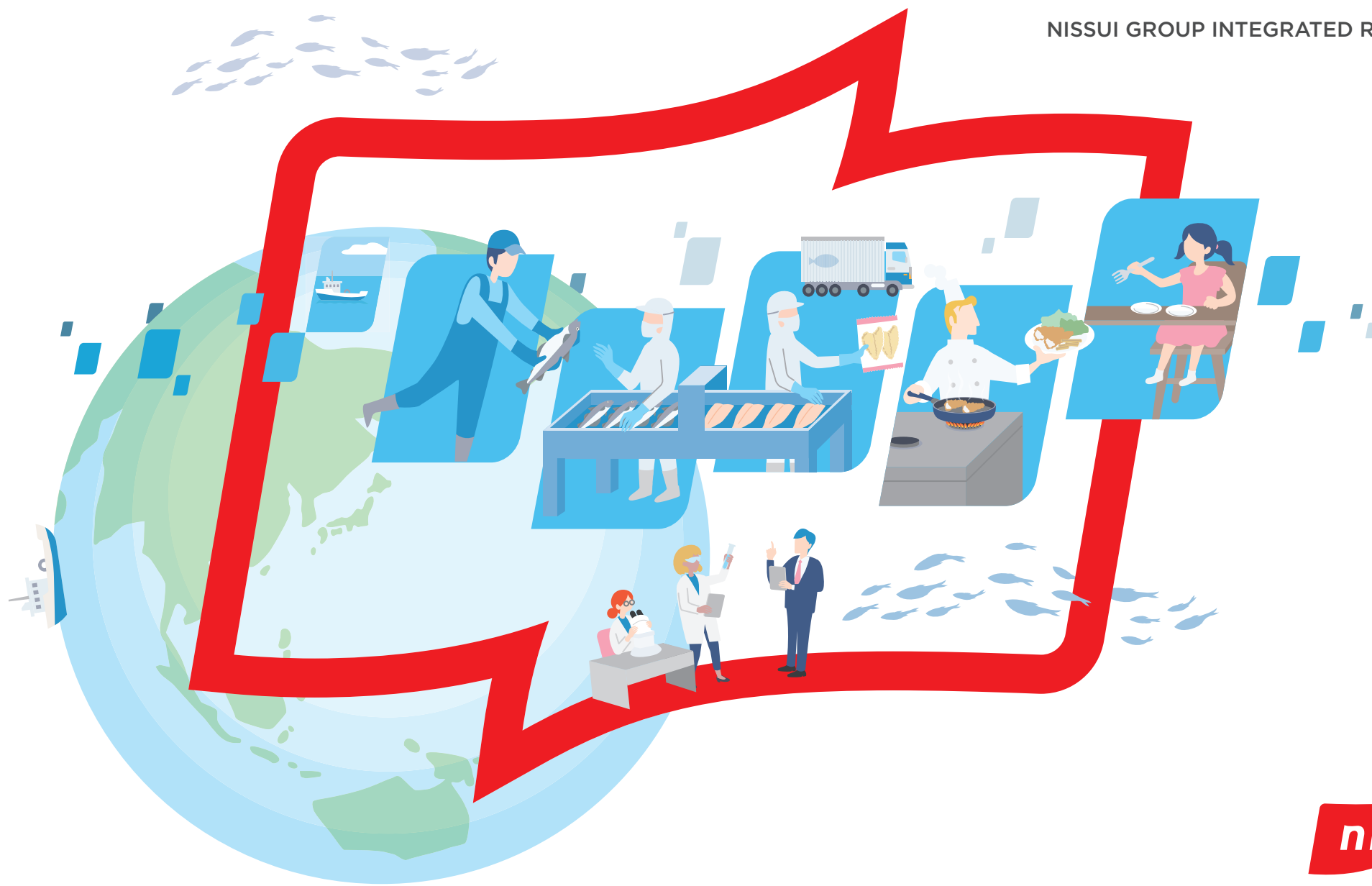


NISSUI INTEGRATED REPORT 2025

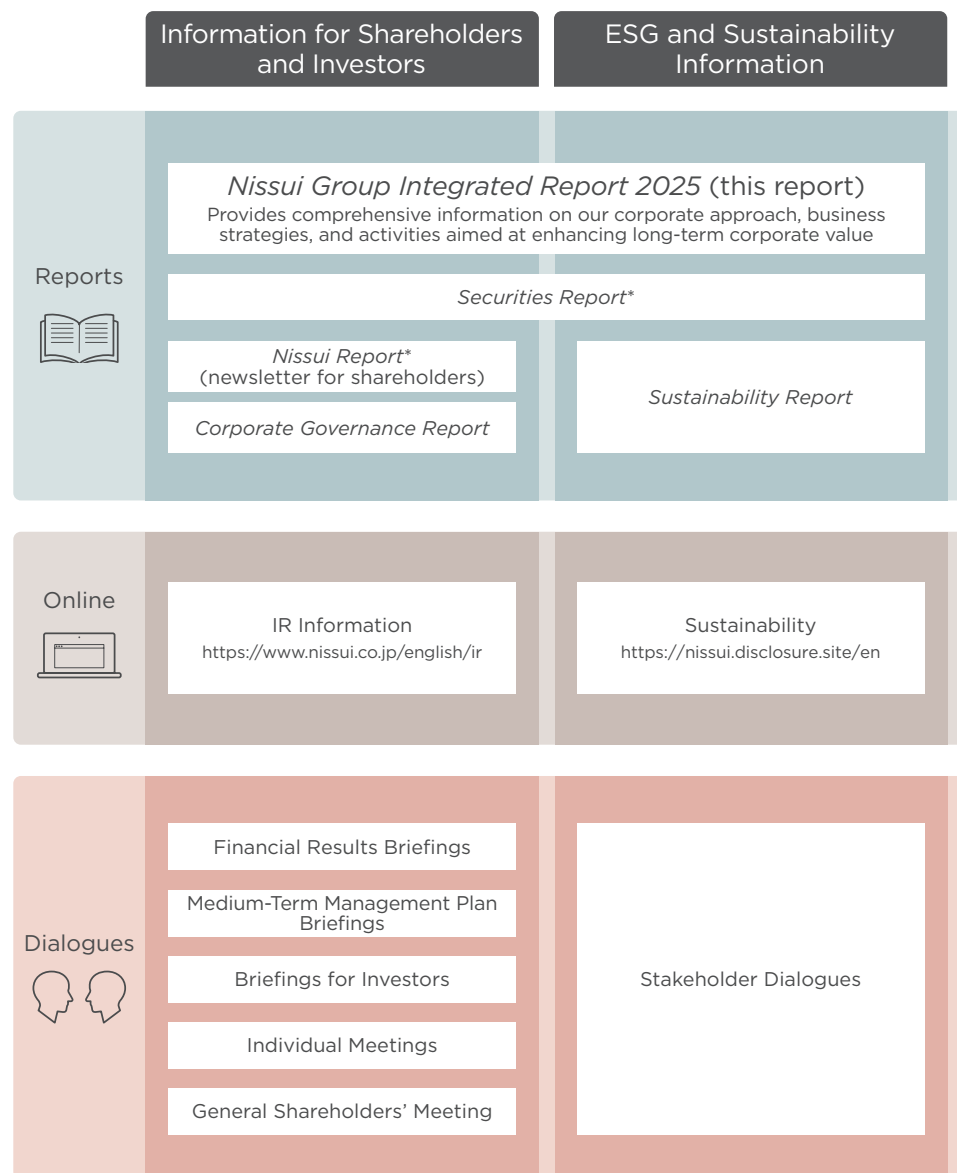
NISSUI GROUP INTEGRATED REPORT 2025



NISSUI



Our Communication Tools



* Japanese only

Editorial Policy

Nissui Corporation issues this integrated report as a communication tool, mainly for the benefit of shareholders and investors. The report tells the story of how we are enhancing corporate value by describing the Nissui Group's long-term vision, strategies, and business performance, and linking that to ESG and sustainability information. In addition to this report, the Company discloses information through various other communication tools, which we hope you find helpful in gaining a deeper understanding of our business.

> Reporting Period

The report mainly covers activities conducted from April 1, 2024, to March 31, 2025. However, exceptions are made where appropriate, such as when citing past circumstances and data or using recent examples for illustrative purposes.

> Reporting Scope

This report covers Nissui Corporation ("the Company") and its subsidiaries and affiliates ("Group companies") in and outside Japan (collectively referred to as "the Group" or "the Nissui Group").

> Referenced Guidelines

- *Integrated Reporting Framework*, IFRS Foundation
- *GRI Standards*, Global Reporting Initiative
- *Recommendations of the Task Force on Climate-related Financial Disclosures* (TCFD)
- *Recommendations of the Task Force on Nature-related Financial Disclosures* (TNFD)
- *Guidance for Collaborative Value Creation*, Japan's Ministry of Economy, Trade and Industry

Issued: December 2025

Disclaimer regarding Forward-Looking Statements

The business projections and other forward-looking statements contained in this report are based on certain reasonable assumptions and on information available to the Company at the time the report was written. Please be advised that actual business performance may significantly differ from these business projections due to various factors.

Cover Design Concept

The Nissui Group works with its Global Links colleagues under a shared aspiration, transforming marine resources into various forms of value and delivering that value to the dining table. The cover of *Integrated Report 2025* emphasizes our value chain, which is our strength, the human capital that support it, and consumers, framed by a motif based on the shape of our brand symbol. The design illustrates our activities to create innovative food solutions worldwide, linking the ocean to the dining table and one person to another.

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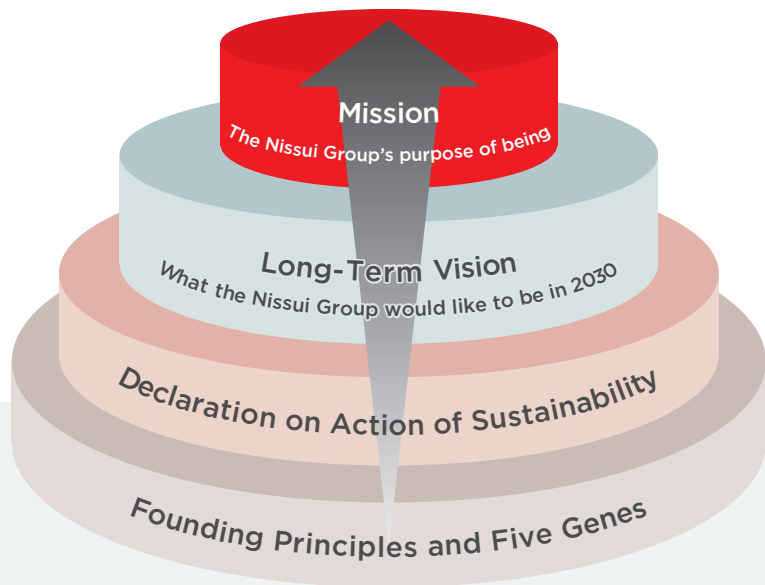
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Business Philosophy Framework

In 2022, the Nissui Group redefined its mission (purpose of being). Addressing societal issues by exploring new possibilities for food in line with the changing times and environment is the Nissui Group's primary responsibility and purpose of being.

Our mission is based on the foundations provided by Nissui's Founding Principles and Five Genes and on our Declaration on Action of Sustainability, which outlines our commitment to stakeholders.

While seeking to embody this mission, we aim to realize our long-term vision "GOOD FOODS 2030" [▶ Page 21](#) and achieve sustainable growth.



● Mission (Purpose of Being)

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

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

Thoughts Behind the Mission

- Shift towards a "food solutions" company
- Pioneering spirit natured, developed and honed by the ocean
- The commitment to move towards a sustainable future in sight

● Long-Term Vision "GOOD FOODS 2030"

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

● Declaration on Action of Sustainability

Since its founding, the Nissui Group has done business using the various blessings of nature. Conducting business activities sustainably is a crucial part of our mission. Cooperating and collaborating with stakeholders, we aim to address material issues through our businesses and resolve social issues.



Declaration on Action of Sustainability

▶ <https://nissui.disclosure.site/en/themes/126>

For Customers

For Employees

For Business Partners

For the Environment

For Shareholders and Investors

For Society

● Founding Principles and Five Genes

A tap water supply system is exactly what marine products should be like in their production and distribution.

We seek marine resources from everywhere in the world, ensure that products are always as fresh as possible, set up their worldwide marketing network, just like the tap water pipeline, and distribute them, adjusting their marketing prices in response to demand. Excess costs related to the distribution of marine products also need to be eliminated to realize the distribution costs lowest possible. Earnings through speculation should not be sought in the course of this supply.



Material Issues for the Nissui Group

The Nissui Group defines material issues as the issues that management should focus on in order to enhance sustainable Group growth and corporate value over the medium to long term. Our ten material issues also link to risk management, and we use them to identify key risks in light of our medium- to long-term management strategies.

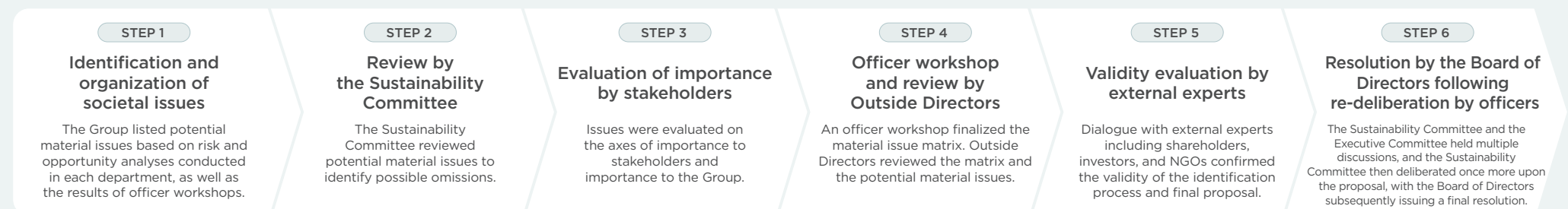
We will implement our new Medium-Term Management Plan, “GOOD FOODS Recipe2,” based on these material issues to live up to our mission of creating a healthier, more sustainable future.

▶ Page 27

Material issues	What the Nissui Group would like to be
1 Driving the mainstreaming of marine biodiversity	Contribute to the conservation and restoration of marine biodiversity through the minimization of negative impacts on the marine environment and the sustainable use of marine resources.
2 Contributing to a decarbonized and circular economy	Contribute to the realization of a circular economy through the efficient use of resources and to the mitigation of climate change through the reduction of greenhouse gas emissions.
3 Structuring a sustainable supply chain	We will determine which suppliers to prioritize and implement countermeasures according to each risk in order to mitigate negative impacts and ensure traceability. We will also ensure food safety and security by fostering a culture of food product safety by inculcating a risk management mindset.
4 Resolving health issues	We contribute to people's healthy and fulfilling lives by exploring new possibilities in food and providing health benefits.
5 Developing human capital and empowering diverse personnel	We will deploy diverse personnel who embrace our mission in accordance with our business strategy and will structure systems to create innovative food solutions through free and open discussion.
6 Securing a stable workforce and improving productivity	Based on our mission, we will enhance the appeal of our work environment, expand growth opportunities, and improve employee benefits and corporate culture to ensure our workplaces remain attractive to both job seekers and employees.
7 Embracing our mission and establishing our brand	We will share awareness our mission and build our brand value, create a rewarding work environment, and increase employee engagement and competitiveness. We will foster a culture that encourages our people to proactively take on initiatives and challenges, and create an environment that is conducive to both individual and organizational growth.
8 Innovating through digital transformation	We will employ digital technology to enhance business productivity and corporate value while promoting data-based decision-making and business process improvements to achieve effective data-driven management.
9 Accelerating global operations	While accelerating global expansion, we will strengthen our ability to address increasingly complex supply chain issues and geopolitical risks, and thereby structure a resilient value chain.
10 Generating innovations related to food	We will create new food culture through innovative initiatives aligned with societal and market changes, without limiting ourselves to specific technologies and products.

Process for Identifying Material Issues

The Nissui Group has been working on the evolution toward sustainability management based on the material issues it identified in FY2016, but reviewed its material issues in FY2023 in response to the increasing complexity of the external environment.



Nissui Group at a Glance

FY2024 Results

Number of Countries with
Group Companies

26

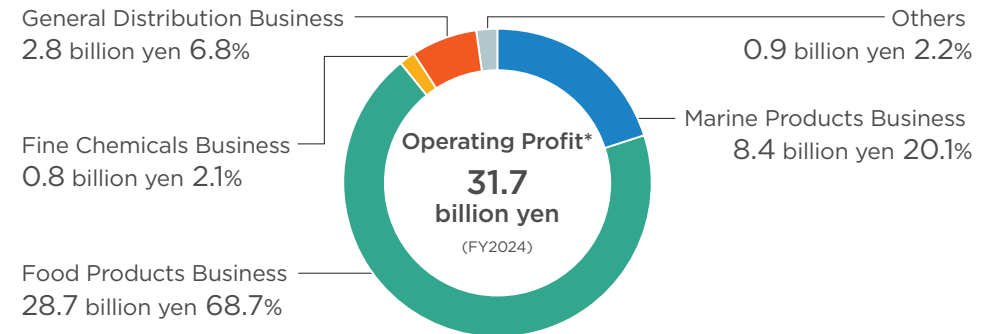
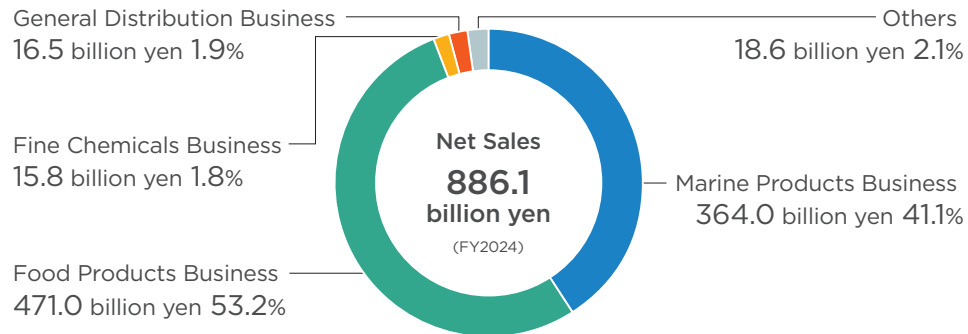
Number of Employees
(Consolidated)

10,332

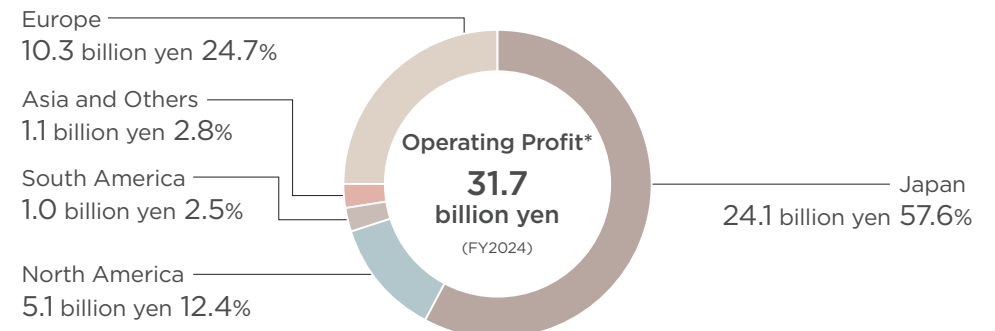
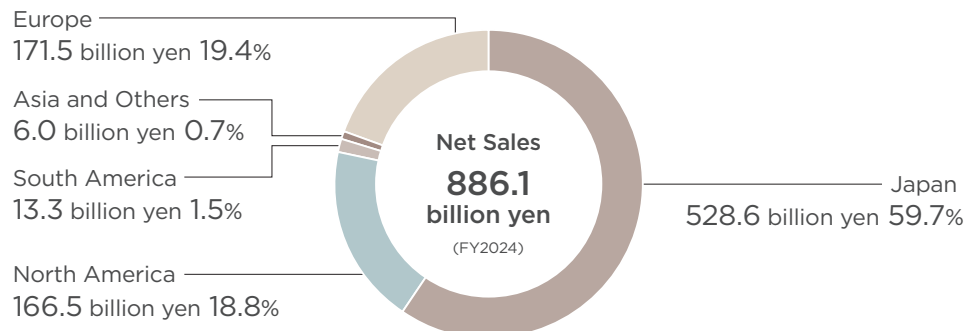
International
Net Sales Ratio

40.3%

Net Sales and Operating Profit by Business



Net Sales and Operating Profit by Region



* The sum of operating profit for each business/region does not equal the Company's total operating profit, as Company-wide expenses included in the total have been omitted for the purposes of this chart.

Marine Products Business

Strengthening access to sustainable resources

Farmed Japanese amberjack



Percentage of artificial juveniles among FY2022 shipments

Achieved **100%**

Market share of farmed Japanese amberjack in Japan (FY2024)

No. 1 Approx. **8%**¹

Number of export destination countries

15

Farmed salmon trout



Percentage of ASC-certified products at salmon farming company in Chile (FY2024)

100%

Market share of salmon trout in Chile (FY2024)

No. 1 Approx. **50%**¹

Alaska pollock

Percentage of MSC-certified products among wild-caught marine products procured by processing company in North America (FY2022)

97.6%



Products made using sustainable marine product raw materials and our food processing technologies

Fried marine foods for household and commercial use (white-meat fish and other products)

No. 1 worldwide in net sales¹



Chikuwa (fish cake) and other surimi-based products made from white-meat fish surimi

No. 1 market share in the chikuwa (fish cake) category²



Foods that utilize the functional properties of marine products

Foods for specified health uses (FOSHU)

Health-oriented food Triglyceride level improvement category

No. 1 market share in the DHA and EPA¹ category



Food Products Business

Products that use food processing technology to meet consumer needs

Marine foods for household use / Frozen foods



No. 1 market share in the U.S.¹

Example of North American food company's frozen fried white-meat fish

Chilled products for household use / Fried white-meat fish



Example of European food company's chilled fried white-meat fish

No. 1 market share in France¹

Frozen ready meals on one plate



No. 1 sales growth rate³

Fine Chemicals Business

Advanced refining technology that produces EPA⁴ with purity of 96.5% or more



Supply of EPA as a pharmaceutical raw material in Europe, Asia and North America as well as Japan

Marine Products Business × Food Products Business

Marine Products Business × Food Products Business × Fine Chemicals Business

1. Nissui research 2. Household Fish Cake Market, July 2024 to June 2025, Intage Inc. (SRI and Nissui research)
4. EPA: Eicosapentaenoic acid. An omega-3 polyunsaturated fatty acid found in the oil of sardines and other fish.

3. SRI data (FY2023, FY2024) on growth rates of national brands in physical stores



Message from the President



A Leading Company Delivering Food and Smiles to the World

Teru Tanaka

Representative Director, President
Chief Executive Officer (CEO)

Message from the President

Taking on the Future with the Courage to Change and the Determination to Persevere

I assumed the position of president in May 2025.

Since joining the Company, I have mainly been involved in the Marine Products Business handling salmon, trout, crab, roe, and other products across a wide range of operations, including production, purchasing, processing, and sales. To gain an outside perspective, I spent one year working as a seafood buyer for a restaurant company. Furthermore, I was assigned twice to Salmones Antártica (S.A.), which conducts salmon aquaculture business in Chile. I spent a total of nine years there, including a stint as the company's president.

I was 39 when I first worked outside the Company, and there was one thing in particular that made a major impression on me—namely, that even if a decision is “correct” based on “Nissui common sense,” stepping outside that framework can reveal completely different perspectives. It is not about which approach is “correct,” rather that there exist multiple “correct” approaches in the world—something I was made keenly aware of.

My experience as a buyer for the restaurant company was my first opportunity to realize this. Speed, flexibility, and on-the-spot decision-making determine an eating establishment's profitability. Through these experiences, I came to realize that we need more opportunities to learn and adopt approaches beyond standard Nissui methods.

During my time managing S.A., we were always faced with uncertainties, such as market fluctuations, changes in seawater temperature, outbreaks of fish diseases, and transportation delays, and we learned to balance short-term profits with sustainability. Planning is important, but even more important is an organization's ability to shift resource allocation the moment circumstances change and to respect decisions made on site. My impression is that people from Latin American countries tend to generally have a positive outlook. For that reason, praise goes a long way, and it helps to frame events in a positive light, which becomes the catalyst for taking the next steps forward. I feel this positive outlook also supports growth in the industry. On the other hand, Japan's strengths lie in meticulousness, sincerity, and excellent planning. I now believe that striking a balance between the two is the best approach for building an organization that can succeed globally.

The opportunity to view Nissui, and indeed Japan, from an outside perspective enabled me to objectively grasp the Group's challenges and potential, and the inspiration

gained from interacting across diverse cultures and value systems has become a significant personal asset.

I led the formulation of Medium-Term Management Plan “GOOD FOODS Recipe2.” The plan launched in FY2025, at which time the baton was passed to me, and I assumed the position of president. The three-year period of the previous Medium-Term Management Plan, “GOOD FOODS Recipe1,” was marked by rapid changes in the operating environment. Based on my experience so far, I believe that achieving sustainable growth in an era of high uncertainty requires, above all else, the courage to change and the determination to persevere. Accordingly, we set enhancement of value chain resilience as the core theme of Recipe2.

Since its founding, Nissui has been engaged in procuring marine products globally. The Group's international net sales ratio has reached approximately 40%, transforming us into a truly global enterprise. The Group's strength, Global Links & Local Links, encompasses a wide variety of functions, from resource access to processing and sales. We are driven to offer the world better food choices. Without the ongoing evolution of this global network of companies—each sharing the aspiration of offering the world better food choices and leveraging their unique strengths to expand their respective businesses—there is no guarantee we will be able to maintain growth 15 or 20 years from now. I perceive



Nissui Global Links

► <https://www.nissui.co.jp/english/corporate/strength/index.html>



President Tanaka with S.A. employees (front row, fourth from the right)



Message from the President

this as a potential issue, and as such feel we will need the courage to change and take on new challenges.

At the same time, Nissui's commitment to food safety and security, respect for the front lines, and stance on resolving social issues from a global perspective are the foundations for realizing the Group's long-term vision for 2030. We will steadfastly uphold these principles and pass them on to the next generation with the determination to persevere.

The Nissui Group's mission incorporates our aspiration to offer the world better food choices. Food has the power to bring people happiness. I myself love eating, and ever since my assignment to Chile, I have taken to cooking for others. It gives me great joy to see smiling faces when people taste the food that I prepare. This is why I strongly empathize with our mission and aspire to continuously create enjoyable dining experiences filled with smiles for many years to come. With the courage to change and the determination to persevere, we will enhance corporate value by striving to be a leading company delivering food throughout the world that makes people smile.

Social Prosperity through Innovative Food Solutions

Over the next 10 to 20 years, the global food environment is likely to become increasingly complex and uncertain as factors such as climate change, geopolitical risks, and population growth converge. Marine resources will also be impacted, and it is predicted that changes in the marine environment will make it difficult to stable harvesting. In response, we are taking on the role of enhancing food sustainability through the use of technology while ensuring harmonious coexistence with nature. We must establish systems for accurately ascertaining environmental change and securing stable access to food resources.

The ability to demonstrate competitiveness in not only marine resources but also other food resources will make the Group's value chain more resilient. I am confident that by creating innovative food solutions and contributing to a sustainable and prosperous society, we will strengthen the Nissui Group's very reason for being.

We set targets for 2030 of 1 trillion yen or more in net sales and 50 billion yen or more in operating profit, which would place us among the global top 50 food companies (excluding beverage companies). Although we have achieved a certain level of international influence in the marine products industry, we are still not large enough as a food company.

To achieve the above targets, we must comprehensively enhance not only our financial value, but also social, human capital, and environmental value. By strengthening these four types of value, we will firmly establish Nissui as a company that contributes to a sustainable society.

However, despite efforts to advance sustainability management under Recipe1, the integration of business and sustainability strategies fell short of our plans, and employees also found it difficult to see a clear connection between creating social, human capital, and environmental value, and their own daily work.

For example, for health category products, we have set sales as a KPI with a target of 200% expansion compared with FY2021. To achieve that, we will need to flexibly explore possibilities beyond pharmaceutical raw materials and fast-twitch skeletal muscle protein. In other countries, incorporating sustainability perspectives from the product development stage is a common practice, and implementing this approach in Japan should stimulate significant growth potential.

Realizing our long-term vision of ranking among the global top 50 requires a business strategy grounded in sustainability. Thus, in formulating Recipe2, we carried out a review of our material issues to date and defined a new set of 10 material issues. We have positioned these as priority management issues that must be addressed for sustainable growth and the enhancement of corporate value over the medium to long term. We will foster a culture where all employees can feel the connection between sustainability and their own work, thereby strengthening our capabilities in terms of human capital.

Management, including myself, will strengthen business strategies grounded in sustainability and make decisions with a strong focus on enhancing corporate value over the medium to long term. We prioritize both economic efficiency and sustainability in existing businesses, as well as in new business, M&A, and business expansion. In taking on the challenge of creating innovative food solutions, I will embody this commitment and lead from the front.

Approaches to Enhancement of Value Chain Resilience under Recipe2

Looking back over the three years of Recipe1, although some issues remain, we mostly achieved our targets for net sales and each stage of profit, thus attaining a certain degree of

Message from the President

success. In FY2024, we set new record highs, with net sales of 886.1 billion yen (+6.6% YoY) and operating profit of 31.7 billion yen (+7.1% YoY). Profit attributable to owners of parent was 25.3 billion yen (+6.4% YoY), reaching a new record high for the fourth consecutive year. Return on invested capital (ROIC) also improved from 5.2% in the first year (FY2022) to 6.1%. Moreover, shareholder returns have increased for six consecutive years.

In the final year of Recipe2 (FY2027), we are targeting net sales of 970.0 billion yen, operating profit of 41.0 billion yen, profit attributable to owners of parent of 30.0 billion yen, and ROIC of 6.0%. The relatively modest growth in operating profit compared with net sales growth reflects the inclusion of increased depreciation expenses associated with major capital investments in the Food Products Business in Japan. That said, unlike the volatile performance of the past, a system is taking shape whereby each business initiative and the complementary relationship between Marine Products and Food Products function effectively to consistently generate stable results. By steadily expanding the international business, advancing the aquaculture business, and achieving a return to growth in the Fine Chemicals Business, we aim to reduce earnings volatility and further enhance corporate value.

To enhance value chain resilience, we formulated three basic strategies, namely: strengthen business portfolio, deepen sustainability management, and strengthen governance.

As our global expansion accelerates, robust governance is essential to drive proactive management and achieve a place among the global top 50. In FY2024, we established a Group-wide risk management systems based on the review of our material issues conducted in FY2023. We will enhance the quality, speed, and transparency of management decision-making while positioning governance as the foundation for strengthening the business portfolio and deepening sustainability management. This will also enable us to further solidify our alignment with global standards, information disclosure, risk management, compliance, and internal controls to achieve sustainable growth.

I think enhancement of value chain resilience and deepening sustainability management have much in common. Sustainability involves the ability to create four types of value (financial, social, human capital, and environment) on an ongoing basis.

Enhancement of value chain resilience means both responding to risks and improving efficiency, as well as connecting value to the next stage of growth and creating a virtuous cycle. This is the very essence of sustainability: strengthening the Group's foundation to

“The ideal form of value chain resilience is when resources create multilayered value.”



continuously create value.

As an example, sardine fishing is not simply a matter of “catch and sell.” Sardines contain eicosapentaenoic acid (EPA), which is used as a raw material for pharmaceuticals and health foods, while the fish meal produced as a processing byproduct can be utilized in compound feed for farmed fish. Farmed fish raised on this feed can also be processed into further food products.

Through these processes, the Nissui Group transforms marine resources into diverse products such as frozen foods, canned goods, and deli foods. Furthermore, in aquaculture, we raise parent fish to develop the next generation for breeding and farming. In FY2025, we commenced test sales of *namino leather*, a fish leather made from the skin of upcycled Kurose Buri (Japanese amberjack). I believe the ideal form of value chain resilience is when a single resource is circulated, creating multilayered value. Initiatives such as these will make our business stronger and more sustainable, enabling us to continue the value creation cycle over the long term.

Through Recipe2, we will deepen synergies among Group companies and solidify our competitive advantage through unique value creation that is difficult for other companies to imitate. Furthermore, in this rapidly changing environment, speed is also crucial, and as

Message from the President

such co-creation with stakeholders is key to seizing opportunities and achieving growth. We will maximize the utilization of the Group's tangible and intangible assets and expand growth opportunities through collaborations with various partners.

For example, initiatives to repurpose idle regional hatchery facilities as aquaculture juveniles production facilities can contribute to the revitalization of regional industry and the development of Japan's aquaculture sector. I believe that contributing to the resolution of social issues such as worker shortages in primary industries and industrial decline, and thereby building win-win relationships with stakeholders, will lead directly to the creation of sustainable and resilient businesses. In June 2025, we launched the Nissui Open Innovation 2025 program to solicit co-creation partner companies and business ideas, further expanding our value co-creation initiatives.

Maximizing ROIC Spread through Business Portfolio Management

In Recipe2, we have signaled our awareness of the need to manage ROIC by business, Company-wide weighted average cost of capital (WACC), and the cost of equity.

“We will utilize personnel exchanges to facilitate the accumulation of experience on the global stage, and develop talent able to incorporate diverse perspectives.”



Moreover, its provisions include enhancing the quality of dialogue with investors. We have received a variety of feedback and recognize that there is room for improvement in how we explain our approach to the Group's business portfolio, our rationale for investing in each project, and our expectations for future returns.

In deepening business portfolio management, we will maximize the use of limited management resources to both grow sustainably and create value. In creating innovative food solutions, we must align long-term financial value with the accumulation of trust. This will require not simply allocating resources to high-return ventures, but also assessing their mission affinity and maintaining a global perspective—which will be essential for growth—to identify forms of value that only the Nissui Group can offer.

Mission affinity is a perspective that makes up for the inherent risks in assessments based solely on financial metrics. It accounts for a business's potential and synergies with other businesses—aspects that are not reflected in sales growth rates, ROIC spreads, or other economic indicators. In determining the direction we as a Group should take, I firmly believe that incorporating non-financial metrics while maintaining a foundation of economic viability is the best approach to creating sustainable value.

Looking solely at current ROIC spreads, there is room for improvement in North American marine product processing operations and South American fishing operations, as well as food processing operations and the General Distribution Business in Japan. Nevertheless, the contribution these businesses make goes beyond profit on a standalone basis; they also comprise an important foundation underpinning the reliability, stable supply, and functionality of our food products. Some investors have pointed out that the Nissui's Group synergies are difficult to understand or appear to be one-sided contributions. Going forward, we aim to further strengthen relationships of trust with investors by visualizing and quantifying specific measures aimed at improving ROIC.

In Chile, S.A. had made inefficient and excessive investments prior to my involvement in the company. From my experience in turning around that business, I now understand that to achieve sustainable growth, it is essential to consider diverse perspectives and options, and as a manager, one must make bold decisions. During Recipe2, we plan to invest 110.0 billion yen targeting growth, primarily in the Food Products and Marine Products businesses. Of course, we will do our best to improve ROIC, and at the same time, we will also strive to maintain an asset-light approach and reduce the cost

Message from the President

of capital, and thereby maximize the ROIC spread.

Strengthening Human Capital as a Driver of Growth

Sustainable corporate growth cannot be achieved without capable talent. At the Nissui Group, we understand that people are the driving force of value creation. As such, we emphasize providing work environments where diverse talent can fulfill their maximum potential. In this way, we are building a foundation for accelerating Group growth and meeting our social responsibilities.

With the advance of globalization in particular, talent development has become a critical issue both in and outside Japan. I believe that enhancing the Group's human capital as a whole means going well beyond simply strengthening the human capital at Nissui Corporation. We must also actively promote personnel exchanges with Group companies outside Japan. Especially, bringing international business experience back to Japan, and conversely, applying knowledge gained in Japan to business operations outside Japan is an extremely valuable step for the development of globally competitive talent. I am confident this will further instill our employees with an international perspective and enhance the Group's overall ability to create value.

We will create an environment where people with diverse backgrounds and values can come together and offer their unique perspectives. We will also focus efforts on fostering a culture where everyone can take on challenges without fear of failure—one that respects creativity and energy naturally arising from the workplace rather than from the top down. By fostering such a culture, where our people thrive wherever they are in the world, learn from one another, and embrace challenges, we will build a solid foundation supporting the future of the Nissui Group. As for management, we will also focus on securing and developing personnel with a global perspective, and promoting human capital management in line with business strategy.

To Our Stakeholders

We have maintained stable performance over the past ten years, and while interest in the Group has grown, we have yet to earn what we deem a sufficient level of trust. Although

return on equity (ROE) of 9.6% in FY2024 was above the cost of equity (approximately 7.5%), our price-to-book ratio (PBR) remains only slightly above 1. I am not fully satisfied with this situation and view seriously the fact that capital market valuations do not appear to reflect the Nissui Group's underlying stability and growth potential.

Regarding volatility, we are confident that as the international business grows and the aquaculture business stabilizes, the symbiotic relationship between our Marine Products and Food Products businesses will strengthen further, leading to sustainable growth. We expect to continue achieving stable growth with reduced volatility through advances in aquaculture and renewed growth in the Fine Chemicals Business.

In addition to returning financial value through the achievement of our business plans, we will return value in three other ways. First, we will continue to provide stable dividends while improving capital efficiency, and realize a virtuous cycle of ROIC improvement and investments in growing fields. Second, through highly transparent information disclosure and constructive dialogue we will share both financial and non-financial results and progress toward our KPIs in a timely manner, ensuring stakeholder expectations and concerns are solidly reflected in management decisions. Third, we will strengthen investments linking to value in terms of society, the environment, human capital. We will improve returns through corporate activities, including product and technological developments incorporating sustainability perspectives, systematic investments in human capital, customer value enhancements through stable supply and product safety and quality, regional contributions, and promotion of industry.

Having successfully achieved a certain level of earning capacity, we are now ready to confidently articulate our medium- to long-term growth story. In addition to achieving our targets, we will steadily make our envisioned scenarios a reality and build trust one step at a time. We ask you to continue following the Group's progress as we work to enhance corporate value and return the benefits of our growth to stakeholders.



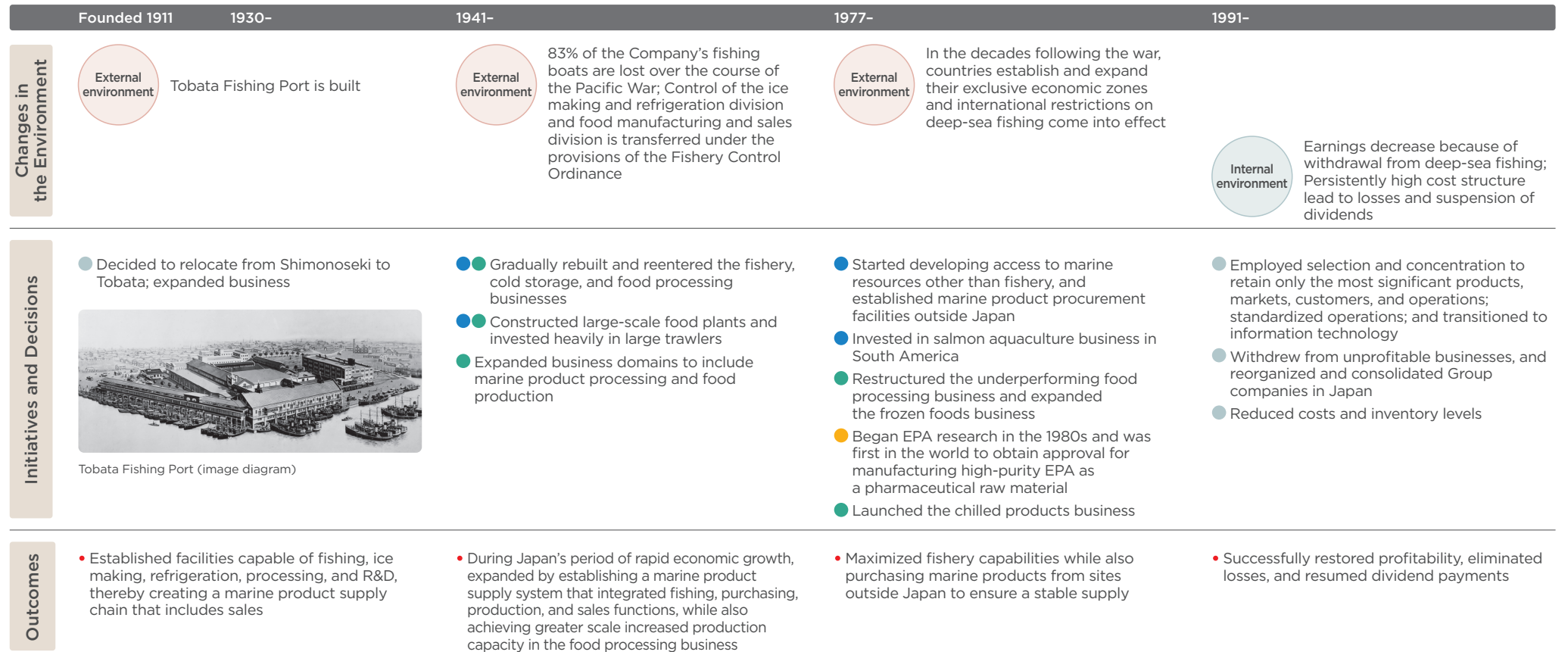
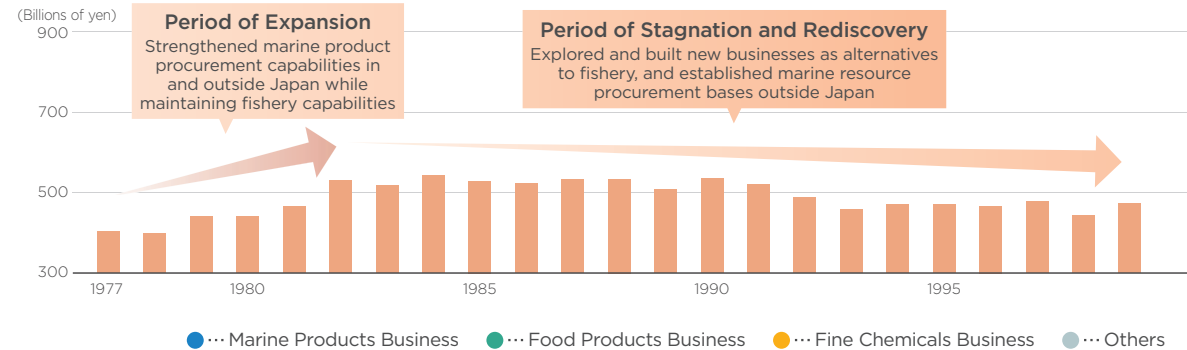
Evolving to Accommodate Changes in Our Environment

Since its founding, the Nissui Group has faced many significant changes in its environment head-on, continually evolving business practices and the ways it creates value.

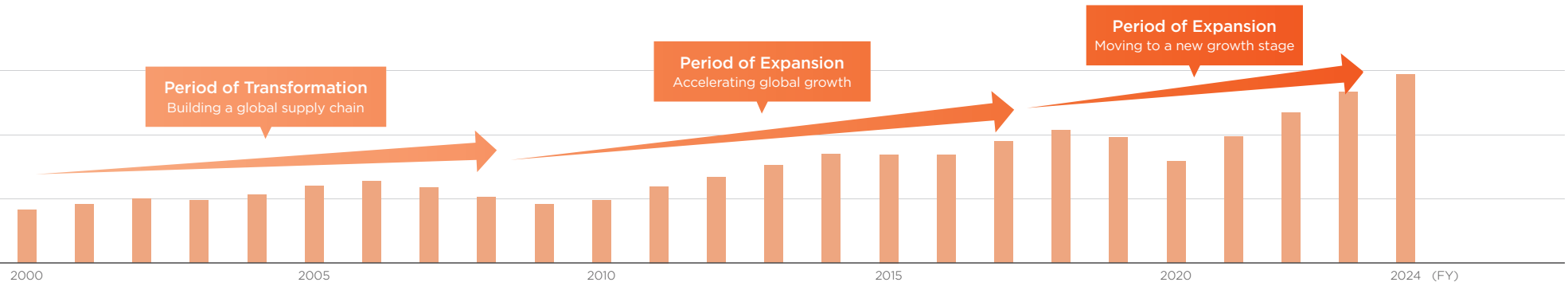
Our evolution has been broad, accommodating such changes as the impact of and reconstruction following the Pacific War; business downturns caused by international restrictions on access to marine resources and our adaptation to them; innovation to establish a globally scalable business model; and sustainability initiatives in consideration of future growth.


We have transformed the Group by meeting new developments and their challenges one by one, strengthening our business foundation, and evolving our systems for delivering high-quality products worldwide.

Consolidated Net Sales

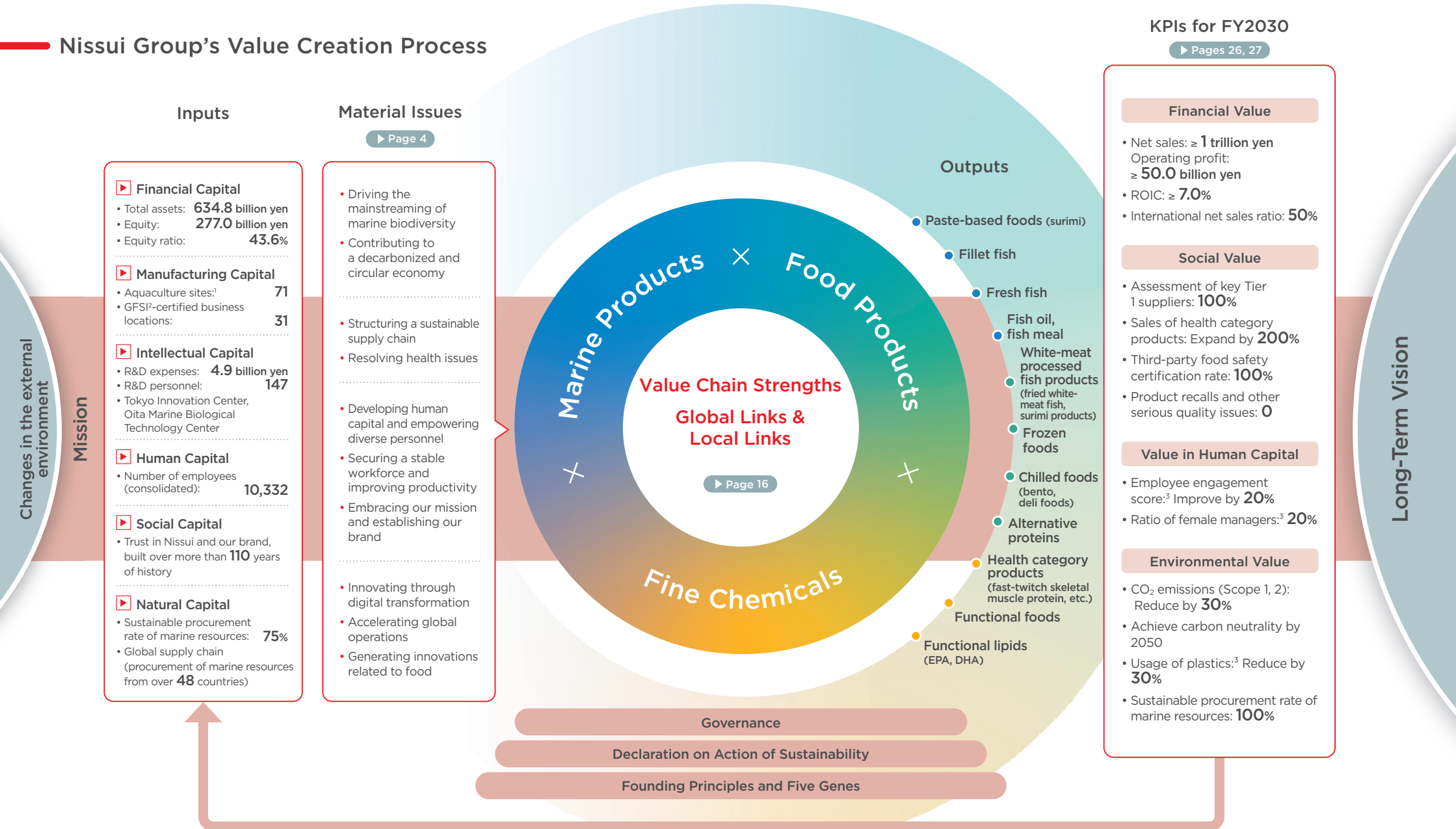


Evolving to Accommodate Changes in Our Environment



	2001-	2012-	2022-
Changes in the Environment	<p>External environment</p> <p>Global demand for marine products expands, particularly in Europe and the U.S.</p> <p>Internal environment</p> <p>Need emerges for a management foundation for growth</p>	<p>External environment</p> <ul style="list-style-type: none"> Importance of CSR, SDGs, and sustainability initiatives increases Addressing climate change, geopolitical risk, and other complex changes in the environment becomes essential 	<p>Internal environment</p> <p>Strengthened the foundation for value creation and emphasized crisis response capabilities</p>
Initiatives and Decisions	<ul style="list-style-type: none"> Clarified the Group's business philosophy Transitioned to Group management and structured a global supply chain Strengthened access to resources and entered the marine products business in Oceania Promoted manufacturing that converts marine products into customer value and strengthened global sales capabilities Entered the frozen foods business in North America and Europe Entered the formula feed and aquaculture businesses in Japan 	<ul style="list-style-type: none"> Strengthened the functions of Global Links Formulated the Declaration on Action of CSR (now the Declaration on Action of Sustainability) Expanded and enhanced the sophistication of the aquaculture business Strengthened corporate governance Reorganized unprofitable businesses 	<ul style="list-style-type: none"> Redefined mission and formulated the long-term vision Defined material issues and positioned them as management issues 
Outcomes	<ul style="list-style-type: none"> Structured a global marine product supply chain encompassing Global Links & Local Links Transformed business structure and stabilized profitability by enhancing manufacturing capabilities 	<ul style="list-style-type: none"> Pivoted to an organization that can generate stable earnings Evolved the Group's global supply chain and stabilized business in North America, Europe, and elsewhere 	<ul style="list-style-type: none"> Strengthened risk management Took on the challenge to create a healthier, more sustainable future through innovative food solutions <p>Evolving into a company that consistently creates value even in a highly uncertain business environment</p>

Nissui Group's Value Creation Process



Blue: Marine Products Business; Green: Food Products Business; Yellow: Fine Chemicals Business. Our three core businesses are interconnected, working together to maximize value by transforming raw materials into various forms, and delivering products to customers.

1. Scope: Subsidiaries; each aquaculture area is counted as one site. 2. GFSI: Global Food Safety Initiative. A private consortium of global food companies working together to improve food safety and strengthen consumer confidence in food products through initiatives such as certification of food safety management standards 3. Scope: Nissui Corporation

Nissui Group's Strength: Our Value Chain

The Nissui Group procures marine products from all over the world, and provides high-value-added products to customers of all ages around the world through R&D, processing, production, and quality assurance that bring out the potential of raw materials.

We aim to realize our long-term vision by making the most of the value chains for white-meat fish, fish meal, and fish oil, which are Group strengths.


Global Links & Local Links

Number of countries with Group companies: 26*

Access to
resources



R&D, processing, production, and quality assurance that create added value, and logistics that delivers value


**Sustainable access
to marine resources**

Sustainable procurement
of marine resources: 75%

Alaska pollock

Peruvian anchovy


**Global procurement
capabilities**

Procurement of raw
materials: From over
48 countries

White-
meat fish

Fish meal

Fish oil

R&D
Open
innovation

Processing
and
production

Aquaculture
sites

Quality
assurance

Meat, roe, and by-products from resource-managed Alaska pollock are processed into a variety of products and sold BtoB and BtoC.

We process and sell protein from white-meat fish and blue-backed fish as fish meal. It is processed into formula feed for aquaculture, which is utilized by Group companies in and outside Japan, and also sold outside the Group.

We extract and refine oil from blue-backed fish, and sell it as fish oil. We also sell high-purity EPA as a pharmaceutical raw material.



Fried white-meat fish
and other products

**Accelerate
international
growth**

▶ Page 31



Farmed salmon and
other products

**Enhance
aquaculture
business**

▶ Page 30



High-purity EPA

**Strengthen
international
sales of
pharmaceutical
raw materials**

▶ Page 44



Wholesale
and retail



Food manufacturers



Restaurants



Feed manufacturers



E-commerce and
home delivery



Pharmaceutical
manufacturers

**Customers of
all ages around
the world**

* Countries in which Nissui's consolidated subsidiaries and Nissui Global Links companies, as well as their respective affiliates, maintain bases of operations.

Message from the CFO

We will deepen business portfolio management to enhance our value chain resilience and strive for greater success.

Shinya Yamamoto

Director, Senior Managing Executive Officer
Chief Financial Officer (CFO)



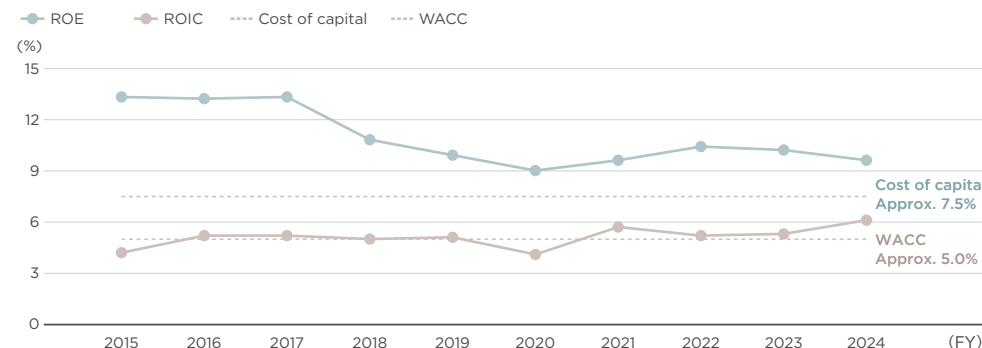
Issues in Realizing the Long-Term Vision and Medium-Term Management Plan “GOOD FOODS Recipe2”

Our goal for 2030 is to be a leading company that delivers friendly foods for people and the earth. “GOOD FOODS Recipe1,” the three-year Medium-Term Management Plan we launched in 2022, was the first step toward that goal. We steadily achieved top-line and operating profit growth, although there were some delays in progress toward sustainability-related targets. We also increased earnings per share (EPS) by approximately 1.5 times compared with 2021 (before the launch of Recipe1), and this growth exceeded the average for the TSE Prime Market over that period. ROE is not quite as high as we would like, but it remained at around 10%, which is the average for the TSE Prime Market. Finally, we measurably improved our equity spread, i.e., the spread between our cost of equity and return on equity (ROE).

Nevertheless, our ROIC spread remains narrow despite the improvement in ROIC. Initiatives in each of our businesses have contributed to tangible growth in the Group’s cash flow generation, but challenges remain.

The Group envisions a business portfolio in which the Marine Products Business and the Food Products Business are balanced in scale, with the highly profitable Fine Chemicals Business functioning as a third pillar. However, delays in increasing the sophistication of the aquaculture business and expanding the Fine Chemicals Business have slowed progress toward that vision. So while we are steadily increasing net sales and earnings, particularly outside Japan, both our PBR and price-to-earnings ratio (PER) remain relatively low. We will work to realize the portfolio we envision as quickly as possible, which will support improved PBR and PER.

ROE and ROIC

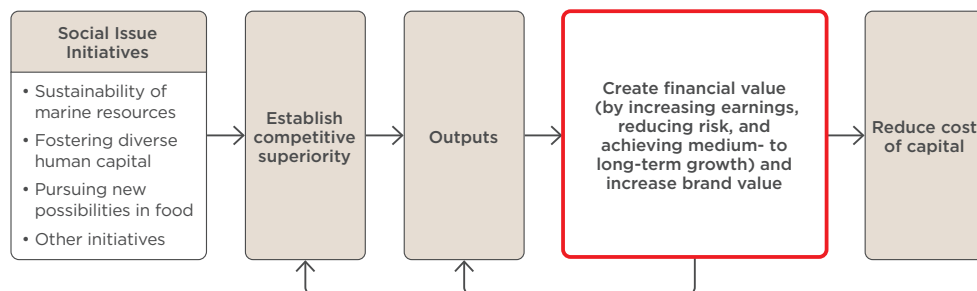


Message from the CFO

In formulating Recipe2, the new Medium-Term Management Plan launched in April 2025, the Nissui Group took stock of the challenges of Recipe1 and also reviewed its material issues in response to the rapidly changing external environment. The Group has identified ten material issues [▶ Page 4](#), encompassing key challenges such as decarbonization and securing workforce, the same challenges that many companies must address. They also include driving the mainstreaming of marine biodiversity, which concerns the natural capital that is of particular benefit to the Group, and accelerating global operations, which links directly to the creation of financial value. Additionally, in the process of reviewing material issues, we identified and analyzed key opportunities and risks. We have begun using integrated risk management, which takes a holistic Group-wide perspective, prioritizing risks, incorporating them specifically into management plans, and monitoring them. Effective governance not only reduces risks, but also increases the likelihood of growth because it enables management to maintain an appropriate risk appetite. [▶ Page 38](#)

The Group is committed to addressing such social issues as those relating to the sustainability of marine resources, human capital, and the pursuit of new possibilities in food, all of which are at the very foundation of our business, given that doing so will differentiate us and increase our financial value, which will in turn improve our brand value, enhance our risk management, and reduce our cost of capital.

The Nissui Group has made enhancement of value chain resilience a theme of Recipe2. The keys to doing so are strengthening our value creation capabilities, sustainability, risk response capabilities, and human capital, and organically combining these four elements. We believe that overcoming the challenges we experienced during Recipe1 and enhancing our initiatives to address material issues are the way forward in enhancement of value chain resilience. [▶ Page 25](#)



Expanding the ROIC Spread

Expanding the ROIC spread entails reducing the cost of capital and increasing ROIC, and we are doing so from four perspectives: expanding growth businesses that generate superior profits and investing more effectively; controlling working capital; using non-current assets effectively; and implementing measures to reduce the cost of capital.

1. Expanding Growth Businesses That Generate Superior Profits and Investing More Effectively

For over 10 years, we have been allocating resources primarily to our Marine Products Business and Food Products Business outside Japan, the aquaculture business in and outside Japan, and the Fine Chemicals Business. We expect continued growth in these businesses, where we can deploy the technology and expertise we have developed over the years and create synergies within our business portfolio. Our aquaculture business and the Fine Chemicals Business will need more time to address inconsistent growth. Nevertheless, we are confident they will achieve operating profit margins of over 10% and further strengthen our unique value chain.

Other themes are restructuring the Food Products Business in Japan, and addressing issues in the General Distribution Business. Although population decline seems inevitable, our goal is to ensure that the expertise required to thrive in the Japanese market will continue to be passed down. We will therefore explore ways to achieve optimal production and logistics systems that are efficient and effective, which may well include outsourcing and collaboration with other companies rather than relying solely on our own resources.

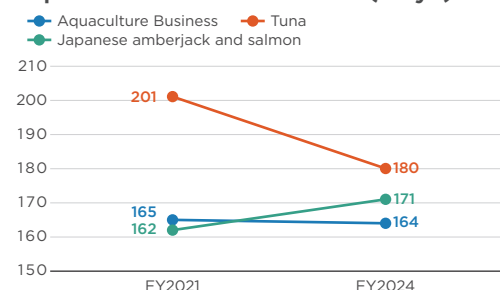
2. Controlling Working Capital

Three years ago (in FY2022), we started using the cash conversion cycle (CCC) as a metric for managing our business. While our aquaculture business is a growth driver, farmed fish can take several years to mature, meaning that earnings in this business will need more time too. We have therefore been investing in inventory with an eye to the future. Sales growth in the Fine Chemicals Business has been slower than expected, resulting in longer inventory turnover for both finished pharmaceutical products and their raw materials. However, several successful initiatives have kept the CCC essentially unchanged.

Message from the CFO

Looking in closer detail, expansion of the aquaculture business generally requires significant increases in inventory, but we are seeing positive outcomes from our many years of research into selective breeding techniques for short-cycle farming that produces highly palatable Japanese amberjack and salmon of a suitable size. We are also reducing capital requirements for inventory by transitioning to short-cycle farming of bluefin tuna with a farming period of less than one year. The Fine Chemicals Business began sales in Europe at the end of FY2024, and the conditions now in place give us reason to expect renewed growth in Japan as well. Sales growth naturally normalizes inventory, but by using fish oil produced in Japan as a raw material rather than being overly reliant on

Aquaculture Business CCC (Days)



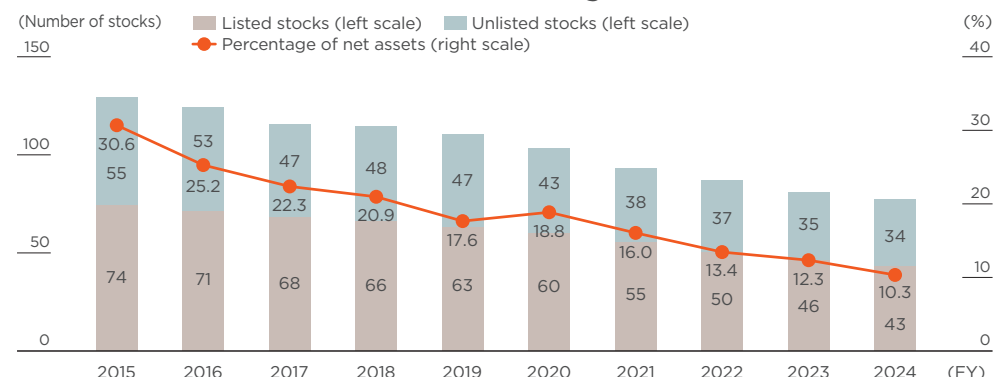
Major Investments in Growth Drivers (Completion Basis)

Business	FY	Amount	Details	Objective	
International	Food Products	2021	Approx. 3.5 billion yen	Expansion of production facilities (U.K.)	Increase production capacity with a focus on fried marine products
		2022-2025	Approx. 20.0 billion yen	New plant construction and plant expansion (U.S. and France)	Increase production capacity and reduce logistics costs to eliminate lost opportunities
	Marine product processing and trading	2023	Approx. 1.0 billion yen	Acquisition of a fresh fish processing and sales company (Netherlands)	Expand sales channels for marine products from the North Sea and Japan-sourced marine products, and increase profitability by adding value
Aquaculture	Outside Japan (Chile)	2024-2026	Approx. 4.0 billion yen	Addition of filleting lines and other facilities (salmon)	Increase processing sophistication to expand sales channels, improve profit margins, and reduce costs
				Construction of juvenile production facilities (salmon)	Enhance juvenile quality to improve aquaculture performance and increase production
	Japan	2024-2025	Approx. 2.0 billion yen	Juvenile facility maintenance, other (salmon and Japanese amberjack)	Enhance juvenile quality to improve aquaculture performance and increase production
				Expansion of processing plant, other (Japanese amberjack)	Increase processing sophistication to expand sales channels, improve profit margins, and reduce costs

Peruvian fish oil as we have been in the past, we will further shorten inventory turnover for raw materials and be able to coordinate production and sales more effectively, which will improve the CCC. In the Food Products Business, we will continue implementing revenue and expenditure management on an item-by-item basis, which allows us to quickly identify products that are struggling to generate profit.

Given rising uncertainty, we may need to maintain safety stock for periods over the short term. We therefore need to be more effective than ever at ensuring that everyone across the Group, at every level, fully understands our strategies for improving ROIC and CCC. Although these strategies are outlined in the plan, we must be quick to update them as circumstances change. We will continue to conduct workshops and meetings to share specific initiatives for items, categories, production facilities, and all aspects of operations to further enhance the effectiveness of our activities to improve CCC.

Number of Cross-Held Stocks and Percentage of Net Assets



3. Using Non-Current Assets Effectively

Since FY2015, as a general rule Nissui retains cross-shareholdings only when it leads to maintaining and strengthening transactions over the medium to long term, and the Board of Directors reviews the appropriateness of holding each stock every year. To date, we have sold approximately 40% of our cross-shareholdings, reducing them to approximately 10% of net assets as of the end of FY2024 and freeing up a total of approximately 22.0 billion yen in cash for investments and shareholder returns. We are currently considering a program to increase the effectiveness of tangible assets such as property, plant and equipment. It would involve identifying idle and

Message from the CFO

underperforming assets and having the relevant business unit consider specific countermeasures, and delegating it with authority to monitor program implementation.

4. Implementing Measures to Reduce the Cost of Capital

Reducing the cost of capital necessarily involves management based on material issues, enhanced governance and risk management, and management that strengthens our business portfolio. Diverse sources of funding are also key for the Nissui Group. Conventionally, the Group has relied on bank loans, but our progress in improving our financial position earned an A (Stable) rating from Rating and Investment Information, Inc. (R&I) in March 2025.

Interest rates are trending downward around the world while rising in Japan, which requires us to diversify funding sources geographically and by method. We are committed to maintaining and structuring a sound financial foundation. We will use our investment-grade rating to procure funding that builds relationships with stakeholders with an interest in the Nissui Group and that reduces the cost of capital.

Capital Structure and Cash Allocation

The Nissui Group operates globally with natural capital as the foundation of its business. Priority risks include natural disasters and geopolitical risk, so establishing and maintaining a financial foundation that is resilient to these risks will also help us earn investor trust. At the same time, we plan to continue investing in order to realize our growth strategy, and we must capture investment opportunities before they slip away while still carefully assessing investment efficiency. Given our current financial position, we believe that the right balance between these priorities is a net D/E ratio in the range of 0.7 to 0.8 times.

We intend to continue balancing growth and financial soundness while allocating cash over the three years through FY2027 to the growth investments necessary to realize our long-term vision. We plan to generate over 150.0 billion yen in cash over the next three years through means including asset sales, and will deploy this capital for shareholder returns and investments. Moreover, the Group plans to invest 140.0 billion yen (150.0 billion yen on a completion basis) over three years in the aquaculture and international businesses, as well as the Food Products Business in Japan. This amount includes M&A. We are planning to deploy 10.0 billion yen for M&A, but timing is important and we will adapt flexibly to situations as they develop.

Launched in FY2025, Recipe2 has targets for shareholder returns that include total return ratio of 40% or more over 3 years while maintaining stable dividends, with returns totaling at least 30.0 billion yen. We have already repurchased shares valued at 6.0 billion yen in FY2025, and would like to repurchase more if feedback through our dialogue with investors is favorable.

Stakeholder Dialogue and Disclosure

Due to lower volatility in our business results and a higher profit level, as well as our enhanced investor relations activities for proactively communicating our sustainability initiatives, our evaluation from the capital markets is improving. However, as mentioned above, our current share price remains slightly above a PBR of 1 and a PER of around 12, which are below the average for companies in the food industry. We need to be even more forthcoming with investors about our strategies, profitability, and the non-financial capital strengths of our growth drivers and our aquaculture and Fine Chemicals businesses. In particular, in conjunction with on-site tours in the aquaculture business, we have set up opportunities for investors to judge for themselves the future direction of the business (including sustainability initiatives), the level of our aquaculture research and operational improvements, and our risk response capabilities. Through these opportunities, we intend to explain the Group's competitive advantages and value creation story with even greater clarity and simplicity.

By making disclosure thorough and incorporating feedback from dialogue with investors in and outside Japan in management, we will continue to aim for sustainable enhancement in corporate value.

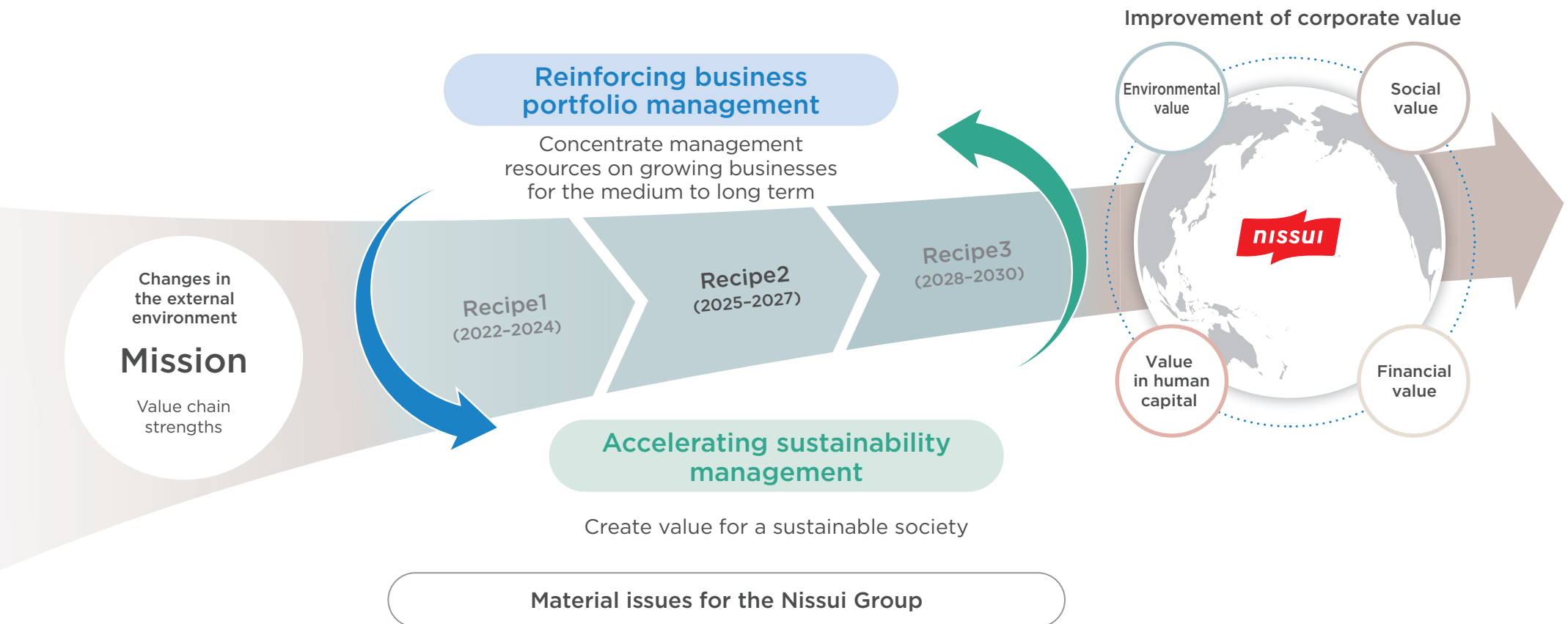
PBR and PER



Long-Term Vision “GOOD FOODS 2030”

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

People's food needs are becoming more diverse, encompassing health, convenience, and environmental responsibility. Our goal is to promote sustainability management that creates value for society while considering the needs of stakeholders. We are also enhancing business portfolio management that focuses resources on growth areas to pursue new possibilities for a variety of foods with the goal of becoming a leading company that creates innovative food solutions that enrich the heart and the body, and solve societal issues.



Long-Term Vision “GOOD FOODS 2030”

Long-Term Vision Targets
for FY2030Net sales: **≥ 1 trillion yen**Operating profit: **≥ 50.0 billion yen**

We will stabilize and expand the Marine Products Business to bring it into balance with the Food Products Business, which is performing strongly, and move quickly to develop a business portfolio that incorporates the Fine Chemicals Business. Specifically, we will implement the following three key measures with the FY2030 goals of increasing our international net sales ratio to 50%, achieving net sales of 1 trillion yen or more, and generating operating profit of 50.0 billion yen or more.

- ① **Accelerate international growth:** We will enhance value-added products that meet customer needs such as health and convenience, create new categories, and expand our sales area in Europe, Asia, and Oceania.
- ② **Enhance aquaculture business:** We will expand and stabilize juvenile production, thereby improving and stabilizing aquaculture performance and establishing the foundation for mass production.
- ③ **Increase pharmaceutical raw material sales:** We will strengthen profitability by expanding sales of EPA pharmaceutical raw materials in and outside Japan.

FY2024 Results

International net sales ratio:
40%Net sales: **886.1 billion yen**Operating profit: **31.7 billion yen**

FY2027 Plan

International net sales ratio:
Approx. **43%**Net sales: **970.0 billion yen**Operating profit: **41.0 billion yen**

Long-Term Vision Targets for FY2030

International net sales ratio:
50%Net sales: **≥ 1 trillion yen**Operating profit: **≥ 50.0 billion yen**

● Marine Products Business ● Food Products Business ● Fine Chemicals Business ● General Distribution Business ● Others

Review of Previous Medium-Term Management Plan “GOOD FOODS Recipe1” (FY2022–FY2024)

Our initiatives to realize “GOOD FOODS 2030,” our long-term vision for 2030, progressed steadily despite slower progress toward some targets, which was due to business expansion and other factors.

Recipe1 in Review

Basic strategy		Review
Evolve sustainability management	<ul style="list-style-type: none"> Reviewed material issues Improved external evaluation of the quality and volume of ESG information disclosure, including rapid response to TNFD recommendations 	<ul style="list-style-type: none"> Insufficient linkage between sustainability and business strategy (internal and external awareness of mission; implementation of human capital management)
Accelerate global operations	<ul style="list-style-type: none"> Made investments for growth in international business (European and U.S. food product plants, New Zealand fishing companies, European fresh fish companies, other) 	<ul style="list-style-type: none"> Increased international net sales driven by investment outcomes and by top-line growth from area and category expansion in the Food Products Business in Europe and North America
Enter new businesses and expand business boundaries; innovate productivity	<ul style="list-style-type: none"> Expanded health category product lineup and enhanced products that meet needs for single-serving and convenient meals 	<ul style="list-style-type: none"> Expanded chilled products businesses (acquired chilled products vendor business, integrated chilled products and frozen foods businesses)
Enhance financial strategy and governance	<ul style="list-style-type: none"> Restructured business portfolio (sold Nissui Pharmaceutical Co., Ltd. (now Shimadzu Diagnostics Corporation) and Hohsui Corporation) Implemented asset-light management, using CCC as a metric and reducing cross-shareholdings 	<ul style="list-style-type: none"> Increased shareholder returns and maintained ROE of around 10% while improving equity Strengthened Group governance and reorganized risk management systems

KPIs (Financial Value, Social Value, Value in Human Capital and Environmental Value)

Value created	Themes	Goals	KPIs	Base year (Unit)	FY2021 results	FY2024 results	Recipe1 targets
Financial value	Growth and profitability		Net sales	—	693.6 billion yen	886.1 billion yen	790.0 billion yen
			Operating profit	—	27.0 billion yen	31.7 billion yen	32.0 billion yen
	Capital efficiency		ROIC	—	5.7%	6.1%	≥ 5.5%
	International expansion		International net sales ratio	—	33.9%	40.3%	Approx. 38%
Social value	Sustainable procurement	Responsible procurement	Assessment of Tier 1 suppliers*	—	—	97.5%	100%
	Resolving health issues	Expand health category products	Sales of health category products	FY2021	—	Expanded by 10%	Expand by 30%
Value in human capital	Diverse human capital playing an important role	Employee engagement	Employee engagement score*	FY2021	—	Improved by 16.8%	Improve by 10%
		Women's empowerment	Ratio of female managers*	—	7.3%	7.9%	10%
Environmental value	Actions aimed at addressing climate change and protecting marine environments	Reduction of CO ₂ emissions	CO ₂ emissions (Scope 1, 2)	FY2018 (Total amount)	Reduced by 5.8%	Reduced by 6.4%	Reduce by 10%
		Reduction of plastics	Usage of plastics*	FY2015 (Per unit of sales)	Reduced by 6.4%	Reduced by 6.7%	Reduce by 10%
	Sustainable procurement	Sustainability of marine resources	Sustainable procurement rate	—	71%	75%	80%

* Scope: Nissui Corporation

Review of Previous Medium-Term Management Plan “GOOD FOODS Recipe1” (FY2022–FY2024)

Reorganization of Risk Management Systems

During Recipe1 we added a proactive perspective to our conventional preventive risk management, and transitioned to risk management systems that takes a wide-ranging view of the entire Group when setting priorities. We identify priority risks based on material issues and address them using a PDCA cycle. We also categorize risks into those that are business strategy risks and those that are business foundation risks, as we work to meticulously address opportunities and risks.

Risk Management Promotion System

We have transitioned from managing risks separately to Group-wide risk management systems that enables us to expeditiously identify and address risks throughout the Group.

Specifically, the Risk Management Committee coordinates centralized management of risk among respective risk management organizations, including the Executive Committee, Sustainability Committee, Quality Assurance Committee and Business Foundation Risks Committee. In accordance with priority, we incorporate the outcomes from this approach in our management strategy to precisely manage both growth opportunities and risks, thereby contributing to sustainable growth and enhanced corporate value.



Risk Management Committee

Chairperson	Representative Director, President & CEO	Secretariat	General Affairs Department
		Reports to	Board of Directors
Members	All Executive Officers	Meeting frequency	4 times a year
Future initiatives and issues	<ul style="list-style-type: none"> Establishing a PDCA cycle based on our new risk management systems and management process Quantifying risk assessment Strengthening risk management among Group companies 		

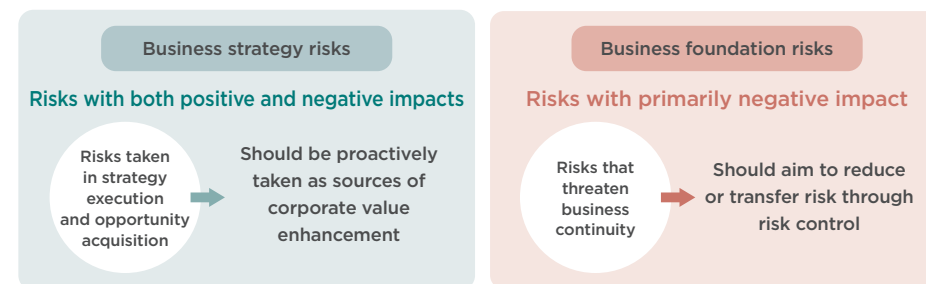
Risk and Opportunity Management Process

In conjunction with the reorganization of risk management systems, we also revised the risk management process. Using material issues based on changes in the external environment as the starting point, we identify priority risks in light of our medium- to long-term management strategies. We are addressing these issues with an annual PDCA cycle, and will regularly review priority risks when reviewing material issues.



Process for Identifying Priority Risks

We emphasize strategic responses to risks and opportunities arising from changes in the external environment as the means to maintain and enhance corporate value over the medium to long term. We therefore reviewed our material issues and drew on the risks and opportunities extracted and analyzed during that process to identify the priority risks that significantly impact our material issues and business strategies. Concurrently, we are categorizing risks as business strategy risks and business foundation risks as we transition to integrated management systems.



New Medium-Term Management Plan “GOOD FOODS Recipe2” (FY2025–FY2027)

The Nissui Group has positioned enhancement of value chain resilience as the core theme of Medium-Term Management Plan “GOOD FOODS Recipe2.” Our value chain is one of our strengths, and we want to raise its resilience from the perspective of our material issues. In doing so, we seek to ensure that we can continue to create value in an increasingly uncertain business environment. Under the plan, we will implement three basic strategies to strengthen our capabilities in four areas—value creation, sustainability, risk response, and human capital—as we strive toward realizing our long-term vision.

Material Issues for the Nissui Group

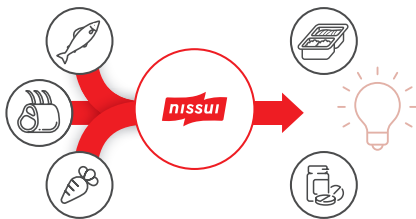
Enhancement of value chain resilience to respond flexibly and rapidly to changes in an uncertain environment



Four Areas for Strengthening Capabilities

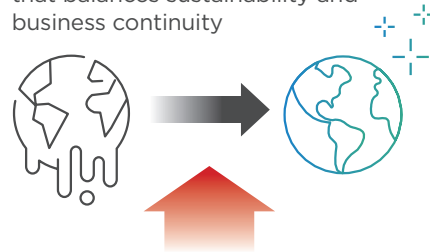
① Value Creation

Ability to optimize functions and create value amid diversifying and changing customer needs



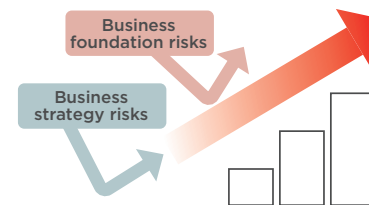
② Sustainability

Ability to sustainably generate earnings through a business model that balances sustainability and business continuity



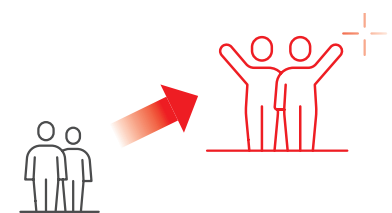
③ Risk Response

Ability to balance taking preventative measures and proactively seizing opportunities amid uncertainties



④ Human Capital

Ability of employees to maximize their potential, which is the key driver of our corporate activities



Three Basic Strategies

1 Strengthen business portfolio

- Deepen business portfolio management
- Accelerate global expansion
- Open up new businesses and business boundary areas
- Promote digital transformation (DX)

▶ Page 29

2 Deepen sustainability management

- Strengthen linkage between sustainability and business strategies
- Promote human capital management and branding

▶ Page 35

3 Strengthen governance

- Risk management linked to business strategies
- Strengthen Group governance

▶ Page 37

Financial KPIs

The Nissui Group is expanding the potential of global food resources and creating innovative food solutions that will support a healthier, more sustainable future. To this end, under “GOOD FOODS Recipe2” we will enhance corporate value by achieving both sustainable growth and improved capital efficiency. Our targets in terms of financial KPIs for Recipe2 are net sales of 970.0 billion yen, operating profit of 41.0 billion yen, ROIC of 6.0%, and ROE of 10.0%.

Financial KPIs

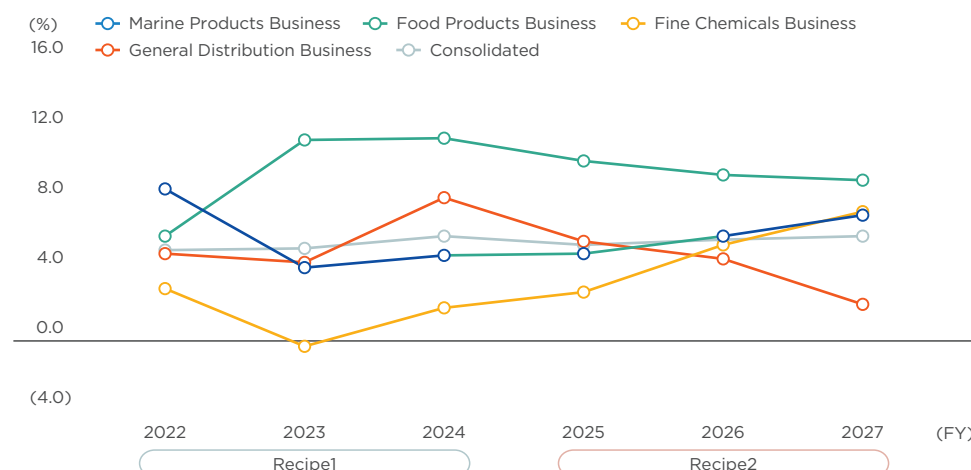
(Billions of yen)

	FY2024 results	Targets for FY2027	Targets for FY2030
ROIC			
6.0%			
ROE			
10.0%			
Net sales	886.1	970.0	1,000.0
Operating profit	31.7	41.0	50.0
Ordinary profit	35.3	42.5	—
Profit attributable to owners of parent	25.3	30.0	—

ROIC by Business

	3-year average for Recipe1	3-year average for Recipe2
Marine Products Business	5.9% (5.7%)*	6.1%
Food Products Business	9.7%	9.7%
Fine Chemicals Business	1.5%	5.3%
General Distribution Business	5.9%	4.2%

* FY2024 included a one-time gain from equity in earnings of an affiliate in Oceania. The figure in parentheses excludes this gain.



KPIs and Promotion Framework for Material Issues

Material issues	KPIs	Targets		Details of initiatives
		FY2027	FY2030	
Driving the mainstreaming of marine biodiversity	Sustainable procurement rate of marine resources	85%	100%	Sustainable Use of Natural Marine Resources ► https://nissui.disclosure.site/en/themes/212
Contributing to a decarbonized and circular economy	Plastic use in containers and packaging ¹ (Base year: FY2015; per unit of sales)	Reduce by 15%	Reduce by 30%	Containers and Packaging/Waste ► https://nissui.disclosure.site/en/themes/197
	Plastic waste at the production stage ² (Base year: FY2017; per unit of sales)	Reduce by 25%	Reduce by 30%	
	CO ₂ emissions (Scope 1, 2) (Base year: FY2018; total amount)	Reduce by 20%	Reduce by 30%	Reduction of CO₂ Emissions ► https://nissui.disclosure.site/en/themes/245
	Refrigerants containing CFCs/HCFCs	—	Zero use	
	Renewable energy ratio ² (percentage of electricity consumption)	—	40%	Food Loss and Waste ► https://nissui.disclosure.site/en/themes/140
	Waste from animal and plant byproducts ² (Base year: FY2017; per unit of sales)	Reduce by 25%	Reduce by 30%	
	Waste from products ¹ (Base year: FY2020; total amount)	Reduce by 30%	Reduce by 50%	
	Food recycling rate ² (resource circulation rate)	95%	100%	Reducing Environmental Impact ► https://nissui.disclosure.site/en/themes/88
	Water use ² (Base year: FY2015; per unit of sales)	Reduce by 10%	Reduce by 20%	
Structuring a sustainable supply chain	Percentage of plants with 99% or higher zero emission rate ²	85%	100%	
	Assessment of Tier 1 suppliers	100% (Key Tier 1 suppliers for Group companies in Japan)	100% (Key Tier 1 suppliers for Group companies)	Sustainable Procurement ► https://nissui.disclosure.site/en/themes/107
	Acquisition rate of third-party certification for food safety	Group companies in Japan: 100%	Nissui Group: 100%	Approach to and Systems to Ensure Safety and Security ► https://nissui.disclosure.site/en/themes/97
Resolving health issues	Major quality incidents such as product recalls	Zero incidents	Zero incidents	Initiatives to Ensure Safety and Security ► https://nissui.disclosure.site/en/themes/98
	Sales of health category products (Base year: FY2021)	Expand by 100%	Expand by 200%	Health and Nutrition Initiatives ► https://nissui.disclosure.site/en/themes/218
	Sharing R&D information to contribute to health, nutrition, and fine chemicals ¹	—	—	Research and Development to Enrich Lives ► https://nissui.disclosure.site/en/themes/99
Developing human capital and empowering diverse personnel	Food education and awareness activities that add health benefits	—	—	
	Ratio of female managers ¹	15%	20%	Diversity, Equity & Inclusion ► https://nissui.disclosure.site/en/themes/148
	Ratio of mid-career hires ¹	45%	50%	
Securing a stable workforce and improving productivity	Internally managed KPIs only	—	—	
Embracing our mission and establishing our brand	Employee engagement score ¹ (Base year: FY2021)	Improve by 18%	Improve by 20%	Employee Engagement ► https://nissui.disclosure.site/en/themes/229
Innovating through digital transformation	Percentage of employees with nationally recognized digital transformation qualifications ¹	10%	30%	Human Capital Development ► https://nissui.disclosure.site/en/themes/103
Accelerating global operations	International net sales ratio	Approx. 43%	50%	► Page 31
Generating innovations related to food	Internally managed KPIs only	—	—	► Page 32

1. Scope: Nissui Corporation

2. Scope: Nissui Corporation and Group companies in Japan

KPIs and Promotion Framework for Material Issues

The Nissui Group promotes sustainability management in order to achieve sustainable growth and enhancement of corporate value. To that end, we have established a Sustainability Committee, chaired by the President and comprising all Executive Officers and Outside Directors. Issues relating to sustainability are addressed across organizational lines by the seven subcommittees of the Sustainability Committee, and by the respective subcommittees of the Human Capital Development Committee, Executive Committee, Quality Assurance Committee and Business Foundation Risks Committee. The ideal state and corresponding KPIs defined for each material issue are handled by respective promotion organizations, each led by an executive officer or higher. Through this structure, we are advancing sustainability management that creates value toward realizing a sustainable society by addressing material issues across organizational lines from a management perspective.

Material Issues for the Nissui Group¹

- | | |
|---|---|
| 1 Driving the mainstreaming of marine biodiversity | 5 Developing human capital and empowering diverse personnel |
| 2 Contributing to a decarbonized and circular economy | 6 Securing a stable workforce and improving productivity |
| 3 Structuring a sustainable supply chain | 7 Embracing our mission and establishing our brand |
| 4 Resolving health issues | 8 Innovating through digital transformation |
| | 9 Accelerating global operations ² |
| | 10 Generating innovations related to food |

1. Icons for the relevant material issues are shown next to each subcommittee.

2. Implemented under the operations of International Business departments.

3. Positive List System: A system introduced by Japan's Ministry of Health, Labour and Welfare for regulating substances found in food utensils, containers, and packaging

Sustainability Committee

Chairperson	Representative Director, President & CEO	Meeting frequency	Six times a year
Members	All Executive Officers and Outside Directors	Main topics discussed in FY2024	<ul style="list-style-type: none"> Consideration of KPIs in the new Medium-Term Management Plan Results of the Third Survey of Procured Marine Resources Sustainability Review of key human rights risks Response to the Corporate Sustainability Reporting Directive of the EU (CSRD)
Secretariat	Sustainability Department		
Reports to	Board of Directors		

Quality Assurance Committee

Chairperson	Representative Director, President & CEO	Meeting frequency	Once a month
Members	Directors, relevant Executive Officers, relevant Department Managers, and two external members	Main topics discussed in FY2024	<ul style="list-style-type: none"> Nissui-specific challenges involving foods with functional claims System for self-led improvement by production plants Compliance with the Positive List System³ for Food Utensils, Containers and Packaging
Secretariat	Quality Assurance Department		
Reports to	Board of Directors		

Basic Strategy ①

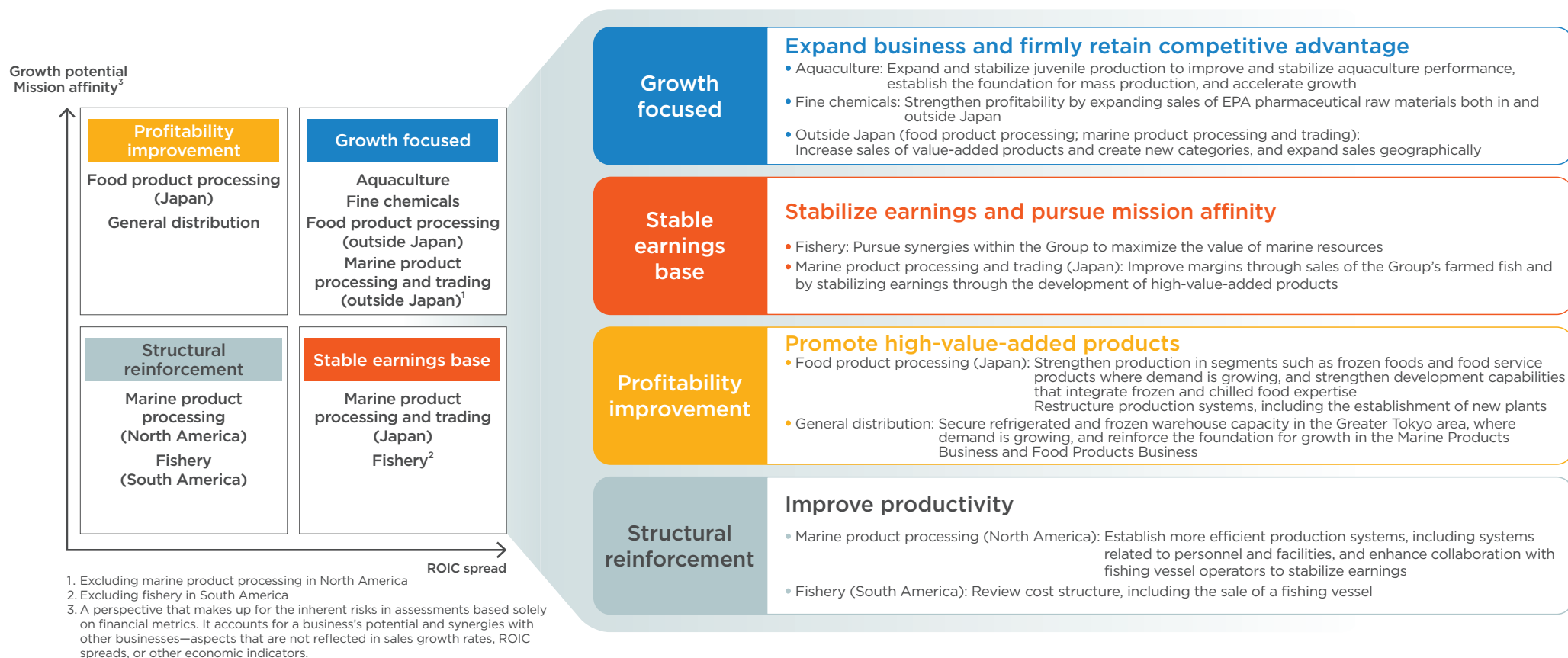
Strengthen Business Portfolio

Value Creation

Deepen Business Portfolio Management

The Food Products Business has improved profitability by expanding in high-growth markets outside Japan and revising prices in and outside Japan. However, initiatives to raise the sophistication of the aquaculture business and expand the Fine Chemicals Business have lagged. We have yet to achieve a portfolio in which the Marine Products Business and the Food Products Business are balanced in scale, with the highly profitable Fine Chemicals Business functioning as a third pillar.

During Recipe2, we will advance our growth-focused initiatives, including accelerating global expansion, strengthening the aquaculture business, and increasing sales of pharmaceutical raw materials. In addition, we will achieve our target portfolio by improving the productivity of our North American marine product processing company and South American fishing companies, both areas in which we are strengthening our business structure.



Basic Strategy ①

Strengthen Business Portfolio

Deepen Business Portfolio Management

We will take action to stabilize and expand the aquaculture business and quickly restore the vitality of marine product processing operations in North America and fishery in South America.

Growth
focused

Aquaculture: Strengthen juvenile production capacity to stabilize earnings and expand the scale of production

We will improve aquaculture performance by raising growth rates, improving heat tolerance, reducing the risk of fish diseases, and other measures. These efforts should lower per-unit fish costs and help stabilize profitability. We will also leverage our enhanced juvenile platform to expand production scale.

For salmon, we will build freshwater farms in South America and increase production by optimizing the operation of offshore aquaculture facilities. We will also expand our aquaculture area in Japan by employing a fishery research facility in Iwate Prefecture as a juvenile production center.

For Japanese amberjack, we aim to expand production scale and improve efficiency by transitioning to larger fish cages.



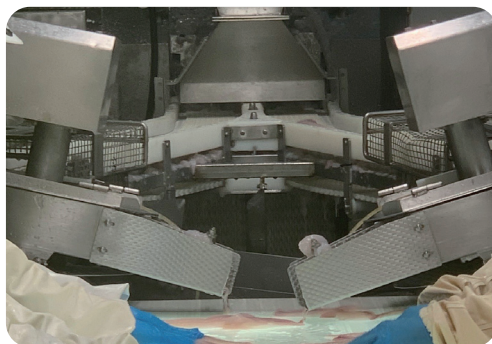
Salmon: Artist's impression of a completed freshwater salmon farm (South America)



Japanese amberjack: Improving production efficiency with larger fish cages

Improve
productivity

Marine product processing operation in North America: Improve productivity



Increasing the proportion of high-value-added fillet products in our product mix by improving the raw material transport system and adding fillet processing lines

Group company engaged in marine product processing operation in North America will collaborate with fishing vessel operators to establish a system that links vessels with processing lines. This will stabilize the quality of our white-meat fish raw materials and allow us to shift from surimi products to fillet products with higher added value. At the same time, we will improve productivity by streamlining plant operations and personnel allocation.

Basic Strategy 1

Strengthen Business Portfolio

Accelerate Global Operations

The Global Links & Local Links network is one of the Nissui Group's strengths. We will leverage this network to connect the functions of Group companies around the world and maximize synergies.

● Aiming for No. 1 in the Fried Marine Food Market

- Europe** Expand sales and streamline logistics by strengthening production functions
- North America** Increase sales to fast food companies
- Asia** Increase sales to fast food companies

The Nissui Group's production capacity is insufficient to keep pace with growing demand for fried marine foods in Europe and the U.S., so in 2024 we decided to invest a total of 17.0 billion yen in new and expanded plants. The North American facility began operation in September 2025 and the European facility is scheduled to begin operation in 2026, with the goals of expanding production capacity and improving logistics efficiency.

We will strengthen our ability to manufacture products that meet customer needs in order to provide greater added value and further increase earnings. In Asia, plants that are capable of world-class production quality control will be our foundation for increasing sales to fast food companies and other businesses.

● Provide Marine Products That Meet Customer Needs Worldwide





- International** Initiate production and sales of Atlantic salmon, which enjoys strong demand in the U.S.
- Japan** Expand international sales of Japan-sourced marine products such as scallops and farmed Japanese amberjack
- Asia** Expand in markets including the Iberian Peninsula

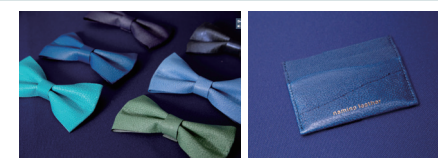
In 2023, the Group added a company in Europe with fresh fish procurement and processing capabilities. By expanding our product portfolio covering both fresh and frozen fish will enable we will broaden our sales channels in Europe and sell Japan-sourced marine products (including farmed Japanese amberjack and scallops), thereby increasing sales and maximizing synergies across both regions. Additionally, our South American aquaculture company will increase production and expand sales beyond its primary market of Japan. Doing so will increase earnings and reduce geopolitical risk.



Open Up New Businesses and Business Boundary Areas

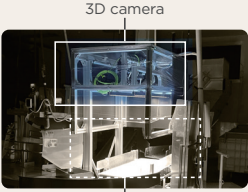

We are targeting growth from innovative food solutions that enrich the heart and the body and resolve social issues.

Approach	Value Delivered and Category
<p>Ramp up marketing</p> <p>Strengthen ability to respond to changes in consumer needs</p> <p>×</p> <p>Strengthen R&D</p> <p>Explore nutritional functions of ingredients Advance aquaculture technology</p> <p>×</p> <p>Open up business boundary areas</p> <p>Search for added value beyond business boundaries</p>	<div> <p>1 Health</p>  <p>Integrating chilled products and frozen foods</p> <p>We offer unique products that combine our chilled and frozen food expertise, such as frozen ready meals that combine rice and side dishes on one plate, and frozen and chilled deli foods. We are targeting the creation of added value through differentiation that meets consumer needs encompassing health and convenience.</p> </div> <div> <p>2 Convenience and Taste</p>  <p>Expanding tapas products</p> <p>We will complement our strength in chilled fried marine products by building seafood tapas and other convenient, ready-to-eat meals into a second core business that expands our presence in marine product retail spaces.</p> </div> <div> <p>3 Safety, Security and Sustainability</p>  <p>Upcycling into high-value-added products</p> <p>During the process of full-life cycle aquaculture Kurose Buri (Japanese amberjack), the skin that is generated as the inedible component was conventionally used for feed. However, we are now using these skins to offer new value through our development of <i>namino leather</i>.</p> <p> https://www.naminoleather.com/ (Japanese only)</p> </div>



Promote Digital Transformation (DX)

We will employ DX to innovate in growth markets.

HIGHLIGHT	3D Fish Measurement System	HIGHLIGHT	Environmental monitoring of fish farms
<p>In 2025, we developed a 3D fish measurement system for Japanese amberjack based on image processing technologies, with a patent currently pending. This system resolves accuracy and volume issues associated with manually collected data on fish body metrics, enabling large amounts of highly precise data to be collected. We will deploy this data to improve the accuracy of models for estimating fish weight and enhance the welfare of farmed fish. This includes enabling early detection and treatment of illnesses, while also reducing costs and environmental impact by tailoring feed quantity to total fish weight.</p>	 <p>3D camera</p> <p>Conveyor belt with weight checker</p>	<p>Since April 2025, all Group aquaculture companies in Japan have been evaluating their aquaculture ground environments under Nissui's aquaculture environmental monitoring program. Standardized analysis items and collection points enable understanding of the environmental conditions at each fish farm using the same benchmarks. We will use this data over time to better understand changes in the marine environment and to take action to reduce the impact of our business activities on the marine environment.</p>	

Basic Strategy ①

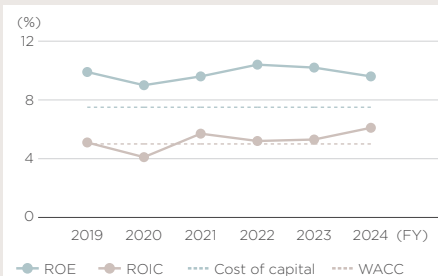
Strengthen Business Portfolio

Financial and Capital Strategies

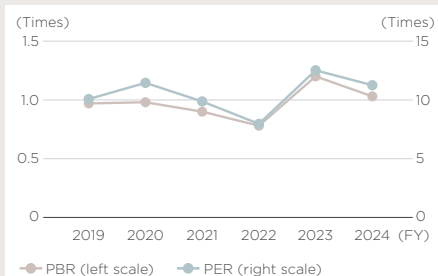
Analysis of Current Status

- Cost of capital is higher than that indicated when calculated under the capital asset pricing model (CAPM), with a WACC of approximately 5.0% and a cost of equity of approximately 7.5%.
- Although we have made improvements in terms of shareholders' equity, ROE has remained around 10%.
- Our share price has increased to some extent, but is still slightly above a PBR of 1.0 times.
- Although the Marine Products Business and the Food Products Business have complementary operating profit structures that serve to balance out earnings, the Marine Products Business tends to draw more attention due to higher awareness of earnings volatility.

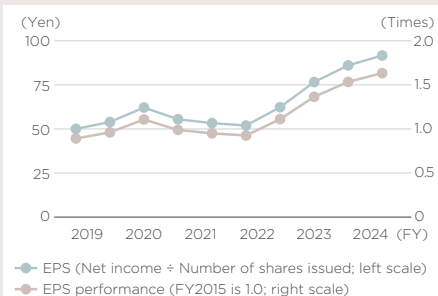
ROIC and ROE



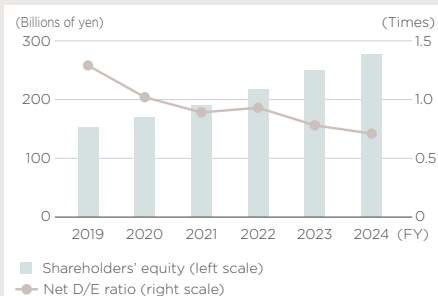
PBR and PER



EPS



Shareholders' Equity and Net D/E Ratio



Direction for Initiatives

- Optimize capital portfolio and improve ROIC with an asset-light business model
- Reduce cost of capital by stabilizing earnings, diversifying funding sources, and promoting sustainability management
- Maintain ROE with appropriate capital policies

Strategy

- Strengthen the business portfolio by expanding and stabilizing the aquaculture business and restoring growth in the Fine Chemicals Business
- Aim to maximize the ROIC spread by incorporating ROIC into strategy and reducing cost of capital

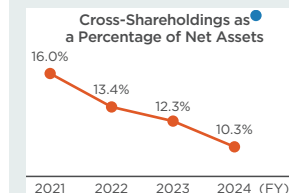
Maximize ROIC Spread

Business Portfolio Optimization

- Firmly establish business portfolio management based on ROIC spread and mission affinity as evaluation criteria
- Set priority order for investments in each business and optimize categories and items
- Execute strategic M&A

Implement Asset-Light Model

- Continue reducing cross-shareholdings and strengthen management of non-current assets
- Sell assets including a fishing vessel in South America
- Deepen working capital management through workshops and other activities to promote management based on ROIC



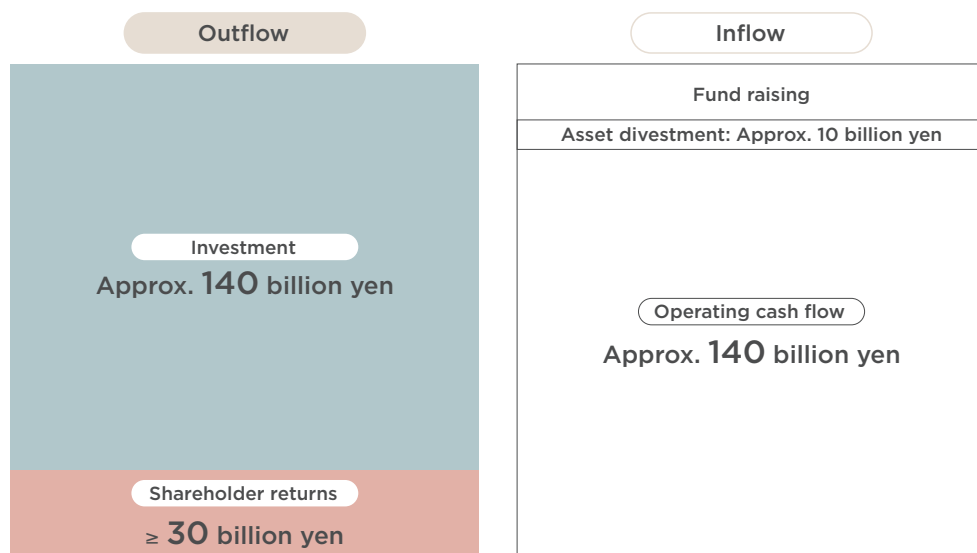
Reduce Cost of Capital

- Promote dialogue with capital markets
- Employ credit rating to diversify funding sources
- Implement optimal capital structure management (net D/E ratio of 0.7–0.8 times)
- Strengthen shareholder returns (total return ratio of 40% or more over the three years of the Medium-Term Management Plan)
- Accelerate sustainability management

Cash Allocation and Investment Plan

Cash Allocation Policy (Payment basis)

Achieve both growth and financial security, aiming for a total return ratio of 40% or more over 3 years while maintaining stable dividends.



Target Capital Structure

- Aim for a net D/E ratio of 0.7–0.8 times at the end of FY2027 as a financial base that can accommodate investment opportunities as well as withstand disasters and other factors

Investment Policy

- Proactive growth-focused investment

Shareholder Returns

- Total return ratio of 40% or more over three years while paying stable dividends
(Share repurchases totaling approximately 6 billion yen in FY2025.)

Asset Divestment and Fund Procurement

- Diversify funding sources by leveraging credit ratings in addition to asset sales such as the reduction of cross-shareholdings

Investment Plan (Completion basis)

We are planning growth investments with emphasis on the Food Products Business.

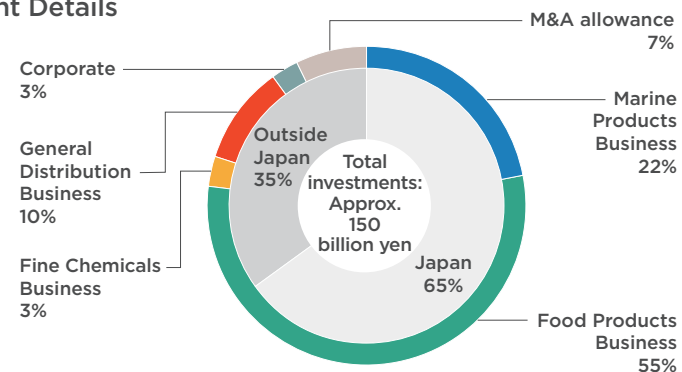
Growth investments 110 billion yen

Marine Products	22 billion yen	Strengthen and expand juvenile production facilities for salmon and Japanese amberjack farming
Food Products	66 billion yen	Construct new plants in North America and Europe to increase production of fried seafood Restructure production systems to create greater value over the medium to long term
Fine Chemicals	2 billion yen	Introduce submerged combustion system in preparation for expansion of the pharmaceutical raw materials business, etc.
General Distribution	10 billion yen	Relocate the Ohi Logistics Center to increase storage capacity
M&A allowance	10 billion yen	Earmark funding for proactive growth-focused investments outside Japan

Maintenance and renewal investments 40 billion yen

Total investment of 150 billion yen,
of which 7 billion yen in sustainability investment

Investment Details



Basic Strategy ②

Deepen Sustainability Management

Value Creation

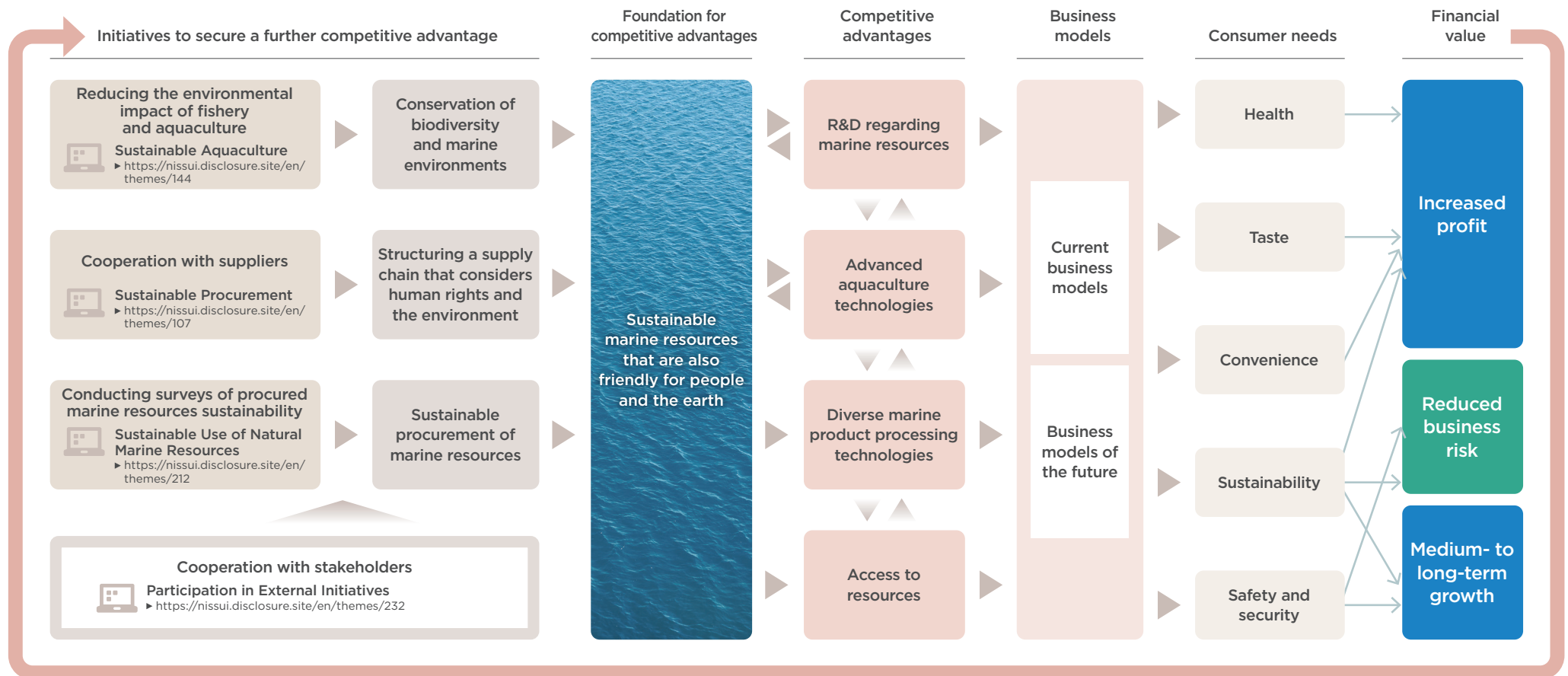
Sustainability

Human Capital

Strengthen Linkage between Sustainability and Business Strategies

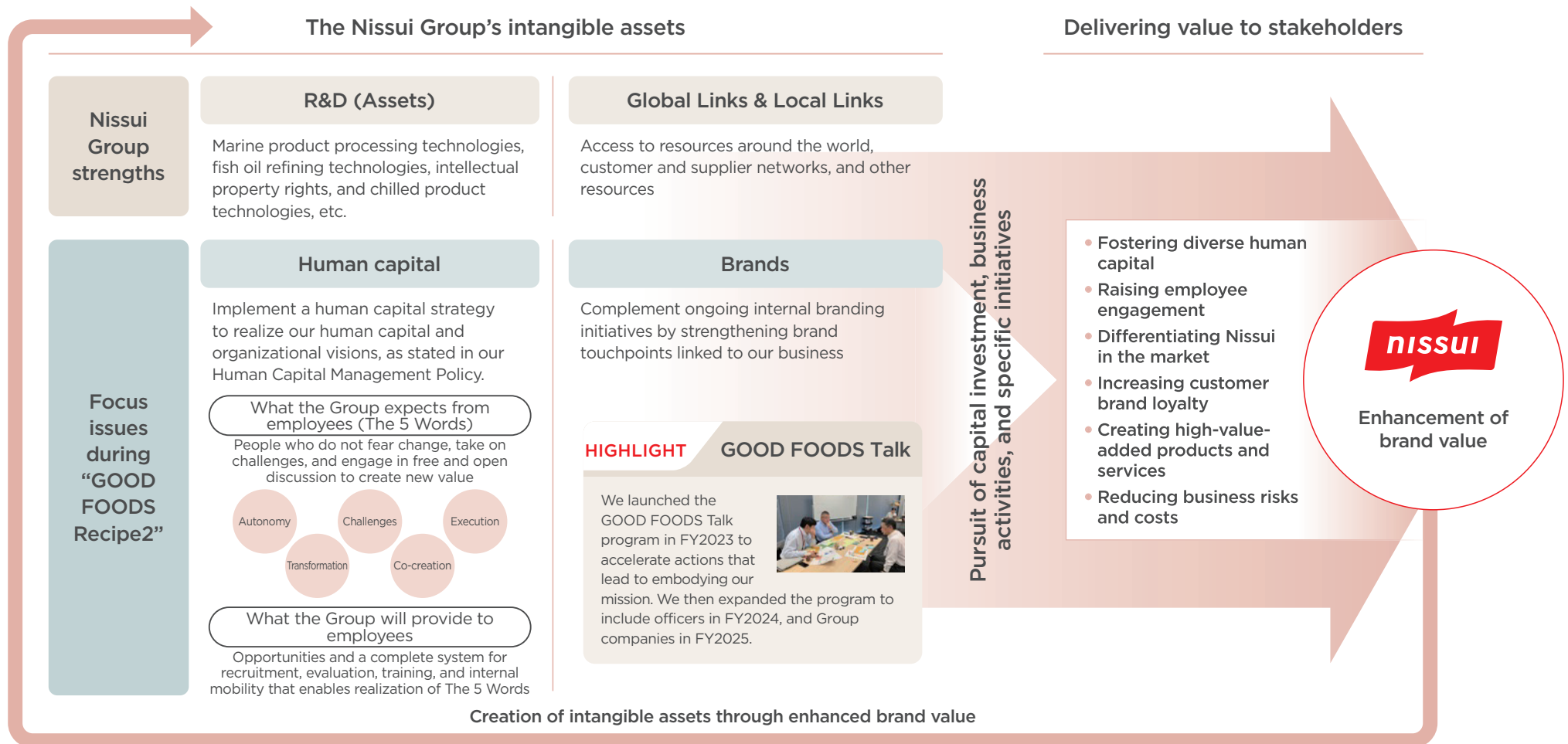
We will build our competitive advantages by implementing business strategies based on sustainability, and enhance corporate value by co-creating value with stakeholders. Furthermore, we use the financial value we create as a resource for initiatives to secure further competitive advantages, thereby establishing a cycle for greater value. This empowers us to structure sustainable business models and deliver value to customers.

Framework for Analyzing the Relationship between Sustainability and Business Activities (Example: Marine Resources)



Promote Human Capital Management and Branding

At the Nissui Group, we recognize our R&D, Global Links & Local Links, human capital, and brands as our four key intangible assets. R&D and Global Links & Local Links are Group strengths that we will complement during Recipe2 with investments and initiatives to strengthen our human capital and brands so that we can provide even more value to stakeholders and enhance brand value.



Basic Strategy ③

Strengthen Governance

Risk Response

Strengthen Group Governance / Risk Management Linked to Business Strategies

The Nissui Group aims to be globally competitive and to increase its international net sales ratio to 50% or more by FY2030. Structuring and implementing an effective management system is crucial for achieving those goals. During Recipe2, we will strengthen governance Group-wide through: (1) Risk management linked to management strategies; (2) Enhancing the functionality of Group company boards of directors; (3) Strengthening monitoring systems such as audits; and (4) Enhancing communication with Group companies.



Timeline of Measures to Strengthen Corporate Governance

The Nissui Group considers governance an important part of the management foundation for achieving sustainable growth and enhancing corporate value, and continuously enhances its governance system. The Group's business environment is becoming more diverse and complex, with the acceleration of global operation and changes in natural capital encompassing marine resources. In response, we have been working to improve the diversity and effectiveness of the Board of Directors and strengthen Group governance.

	To FY2021	GOOD FOODS Recipe1 (FY2022-FY2024)	GOOD FOODS Recipe2 (FY2025-)
Organizational design	<ul style="list-style-type: none"> • Established Nomination and Compensation Committees 	<ul style="list-style-type: none"> • Reorganized risk management systems 	
Functional reinforcement	<ul style="list-style-type: none"> • Updated Board composition to have at least one-third Outside Directors and appointed female members 	<ul style="list-style-type: none"> • Enhanced internal audits 	<ul style="list-style-type: none"> • Restructure and ensure knowledge of compliance policies
	<ul style="list-style-type: none"> • Completely revised the Board of Directors regulations 		
	<ul style="list-style-type: none"> • Introduced a succession plan 		
Group governance	<ul style="list-style-type: none"> • Designated officers responsible for subsidiaries 	<ul style="list-style-type: none"> • Strengthened the system for auditing Group companies outside Japan 	<ul style="list-style-type: none"> • Introduce nomination and compensation committees at Group companies
	<ul style="list-style-type: none"> • Completely revised governance regulations for subsidiaries 		<ul style="list-style-type: none"> • Introduce and operate a global whistleblowing system
Executive compensation system	<ul style="list-style-type: none"> • Introduced a performance-linked stock-based compensation system (Board Benefit Trust (BBT)) 	<ul style="list-style-type: none"> • Increased the ratio of stock-based variable compensation from 5% to 20% 	<ul style="list-style-type: none"> • Increase the ratio of stock-based variable compensation from 20% to 30%
	<ul style="list-style-type: none"> • Incorporated sustainability into individual evaluations 		

Basic Strategy ③

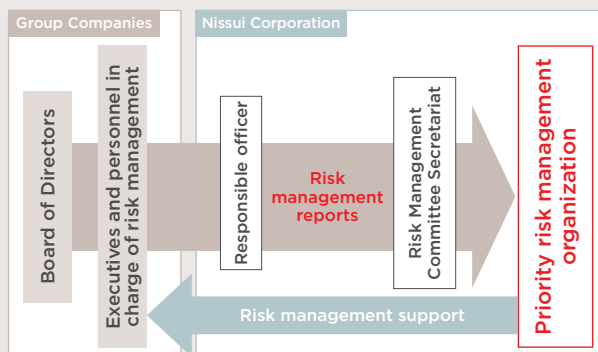
Strengthen Governance

1 Risk management linked to management strategies

▶ Page 24

• Reorganize risk management systems

In FY2024, the Nissui Group reorganized its risk management systems with the objective of having Group companies autonomously manage risk rather than simply looking to Nissui Corporation for risk information and countermeasures. Each Group company will formulate and implement specific plans based on Group-wide guidelines, and then monitor execution. This measure has already begun with Group companies in Japan, but we will extend it to Group companies outside Japan to build a globally unified risk management structure.



2 Enhancing the effectiveness of Group company boards of directors

Nissui Corporation engages in management based on consideration of priority risks, and Group companies must do so also. We are therefore enhancing the effectiveness of Group company boards of directors to reinforce our management foundation.

• Enhance training for Group company directors

We are strengthening governance and developing the management talent of the future. In FY2024, we provided training for newly appointed Group company directors on topics such as basic knowledge for directors and approaches to implementing Group-wide policies and management strategies. In FY2025, we are providing training for currently serving directors to enhance their management skills, with the aim of improving governance and the quality of discussion Group-wide.

• Introduced nomination and compensation committees at Group companies for corporate officers

In FY2025, we unified the systems for nominating and compensating directors at Group companies, and established new nomination and compensation committees at each company. The Group will strengthen its management foundation by establishing processes that ensure fairness and transparency, such as involving Outside Directors in the selection and evaluation process for Directors of Group companies.

3 Strengthening monitoring systems such as audits

• Strengthen accounting and internal audit systems and enhance their quality

During Recipe2, we will employ accounting and internal audits as a starting point for quickly identifying issues and risks Group-wide. The Group will then quickly share the issues identified with audit departments and other relevant departments to formulate and implement measures to preclude recurrence. This approach will strengthen checks and balances and improve audit quality, which will enhance the transparency and soundness of the entire Group.

• Introduce a whistleblowing system for the Group

The Group has introduced a whistleblowing system for Nissui Corporation and Group companies in Japan. However, as we accelerate global operations, we need to further develop a corporate culture and systems that prevent any misconduct that could have a material impact on the Group. During Recipe2, we will introduce a global whistleblowing system to strengthen our ability to quickly detect and discourage fraud and misconduct.

4 Enhancing communication with Group companies

One of our objectives is strengthening communication with Group companies outside Japan to build the foundation for growth by enhancing our ability to respond to geopolitical risk and market change. We will also establish a system that allows Group companies to independently promote their businesses while maintaining effective, centralized control.

Fundamental to this system will be the Nissui Global Links Conference (NGLC), held twice annually since 2002 and attended by senior management at Group companies. At NGLC, we share risk assessments and information, consider solutions, and discuss growth strategies. In recent years, we have been holding meetings on specific themes separately from NGLC, and in total, they are held about six times a year. These meetings featured lively discussions during FY2024 and FY2025, with the theme of creating synergies and sustainable growth in preparation for Recipe2, which further enhanced the Group's sense of unity.



Business Strategy

Marine Products Business



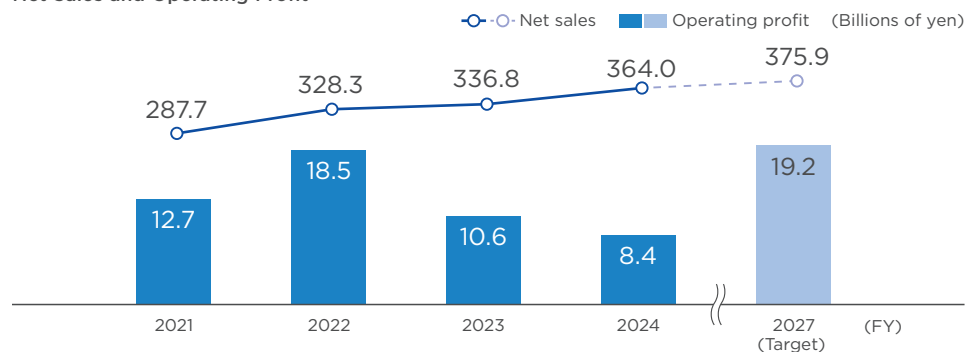
We will strengthen our access to marine resources; enhance our ability to convert them into value for customers at each stage of production, processing, and sales; increase our ability to add value; and strengthen our systems for expanding in markets worldwide.

We will make our business structure more resilient to changes in the market environment, which will support sustainable growth in corporate value.

Masahide Asai

Director, Managing Executive Officer
Marine Products Business Operating Officer

Net Sales and Operating Profit



Recipe1 in Review

We increased sales during Recipe1, but instability in the fishery and aquaculture businesses and setbacks in the North American marine products processing operation hampered stable earnings growth. At the same time, we consistently reinforced our business foundation—strengthening access to resources by adding a New Zealand fishing company to the Group and by upgrading our aquaculture business to increase production.

SWOT Analysis

Internal environment	Strengths <ul style="list-style-type: none"> • Access to marine resources • A global supply chain covering every stage from procurement to processing and sales • Aquaculture technology, such as selective breeding, that differentiates us from competitors • Highly sophisticated material processing to create products with high-value-added 	Weaknesses <ul style="list-style-type: none"> • Shortage of human capital able to operate effectively on the global stage
	Opportunities <ul style="list-style-type: none"> • Increasing global demand for fish due to growing health consciousness • Rising popularity of Japanese cuisine worldwide • Japanese government support for marine product exports • Fishery Act revisions have created the potential to develop new businesses • Increasing demand for sustainable marine products, including products with Marine Stewardship Council (MSC), Aquaculture Stewardship Council (ASC), and Marine Eco-Label (MEL) certification 	Risks <ul style="list-style-type: none"> • Susceptibility to marine product market conditions • Changes in the resource procurement environment due to climate change • Impact of stricter regulation of fishing rights and aquaculture • Emergence of foodtech and increasing obsolescence of current aquaculture technology • Country risk relating to raw material procurement and sales • Foreign exchange risk • Human capital shortages • Higher export and procurement costs due to tariffs

Recipe2 Strategies

We will strengthen our access to marine resources including through the enhancement of our juvenile production capabilities for farmed Japanese amberjack, salmon, and other fish, and short-cycle farming of bluefin tuna and other fish (enabled through collaboration among fishing and aquaculture companies). At the same time, we will increase sophisticated food processing to create value for customers in the form of products that are convenient to prepare and eat.

We will also structure systematic operations in global markets, which will include enhanced processing and international sales of marine products sourced in Japan, such as Japanese amberjack and scallops.

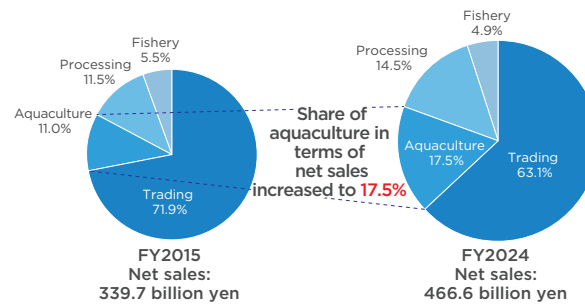
In addition, we will enhance our value chain resilience by resolving challenging issues at our North American marine products processing company and South American fishing company.

Marine Products Business

Businesses

Fishery	The catch in Japan includes sardines, mackerel, tuna, and Japanese amberjack, while the catch in South America includes blue grenadier.
Aquaculture	In Japan, Group companies are leading initiatives to increase full-life cycle aquaculture of Japanese amberjack, expand our salmon farms, and strengthen short-cycle farming of bluefin tuna.
Processing	We process marine products mainly in Japan, North America, and Asia. We process Alaska pollock into surimi, fillets, and roe in North America. We also process marine products in Thailand, and in Vietnam we primarily process shrimp.
Trading	We trade marine products mainly in Japan, Europe, and North America.

Business Structure Transformation: Share of Net Sales



Note: Net sales and share are before consolidation adjustments.

Measures to Improve ROIC

ROIC Target

FY2024

5.9% (5.7%*)

FY2027

6.1%

* Excluding a one-time gain from equity in earnings of an affiliate in Oceania.

Operating profit after tax

Invested capital

Fishery

Improving profitability and enhancing organizational resilience of Group fishing company in South America

Reduce the fleet from two ships to one to improve the bottom line.

Productizing catch from New Zealand fishing company

As the operator of New Zealand's number-one fishing company, develop the value of catch to grow earnings.

Enhancing synergies among fishing and aquaculture companies in Japan

Improve capital efficiency through short-cycle farming of bluefin tuna caught by fishing companies in Japan.

Aquaculture

Strengthening and expanding domestic juvenile production for Japanese amberjack and salmon farming

In aquaculture operations, expand and stabilize juvenile production, thereby improving and stabilizing aquaculture performance and establishing the foundation for mass production.

Introduce large fish cages and streamline labor and production to increase efficiency for domestic Japanese amberjack.

Hedge risk and increase production with multiple salmon farms in Japan.

Expand production scale for salmon in South America by optimizing offshore aquaculture operations.

Improving CCC by strengthening short-cycle farming of bluefin tuna

Short-cycle farming results in a high survival rate and reduced capital expenditures because of the shorter farming period. It also reduces risks related to typhoons, red tide events, and fish diseases.

Processing/Trading

Strengthening profitability by increasing the number of high-value-added products

Japan Add value through means including sophisticated food processing to address customer needs for ready-to-eat and convenient meals, strengthen global sales and market resilience, and increase and stabilize earnings.**International** Increasing earnings in Japan and Europe by leveraging our fresh fish procurement and processing companies in Europe, alongside our frozen product trading companies, to expand sales channels and market marine products from Japan through those channels.**North America Processing** Enhance earnings by optimizing raw material procurement systems to increase fillet production share and quality, and by streamlining plant operations and personnel allocation.

Continuing to implement rigorous inventory management

We continue to manage inventory by making purchases in accordance with sales plans to prevent opportunity loss and excess inventory.

HIGHLIGHT

Aquaculture Business Expansion and Global Sales

In the aquaculture business, we will strengthen juvenile production, improve productivity, and reduce costs to stabilize earnings and expand production. We will increase production by transitioning to large fish cages for Japanese amberjack to improve efficiency, expanding salmon farms in Japan, and optimizing operations at seawater aquaculture operations in South America.

Farmed fish take several years to raise, so we are implementing an array of measures to improve ROIC. In addition to selective breeding of Japanese amberjack and salmon, we will further increase the weighting of our bluefin tuna business, which involves catching fish of a certain size and raising them for around six months in a short-cycle farming model. These approaches improve CCC by shortening inventory periods and help improve ROIC by reducing feed and labor costs, as well as the risk of fish mortality and industrial accidents due to typhoons and other natural disasters.

Salmon (Japan) and Bluefin Tuna Farms

Short-cycle farming of bluefin tuna: Expand farming areas



Salmon: Launch and expand operations in Iwate Prefecture



Production Targets by Fish Species

Kurose Buri (Japanese Amberjack)

- Acquire certification to expand international sales
- Invest in juvenile facilities to increase production from approximately 8,700 MT to 16,000 MT by 2030
- Improve production efficiency by introducing large fish cages
- Upgrade processing plants to expand production

Salmon (South America)

- Optimize seawater aquaculture operations and strengthen juvenile production to increase production from approximately 33,000 MT to 50,000 MT by 2030
- Construct freshwater fish farms to strengthen juvenile production
- Expand markets by resuming Atlantic salmon production

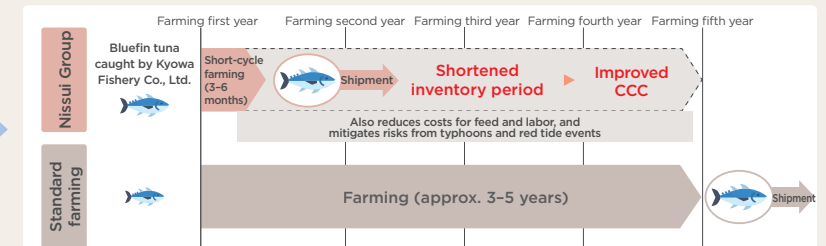
Salmon (Japan)

- Acquire and expand aquaculture grounds and expand juvenile farms to increase production from approximately 2,700 MT to 10,000 MT by 2030

Short-Cycle Farming of Bluefin Tuna

- Expand aquaculture grounds in Japan to increase production from approximately 1,100 MT to 1,800 MT by 2030

Improving CCC through Short-Cycle Farming of Bluefin Tuna



Business Strategy

Food Products Business

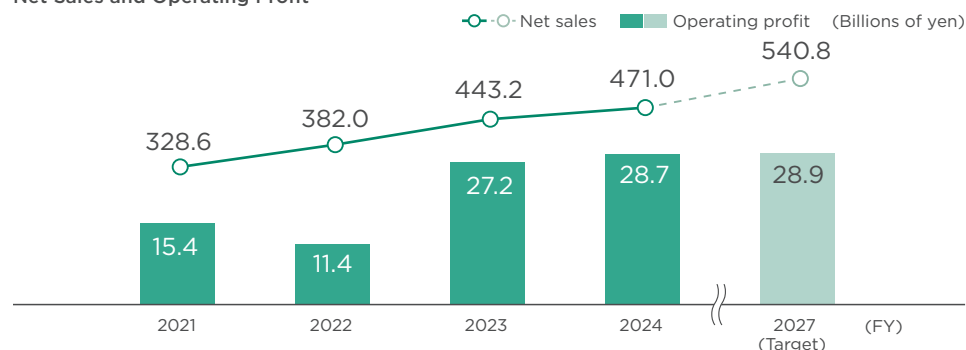


We have rolled out products globally that are tailored to local food cultures, including marine-derived products and health category products. We will continue to respond to the diverse needs of customers, including the demand for new categories that explore business boundary areas and environmentally friendly products. In doing so, we will provide innovative food solutions that emphasize sustainability.

Koji Umeda

Director, Senior Managing Executive Officer
Chief Operating Officer (COO)
Food Products Business Operating Officer

Net Sales and Operating Profit



Recipe1 in Review

The Food Products Business significantly improved profitability through expansion in and outside Japan, and through the positive effects of price revisions. In markets outside Japan, geographic and channel expansion for fried marine products contributed significantly to earnings. In the Japanese market, implementing revenue and expenditure management on an item-by-item basis and item/category streamlining supported higher earnings.

Furthermore, we expanded the scale of the chilled products business in Japan and strengthened its competitiveness through the absorption-type management integration of Gourmet Delica Co., Ltd. At the same time, it became clear that we must resolve several issues to achieve further growth. In the Japanese market, we need to restructure our production system and establish a more efficient and sustainable supply system.

SWOT Analysis

Internal environment

Strengths

- The ability to develop products for a wide range of channels based on processing and quality assurance capabilities
- New product development capabilities that leverage research including into functionality (of EPA and fast-twitch skeletal muscle protein, etc.), aroma, and flavor
- Product development capabilities that leverage the expertise of the chilled products business, which prepares products using a wide variety of techniques and ingredients
- Powerful brands that include the North American brand Gorton's and the European brand Cité Marine

Weaknesses

- Procurement concerns resulting from the use of many types of marine products as raw materials
- Aging production facilities
- Insufficient production capacity

External environment

Opportunities

- Global demand for seafood driven by health consciousness
- Growing demand for single-serving meals and convenience
- Increased production efficiency resulting from advances in AI and the IoT
- Increasing demand for environmentally responsible, sustainable products

Risks

- Changes in the raw material procurement environment due to climate change
- Foreign exchange rate fluctuations
- Country risk in relation to raw materials procurement and sales
- Labor shortages
- Intensifying competition among manufacturers due to the declining population in Japan
- Higher export and procurement costs due to tariffs
- Higher construction costs due to rising material prices and labor costs

Recipe2 Strategies

We intend to increase production and improve logistics efficiency. Additionally, we will expand our presence in the marine product retail marketplace by building on our strength in meeting needs for convenient, ready-to-eat meals such as seafood tapas. We will enhance products that meet customer needs to add more value and further increase earnings.

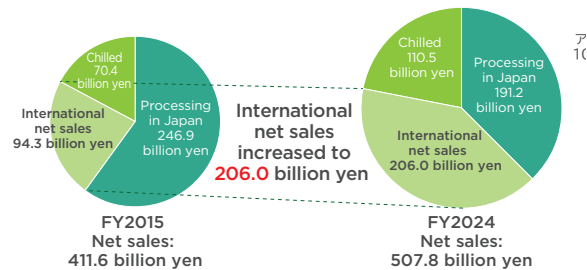
In Japan, we will combine our expertise in chilled and frozen foods. This will enable us to differentiate our offerings with products that employ functionality and technology unique to Nissui, and thereby meet customer needs with regard to single-serving meals, convenience, and health. We will also develop cutting-edge plants that employ IoT and AI to address these needs.

Food Products Business

Businesses

Processed foods	Household use	Outside Japan	Production and sales with an emphasis on frozen and refrigerated fried marine foods.
		Japan	Production and sale of frozen foods including rice, bento (boxed lunch) products, and noodles; surimi-based products such as fish cakes and crab-flavored surimi; and shelf-stable products such as canned goods.
	Food service	Outside Japan	Production and sale of frozen and refrigerated fried marine products.
		Japan	Emphasize the production and sale of frozen foods for categories including restaurants, ready-made meals, and food service.
Chilled	As a convenience store vendor business, we produce products including bento (boxed lunches), deli foods, and rice balls for convenience stores in Japan.		

Business Structure Transformation: Share of Net Sales



Measures to Improve ROIC

ROIC Target

FY2024

9.7%

FY2027

9.7%

Operating profit after tax

Invested capital

International processing

Category expansion in North America

Given increasing consumer health-consciousness and interest in diverse food cultures, expand sales of new health-oriented products and products for the Asian food market.

Expansion of sales area with France as a base

Generate stable growth by expanding sales geographically to countries neighboring France. Address diversifying food preferences by strengthening business in new areas such as tapas products.

Expand sales in Asia

Enhance in-market development, production, and regional sales capabilities to build out our business foundation.

Investment to increase production capacity

Increase production capacity to meet growing demand in Europe and the U.S. (Operations are scheduled to begin in September 2025 in North America and in 2026 in Europe.)

Processing products (Japan) and chilled products

Expanding our range of health category products

Develop products that emphasize the benefits of fast-twitch skeletal muscle protein from Alaska pollock. In addition, grow sales of high-value-added products that differentiate Nissui from other companies, using materials such as EPA, whose beneficial effects are supported by evidence based on functionality research.

Integrating the chilled products business and frozen foods

Leverage our expertise in the chilled products business and frozen foods processing to create new product categories such as frozen ready meals on one plate.

Implementing revenue and expenditure management on an item-by-item basis

Improve operating profit by reviewing criteria for discontinuing items and categories that are not generating a reasonable profit.

Inventory management

Enhance the accuracy of sales forecasts and strengthen inventory management as part of initiatives to speed up the CCC, while also increasing plant capacity utilization rates and productivity.

Consider production plant restructuring

Processing Restructure production systems to create greater value over the medium to long term.
Chilled Optimize production and delivery efficiency.

HIGHLIGHT

Addressing Expanding and Diversifying Needs

North America

Leveraging the Gorton's brand, which holds the top share in the U.S. frozen marine products market, we are expanding our product categories to include health-oriented products with features such as 50% less fat. We are also strengthening our presence in channels such as e-commerce and membership warehouse retailers where demand is growing.

Europe

We intend to expand sales beyond France to Italy and Spain, where demand for chilled white-meat fish products is rising. Furthermore, we will expand our presence in the marine product retail marketplace by offering seafood tapas in the convenient, ready-to-eat category.

Asia

We are targeting earnings growth centered on our production facilities in Thailand, which operate to global quality standards, as we strengthen initiatives with major fast food companies.



Business Strategy

Fine Chemicals Business



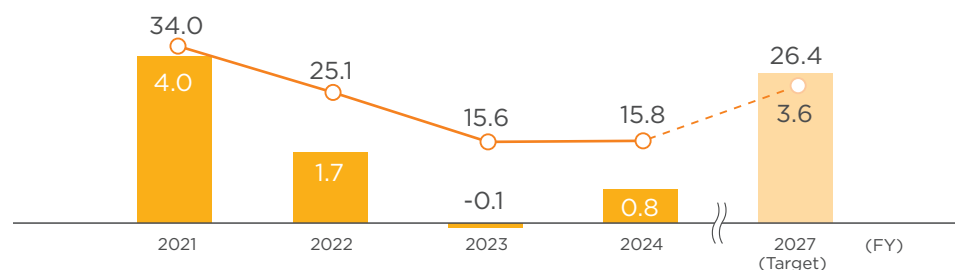
Using our advanced refining technology for the production of high-purity EPA (purity of 96.5% or more) for pharmaceutical use, we will market this product globally, not just for use as a pharmaceutical raw material but also for use in health foods and related ingredients. We will fulfill the Group's mission by addressing health issues for people worldwide.

Kunihiro Toyama

Executive Officer
Fine Chemicals Business Operating Officer

Net Sales and Operating Profit

○● Net sales ■ Operating profit (Billions of yen)



Recipe1 in Review

During Recipe1, the Fine Chemicals Business had to contend with sluggish international shipments of pharmaceutical raw materials and slower sales in the mail order caused by a backlash from stay-at-home demand during the COVID-19 pandemic. Although it took some time, we received EPA pharmaceutical raw material approval from the European Medicines Agency (EMA) in FY2024. With this approval, we are now able to sell in both the U.S. and Europe, creating the environment for future sales growth.

SWOT Analysis

Internal environment

Strengths

- A strong ability to procure raw materials for sardine oil, effectively utilizing our global marine resources network
- EPA and DHA refining technology and production capability able to support a wide range of product specifications, from pharmaceuticals to functional lipids
- World-class storage facilities for fish oil
- A track record of supplying pharmaceutical raw materials for over 30 years
- Food additive technologies

Weaknesses

- Procurement concerns due to reliance on raw materials derived from wild-caught marine products
- Product development and R&D for a second core business after EPA pharmaceutical raw materials remain at an early stage

External environment

Opportunities

- Increasing incidence of cardiovascular disease worldwide
- Demand relating to preventative healthcare (including supplements and functional foods) due to growing health consciousness

Risks




- Increasingly demanding customer specifications due to more stringent regulations in respective countries
- Extreme exchange rate fluctuations
- Labor shortages

Recipe2 Strategies

For pharmaceutical raw materials, we will work with pharmaceutical manufacturers to generate renewed growth in Japan while also increasing sales in Europe and other international markets. Employing our R&D capabilities and advanced refining technologies, we will develop a variety of products, including functional raw materials for food products, and expand sales channels globally. Our existing functional foods will serve as the foundation for promoting the multifaceted development of products and sales areas in and outside Japan.

Fine Chemicals Business

Businesses

BtoB		BtoC	
Pharmaceutical raw materials	We sell active pharmaceutical ingredients that we have refined and concentrated to an EPA purity of 96.5% or more to pharmaceutical manufacturers in and outside Japan.	Functional foods	Mail order We deploy the fish oil refining technology of our Fine Chemicals Business and the quality assurance expertise in our Food Products Business to make food products that contain refined fish oil, which we sell by mail order.
Functional raw materials	Raw materials for health foods We sell purified and concentrated EPA and DHA fish oil as consumable food products and as raw materials for health foods such as supplements, in accordance with customer needs.		 Food for specified health uses (FOSHU)
	Ingredients for infant formula We sell DHA fish oil refined in accordance with customer needs as a raw material for infant formula.		 Foods with functional claims  Supplements Retail We are rolling out products globally through channels including mass retailers and drugstores.
		EPA and DHA products	

Measures to Improve ROIC



HIGHLIGHT

Strengthening International Sales with an Emphasis on Pharmaceutical Raw Materials

Increasing Pharmaceutical Raw Material Sales

Demand for high-purity EPA (purity of 96.5% or more) formulations has increased worldwide since the results of the large-scale JELIS¹ clinical trial were announced in 2007. In 2021, we obtained cGMP² certification and began exporting pharmaceutical raw materials. In FY2024, we obtained EMA approval, enabling us to begin exporting to Europe, and are also working to expand into the Chinese and ASEAN markets. In Japan, a partner pharmaceutical company has launched a new formulation, and the introduction of authorized generics (AG) is also on the horizon. These developments are expected to drive renewed sales growth.

Sales of Nissui's Pharmaceutical Raw Materials

Europe:
We are expanding sales opportunities by initiating exports.

Asia:
We are enhancing initiatives to expand geographically.

Japan:
We have high expectations for recapturing market share.

Diversifying Raw Material Procurement and Improving Cost Competitiveness

We will complement our use of fish oil from South America by using sardine oil produced in Japan to diversify and stabilize raw material procurement. Oil produced in Japan is easier to procure than competing products from outside Japan, and sourcing it in Japan reduces currency risk. Our ability to procure fish oil from both Japan and South America increases the competitiveness of our EPA and DHA products. This system facilitates the stable supply of products that meet demand in applications ranging broadly from pharmaceutical raw materials to health foods.

Offering Products Made Using Purification and Preservation Technologies

We significantly reduce barriers to using fish oil in food by using advanced fish oil purification technologies along with technologies to suppress smell and oxidation. We have rolled out functional foods containing EPA and DHA such as drinks, gummies, and jellies without the characteristic smell of fish oil, as well as oil and fat ingredients processed for easier use as food additives. We are also expanding our lineup to help address social issues such as preventing lifestyle-related diseases and reducing frailty among the elderly.

1. JELIS: Japan EPA Lipid Intervention Study. A large-scale clinical trial conducted in Japan to examine the long-term therapeutic effects of a high-purity EPA formulation on hyperlipidemia.
2. cGMP: current Good Manufacturing Practice

Sustainability Strategy

Natural Capital Initiatives



TNFD Report 2023

▶ https://nissui.disclosure.site/assets/pdf/89/2023_tnfd_en.pdf

Biodiversity

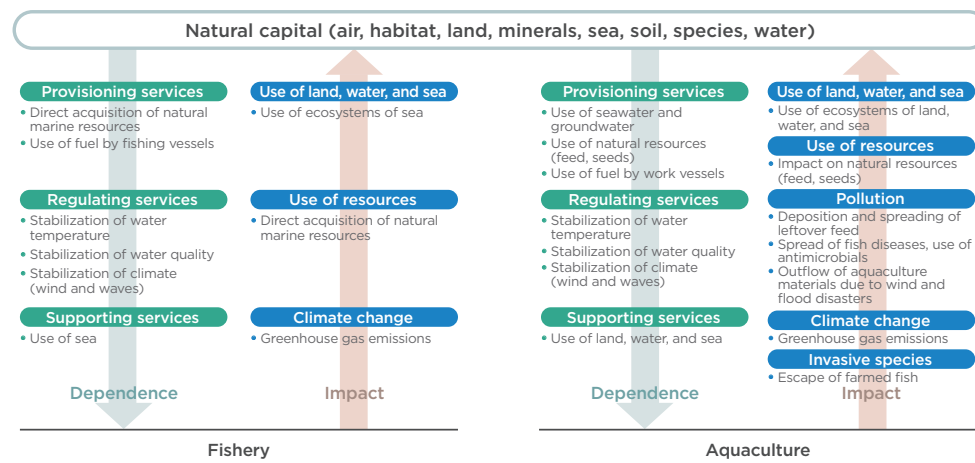
▶ <https://nissui.disclosure.site/en/themes/89>

The Nissui Group recognizes that natural capital—encompassing marine resources in particular and biodiversity conservation and sustainable use—is extremely important to achieving business growth and enhancing corporate value. Furthermore, climate change affects the distribution of marine resources and ecosystems because it alters seawater temperature and the marine environment. It also impacts our entire value chain from various perspectives that include raw material procurement, natural disaster risk exposure among production and logistics facilities, and changes in environmental awareness among consumers. We assess risks and opportunities related to natural capital both quantitatively and qualitatively, and are enhancing our ability to address them throughout our entire value chain. In particular, we are structuring business models in which initiatives to ensure the sustainability of natural capital create competitive advantages. We continue to address risks through a holistic approach to natural capital, thereby enhancing the Group's resilience and unlocking growth opportunities.

Biodiversity Initiatives (Disclosure Based on TNFD Recommendations)

Governance	Six subcommittees of the Sustainability Committee have primary responsibility for natural capital and biodiversity initiatives. Each subcommittee develops and implements policies and strategies prior to deliberation by the Sustainability Committee, which then reports to the Board of Directors. Additionally, we have added the degree of achievement of sustainability goals to the evaluation metrics for variable compensation paid to Inside Directors.
Strategy	To clarify the relationship between the Nissui Group's dependence on nature and the impact of its operations, we conducted a diagnosis of "Dependencies and Impacts" and an evaluation of "Risks and Opportunities" in line with the LEAP Approach, ¹ and organized the results. This evaluation focused on "fishery" and "aquaculture," which represent the upstream points of contact with nature in our value chain. An initial evaluation was performed using the third-party tool ENCORE, ² followed by a secondary (qualitative) evaluation aligned with the realities of the Nissui Group's operations.
Risks and Opportunities	Analysis and response measures with regard to risks and opportunities relating to natural capital, are reviewed by the relevant subcommittee, and then discussed at meetings of the Sustainability Committee. These are then comprehensively managed along with other risks from a Group-wide perspective by the Risk Management Committee, which reports on a regular basis to the Board of Directors, from which opinions and advice are reflected in specific measures.
Metrics and Targets	We regard securing the sustainability of marine resources and the conservation of the marine environment as key management issues, and we manage nature-related dependencies, impacts, risks, and opportunities using metrics and targets.

1. The LEAP ("Locate, Evaluate, Assess, Prepare") approach: An analytical process developed by TNFD as a guide for evaluating nature-related risks and opportunities.
2. Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) is a tool for evaluating dependence and impact on natural capital for each business sector and production process.



Main Risks and Opportunities Expected

Area	Risks/Opportunities	Main risks and opportunities expected	Impact on business	Main countermeasures
Fishery	Physical risk	Depletion of marine resources	• Reduced procurement volumes • Increased procurement costs	• Further strengthening of access to resources • Construction of procurement networks • Strengthening of aquaculture business • Development of substitutes for marine resources
	Transition risk	Strengthening of fishing regulations		
	Opportunities	Stabilization of supply chains through sustainable procurement of marine products	• Stabilization of revenues, expansion of sales channels	• Confirmation of status of resources during procurement • Acquisition of fishery certification and increased handling of certified products
Aquaculture	Physical risk	Suspension of business and rising management costs from increasing severity of wind and flood disasters	• Losses from damage to aquaculture facilities	• Introduction of submersible fish cages and reinforcement of facilities • Strengthening capabilities in land-based aquaculture
		Spread of fish diseases	• Loss of assets from mortality of fish stocks	• Preventive management using N-AHMS®, an original farmed-fish health management system
	Transition risk	Strengthening of environmental regulations on aquaculture	• Reduction of scale of business and closure of fish farms • Financial impact from fines and taxes	• Environmental monitoring of fish farms • Reduction of environmental impact from feed (EP feed, automatic feeding systems) • Shift to off-shore farming
	Opportunities	Establishment of full-life cycle aquaculture technology to reduce dependence on natural resources Reducing the burden on the marine environment through the development of land-based aquaculture technology	• Strengthening business resilience, establishing competitive superiority	• Establishment of technology and expansion of range of fish handled
		Reduction of environmental impact and improvement of aquaculture performance through smart aquaculture	• Reduction of aquaculture cost, improvement of aquaculture performance • Improvement of the work environment	• Production management using AI and IoT • Development of remote feeding systems
Common to both	Opportunities	Changes in consumer purchasing behavior (Increase in demand for sustainability-oriented products)	• Expansion of sales	• Sustainable procurement of marine resources • Building a sustainable aquaculture business • Diligent disclosure

Metrics and Targets

Area	Metrics	Targets	Method of measurement
Fishery Aquaculture	Procurement of sustainable marine resources	Procurement of sustainable marine resources: 100%	Using the ODP ¹ evaluation method (based on Fish Source scores 1-5), a score of 8 or higher for all "Well Managed" and 6 or higher for "Managed" is considered sustainable.
	Procurement of endangered (marine) species	For marine resources in severe danger of extinction, the Group will suspend the procurement of those resources if tangible and scientific measures are not taken to recover stocks by 2030.	Scientific and practical measures for resource recovery (i) Fishery products certified by the Marine Stewardship Council (MSC) or other certification bodies (equivalent to GSSI ² certification), or Fishery Improvement Project (FIP) products (ii) Scientific fishery management by international resource management organizations such as Regional Fisheries Management Organizations (RFMO) ³ (iii) Rated "Managed" or above based on criteria established by the ODP ¹ (iv) Any other specific measures being taken to achieve i to iii above
	CO ₂ emissions	FY2030: Reduce by 30% (Scope 1, 2; base year: FY2018)	CO ₂ emissions (Scope 1, 2; base year: FY2018)
	Escape of farmed fish	Reduce escaped fish to zero	Results for escaped fish (Identify, record and count all incidents of escaped fish, regardless of the scale of the escape)

1. ODP: Ocean Disclosure Project. Online reporting platform for voluntary disclosure of seafood sourcing established by the Sustainable Fisheries Partnership (SFP) in 2015.
2. GSSI: Global Sustainable Seafood Initiative. An international partnership that verifies programs assessing the sustainability of marine products.
3. RFMO: Regional fisheries management organizations. International organizations established under individual conventions to achieve the conservation and sustainable use of marine resources.

Natural Capital Initiatives

Climate Change Initiatives (Disclosure Based on TCFD Recommendations)

Governance	In terms of initiatives related to climate change, the TCFD Compliance Project serves as an interdepartmental organization that analyzes risks and opportunities, and considers countermeasures. Moreover, measures to mitigate climate change are primarily handled by the Environmental Subcommittee of the Sustainability Committee. The subcommittee formulates and implements corresponding policies and strategies, which are then deliberated on by the Sustainability Committee and reported to the Board of Directors. Additionally, we have added the degree of achievement of sustainability goals to the evaluation metrics for variable compensation paid to Inside Directors.
Strategy	We performed a climate change scenario analysis comparing two scenarios based on the TCFD recommendations for the Marine Products, Food Products, and Fine Chemicals Businesses, which account for more than 95% of the Group's consolidated net sales. We identified climate change risks and opportunities, assessed their financial impact, and considered measures to respond to them. By taking measures in response to the significant risks and opportunities identified, we will reduce risks and steadily seize opportunities with the goal of being more resilient.
Risks and Opportunities	The TCFD Compliance Project and the Environmental Subcommittee analyze risks and opportunities related to climate change and countermeasures, which the Sustainability Committee then discusses. These are then comprehensively managed along with other risks from a Group-wide perspective by the Risk Management Committee, which reports on a regular basis to the Board of Directors, from which opinions and advice are reflected in specific measures.
Metrics and Targets	We have stated goals of reducing total CO ₂ emissions (Scope 1, 2) in 2030 by 30% compared with the FY2018 level, and realizing carbon neutrality by 2050. For Scope 3 emissions, we will continue improving the accuracy of data for Category 1 emissions—which are relatively large in volume—and will promote the reduction of CO ₂ emissions throughout the supply chain. We will also determine targets and measures for sustainable use in terms of natural marine resources, plastics, food loss and waste, water and other resources we procure, and implement relevant initiatives.

Overview of Scenario Analysis (Only Risks and Opportunities with Large Financial Impact)

Scenario	Risks/Opportunities	Classification	Main risks and opportunities expected	Impact on business	Timing of impact	Main countermeasures
1.5°C/2°C	Transition risk	Regulations	Impact of stricter environment-related regulations	Increase in cost of responding to the introduction of carbon pricing Increase in cost of dealing with stricter regulations on energy-saving, greenhouse gas emissions, etc.	Medium-term	<ul style="list-style-type: none"> Set emissions reduction target for each business location Introduce renewable energy sources more widely, invest in energy-saving equipment Reduce plastics in containers and packaging Implement a modal shift and improve transportation efficiency Reduce food loss and waste Consider introducing internal carbon pricing (ICP)
		Reputation	Deterioration in reputation among investors and financial institutions in cases where action against climate change is inadequate	—	Medium-term	<ul style="list-style-type: none"> Switch to natural refrigerants Set CO₂ emissions reduction targets, including emissions up to Scope 3 Proactively disclose information on action against climate change
	Opportunities	Products and services	Changes in consumer purchasing behavior (greater environmental awareness, consideration for sustainability)	Increase in demand for sustainability-conscious products Increase in demand for alternative protein sources due to growing demand for low-carbon products	Short-term Medium-term	<ul style="list-style-type: none"> Continue to conduct survey of procured marine resources sustainability Handle more environmentally friendly products and certified products Develop and expand alternative protein products
4°C	Physical risk	Chronic	Procurement risk of marine resources due to changes in marine environment	Decrease in catch and increase in procurement cost of fish used in aquaculture feed	Medium-term	<ul style="list-style-type: none"> Develop alternative feed (low-fish meal formula feed)
	Opportunities	Products and services	Increase in demand through products and services for dealing with disasters and climate change	Increase in aquaculture demand in association with decrease in natural resources	Short-term	<ul style="list-style-type: none"> Enhance land-based aquaculture solutions Develop high-temperature-tolerant breeds and explore places suited to aquaculture



Initiatives for TCFD Recommendations

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

Strategic Alignment

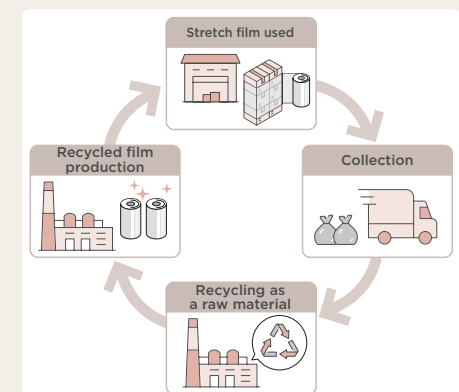
We will draw on the results of the scenario analysis to continue incorporating top-priority countermeasures into plans for each business under Medium-Term Management Plan “GOOD FOODS Recipe2” and align them with our strategies.

Basic strategy		Items	Details
Reinforce business portfolio ► Page 29	Accelerate global operations	Business growth with emphasis on North America and Europe	<ul style="list-style-type: none"> Strengthen access to resources Enhance sustainability disclosure Expand lineup of alternative protein products
	Enter new businesses and expand business boundaries	Growth from innovative food that resolves social issues	<ul style="list-style-type: none"> Develop new businesses (algae-related, waste upcycling and other businesses) Enhance ingredient functionality Deepen aquaculture technology
	Innovate productivity	Establishment of practices for enhancing operational efficiency	<ul style="list-style-type: none"> Enhance sophistication of aquaculture (apply AI and IoT technologies) Transition to smart factories
Deepen sustainability management ► Page 35	Enhance linkage between sustainability and business strategies	Reduction of greenhouse gas emissions	<ul style="list-style-type: none"> Promote energy-saving, use of alternative fuels and renewable energy, and modal shifts Sharpen focus of aquaculture business model Transition from refrigerants containing CFCs/HCFCs to natural refrigerants Expand sales of alternative protein products
		Reduction of plastics	<ul style="list-style-type: none"> Reduce the use of plastic in containers and packaging, and cut back on petroleum-based virgin plastics Reduce waste plastic emissions from business activities Reduce plastic use in logistics materials and promote recycling HIGHLIGHT
		Sustainable use of marine resources	<ul style="list-style-type: none"> Continue to conduct survey of procured marine resources sustainability Increase the ratio of marine products with eco-label certification and increase handling of certified raw materials
		Enhancement of health appeal	<ul style="list-style-type: none"> Expand health category products Enhance ingredient functionality

HIGHLIGHT

Recycling Loop for Stretch Film

Our efforts to realize a decarbonized and circular economy extend beyond the fields of manufacturing and sales to also include logistics. One representative initiative is stretch film recycling initiative at Group company Nissui Logistics Co., Ltd. Stretch film is used to prevent cargo such as frozen foods from shifting during palletized transport, and in the past was generally processed in incinerators after use. In collaboration with recycling companies, Nissui Logistics has established a program to recycle used film as a raw material. Nissui Logistics reuses the recycled film at its production facilities, which contributes to a plastic resource recycling loop. This initiative also helps to reduce the use of petroleum-based plastics and Scope 3 emissions.



Sustainability Strategy

Human Capital Management

To realize its long-term vision, the Nissui Group believes that human capital is critically valuable and the source of its competitive advantage. Based on this belief, the Group seeks to be a company where each employee can continue to grow through their own initiative. We also emphasize a corporate culture that brings together people with diverse backgrounds and employs their respective knowledge and experience to innovate and create new value. We provide opportunities in the course of our business activities for people of diverse gender identities, nationalities, and ages to realize their full potential. This in turn contributes to innovation, the vitalization of our organization, and the creation of value. Furthermore, we develop talent capable of proactively addressing social issues, both locally and internationally, and who help each other improve.

A Strategy Aligned with Our Mission and Vision

▶ Page 36

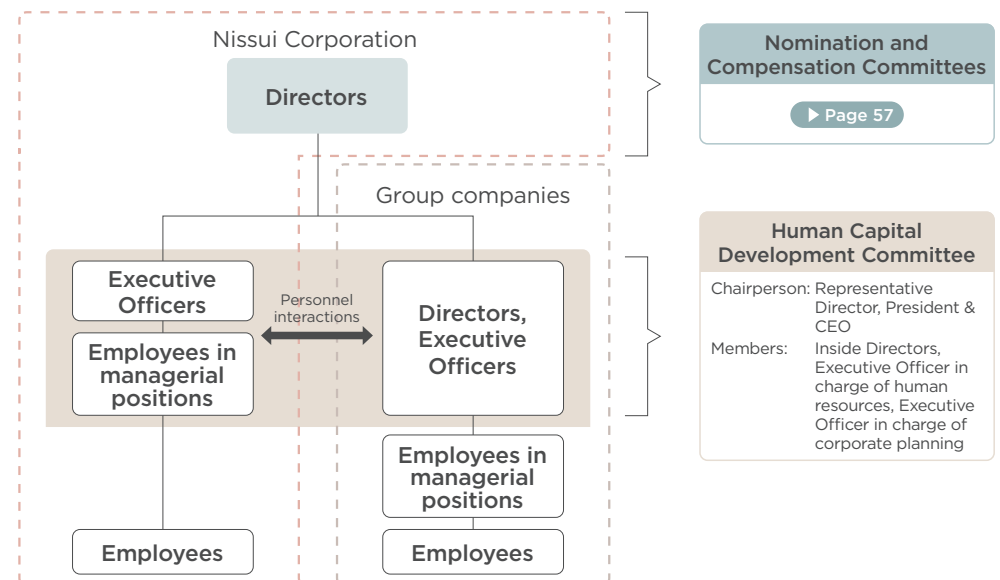
We formulated our Human Capital Management Policy in April 2025 to embody our mission and realize our vision. The policy clearly outlines our need for forward-looking talent who can drive business transformation and value creation, and describes our approach to managing human capital through the execution of a human capital strategy along three axes.

Embodying Our Mission and Realizing Our Vision



Developing Management Talent

The Human Capital Development Committee was established in FY2024 to identify the qualities necessary for Nissui's management from a long-term perspective and to establish a system for implementing and monitoring specific measures to secure and develop human capital. We have linked this committee's deliberations with those of the Nomination Committee and initiated discussions on consistent succession of management talent, including executives of Group companies. We will identify the qualities and actions required of management talent for each business based on a long-term vision in 10-year increments, delineate required skills and experience, structure and implement mechanisms to carry out specific measures, and conduct monitoring to secure and develop appropriate human capital, including people brought in from outside the Group.



Sustainability Strategy

Human Rights Initiatives

The Nissui Group gives respect for human rights the highest priority throughout all value chains related to its business. With this mindset, the Group supports the human rights set forth in the UN International Bill of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and is promoting initiatives based on the UN Guiding Principles on Business and Human Rights.

Initiatives to Prevent and Mitigate Adverse Impacts on Human Rights

Policy commitment	Classification		Nissui Group initiatives
	Formulation of a human rights policy		Establishment of a human rights policy; sharing the policy with stakeholders
Human rights due diligence	Human rights impact assessments		Conducting human rights impact assessments and identifying key human rights risks
	Implementing preventive and corrective measures for potential and actual adverse impacts	Education and training	<ul style="list-style-type: none"> Raising awareness among senior managers, department and section managers, and frontline personnel Human rights training for all employees
		Upgrading internal environments and systems	<ul style="list-style-type: none"> Revising internal systems (including work style reform) and improving the work environment Conducting surveys of the work environment of non-Japanese employees and implementing improvements based on the results
		Supply chain management	<ul style="list-style-type: none"> Revising supplier guidelines and sharing the updated versions Determining facts through self-assessment questionnaires (SAQs), dialogue and visits; preventing, mitigating and correcting negative impacts
	Monitoring with follow-up surveys		<ul style="list-style-type: none"> Conducting employee and business partner surveys Regularly checking and analyzing the number of reports and consultations Visits, confirmation, and dialogue involving business sites and suppliers
	Public disclosure of information		Information disclosure through various media
Remedial action	Strengthening grievance mechanisms		Strengthening contact points for non-Japanese employees and external stakeholders; provision of multilingual support

Policy Commitment

In September 2020, we have formulated the Nissui Group Human Rights Policy, based on the United Nations Guiding Principles on Business and Human Rights, and positioned respect for human rights as a management issue. The Nissui Group Human Rights Policy applies to all officers and employees of the Nissui Group. We also ask our suppliers and other stakeholders to support this policy and make every effort to respect human rights.

In FY2024, we provided e-learning on business and human rights, as well as on the Nissui Group Human Rights Policy to all Nissui employees and managers at every level at all Group companies in Japan. Also, in June 2025 we made our Human Rights Policy available in multiple languages, to raise awareness and promote its implementation.

Human Rights Due Diligence

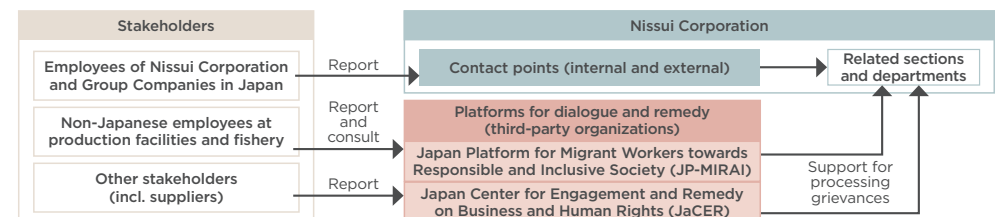
Members of the Human Rights Subcommittee conducted a human rights risk assessment in July 2024 to understand actual or potential adverse human rights impacts within the Group's value chain. A series of Sustainability Committee discussions then identified the following key human rights risks.

- Forced labor and child labor in the supply chain
- Work environment of non-Japanese employees in Japan
- Serious occupational injuries and accidents

To address the key human rights risks we have identified, we explain our supplier guidelines, request suppliers to complete SAQs, and work with our business partners to ensure respect for human rights throughout the value chain. Furthermore, we have established a system in which we continuously inspect the work environment at business sites that employ non-Japanese nationals, identify areas for improvement, and share outcomes throughout the Group. In addition, we are promoting safety education using documents, notices in multiple languages, videos and photographs so that diverse talent, including non-Japanese employees, can work with comfort and peace of mind. The Sustainability Committee regularly monitors these initiatives to ensure their effectiveness.

Remedial Action

Based on the UN Guiding Principles on Business and Human Rights, the Nissui Group has established grievance mechanisms and ensured access to remedy. We have established mechanisms for dialogue and remedy in cooperation with specialized third-party organizations, as described below.





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

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



Notice of the 110th Ordinary General Shareholders' Meeting

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



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, PER 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

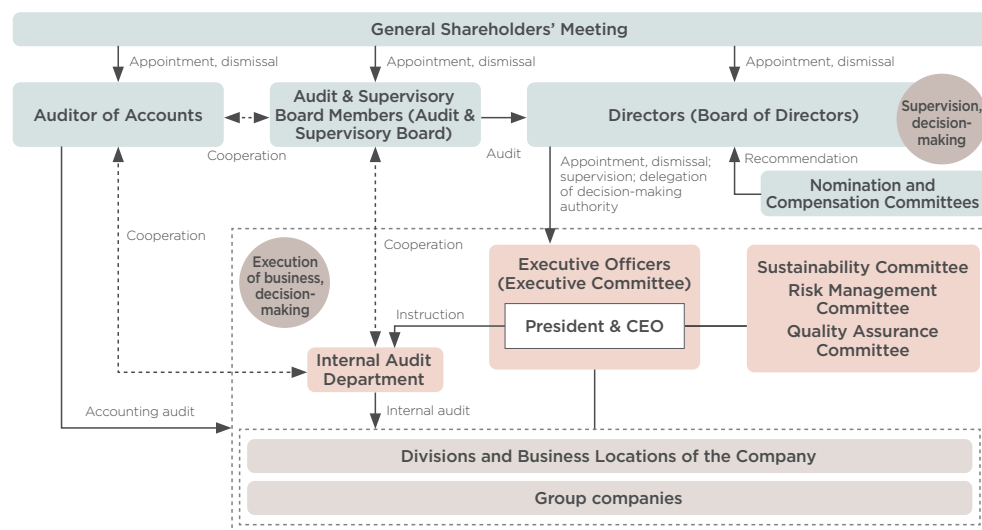
Career History

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.

- Composition of the Board of Directors
(including scale, number of members, diversity, and ratio of Inside and Outside Directors)
- Operation and support framework of the Board of Directors
(including annual schedule, content and volume of materials, and Chair leadership)
- Agenda for the Board of Directors
(including number of agenda items, content of proposals, and the suitability of criteria for submission)
- External communications
(including quality of information disclosure to stakeholders and whether content was appropriate)
- 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 • Ratio of Inside and Outside Directors	
Operation and support framework of the Board of Directors		• Diversity of the Board of Directors • Frequency of meetings and time allocation • Quality and quantity of materials	
Operation and support framework of the Board of Directors	Operation of the Board of Directors	• Balance of business reports • Content of explanations and reports	
	Decision-making process	• Timing of distribution of meeting materials • Chair's leadership • Chair's attributes • Energetic discussion	
	Support for the Board of Directors	• Sufficient time for deliberation • Group-wide perspective of Directors	
Agenda for the Board of Directors	Status of Board of Directors deliberations	• System for providing information • Communication opportunities outside of Board meetings	
	Executive nomination and compensation	• Number of agenda items and delegation of authority to executives • Management strategy with a medium- to long-term perspective • Sustainability	
		• Verification of investment projects • Human capital strategy and succession	
External communications		• Risk management	
Training		• 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

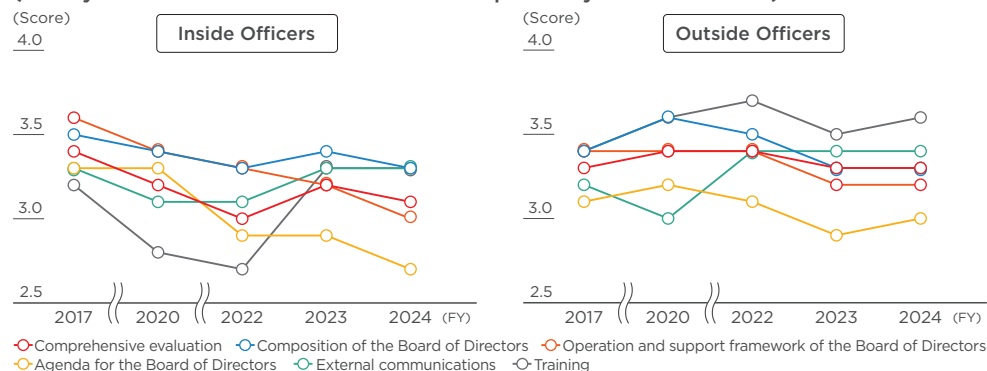
The following issues were identified based on the results of the survey and individual interviews:

- Clarifying the positioning of the Board of Directors; Balancing supervisory and senior management decision-making responsibilities
- 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
- Increasing the diversity of the Board of Directors

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

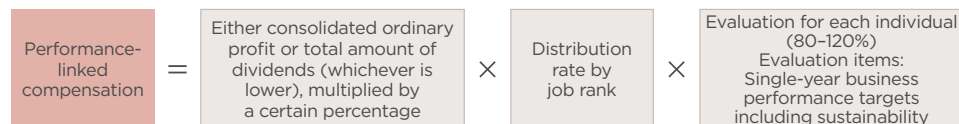
Officer Compensation, Calculation Method, and Determination Process

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 ₂ 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 ¹	70 ²	7 (Stock-based compensation: 7) ³
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	26	26	—	—	1
Outside Directors ⁴	45	45	—	—	5
Outside Audit & Supervisory Board Members ⁵	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.



Financial Highlights

			FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Financial results and cash flows (at fiscal year-end)	Net sales	Millions of yen	637,164	635,953	677,293	712,111	690,016	615,044	693,682	768,181	831,375	886,126
	Year-on-year change	%	(0.2)	(0.2)	—	5.1	(3.1)	—	12.8	10.7	8.2	6.6
	Operating profit	Millions of yen	19,442	22,646	23,240	21,685	22,834	17,998	27,076	24,488	29,663	31,779
	Ratio of operating profit to net sales	%	3.1	3.6	3.4	3.0	3.3	2.9	3.9	3.2	3.6	3.6
	Ordinary profit	Millions of yen	20,696	24,884	24,583	25,358	25,807	22,670	32,372	27,776	31,963	35,301
	Ratio of ordinary profit to net sales	%	3.2	3.9	3.6	3.6	3.7	3.7	4.7	3.6	3.8	4.0
	Share of profit of entities accounted for using equity method	Millions of yen	2,126	2,965	1,325	2,751	2,820	2,770	2,685	2,401	2,123	4,567
	Profit attributable to owners of parent	Millions of yen	12,307	14,216	17,234	15,379	14,768	14,391	17,275	21,233	23,850	25,381
	Ratio of profit attributable to owners of parent to net sales	%	1.9	2.2	2.5	2.2	2.1	2.3	2.5	2.8	2.9	2.9
	Capital expenditure	Millions of yen	21,907	23,774	29,045	26,530	27,352	22,613	19,352	24,585	28,582	34,051
	Depreciation	Millions of yen	16,225	16,355	17,599	18,272	19,450	19,640	19,764	20,422	22,231	25,078
	Research and development expenses	Millions of yen	4,670	4,388	4,856	4,608	4,503	4,740	4,731	4,698	4,356	4,985
	Net cash provided by (used in) operating activities	Millions of yen	37,395	30,179	28,325	24,693	18,786	45,910	29,118	3,396	54,486	40,379
	Net cash provided by (used in) investing activities	Millions of yen	(17,051)	(7,445)	(21,540)	(16,803)	(29,446)	(18,023)	(17,260)	(22,571)	(37,722)	(30,393)
	Net cash provided by (used in) financing activities	Millions of yen	(23,141)	(11,517)	(8,156)	(15,956)	25,942	(44,786)	(11,265)	17,413	(12,393)	(11,452)
	Cash and cash equivalents at the end of period	Millions of yen	14,056	25,181	24,318	16,165	31,647	14,760	15,683	14,245	19,533	18,686
Financial position (at fiscal year-end)	Net assets	Millions of yen	114,030	141,205	157,106	166,158	172,300	187,779	208,598	220,635	257,304	285,939
	Shareholders' equity	Millions of yen	81,282	108,163	123,305	135,960	148,069	159,648	172,889	189,457	206,745	223,806
	Total assets	Millions of yen	445,707	451,876	482,233	477,913	491,533	475,468	505,731	549,013	606,384	634,878
	Interest-bearing debt	Millions of yen	232,657	207,750	203,865	191,058	221,239	180,807	178,136	205,535	206,410	209,937
	Net interest (Interest expenses—(Interest income + Dividend income))	Millions of yen	1,385	1,048	883	727	599	424	210	630	1,949	1,840
Per share information	Earnings per share (EPS)	Yen	44.55	48.02	55.33	49.41	47.47	46.25	55.51	68.22	76.67	81.66
	Dividend per share (DPS)	Yen	5.00	6.00	8.00	8.00	8.50	9.50	14.00	18.00	24.00	28.00
	Net assets per share (BPS)	Yen	343.60	388.38	442.13	470.28	492.23	544.55	609.82	696.72	801.70	891.31
Performance ratios	ROE	%	13.3	13.2	13.3	10.8	9.9	8.9	9.6	10.4	10.2	9.6
	ROIC	%	4.2	5.2	5.2	5.0	5.1	4.1	5.7	5.2	5.3	6.1
	Dividend payout ratio	%	11.2	12.5	14.5	16.2	17.9	20.5	25.2	26.4	31.3	34.3
Scope of consolidation (at fiscal year-end)	Number of employees (Consolidated)	Persons	8,466	8,722	9,003	9,065	9,247	9,431	9,662	9,515	10,104	10,332
	Number of consolidated subsidiaries	Companies	62	63	65	64	65	66	65	65	65	63
	Number of companies accounted for using equity method	Companies	32	33	31	29	30	31	31	23	24	24
	Number of subsidiaries and affiliates	Companies	95	97	97	94	97	98	97	89	91	89
Exchange rate	US dollars (at fiscal year-end)	Yen	120.61	116.49	112.04	110.36	109.24	106.43	110.37	132.08	151.41	149.52

1. Effective from FY2018, the methodology for converting revenues and expenses of subsidiaries outside Japan, etc., into yen was changed. It was previously based on the spot exchange rate on the accounting closing date of each company, and is now based on the average exchange rate for the period. Figures for FY2017 have been retroactively restated to reflect this change.

2. The Company has applied "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020) and other standards from the beginning of FY2021. Figures for FY2020 have been retroactively restated to conform to these accounting standards.

Consolidated Financial Statements

Consolidated Balance Sheets (Millions of yen)

	FY2023 (As of Mar. 31, 2024)	FY2024 (As of Mar. 31, 2025)
Assets		
Current assets		
Cash and deposits	16,664	14,707
Notes and accounts receivable—trade	108,292	107,400
Merchandise and finished goods	98,333	102,564
Work in process	33,012	33,172
Raw materials and supplies	52,727	59,271
Other	16,821	16,067
Allowance for doubtful accounts	(684)	(616)
Total current assets	325,167	332,568
Non-current assets		
Property, plant and equipment		
Buildings and structures	168,658	178,838
Accumulated depreciation	(102,472)	(110,634)
Buildings and structures, net	66,186	68,204
Machinery, equipment and vehicles	170,557	185,971
Accumulated depreciation	(129,813)	(141,892)
Machinery, equipment and vehicles, net	40,744	44,078
Vessels	34,778	37,844
Accumulated depreciation	(20,713)	(22,998)
Vessels, net	14,065	14,846
Land	28,127	28,527
Leased assets	12,252	12,729
Accumulated depreciation	(5,506)	(6,315)
Leased assets, net	6,746	6,413
Construction in progress	7,056	15,162
Other	18,218	19,528
Accumulated depreciation	(14,836)	(15,823)
Other, net	3,381	3,705
Total property, plant and equipment	166,308	180,939
Intangible assets		
Goodwill	2,560	2,120
Software	3,074	3,378
Other	11,734	11,551
Total intangible assets	17,369	17,050
Investments and other assets		
Investment securities	32,213	30,453
Shares of subsidiaries and associates	45,130	49,398
Long-term loans receivable	6,443	8,158
Retirement benefit asset	464	330
Deferred tax assets	3,240	4,489
Other	11,210	12,695
Allowance for doubtful accounts	(1,163)	(1,204)
Total investments and other assets	97,539	104,320
Total non-current assets	281,217	302,309
Total assets	606,384	634,878

	FY2023 (As of Mar. 31, 2024)	FY2024 (As of Mar. 31, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable—trade	56,623	56,439
Short-term borrowings	96,680	114,104
Lease liabilities	1,243	1,193
Income taxes payable	6,394	3,639
Accrued expenses	33,600	29,121
Provision for bonuses	4,097	4,106
Provision for bonuses for directors (and other officers)	213	330
Provision for loss on litigation	85	—
Other	13,877	17,244
Total current liabilities	212,816	226,179
Non-current liabilities		
Long-term borrowings	109,729	95,832
Lease liabilities	4,607	4,141
Deferred tax liabilities	6,533	8,043
Provision for share awards for directors (and other officers)	134	249
Retirement benefit liability	9,661	7,694
Other	5,596	6,797
Total non-current liabilities	136,263	122,758
Total liabilities	349,080	348,938

Net assets

Shareholders' equity		
Share capital	30,685	30,685
Capital surplus	22,048	21,833
Retained earnings	154,715	171,996
Treasury shares	(703)	(708)
Total shareholders' equity	206,745	223,806
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,141	12,969
Deferred gains or losses on hedges	1,006	881
Foreign currency translation adjustment	29,961	40,938
Remeasurements of defined benefit plans	(2,661)	(1,555)
Total accumulated other comprehensive income	42,447	53,233
Non-controlling interests	8,110	8,900
Total net assets	257,304	285,939
Total liabilities and net assets	606,384	634,878

Consolidated Financial Statements

Consolidated Statements of Income

	FY2023 (From April 1, 2023 through March 31, 2024)	FY2024 (From April 1, 2024 through March 31, 2025)
(Millions of yen)		
Net sales	831,375	886,126
Cost of sales	705,731	746,875
Gross profit	125,644	139,250
Selling, general and administrative expenses		
Sales commission	3,607	3,894
Storage costs	6,021	6,523
Shipment expenses	21,240	24,351
Advertising expenses	5,338	5,108
Difference of provision of allowance for doubtful accounts	(47)	21
Salaries and allowances	25,691	28,512
Bonuses	2,359	2,743
Provision for bonuses	1,794	1,815
Provision for bonuses for directors (and other officers)	263	425
Retirement benefit expenses	1,235	1,121
Depreciation	2,168	2,323
Rent and repair expense	3,562	4,009
Travel, transportation and communication expense	2,742	3,106
Other	20,001	23,516
Total selling, general and administrative expenses	95,980	107,471
Operating profit	29,663	31,779
Non-operating income		
Interest income	261	524
Dividend income	746	801
Foreign exchange gains	286	76
Share of profit of entities accounted for using equity method	2,123	4,567
Subsidy income	974	439
Miscellaneous income	1,198	872
Total non-operating income	5,591	7,281
Non-operating expenses		
Interest expenses	2,957	3,165
Miscellaneous expenses	334	593
Total non-operating expenses	3,291	3,759
Ordinary profit	31,963	35,301
Extraordinary income		
Gain on sale of non-current assets	466	130
Gain on sale of investment securities	3,210	1,934
Gain on bargain purchase	—	151
Insurance claim income	1,045	—
Gain on liquidation of affiliated companies	—	81
Gain on sale of businesses	—	121
Gain on transfer of fishing rights	966	—
Total extraordinary income	5,688	2,418
Extraordinary losses		
Loss on disposal of non-current assets	691	558
Impairment losses	920	475
Loss on valuation of investment securities	137	162
Loss on disaster	—	236
Loss on change in equity	—	50
Accident related loss	1,052	—
Total extraordinary losses	2,802	1,483
Profit before income taxes	34,850	36,236
Income taxes—current	11,330	10,257
Income taxes—deferred	(1,138)	(1,235)
Total income taxes	10,192	9,022
Profit	24,658	27,213
Profit attributable to non-controlling interests	807	1,832
Profit attributable to owners of parent	23,850	25,381

Consolidated Statements of Cash Flows

	FY2023 (From April 1, 2023 through March 31, 2024)	FY2024 (From April 1, 2024 through March 31, 2025)
(Millions of yen)		
Cash flows from operating activities		
Profit before income taxes	34,850	36,236
Depreciation	22,231	25,078
Impairment losses	920	475
Amortization of goodwill	603	625
Increase (decrease) in allowance for doubtful accounts	218	(104)
Increase (decrease) in retirement benefit liability	(739)	(1,291)
Interest and dividend income	(1,008)	(1,326)
Interest expenses	2,957	3,165
Share of loss (profit) of entities accounted for using equity method	(2,123)	(4,567)
Gain on sale of non-current assets	(466)	(130)
Loss on disposal of non-current assets	691	558
Loss (gain) on sale and valuation of investment securities	(3,072)	(1,771)
Insurance claim income	(1,045)	—
Loss on disaster	—	236
Gain on bargain purchase	—	(151)
Profit on liquidation of subsidiaries and associates	—	(81)
Gain on sale of businesses	—	(121)
Accident related losses	1,052	—
Loss (gain) on change in equity	—	50
Decrease (increase) in trade receivables	(5,222)	4,809
Decrease (increase) in inventories	(332)	(2,419)
Increase (decrease) in trade payables	1,880	(3,199)
Increase (decrease) in accrued expenses	7,214	(5,133)
Other, net	1,335	2,232
Subtotal	59,944	53,170
Interest and dividends received	1,193	3,036
Interest paid	(2,904)	(3,159)
Proceeds from insurance income	1,045	77
Income taxes paid	(4,793)	(12,746)
Net cash provided by (used in) operating activities	54,486	40,379
Cash flows from investing activities		
Decrease (increase) in time deposits	7	(1)
Purchase of property, plant and equipment	(25,222)	(29,841)
Proceeds from sale of property, plant and equipment	599	223
Purchase of intangible assets	(1,035)	(1,154)
Purchase of investment securities	(205)	(557)
Proceeds from sale of investment securities	4,837	2,768
Payments for acquisition of businesses	(412)	(403)
Proceeds from sale of businesses	—	245
Purchase of shares of subsidiaries and associates	(2,018)	(208)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,149)	—
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	121
Decrease (increase) in short-term loans receivable	(6,228)	118
Long-term loan advances	(5,712)	(1,690)
Other, net	(1,180)	(13)
Net cash provided by (used in) investing activities	(37,722)	(30,393)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(8,441)	6,680
Proceeds from long-term borrowings	21,361	11,175
Repayments of long-term borrowings	(18,784)	(19,380)
Repayments of lease liabilities	(1,203)	(1,123)
Dividends paid	(6,222)	(8,090)
Dividends paid to non-controlling interests	(181)	(660)
Proceeds from non-controlling interests associated with establishing consolidated subsidiaries	1,579	—
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(215)	(50)
Decrease (increase) in treasury shares	(286)	(4)
Net cash provided by (used in) financing activities	(12,393)	(11,452)
Effect of exchange rate change on cash and cash equivalents	661	618
Net increase (decrease) in cash and cash equivalents	5,032	(847)
Cash and cash equivalents at beginning of period	14,245	19,533
Increase in cash and cash equivalents resulting from share transfer	256	—
Cash and cash equivalents at end of period	19,533	18,686

Sustainability Data

Environmental Data

☑ indicates data for which third-party assurance has been obtained.

	Unit		FY2020	FY2021	FY2022	FY2023	FY2024
CO ₂ emissions t-CO ₂ (by business division)	Japan	Marine Products (fishery)	51,353	46,744	44,160	44,392	45,393
		Marine Products (processing/aquaculture)	23,938	24,273	21,341	23,675	22,171
		Food Products	106,218	100,889	98,618	109,565	111,417
		Fine Chemicals	20,940	17,018	14,018	13,908	12,086
		General Distribution	24,757	24,550	22,636	24,135	24,702
		Others	8,091	6,725	6,155	6,242	5,794
		Total	235,296	220,199	206,928	221,919	221,563
	Outside Japan	Marine Products (fishery)	22,124	22,398	21,521	23,555	22,922
		Marine Products (processing/aquaculture)	64,148	64,140	52,616	56,163	60,752
		Food Products	36,438	35,105	37,921	39,116	37,791
		Fine Chemicals	150	175	99	0	0
		Total	122,860	121,818	112,157	118,834	121,465
	Total		358,156	☑ 342,017	☑ 319,085	☑ 340,753	☑ 343,028
Scope 1, 2, 3 t-CO ₂	Scope 1		218,628	☑ 207,069	☑ 197,731	☑ 213,374	☑ 215,668
	Scope 2		139,528	☑ 134,948	☑ 121,354	☑ 127,379	☑ 127,360
	Scope 3		2,282,923	☑ 2,545,561	☑ 2,526,262	☑ 2,780,681	☑ 3,005,640
Energy use GJ	Japan		4,561,995	4,359,806	4,167,282	4,175,457	4,219,139
	Outside Japan		2,767,587	2,748,042	2,809,812	2,802,344	2,868,923
	Total		7,329,582	☑ 7,107,848	☑ 6,977,094	☑ 6,977,801	☑ 7,088,062
Share of electricity used from renewable sources %	Japan		0.1	0.5	4.0	4.7	6.1
	Outside Japan		0.4	8.5	22.5	25.7	26.6
	Total		0.2	3.5	11.2	12.9	14.1
Water use Thousand m ³	Japan		3,957	3,843	3,711	4,276	4,499
	Outside Japan		7,149	6,677	5,782	6,733	7,432
	Total		11,106	10,520	9,493	11,009	11,931
Water discharge Thousand m ³	Japan	Nissui Corporation	257	264	275	256	218
	Outside Japan	Rivers/sea/canals	4,359	3,933	3,493	3,812	4,137
		Sewers	250	272	287	419	465



Third-Party Assurance

► <https://nissui.disclosure.site/en/themes/228>

Social Data

	Unit		FY2022	FY2023	FY2024
Number of employees by business	Persons Consolidated	Marine Products	3,493	3,679	3,757
		Food Products	4,121	4,511	4,657
		Fine Chemicals	260	268	261
		General Distribution	667	681	692
		Others	695	680	694
		Company-wide	279	285	271
		Total	9,515	10,104	10,332
Number of employees by region	Persons Outside Japan	Japan	4,651	5,039	5,118
		Asia	597	612	595
		Europe	2,024	2,107	2,230
		North America	1,217	1,205	1,253
		South America	1,026	1,141	1,136
Ratio of women	% Non-consolidated	Employees	27.5	27.6	28.4
		Managers	6.8	6.6	7.9
		Officers	8.3	8.3	12.5
Ratio of employees with disabilities	% Non-consolidated		2.39	2.78	3.01
Number of persons hired	Persons Non-consolidated	New graduates	44	39	47
		Mid-career hires	18	25	20
Average age	Years Non-consolidated		43.0	43.1	43.1
Average years of service	Years Non-consolidated		16.3	16.4	16.3
Gender wage ratio	% Non-consolidated		54.8	58.2	58.0
Average overtime hours	Hours per month Non-consolidated		15.9	15.1	14.8
Rate of eligible employees taking childcare leave	% Non-consolidated	Male	78.9	110.0	106.7
		Female	128.6	100.0	138.5
Rate of paid leave taken	% Non-consolidated		77.4	79.3	77.5

Governance Data

	Unit		FY2022	FY2023	FY2024
Implementation of internal audit	Divisions	Non-consolidated	9	11	18
		Japan	9	10	5
	Companies	Consolidated subsidiaries	5	4	6



ESG Data

► <https://nissui.disclosure.site/en/themes/119>

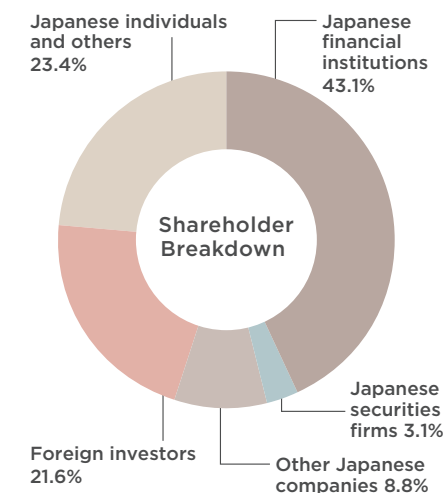
Share Information (As of March 31, 2025)

Listed Stock Exchange	Tokyo Stock Exchange (Prime Market)
Securities Code	1332
Total Number of Shares Authorized	1,000,000,000 shares
Total Number of Shares Issued	312,430,277 shares
Number of Shares per Unit	100 shares
Fixed Date for the Dividend Payment for Shareholders	Final dividend on stock March 31; Interim dividend on stock September 30
Number of Shareholders	115,768
Administration of the Shareholders' Register	Sumitomo Mitsui Trust Bank, Ltd.
Ordinary General Shareholders' Meeting	June
Auditor of Accounts	Ernst & Young ShinNihon LLC

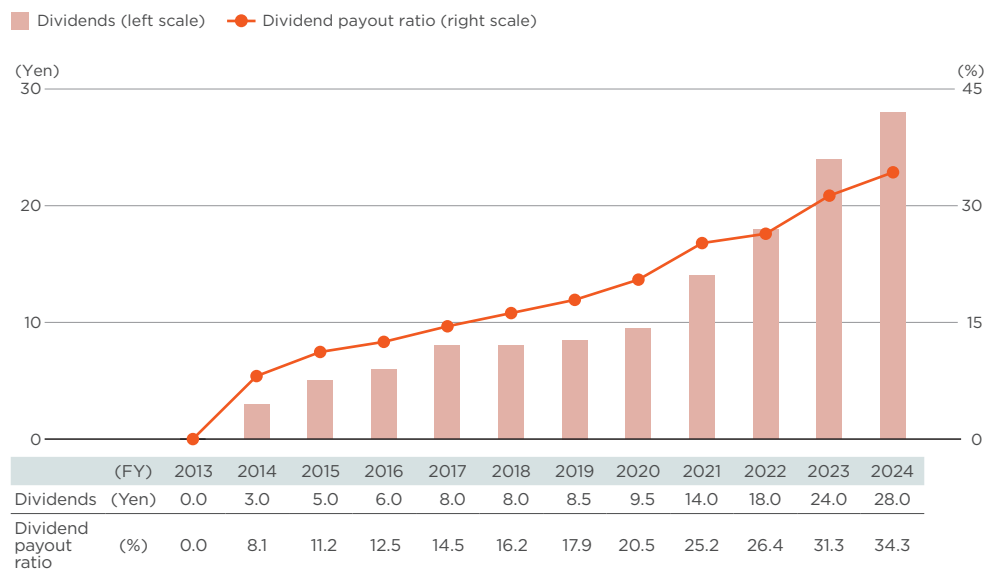
Principal Shareholders

Shareholder Name	Number of Shares (Thousand)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	69,771	22.4
Custody Bank of Japan, Ltd. (Trust Account)	33,552	10.8
Mochida Pharmaceutical Co., Ltd.	8,000	2.6
Mizuho Bank, Ltd.	7,987	2.6
STATE STREET BANK AND TRUST COMPANY 505223	6,090	2.0
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	4,947	1.6
STATE STREET BANK AND TRUST COMPANY 505001	4,342	1.4
STATE STREET BANK WEST CLIENT - TREATY 505234	4,006	1.3
JP MORGAN CHASE BANK 385781	3,840	1.2
JPMorgan Securities Japan Co., Ltd.	3,468	1.1

Note: Shareholding ratio was calculated excluding treasury shares (850,359 shares).
Treasury shares do not include the 623,600 shares of the Company's stock held by the Board Benefit Trust.

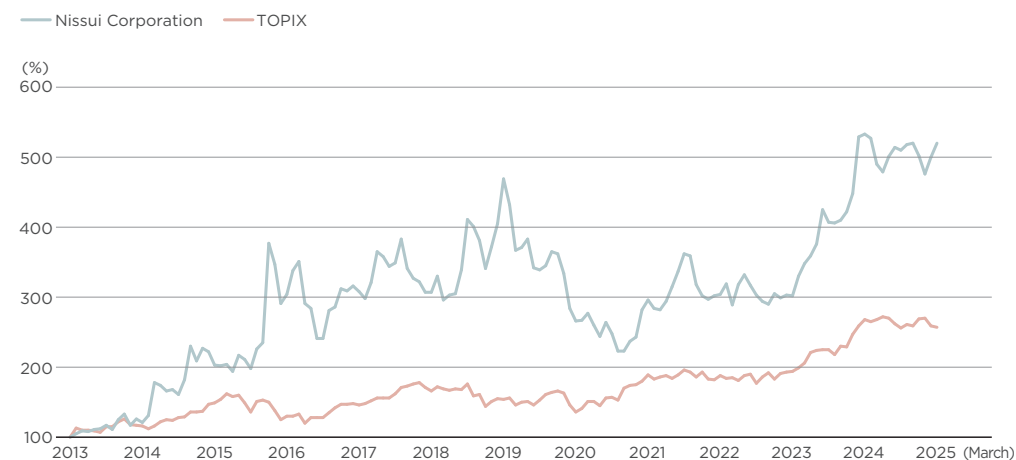


Dividends and Dividend Payout Ratio



Share Performance

(Share price index, with closing price data on the last trading day of March 2013 used as the baseline of 100)



Company Information (As of March 31, 2025)

Company Name	Nissui Corporation	Capital	30,685 million yen
Founded	1911	Number of Employees	1,505 (Non-consolidated) 10,332 (Consolidated)
Established	1943	Head Office	Nishi-Shimbashi Square, 1-3-1, Nishi-Shimbashi, Minato-ku, Tokyo 105-8676, Japan



External Recognition

Index Selection



FTSE Blossom Japan Sector Relative Index

FTSE Russell confirms that Nissui Corporation has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Sector Relative Index. The FTSE Blossom Japan Sector Relative Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

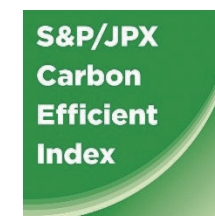


FTSE Blossom Japan Index

FTSE Russell confirms that Nissui Corporation has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Index. Created by the global index and data provider FTSE Russell, the FTSE Blossom Japan Index is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE Blossom Japan Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

2025 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

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



2025



Sampo Sustainability Index

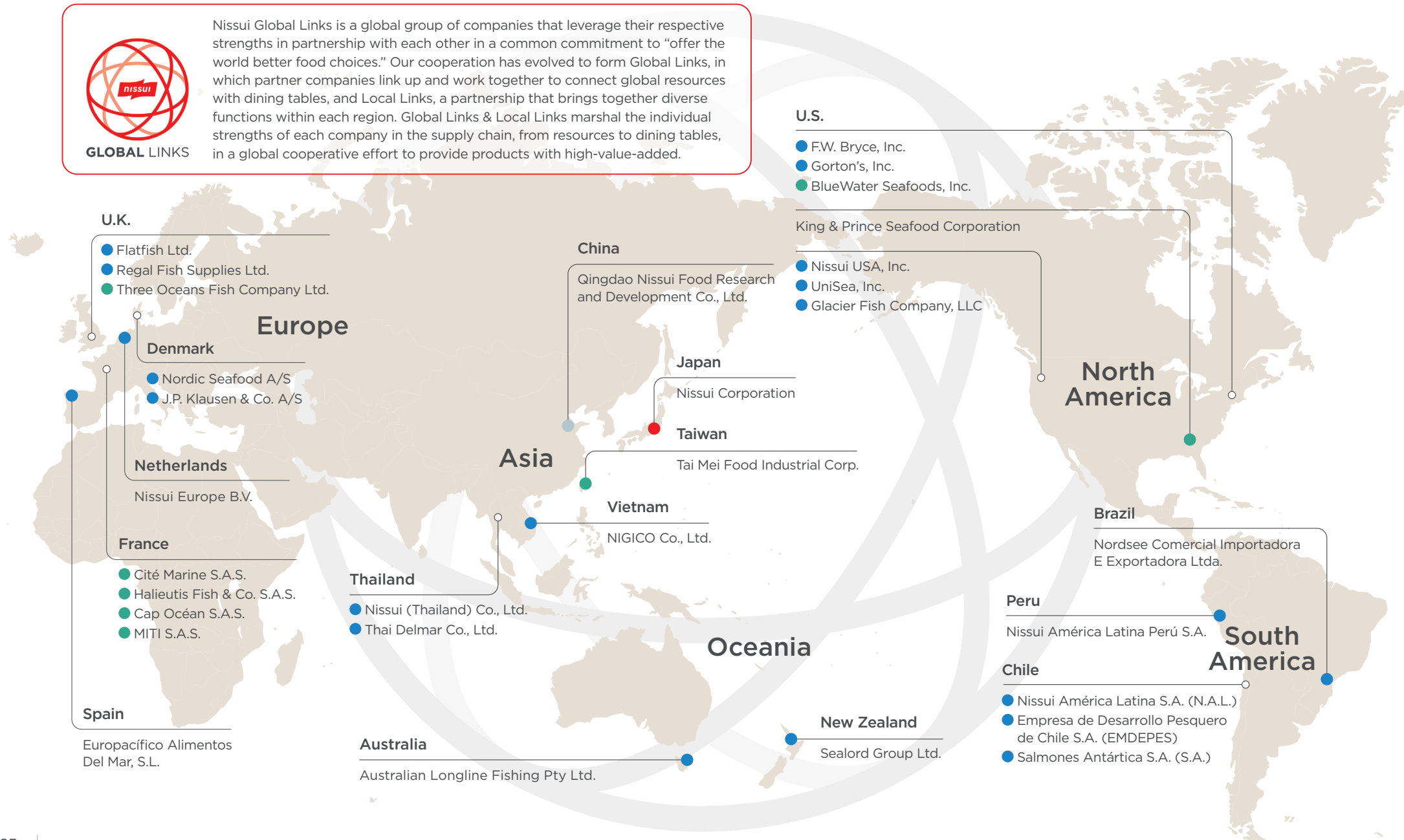
Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J)

Global Network

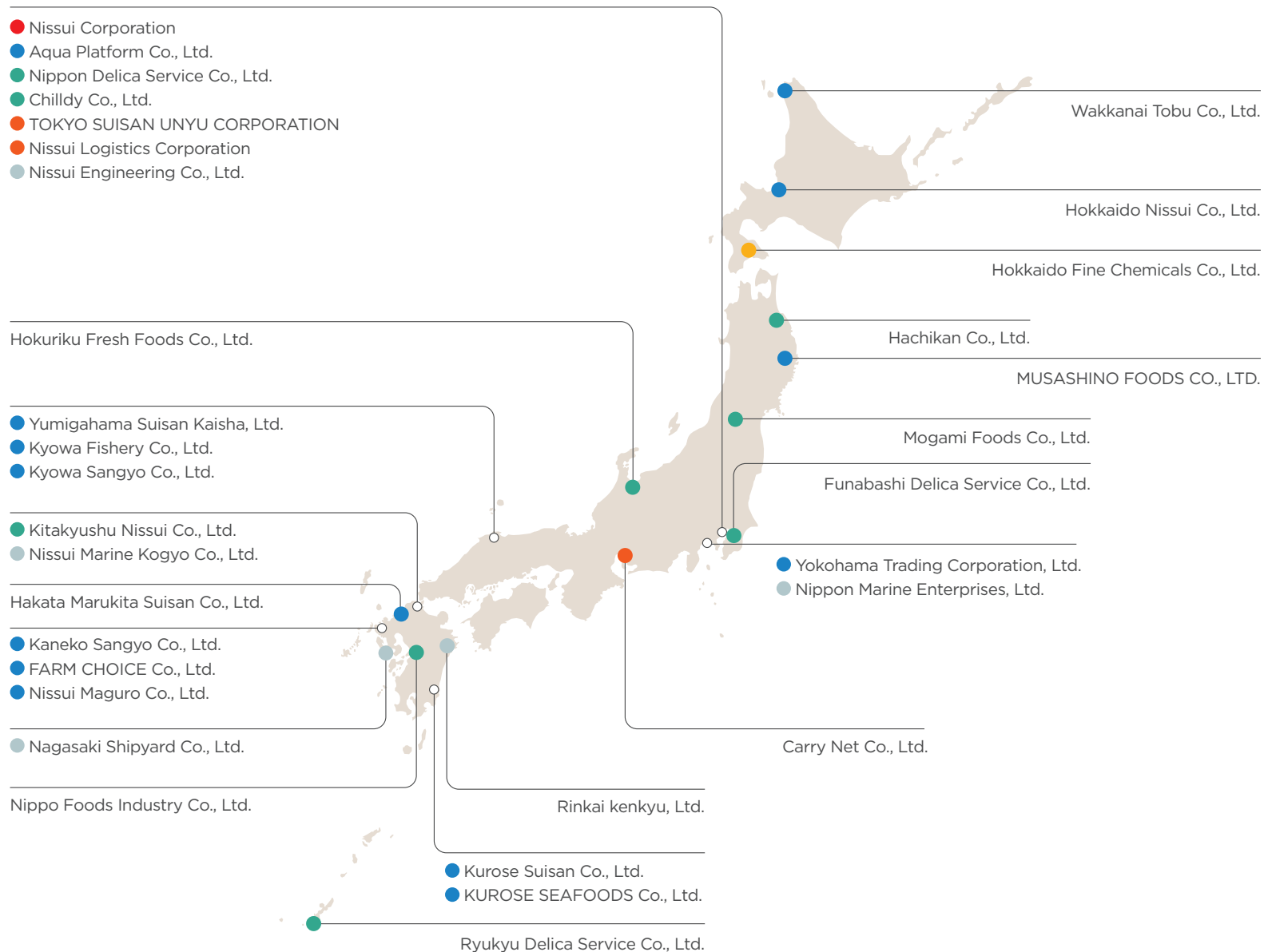


GLOBAL LINKS

Nissui Global Links is a global group of companies that leverage their respective strengths in partnership with each other in a common commitment to "offer the world better food choices." Our cooperation has evolved to form Global Links, in which partner companies link up and work together to connect global resources with dining tables, and Local Links, a partnership that brings together diverse functions within each region. Global Links & Local Links marshal the individual strengths of each company in the supply chain, from resources to dining tables, in a global cooperative effort to provide products with high-value-added.



Global Network



> Group Companies Outside Japan

● Marine Products	19
● Food Products	10
● Others	1

> Group Companies in Japan

● Marine Products	14
● Food Products	9
● Fine Chemicals	1
● General Distribution	3
● Others	5

Contact Information

Nissui Corporation Corporate Communication Department

Nishi-Shimbashi Square, 1-3-1, Nishi-Shimbashi, Minato-ku, Tokyo 105-8676, Japan

<https://www.nissui.co.jp/english>