content and Results Summary

Designed to ascertain the overall state of the Board of Directors, the survey consisted of a total of 29 questions divided into the following five main categories. In addition, each main category had a section for open-ended comments where participants could add notes and observations.

- (a) Composition of the Board of Directors  
(including scale, number of members, diversity, and ratio of Inside and Outside Directors)
- (b) Operation and support framework of the Board of Directors  
(including annual schedule, content and volume of materials, and Chair leadership)
- (c) Agenda for the Board of Directors  
(including number of agenda items, content of proposals, and the suitability of criteria for submission)
- (d) External communications  
(including quality of information disclosure to stakeholders and whether content was appropriate)
- (e) Training for Inside and Outside Directors

## Overview of Results

## [Summary]

Comparison of major categories indicated no significant difference in the evaluations between inside and outside officers. However, inside officers tended to be more critical in their self-evaluations, reflecting the more direct responsibility of their roles, resulting in comparatively lower evaluations than those of outside officers. By item, "(d) External communications" received a favorable evaluation because of enhanced investor relations activities and "(e) Training" received a favorable evaluation, primarily because outside officers had more frequent opportunities to deepen their understanding of Group businesses through visits to factories and subsidiaries. However, "(c) Agenda for the Board of Directors" received an unfavorable rating.

Category	Evaluation items	
Composition of the Board of Directors	• Size of the Board of Directors • <b>Diversity of the Board of Directors</b>	• Ratio of Inside and Outside Directors
Operation and support framework of the Board of Directors	Operation of the Board of Directors	• Frequency of meetings and time allocation • <b>Balance of business reports</b> • Content of explanations and reports • <b>Timing of distribution of meeting materials</b>
	Decision-making process	• <b>Chair's leadership</b> • Chair's attributes • Sufficient time for deliberation • <b>Group-wide perspective of Directors</b>
	Support for the Board of Directors	• System for providing information • Communication opportunities outside of Board meetings
Agenda for the Board of Directors	Status of Board of Directors deliberations	• <b>Number of agenda items and delegation of authority to executives</b> • <b>Management strategy with a medium- to long-term perspective</b> • <b>Verification of investment projects</b> • <b>Risk management</b>
	Executive nomination and compensation	• Decision-making process for nomination and compensation
	External communications	• Quality and volume of information disclosure • Internal organization
Training	• Training for inside officers • Training for outside officers	

● **High rating:** Score of 3.6 or higher (maximum 4, minimum 1)

● **Low rating:** Score of less than 3.0 (maximum 4, minimum 1)

■ Items that have decreased by 0.3 points or more from last year's rating

## Issues Identified through the Survey and Interviews

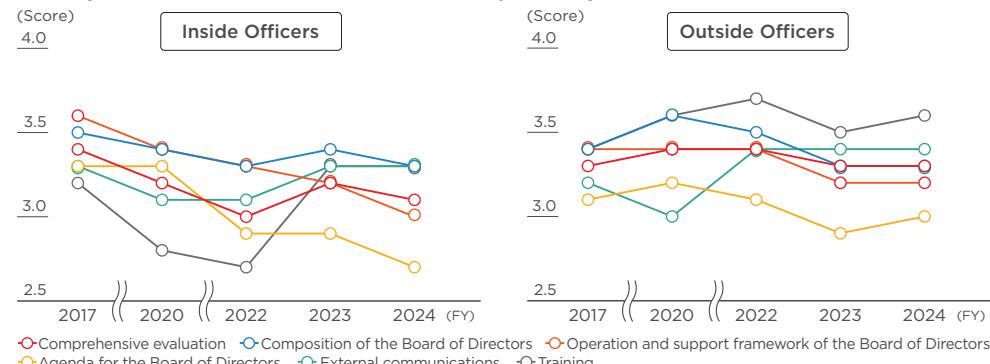
The following issues were identified based on the results of the survey and individual interviews:

- Clarifying the positioning of the Board of Directors;  
Balancing supervisory and senior management decision-making responsibilities
- Increasing the diversity of the Board of Directors
- Identifying management themes for which medium- to long-term discussion has been insufficient
- Improving the quantity, quality, and timing of materials provided for Board meetings

## Discussion Summary and Future Plans

The above issues identified from the survey and interviews were already known issues faced by the Group at the time this year's evaluation began. As such, FY2025 discussions have focused on reaching a consensus about measures and timelines for resolving these issues.

These discussions enabled us to reach a consensus on specific measures and timelines. We will take action to continuously improve the effectiveness of the Board of Directors through consistent implementation and regular review.

Board Effectiveness Evaluation  
(Survey of Ten Directors and Four Audit & Supervisory Board Members)

## Corporate Governance

## Responsibilities and Significance of the Nomination and Compensation Committees



**Tokio  
Matsuo**

Chair of  
Nomination and  
Compensation  
Committees

### ● Responsibilities and significance of the Nomination and Compensation Committees

The primary responsibilities of the Nomination and Compensation Committees are to appoint, evaluate, and determine compensation for management to ensure sustainable corporate growth and governance. Every year, we deliberate on the composition of the Board of Directors and the evaluation and compensation of officers, and report our findings to the Board of Directors. We also discuss issues related to nomination and compensation, such as the development of Group management talent and the compensation system, and make recommendations to the Board of Directors.

### ● Perspective as Committee Chair

As Chair of the Nomination and Compensation Committees, I ensure the independence of the committees and the fairness and objectivity of their decisions. To this end, the committees incorporate diverse perspectives from both inside and outside the Group. It is also incumbent upon us to design a compensation system that is linked to corporate strategy and encourages management to achieve their goals.

### ● Recent issues under consideration

Three issues stand out:

- Structuring a management team with diversity (i.e., increasing the ratios of outside and female officers, and appointing non-Japanese members), including Executive Officers
- Considering compensation levels and stock-based compensation for officers, based on the KPIs of the new Medium-Term Management Plan
- Internally developing management talent with the skills and capabilities necessary for managing the Group; appointing Outside Directors

## Nomination Committee

The Nomination Committee is a voluntarily adopted committee that serves as an advisory body to the Board of Directors. It consists of four Independent Outside Directors and two Representative Director, and is chaired by an Outside Director. The committee deliberates on issues such as the appointment and dismissal of candidates for corporate officers, including the President, and succession planning, after which recommendations are made to the Board of Directors.

Main topics discussed in FY2024

- Skills matrix for the Board of Directors
- Officer retirement system
- Composition of the Board of Directors (including number of Directors and skills required in the future)
- Board of Directors structure after the 2025 General Shareholders' Meeting
- Succession plan

## Approach to the Appointment of Directors

The Nomination Committee discusses the ideal composition of the Board of Directors from various perspectives, including the balance of knowledge, experience and expertise, diversity, and size, and strives to ensure that the Board of Directors can perform the oversight functions necessary to embody the Group's mission and to realize vision over the medium to long term.

Ideally, the Board of Directors should possess the following skills to ensure effectiveness:

- ① Corporate management
- ② Finance and accounting
- ③ Marketing and sales
- ④ Production and technology
- ⑤ R&D
- ⑥ International perspective
- ⑦ Corporate governance
- ⑧ Risk management
- ⑨ Legal affairs and compliance
- ⑩ Sustainability

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## Representative Appointment Process

- 1 Consider the ideal Board of Directors for the following fiscal year and beyond

The Nomination Committee deliberates from various perspectives based on the succession plan and skills matrix

- 2 Search for and narrow down officer candidates

(Outside officer candidates) The secretariat identifies officer candidates and the members of the Nomination Committee interview them  
(Inside officer candidates) Internal discussions are held based on the succession plan

- 3 Discuss officer candidates

The Nomination Committee discusses recommendations to be made to the Board of Directors based on candidate profiles and interview results

- 4 Present the officer candidate report to the Board of Directors

The Nomination Committee reports on officer candidates, and if approved, submits those candidates for final approval at the General Shareholders' Meeting

- 5 Decision by the Board of Directors

The Board incorporates the above process into decisions about officers from a medium- to long-term perspective

## Compensation Committee

### Structure, Responsibilities, and Agenda

The Nomination Committee is a voluntarily adopted committee that serves as an advisory body to the Board of Directors. It consists of four Independent Outside Directors and two Representative Director, and is chaired by an Outside Director. The committee annually examines the system and levels, etc., of compensation taking into account industry peers of similar scale. In calculating individual compensation, the committee determines the basic amount of compensation based on corporate performance and business performance targets including those related to sustainability, and evaluates individual performance to make recommendations to the Board of Directors. The final amount to be paid to each Director, etc., is determined by the Compensation Committee under the authority delegated to it by the Board of Directors.

Main topics discussed in FY2024

- Revision of the officer compensation system
- Changes to stock-based compensation system (introduction of Board Benefit Trust-Restricted Stock (BBT-RS))
- Performance-linked compensation for FY2023
- Individual evaluation for stock-based compensation
- Individual performance-linked compensation paid in June and December 2024

## Corporate Governance

## Officer Compensation

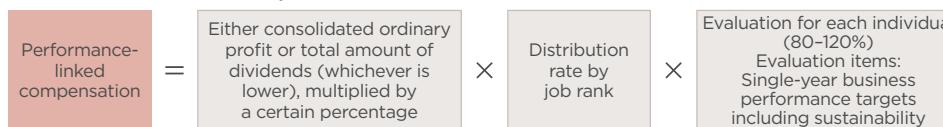
## Officer Compensation, Calculation Method, and Determination Process

Compensation of Directors (excluding Outside Directors) consists of basic compensation, performance-linked compensation, and stock-based compensation. Outside Directors and Audit & Supervisory Board Members receive only basic compensation. Beginning with FY2025, compensation has been revised to encourage officers to focus on medium- to long-term performance and enhance corporate value. The proportion of variable compensation linked to business performance has increased to 50% of the total, and the ratio for each component of compensation is 50:20:30 assuming 100% achievement of performance targets.

## ① Basic Compensation

Basic compensation consists of representative, supervisory, and officer compensation. Officer compensation is set according to job rank.

## ② Performance-Linked Compensation



Performance-linked compensation represents a distribution to officers of added value created in a single fiscal year. The base amount of this compensation is determined by multiplying the consolidated ordinary profit or total dividends by a certain coefficient, and the lower amount is allocated in accordance with job rank and the results of individual evaluation. The composition ratio of compensation is set based on the assumption that Medium-Term Management Plan targets are achieved; performance-linked compensation is designed such that as consolidated ordinary profit/total dividends increase or decrease, the ratio of performance-linked compensation against the total amount of compensation also increases/decreases. Evaluation for each individual was introduced in FY2021 with the aim of clarifying the degree of contribution of each officer to business performance in a single fiscal year. Business performance targets including those related to sustainability were selected as items used in the evaluation for each individual within a range of 80% to 120%. The basic amount of performance-linked compensation, the allocation by job rank, and evaluation for each individual shall be determined by the Board of Directors after deliberation by the Compensation Committee.

## ③ Stock-Based Compensation



In tandem with the launch of the new Medium-Term Management Plan "GOOD FOODS Recipe2" in FY2025, the Company has begun using the following evaluation indicators for stock-based compensation. Specifically, we have added ROE (to further strengthen the representation of shareholder perspectives) and degree of success in addressing priority risks (to enhance our risk management capabilities).

After revision (from FY2022)		
	Items	Reasons for selection
Financials	Net sales Consolidated ordinary profit ROIC	Improvement of growth potential Improvement of profitability Improvement of capital efficiency
Sustainability	Achievement rate of the target for sustainability of marine resources Reduction in CO <sub>2</sub> emissions at the Group's business sites Improvement of employee engagement scores Sales of health category products	Sustainable procurement Contribution to actions toward climate change Preserving the marine environment Active roles undertaken by diverse human capital Solutions to health issues

As shown in the table above, financial and non-financial (sustainability) indicators have been set to evaluate Company performance, with an evaluation weighting of 70:30. Financial targets are evaluated based on the percentage of achievement in accordance with actual results, while non-financial (sustainability) targets are evaluated in the range of 50% to 150%. On top of that, the number of shares to be awarded is then calculated by multiplying the predetermined base points for a specific job rank by the percentage of achievement of the Company's performance and reflecting the evaluation of each individual. The individual evaluation is based on the KPIs outlined in the Medium-Term Management Plan, sustainability, and other factors in the range of 80% to 120%. The percentage of achievement of the Company's performance and the individual evaluation are used to calculate the number of shares to be awarded. The Compensation Committee deliberates on the percentage of achievement of corporate performance and individual evaluation, and then the Board of Directors makes the final decision.

## Amount of Officer Compensation, etc., for FY2024

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. (Millions of yen)	Total amount by type of compensation, etc. (Millions of yen)			Number of officers paid
		Basic compensation	Performance-linked compensation	Stock-based compensation	
Directors (excluding Outside Directors)	387	207	108 <sup>1</sup>	70 <sup>2</sup>	7 (Stock-based compensation: 7) <sup>3</sup>
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	26	26	—	—	1
Outside Directors <sup>4</sup>	45	45	—	—	5
Outside Audit & Supervisory Board Members <sup>5</sup>	36	36	—	—	4

1. The performance-linked compensation of Directors includes the amount expected to be paid in June 2025.

2. Stock-based compensation to be paid in July 2025, pursuant to 100% achievement of the Medium-Term Management Plan for FY2022 through FY2024. The Group recognized 249 million yen in provision for bonuses for directors (and other officers) in connection with the payment.

3. Recipients included one Director who retired on June 26, 2024.

4. Compensation for Outside Directors included compensation for one Director who retired on June 26, 2024.

5. Compensation for Outside Audit & Supervisory Board Members included compensation for one Audit & Supervisory Board Member who retired on June 26, 2024.