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# **GOOD FOODS** *for* **YOU!**

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.

## Greeting

I would like to express my sincere gratitude for shareholders' continued support and patronage. Enclosed please find the Notice of the 109th Ordinary General Shareholders' Meeting.

Nissui Corporation has set our long-term vision, "Good Foods 2030," under our newly established mission in 2022, and we have been working on the Mid-Term Business Plan "Good Foods Recipe 1" (from FY2022 to FY2024) as the first step on the path toward achieving the long-term vision. In FY2023, the second year of the Recipe 1 plan, although our Marine Products Business experienced a decline in profit due to the market decline for salmon and surimi, etc. in Japan and overseas, our Food Products Business achieved a significant increase in profit due to the effect of price increases and a decrease in raw material prices in both Japan and overseas. Overall, we were able to achieve record highs in both operating profit and profit. Regarding dividends, the dividend forecast was 10 yen per share; however, considering our performance, financial situation, and other factors, we have revised the dividend to 14 yen per share, an increase of 4 yen per share from the forecast. Including the interim dividend, this amounts to an increase of 6 yen per share compared to the previous fiscal year.

As a preliminary step toward formulating the next Mid-Term Business Plan, the Company has newly identified ten materialities in FY2023. In FY2024, the final year of Recipe 1, we will further advance discussions toward achieving our long-term vision, "Good Foods 2030," based on these materialities. We will continue to strive to "Create a Healthier and More Sustainable Future."

We would like to ask for continued support from all shareholders.

Shingo Hamada  
Representative Director, President  
Chief Executive Officer (CEO)

Securities code: 1332

June 7, 2024

(Start date of measures for electronic provision: May 31, 2024)

**To Shareholders with Voting Rights:**

Shingo Hamada  
Representative Director, President  
Nissui Corporation  
1-3-1, Nishi-Shimbashi, Minato-ku, Tokyo,  
Japan

**NOTICE OF  
THE 109th ORDINARY GENERAL SHAREHOLDERS' MEETING**

We are pleased to inform you that the 109th Ordinary General Shareholders' Meeting (this "Meeting") of Nissui Corporation (the "Company," together with its subsidiaries, the "Group") will be held as described below.

In convening the General Meeting of Shareholders, the Company has taken measures for electronic provision, and the matters to which electronic provision measures apply are posted on each website on the Internet below.

- The Company's Website [https://www.nissui.co.jp/english/ir/share\\_information/meeting.html](https://www.nissui.co.jp/english/ir/share_information/meeting.html)
- Tokyo Stock Exchange (TSE) Website  
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please access the TSE website above, enter the Company name or Security code to search, and select "Basic information" and then "Documents for public inspection/PR information" to view the available information.

If not attending the Meeting in person, shareholders can exercise their voting rights in writing or via the Internet, etc. Please review the following reference documents and exercise your voting rights in accordance with the guidance on page 6 of the Japanese version of this Notice.

In addition, visualized documents of the matters to be reported with graphs and charts will be posted on the Company's website by around Wednesday, June 12, 2024. As stated below, we will invite questions from shareholders in advance and post our response to matters of high interest to our shareholders on our website.

- 1. **Date and Time:** Wednesday, June 26, 2024 at 10:00 a.m. Japan time
- 2. **Place:** Royal Hall, 3rd floor, Royal Park Hotel  
2-1-1 Nihonbashi-Kakigara-cho, Chuo-ku, Tokyo, Japan
- 3. **Meeting Agenda:**
  - Matters to be reported:**
    1. The Business Report and Consolidated Financial Statements for the Company’s 109th Fiscal Year (April 1, 2023 - March 31, 2024) and the results of audits of the Consolidated Financial Statements by the Independent Auditor and the Audit & Supervisory Board
    2. Non-consolidated Financial Statements for the Company’s 109th Fiscal Year (April 1, 2023 - March 31, 2024)

**Proposals to be resolved:**

- Proposal 1:** Election of Ten (10) Directors
- Proposal 2:** Election of One (1) Audit & Supervisory Board Member

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- Based on provisions in laws, regulations, and the Company’s Articles of Incorporation, the Company posts the Policy Regarding Control of the Company, Consolidated Statements of Changes in Net Assets and Notes to the Consolidated Financial Statements of the Consolidated Financial Statements, as well as Non-consolidated Changes in Net Assets and Notes to the Non-consolidated Financial Statements of the Non-consolidated Financial Statements, on the websites of Company and the TSE. Therefore, these documents are not contained in the physical documents provided to shareholders who made requests for provision of physical documents. Accordingly, the physical documents provided to shareholders who made requests for provision of physical documents are a part of the documents audited by Audit & Supervisory Board Members and the Independent Auditor in preparing their respective audit reports.
- Any revisions to the matters to which electronic provision measures apply will be posted on the websites of the Company and the TSE listed above.

## Reference Documents for the General Shareholders' Meeting

Expected Areas of Expertise of Directors and Audit & Supervisory Board Members (Management structure subject to approval)

Name			Positions and responsibilities subject to approval	Number of years in office	Attendance at the Board of Directors meetings	Attendance at the Audit & Supervisory Board meetings
Shingo Hamada	Reappointed		Representative Director, President, Chief Executive Officer (CEO), Member of Nomination and Compensation Committee	7	100% (20/20)	
Shinya Yamamoto	Reappointed		Director, Senior Managing Executive Officer, Chief Financial Officer (CFO)	9	100% (20/20)	
Koji Umeda	Reappointed		Director, Senior Managing Executive Officer, Chief Operating Officer (COO)	4	100% (20/20)	
Shinya Yamashita	Reappointed		Director, Managing Executive Officer	3	100% (20/20)	
Masahide Asai	Reappointed		Director, Executive Officer	2	100% (20/20)	
Teru Tanaka	Newly appointed		Director, Executive Officer	0		
Tokio Matsuo	Reappointed	Outside Independent	Outside Director, Chairperson of Nomination and Compensation Committee	3	100% (20/20)	
Atsumi Eguchi	Reappointed	Outside Independent	Outside Director, Member of Nomination and Compensation Committee	1	100% (15/15)	
Daisaku Abe	Newly appointed	Outside Independent	Outside Director, Member of Nomination and Compensation Committee	0		
Keiko Tanaka	Newly appointed	Outside Independent	Outside Director, Member of Nomination and Compensation Committee	0		
Hiroyuki Hamano			Standing Audit & Supervisory Board Member	5	100% (20/20)	100% (16/16)
Masahiro Yamamoto		Outside Independent	Outside Audit & Supervisory Board Member	3	95% (19/20)	100% (16/16)
Tadashi Kanki		Outside Independent	Outside Audit & Supervisory Board Member	3	95% (19/20)	100% (16/16)
Makiko Terahara	Newly appointed	Outside Independent	Outside Audit & Supervisory Board Member	0		

The "Independence Criteria of Outside Executive Officers" stipulated by the Company is posted on the Company's website. ([https://www.nissui.co.jp/english/vision\\_policy/governance.html](https://www.nissui.co.jp/english/vision_policy/governance.html))

Name	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	○			○	○	○	○	○	○	○
Shinya Yamamoto		○				○	○	○		○
Koji Umeda			○	○			○	○		○
Shinya Yamashita					○	○				○
Masahide Asai	○		○			○	○	○		
Teru Tanaka	○		○	○		○				
Tokio Matsuo	○			○			○	○	○	○
Atsumi Eguchi					○			○	○	○
Daisaku Abe	○	○					○	○	○	○
Keiko Tanaka						○	○	○	○	○
Hiroyuki Hamano		○				○	○	○	○	
Masahiro Yamamoto		○					○	○	○	
Tadashi Kanki							○	○	○	
Makiko Terahara						○	○	○	○	○

**Proposal 1: Election of Ten (10) Directors**

The terms of office of all nine (9) Directors will expire at the close of this Meeting. Accordingly, the Company proposes the election of ten (10) Directors, including four (4) Outside Directors, thus increasing the number of Outside Directors by one (1) with the aim of further enhancing corporate governance and achieving the targets of the Mid-Term Business Plan. The candidates for Directors are as follows:

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Shingo Hamada (January 7, 1959)	<p>April 1983      Joined the Company</p> <p>June 2014      Executive Officer</p> <p>June 2017      Director, Executive Officer Food Products Business Operating Officer</p> <p>June 2018      Director, Managing Executive Officer</p> <p>June 2019      Representative Director, Senior Managing Executive Officer</p> <p>March 2020     Chief Operating Officer (COO)</p> <p>June 2021      Representative Director, President and Chief Executive Officer (CEO) (to present)</p> <p>(Currently Representative Director, President and Chief Executive Officer (CEO) of the Company)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> <li>• Outside Board Member, Chuo Gyorui Co., Ltd.</li> </ul>	32,800
	<p>[Reason for nomination as candidate for Director]</p> <p>He has promoted the food products business on the front lines of food production, management, and development for many years at the Company and its domestic and overseas Group companies, while engaging in sales as Deputy Food Products Business Operating Officer. He was appointed as Director in 2017, and has advanced business integration in fields where the three core businesses of the Company overlap. He has led the promotion of the long-term vision and the Mid-Term Business Plan, and has been responsible for overall management as Chief Operating Officer (COO) from 2020 and as Representative Director, President from 2021. The Company has renominated him as a candidate for Director as he has abundant knowledge, experience, and insight as well as a sense of balance that enables him to supervise overall management and make decisions appropriately.</p>		



No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	Shinya Yamamoto (June 6, 1961)	April 1985      Joined the Company June 2014      Executive Officer June 2015      Director, Executive Officer May 2017      Representative Board Member and President, Nissui G Net Co., Ltd. June 2017      Director, Managing Executive Officer and Chief Financial Officer (CFO), the Company (to present)  (Currently Director, Managing Executive Officer, Chief Financial Officer (CFO), In charge of Corporate Administration Group of the Company)	56,400
		<p>[Reason for nomination as candidate for Director]</p> <p>After engaging mainly in the accounting, finance, and human resources operations of the Company and its overseas Group companies, he has been in charge of finance, general affairs, legal affairs, risk management, and CSR (Sustainability) as Director, Executive Officer from 2015. Since 2017, as Director, Managing Executive Officer, he has been serving as Chief Financial Officer (CFO) in charge of Corporate Administration Group, and has been leading the enhancement of governance including that of Group companies, while strengthening the corporate financial standing. The Company has renominated him as a candidate for Director as he has knowledge, experience, and insights that enable him to lead overall management.</p>	

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	Koji Umeda (February 19, 1961)	April 1983      Joined the Company June 2016      Executive Officer, General Manager of National Account Sales Division March 2020      Food Products Business Operating Officer June 2020      Director, Executive Officer June 2021      Director, Managing Executive Officer (to present) (Currently Director, Managing Executive Officer, Food Products Business Operating Officer, In charge of Marketing Planning Department and Strategic Products Development Department of the Company)	14,200
<p>[Reason for nomination as candidate for Director]</p> <p>He has engaged in the sales of food products for many years at the Company and has fostered business sense as General Manager of Shelf-stable Foods Department. After honing his management skills at regional branches, he spearheaded sales activities in highly competitive markets as Executive Officer, General Manager of National Account Sales Division from 2016. He has been in charge of the overall business including marketing and production as Food Products Business Operating Officer since 2020 and as Director, Managing Executive Officer since 2021, while engaging in a structural reform of the chilled foods business and stabilizing revenue from the food products business. The Company has renominated him as a candidate for Director in anticipation of his ability to further lead overall business growth as Chief Operating Officer (COO) based on his abundant experience and knowledge regarding the food products business.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	Shinya Yamashita (June 30, 1959)	April 1983      Joined the Company June 2016      Executive Officer, General Manager of Central Research Laboratory June 2021      Director, Executive Officer, Fine Chemicals Business Operating Officer June 2022      Director, Managing Executive Officer (to present) (Currently Director, Managing Executive Officer, Fine Chemicals Business Operating Officer, In charge of R&D Group of the Company)	30,600
<p>[Reason for nomination as candidate for Director]</p> <p>He has engaged in research and development of food products, marine products and the fine chemicals business for many years at the Company, has held positions including Executive Officer and General Manager of Central Research Laboratory from 2016 and has been in charge of the R&amp;D Group since 2020. Assuming the role in supervising the entire business as Director, Executive Officer and Fine Chemicals Business Operating Officer from 2021, he has been strengthening the overseas development of pharmaceutical raw materials and expanding sales of functional foods. The Company has renominated him as a candidate for Director as he has abundant experience and knowledge regarding R&amp;D and the fine chemicals business.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	Masahide Asai (March 14, 1962)	<p>April 1984      Joined the Company</p> <p>June 2018      Executive Officer, Business Supervisor in North America Director and President, NIPPON SUISAN (U.S.A.), INC. (currently NISSUI USA, INC.)</p> <p>June 2019      Business Supervisor in South America, the Company President, NIPPON SUISAN AMERICA LATINA S.A. (N.A.L.) (currently NISSUI AMERICA LATINA S.A.) (to present)</p> <p>March 2022     International Business Operating Officer and Business Supervisor in South America, the Company</p> <p>June 2022      Director, Executive Officer (to present)</p> <p>(Currently Director, Executive Officer, International Business Operating Officer, Business Supervisor in South America, In charge of International Business Development Department and Strategic Products Development Department of the Company)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> <li>• President, NISSUI AMERICA LATINA S.A.</li> </ul>	4,700
<p>[Reason for nomination as candidate for Director]</p> <p>He has engaged in the marine products business for many years at the Company and its domestic and overseas Group companies. He was appointed as Executive Officer, Business Supervisor in North America in 2018, and as Business Supervisor in South America in 2019. He has been supervising the overall business as International Business Operating Officer since March 2022, a position tasked with supervising the newly established international business division, and is promoting the growth and expansion of the international business toward achieving the long-term vision. The Company has renominated him as a candidate for Director as he has abundant experience and knowledge regarding international business.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
6	Teru Tanaka (March 26, 1965) [Newly appointed]	April 1988      Joined the Company June 2019      Executive Officer, Deputy General Manager of National Account Sales Division March 2020      Executive Officer, In charge of Aquaculture Business Promotion Department March 2022      Deputy Marine Products Business Operating Officer (to present) (Currently Executive Officer, Deputy Marine Products Business Operating Officer, In charge of Aquaculture Business Promotion Department of the Company)	12,200
<p>[Reason for nomination as candidate for Director]</p> <p>He worked at the overseas Group companies, the Marine Products Business Department and the Tokyo Metropolitan Area Commercial Sales Department, and therefore has extensive involvement in various aspects of the marine products business. He has led the marine products business as President of SALMONES ANTARTICA S.A.(S.A.) since March 2016, as Executive Officer and Deputy General Manager of the National Account Sales Division overseeing the sales of marine products and food products since 2019, and as Deputy Marine Products Business Operating Officer since 2022. The Company has nominated him as a candidate for Director in anticipation of his abundant experience and knowledge in the marine products business as well as his management perspective and decision-making.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
7	Tokio Matsuo (April 26, 1957)  [Outside] [Independent]	<p>April 1980      Joined Asahi Glass Co., Ltd. (currently AGC Inc.)</p> <p>January 2010    Executive Officer, General Manager of CSR Office; Standing Director, The Asahi Glass Foundation Scholarship (currently The Asahi Glass Foundation)</p> <p>June 2016      Representative Director President and Executive Officer, NIPPON CARBIDE INDUSTRIES CO., INC.</p> <p>June 2020      Counselor</p> <p>June 2021      Outside Director, the Company Outside Director, Toyo Gosei Co., Ltd. (to present)</p> <p>(Currently Outside Director of the Company)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> <li>• Outside Director, Toyo Gosei Co., Ltd.</li> </ul>	0
<p>[Reason for nomination as candidate for Outside Director and expected roles]</p> <p>In addition to many years of experience at a glass manufacturer, he has broad expertise accumulated as a Representative Director of a listed chemical manufacturer. He has appropriately supervised overall management by expressing his frank opinions on sustainability initiatives from medium- and long-term perspectives. The Company has renominated him as a candidate for Outside Director in anticipation that he will provide advice to further enhance corporate value. In addition, he is expected to demonstrate leadership as a new Chairperson of the Nomination Committee and Compensation Committee.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
8	Atsumi Eguchi (October 2, 1957)  [Outside] [Independent]	April 1980      Joined Suntory Spirits Ltd. April 2010      Head of Public Relations, Suntory Holdings Limited April 2013      Senior General Manager of Business Development Department, Suntory Global Innovation Center Ltd. April 2016      Assistant to Executive Officer in charge of R&D, in charge of Public Relations, Suntory Holdings Limited November 2017    Director, Manager of Corporate Communication, Ezaki Glico Co., Ltd. March 2018      Executive Officer, Manager of Corporate Communication June 2023      Outside Director, the Company (to present) (Currently Outside Director of the Company)	0
<p>[Reason for nomination as candidate for Outside Director and expected roles]</p> <p>She has engaged in research &amp; development and public relations/communications divisions at major beverage and food manufacturing companies and has broad knowledge and abundant experience. At the Board of Directors of the Company, she has provided oversight not only from the perspective of corporate communication and diversity but also with respect to a wide range of overall management. The Company has renominated her as a candidate for Outside Director in anticipation that she will further contribute to the enhancement of corporate value.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
9	<p data-bbox="231 1048 411 1120">Daisaku Abe (June 20, 1957)</p> <p data-bbox="215 1164 427 1265">[Newly appointed] [Outside] [Independent]</p>	<p data-bbox="475 275 603 302">April 1980</p> <p data-bbox="475 313 603 340">April 2007</p> <p data-bbox="475 374 603 400">April 2009</p> <p data-bbox="475 470 603 497">April 2012</p> <p data-bbox="475 698 603 725">June 2012</p> <p data-bbox="475 824 603 851">April 2013</p> <p data-bbox="475 1209 603 1236">June 2014</p> <p data-bbox="475 1305 603 1332">April 2019</p> <p data-bbox="475 1402 603 1429">June 2019</p> <p data-bbox="475 1659 603 1686">April 2020</p> <p data-bbox="475 1720 603 1747">June 2020</p> <p data-bbox="475 1780 603 1807">April 2022</p> <p data-bbox="475 1818 603 1845">June 2022</p> <p data-bbox="475 1982 603 2009">June 2023</p> <p data-bbox="702 275 1273 2045">           Joined the Industrial Bank of Japan, Limited            Executive Officer, Mizuho Corporate Bank, Ltd.            (currently Mizuho Bank, Ltd.)            Managing Executive Officer, Head of Corporate            Planning Group, and IT, Systems &amp; Operation            Group, Mizuho Financial Group, Inc.            Managing Executive Officer, Head of IT, Systems            &amp; Operation Group, Mizuho Financial Group, Inc.            Managing Executive Officer, Mizuho Bank, Ltd.            Managing Executive Officer, Mizuho Corporate            Bank, Ltd.            Managing Executive Officer, Mizuho Trust &amp;            Banking Co., Ltd.            Managing Member of the Board of Directors,            Managing Executive Officer, Head of IT &amp;            Systems Group and Operation Group, Mizuho            Financial Group, Inc.            Member of the Board of Directors &amp; Deputy            President, Deputy President &amp; Senior Executive            Office, and Head of IT &amp; Systems Group and            Operation Group, Mizuho Financial Group, Inc.            Deputy President &amp; Executive Officer, Mizuho            Bank, Ltd. (until April 2019)            Director and Vice President, Mizuho Corporate            Bank, Ltd. (until July 2013)            Managing Executive Officer, Mizuho Trust &amp;            Banking Co., Ltd.            Managing Executive Officer, Mizuho Securities            Co., Ltd.            Deputy President &amp; Senior Executive Officer, and            Head of IT &amp; Systems Group and Operation            Group, Mizuho Financial Group, Inc.            Deputy Chairman, Executive Officer, and Head of            Internal Audit Group, In charge of special            projects, Mizuho Financial Group, Inc.            Member of the Board of Directors (Audit &amp;            Supervisory Committee Member), Mizuho Trust            &amp; Banking Co., Ltd. (until April 2020)            Member of the Board of Directors (Audit &amp;            Supervisory Committee Member), Mizuho            Securities Co., Ltd. (until April 2020)            Outside Director, Mizuho Leasing Company,            Limited            Advisor, Mizuho Financial Group, Inc. (until June            2020)            Director and Chairman, Mizuho Leasing            Company, Limited            Director, Mizuho Leasing Company, Limited            Standing Advisor, Mizuho Leasing Company,            Limited (to present) (scheduled to retire on June            25, 2024)            Outside Director, Nippon Steel Kowa Real Estate            Co., Ltd. (to present)            Outside Director, ORGANO CORPORATION (to            present)         </p>	0



No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
		<p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> <li>• Outside Director, Nippon Steel Kowa Real Estate Co., Ltd.</li> <li>• Outside Director, ORGANO CORPORATION</li> </ul>	
	<p>[Reason for nomination as candidate for Outside Director and expected roles]</p> <p>He has engaged in a wide range of operations such as IT, systems and corporate planning at financial institutions and has broad expertise in sustainability, including having served as chairman of the Human Rights Enlightenment Promotion Committee. In addition to his experience supervising overall corporate management as a corporate manager of a financial institution, he has also served as an outside director of a listed company. The Company has nominated him as a candidate for Outside Director in anticipation that he will supervise management of the Company from medium-, long-term and comprehensive perspectives by leveraging his various experiences.</p>		

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
10	Keiko Tanaka (May 24, 1960)  [Newly appointed] [Outside] [Independent]	<p>April 1984      Joined Nissan Motor Co., Ltd. (until September 2014)</p> <p>April 2011      Seconded to JATCO Ltd, General Manager in charge of Public Relations, Corporate Planning Department</p> <p>April 2013      Treated as equivalent to Corporate Officer, JATCO Ltd. (until September 2014)</p> <p>October 2014    Ambassador Extraordinary and Plenipotentiary of Japan to Uruguay</p> <p>April 2018      Executive Officer, Nissan Financial Services Co., Ltd.</p> <p>June 2019      Outside Director, Kurita Water Industries Ltd. (to present)</p> <p>April 2020      Outside Expert of Sustainability Committee, NH Foods Ltd.</p> <p>April 2022      Corporate Vice President, Nissan Financial Services Co., Ltd.</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> <li>• Outside Director, Kurita Water Industries Ltd.</li> </ul>	0
<p>[Reason for nomination as candidate for Outside Director and expected roles]</p> <p>She has engaged in public relations and marketing departments at automotive manufacturing companies, and as a result gaining broad knowledge. In addition, she has global experiences such as having served as the Ambassador Extraordinary and Plenipotentiary of Japan to Uruguay. Since she also has experience as Outside Director at a listed company and as Outside Expert of the Sustainability Committee, the Company has nominated her as a candidate for Outside Director in anticipation that she will provide advice from a global perspective on sustainability and diversity, which are current challenges that the Company needs to address, and supervise overall management based on various experiences.</p>			

- Notes:
1. Tokio Matsuo and Atsumi Eguchi are incumbent Outside Directors of the Company. Tokio Matsuo will have served as Outside Director for three (3) years and Atsumi Eguchi for one (1) year at the close of this Meeting.
  2. The Company stipulates in its Articles of Incorporation that it can conclude agreements with Directors (excluding those serving as executive Directors, etc.) to limit their liability for damages to the Company provided in Article 427, Paragraph 1 of the Companies Act to the limit stipulated in laws and regulations.  
Tokio Matsuo and Atsumi Eguchi are incumbent Outside Directors of the Company, and the Company has entered into the aforementioned agreement with them. If their election is approved, the Company will extend the aforementioned agreement with them. If the election of Daisaku Abe and Keiko Tanaka is approved, the Company will also enter into the aforementioned agreement with them.
  3. The Company has concluded a Directors and Officers liability insurance contract stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, covering legal damages and litigation expenses to be borne by the insureds due to execution of their duties (however, this excludes certain cases that fall under the exemptions stipulated in the insurance contract). If the candidates are reelected or elected, they will be insured under the insurance contract. The Company will renew the contract with the same contents at the next renewal.
  4. To determine the independence of its Outside Directors and Outside Audit & Supervisory Board Members (“Outside Executives”), the Company has stipulated its own Independence Criteria of Outside Executive Officers in addition to the standard provided by the Tokyo Stock Exchange. Tokio Matsuo and Atsumi Eguchi satisfy these standards and have been reported to the Tokyo Stock Exchange as

Independent Directors. If they are reelected and take office as Directors, they will continue to serve as Independent Directors. Daisaku Abe and Keiko Tanaka also satisfy these standards provided by the Tokyo Stock Exchange and stipulated by the Company. If their election is approved, the Company will newly report them to the Tokyo Stock Exchange as an Independent Directors.

**Proposal 2:** Election of One (1) Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member, Shino Hirose will expire at the close of this Meeting. Accordingly, the Company proposes the election of one (1) Audit & Supervisory Board Member. The candidate for Audit & Supervisory Board Member is as follows.

The Company has obtained the prior consent of the Audit & Supervisory Board in submitting this proposal.

Name (Date of birth)	Career summary, positions and significant concurrent positions	Number of shares of the Company held
<p>Makiko Terahara (December 23, 1974) [Newly appointed] [Outside] [Independent]</p>	<p>April 2000 Registered as attorney-at-law February 2008 Registered as attorney in New York State, USA. September 2010 Co-managing partner, lawyer, Enomoto and Terahara Law Office (currently Tokyo Omotesando Law &amp; Accounting LPC) (to present) June 2018 Outside Director, ADVANTAGE Risk Management Co., Ltd. (to present) March 2019 Outside Director, Japan Fawick Company Limited (to present) September 2019 Outside Committee Member of Compliance Committee, Japan Infrastructure Fund Advisors Ltd. (to present) October 2021 Supervisory Director, AEON REIT Investment Corporation (to present) May 2023 Outside Audit &amp; Supervisory Board Member, Takashimaya Company, Limited (to present)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> <li>• Co-managing partner, lawyer, Tokyo Omotesando Law &amp; Accounting LPC</li> <li>• Outside Director, ADVANTAGE Risk Management Co., Ltd.</li> <li>• Outside Director, Japan Fawick Company Limited</li> <li>• Outside Committee Member of Compliance Committee, Japan Infrastructure Fund Advisors Ltd.</li> <li>• Supervisory Director, AEON REIT Investment Corporation</li> <li>• Outside Audit &amp; Supervisory Board Member, Takashimaya Company, Limited</li> </ul>	0
<p>[Reason for nomination as candidate for Outside Audit &amp; Supervisory Board Member] She is well versed in corporate legal affairs as an attorney at law and serves as Outside Director of other listed companies. She has professional expertise in determining the appropriateness of overall corporate activities. In addition, she serves as Outside Audit &amp; Supervisory Board Member of a listed company engaged in the department store business, and possesses insights into the retailing business. The Company has nominated her as a candidate for Outside Audit &amp; Supervisory Board Member in the anticipation that her advice based on her experience and insights will be effective for the Company to promote sustainability and attain diversity.</p>		

- Notes:
1. Makiko Terahara is a candidate for Audit & Supervisory Board Member.
  2. The Company stipulates in its Articles of Incorporation that it can conclude agreements with Outside Audit & Supervisory Board Members to limit their liability for damages to the Company provided in Article 427, Paragraph 1 of the Companies Act to the limit stipulated in laws and regulations. Makiko Terahara is a candidate for Audit & Supervisory Board Member. If her election is approved, the Company will enter into the aforementioned agreement with her.
  3. The Company has concluded a Directors and Officers liability insurance contract stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, covering legal damages and litigation expenses to be borne by the insureds due to execution of their duties (however, this excludes certain cases that fall under the exemptions stipulated in the insurance contract). If the candidate is reelected, she will be insured under the insurance contract. The Company will renew the contract with the same contents at the next renewal.
  4. To determine the independence of its Outside Directors and Outside Audit & Supervisory Board Members (“Outside Executives”), the Company has stipulated its own Independence Criteria for Outside Executive Officers in addition to the standards provided by the Tokyo Stock Exchange. Makiko Terahara satisfies the standards provided by the Tokyo Stock Exchange and stipulated by the Company. If her election is approved, she will be newly appointed as Independent Director.

## **BUSINESS REPORT** (from April 1, 2023 to March 31, 2024)

### **I Current status of the Corporate Group**

#### **1 Business activities and results**

During the consolidated fiscal year, there were concerns about the outlook of the Japanese economy due to factors such as inflation caused by the prolonged situation in Ukraine and other uncertainties. However, there were positive signs of improvement in the economic environment, driven by the transition of COVID-19 to a level 5 infectious disease and nationwide travel support, which led to the recovery of human flow and inbound demand.

Regarding the global economy during the consolidated period from January to December, high inflation and rising policy interest rates continued in Europe and the United States. The economy was steady in the U.S., with continuous improvement in employment and increasing personal consumption. The economy was slow in Europe, mainly in Germany, as demand decreased due to monetary tightening.

For the company and its group, the Food Products business saw the positive effects of domestic and international increasing sales prices and decreasing raw material prices, resulting in a significant profit rise. In the Marine Products business, profit declined as the market prices of our main products, such as salmon and surimi, decreased in Japan and overseas. In contrast, the domestic fishery business was firm.

In the current situation, our consolidated business performance was as follows: net sales were 831,375 million yen, up 63,194 million yen year-on-year; operating profit was 29,663 million yen, up 5,175 million yen year-on-year; ordinary profit was 31,963 million yen, up 4,187 million yen year-on-year; The profit attributable to the owners of the parent company was 23,850 million yen, up 2,617 million yen year-on-year. We achieved record-high in both operating profit and attributable to owners of parent company. Gain on sales of shares of one of our consolidated subsidiaries, Nissui Pharmaceutical Co., Ltd. (currently Shimadzu Diagnostics Corporation), was posted in the 1st half of FY2022.

Regarding dividends, the year-end dividend was set at 14 yen per share. As a result, the interim dividend of 10 yen has already been paid per share, so combined with the 10 yen per share, the annual dividend was 24 yen per share (18 yen in FY2022).

The overview of the business during the fiscal year is as follows.

(Unit: million yen)

	Net Sales	Operating Profit	Ordinary Profit	Profit attributable to owners of parent	ROE
FY2023	831,375	29,663	31,963	23,850	10.2%
FY2022	768,181	24,488	27,776	21,233	10.4%
Difference	63,194	5,175	4,187	2,617	(0.2%)
Percentage difference (%)	108.2%	121.1%	115.1%	112.3%	-

## Trends in Assets and Income

(Unit: million yen)

Category	106th fiscal year (FY2020)	107th fiscal year (FY2021)	108th fiscal year (FY2022)	109th fiscal year (FY2023)
Net sales	615,044	693,682	768,181	831,375
Operating profit	17,998	27,076	24,488	29,663
Ordinary profit	22,670	32,372	27,776	31,963
Profit attributable to owners of parent	14,391	17,275	21,233	23,850
Earnings per share (yen)	46.25	55.51	68.22	76.67
Total assets	475,468	505,731	549,013	606,384
Net assets	187,779	208,598	220,635	257,304

Note: 1. Earnings per share was calculated based on the average number of shares outstanding during the fiscal year.

Treasury shares have been deduced from the above number of shares outstanding.

- The Company implemented a Board Benefit Trust (BBT) and the Company's shares held by the BBT are included in treasury shares, which are deducted in the calculation of the average number of shares outstanding during the fiscal year.
- The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and other standards from the beginning of the 107th fiscal year. Figures for the 106th fiscal year have retroactively adopted the above accounting standards.

## **(1) Marine Products Business**

The Marine Products segment is engaged in the fishery, aquaculture, and seafood processing and trading businesses.

<Overview of the consolidated fiscal year under review>

We recorded 336,892 million yen (up 8,557 million yen year-on-year) in sales and operating profit of 10,697 million yen (down 7,881 million yen year-on-year) in the Marine Products Business.

Fishery Business: Both sales and profit increased year on year.

[Japan]

- Both sales and profit increased as sardines, mackerel, etc., caught well.

Aquaculture Business: Sales increased, but profit decreased year-on-year.

[Japan]

- The quantity of Coho Salmon increased due to the improvement of the operation without mortality or growing delay, and the sales price of farmed tuna was solid. The farmed Buri yellowtail sold well last year as we could take advantage of the complete firming while competitors couldn't supply fish well. However, the total supplies returned to normal this year, resulting in a reactionary decline caused by weakened sales prices. As a result, sales increased, but profits decreased.

[South America]

- Sales increased due to improvements in survival rates and trout sales volume resulting from enhancements in the breeding environment. However, profit decreased due to a negative impact on the evaluation of fish in the pond (Note 1) as the sales price began to lower than the previous year in the middle of this year.

Seafood Processing and Trading Business: Sales increased, but profit decreased year-on-year.

[Japan]

- Sales of seafood products for commercial use and industrial lunches began to show the positive effects of price increases. Additionally, shrimp, fish oil, and fish meal sales performed well. However, we accelerated the early disposal of unprofitable inventory as fish market prices for essential products such as salmon/trout, surimi, and imported frozen tuna entered an adjustment phase. Profits increased in the 4th quarter but decreased for the entire year.

[North America]

- An increase in the catch quota for Alaskan pollock increased the production volume in the processing business. However, profits decreased due to rising costs, such as labor expenses, and a sharp market price decline of surimi and fillet caused by increasing supply.

[Europe]

- The decrease in profits can be attributed to a write-down of pollock inventories. Additionally, the pace of cargo movement slowed down as the fishery market began to adjust.

(Note 1) We evaluated the estimated shipping prices of fish in ponds based on International Financial Reporting Standards (IFRS).



## **(2) Food Products Business**

The Food Products segment is engaged in the food processing and chilled foods businesses.

<Overview of the consolidated fiscal year under review>

We recorded 443,297 million yen (up 61,249 million yen year-on-year) in sales and an operating profit of 27,291 million yen (up 15,864 million yen year-on-year) in the Food Products Business.

Processed Foods Business: Both sales and profit increased year-on-year.

[Japan]

- Sales and profit increased as we improved our profit structure by implementing revenue and expenditure management on an item-by-item basis for household and commercial use. The sales and volumes of frozen food for restaurants and delicatessen for commercial use progressed favorably due to the positive impact of the recovery in foot traffic. The sales volume decreased for household use due to the price increase and the recovery from eating out, though the sales increased.

[North America]

- Although there was a market downturn caused by inflation, the sales and profits increased due to the continuous positive effects of price increases and a rise in market shares for household use. Commercial use also increased sales and profits because of decreased raw material costs and the effects of price rise.

[Europe]

- In addition to improving UK operations, we expanded our sales to Spain and Italy. While we observed a decrease in sales volume in Germany, the impact of price increases and decreasing raw material costs led to increased sales and profit.

Chilled Foods Business: Both sales and profit increased year-on-year.

- The vendor business performed well, as sales of onigiri (rice balls) and salads for convenience stores increased due to the recovery in foot traffic. Also, Gourmet Delica Co., Ltd., which operates the same vendor business, has joined the company as a consolidated subsidiary since July 2023, increasing sales and profit.

### **(3) Fine Chemicals Business**

The Fine Chemicals segment manufactures and sells pharmaceutical raw materials, functional raw materials (Note 2), and functional foods (Note 3).

<Overview of the consolidated fiscal year under review>

We recorded 15,696 million yen (down 9,419 million yen year-on-year) in sales and an operating loss of 171 million yen (down 1,897 million yen year-on-year) in the Fine Chemicals Business.

- Sales and profit declined significantly due to a reactionary decrease in mail-order sales due to a slowdown in stay-at-home consumption and the suspension of exports of pharmaceutical raw materials to the United States, in addition to the sale of Nissui Pharmaceutical Co., Ltd. (currently Shimadzu Diagnostics Corporation), one of the consolidated companies until September 2022.

(Note 2) Functional ingredients, such as EPA, DHA, and others, are mainly used in health supplements and infant formula.

(Note 3) Supplements such as “Sesame soy milk” functional food and “i-mark S,” food for specified health uses (FOSHU), mainly for online business.

#### **(4) General Distribution Business**

The General Distribution segment is engaged in the cold storage, transportation, and customs clearing businesses.

<Overview of the consolidated fiscal year under review>

We recorded 15,213 million yen (down 274 million yen year-on-year) in sales and an operating profit of 1,536 million yen (down 57 million yen year-on-year) in the General Distribution Business.

- Although we improved profitability by increasing operational efficiency and raising storage fees to manage the increased labor costs etc., sales and profit decreased due to the decreasing handling volume in customs clearance businesses. In addition, there was an opening cost for a logistics center of Nissui Logistics Corporation, one of the consolidated subsidiaries. The center started operations in January 2024.

## 2 Issues to be addressed

### <Mission and Long-term vision>

Although the business environment surrounding the Company is changing in various ways, Nissui considers that we should address these critical social issues, especially as important ones, "actions to climate change and the marine environment," "sustainable usages of natural resources," "contribution to a healthy life," and "realization of social environment where diverse human capitals can play their active role. To address these issues, Nissui redefined our company mission and clarified our long-term vision as a goal for 2030 of "Good Foods 2030", aiming to become a leading company that delivers friendly foods for people and the earth.

## Mission

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

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

### 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

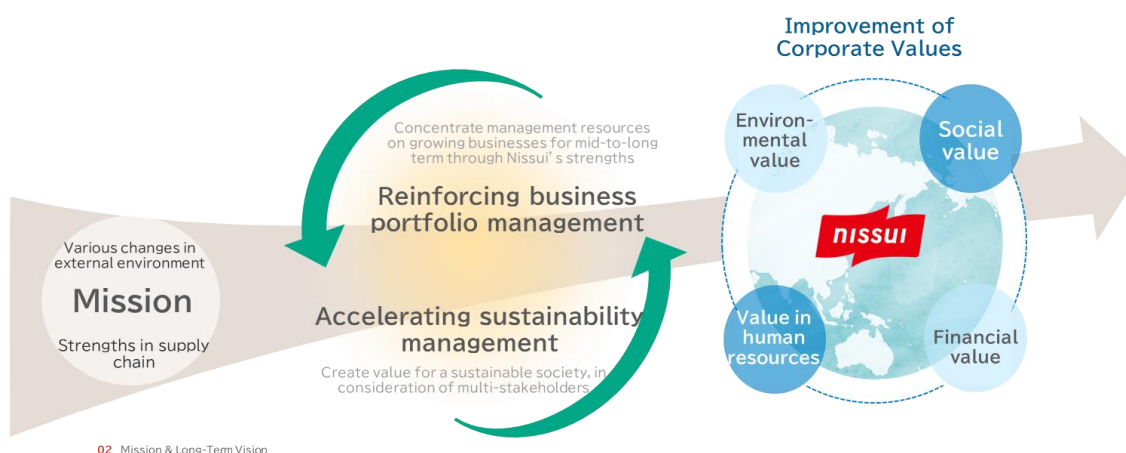
02 Mission & Long-Term Vision

For more than 110 years, Nissui has developed its strengths in accessibility of natural resources, R&D, production technology, and quality assurance, leveraging the strengths and features of the value chain\* consisting of Global and Local Links. By taking advantage of these strengths, Nissui will deliver "innovative food" that enriches our lives and "innovative food" that solves social issues.

\* Look at pages 23 to 24 of the NISSUI INTEGRATED REPORT 2023 for information on the strengths and features of the value chain [https://www.nissui.co.jp/english/ir/ir\\_library/pdf/2023\\_integrated\\_report\\_en\\_a3all.pdf](https://www.nissui.co.jp/english/ir/ir_library/pdf/2023_integrated_report_en_a3all.pdf)

### <Long-term vision as a goal for 2030>

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



To achieve our long-term vision, "Good Foods 2030," Nissui will strive for "sustainability management" that creates value for a sustainable society while giving consideration to multiple stakeholders and strengthen "business portfolio

management" that concentrates management resources on growth fields by utilizing ROIC and strive to increase corporate value.

Nissui aims to be a company that can achieve a ratio of sales of overseas markets of 50%, sales of 1 trillion yen, and operating profit of 50 billion yen by expanding overseas markets and making growth and differentiation in the aquaculture and Fine Chemicals business.



Values	Themes	Goals	KPI for 2030	Compared (Unit)
Environmental value	Actions toward climate change and ocean environment	Zero CO2 emission	CO2 emission (Scope1·2) <b>Reduced by 30%</b> <b>Achieve carbon-neutral in 2050</b>	FY2018 (Absolute quantity)
		Zero plastic emission	Usage of plastic※ <b>Reduced by 30%</b>	FY2015 (per unit)
	Sustainable procurement	Sustainability of marine products	Procurements of sustainable marine resources <b>100%</b>	-
Social value	Responsible procurement	Assessments of primary suppliers <b>100%</b>	-	
	Solve health problem	Expand products for health category	Sales of healthy products category: <b>Expanded by 300%</b>	FY2021
Value in human resources	Play important roles by diverse human resources	Employee engagement	Employee engagement score※ <b>Improved by 20%</b>	FY2021
		Promotion of active female participation	Ratio of female manager※ <b>20%</b>	-
Financial value	Capital strength to compete in the world	Growth and profitability	Sales: <b>1,000 billion JPY</b> Operating Incomes: <b>50 billion JPY</b>	-
		Capital efficiency	ROIC <b>≥7.0%</b>	-
		Overseas expansion	Ratio of global sales: <b>50%</b>	-





※ The numbers are not as Nissui Group's Total

## < Material Issues >

After identifying material issues in FY2016, the Nissui Group has been working on “Evolving Towards Sustainability Management.” However, in response to the increasing complexity of the external environment, we conducted a review of our material issues in FY2023. In this review, we positioned material issues as “key management issues that should be prioritized in order to achieve sustainable growth of the Nissui Group and increase corporate value in the medium- to long-term (realization of our mission and vision).”

In FY2024, we will formulate strategies and set KPIs for the next Mid-Term Business Plan based on these material issues to achieve our long-term vision, “Good Foods 2030.” In addition, we will establish a corresponding implementation framework for these reviewed material issues, with Executive Officers or higher serving as responsible persons to address these issues from a management perspective. In this way, we will promote sustainability management that creates value for a sustainable society.

### Material Issues for the Nissui Group

	Material Issues	Core Initiatives
 <p>Recipe for the <b>Planet</b> Create a Sustainable Global Environment</p>	Driving the mainstreaming of marine biodiversity	<ul style="list-style-type: none"> <li>• Conserve marine biodiversity and the marine environment</li> <li>• Use marine resources sustainably</li> </ul>
	Contributing to a decarbonized and circular economy	<ul style="list-style-type: none"> <li>• Address climate change</li> <li>• Contribute to a circular economy (e.g., reduce food loss and plastic usage)</li> </ul>
 <p>Recipe for <b>Society</b> Build a Healthy Society Together</p>	Structuring a sustainable supply chain	<ul style="list-style-type: none"> <li>• Promote sustainable procurement (e.g., ensure traceability, respect human rights, and consider the environment)</li> <li>• Maintain food safety and security, and quality assurance</li> </ul>
	Resolving health issues	<ul style="list-style-type: none"> <li>• Expand the portfolio of health category products</li> </ul>
 <p>Recipe for <b>Teammates</b> Foster Passionate Professionals</p>	Developing human capital and empowering diverse personnel	<ul style="list-style-type: none"> <li>• Link human capital strategy to management strategy</li> <li>• Champion diversity and inclusion</li> </ul>
	Securing a stable workforce and improving productivity	<ul style="list-style-type: none"> <li>• Reform work styles, reduce labor requirements, and improve productivity</li> <li>• Ensure occupational safety and health management</li> </ul>
	Embracing our mission and establishing our brand	<ul style="list-style-type: none"> <li>• Share our mission and establish our brand</li> <li>• Raise employee engagement</li> </ul>
 <p>Recipe for <b>Growth</b> Pioneer the Future by Pursuing New Possibilities in Food</p>	Innovating through digital transformation	<ul style="list-style-type: none"> <li>• Improve operational efficiency by utilizing digital technologies</li> <li>• Leverage digital transformation to innovate and establish competitive advantages</li> </ul>
	Accelerating global operations	<ul style="list-style-type: none"> <li>• Accelerate international business operations</li> <li>• Respond to geopolitical risks</li> </ul>
	Generating innovations related to food	<ul style="list-style-type: none"> <li>• Create innovative food solutions</li> </ul>

Note: For details on material issues and the identification process of material issues, please refer to our Sustainability website. <https://nissui.disclosure.site/en/themes/85>

### <Mid-Term Business Plan and Six Basic Strategies>

To achieve our long-term vision in FY2030, Nissui has formulated our mid-term business plan, “Good Foods Recipe 1”, covering FY2022 – FY2024. The Company is working on its businesses based on the following six strategies.

## ROIC $\geq 5.5\%$

Improving profitability on each business

## ROE $\geq 10.0\%$

Appropriate capital policy

Mid-Term KPI	FY2023	Plan FY2024	Target for Mid-Term Business Plan in FY2024
Net Sales	831.3 billion JPY	875.0 billion JPY	790.0 billion JPY
Operating Profit	29.6 billion JPY	32.5 billion JPY	32.0 billion JPY
Ordinary Profit	31.9 billion JPY	35.0 billion JPY	35.0 billion JPY
Profit attributable to owners of parent	23.8 billion JPY	24.0 billion JPY	22.5 billion JPY
ROIC	5.3%	5.8%	5.5%

### <Investments and financial strategies for Mid-Term Business Plan>

The Company will attempt to balance growth and financial health, aiming at more than a 30% payout ratio in returns to shareholders.

Cash Flow (3 years)	
M&A allowance ¥25B	Fund Raising (shortfall)
Investment approx. ¥110B	Asset Disposal approx. ¥11B
	CCC Improvement
Shareholder Return approx. ¥17B	Operating CF approx. ¥110B

#### Investment

Plan 110 billion JPY worth of investments, including an M&A allowance of 25 billion JPY  
Attempt to maximize investment returns through inclined allocation in high-priority growing fields

#### Returns to shareholders

Aiming at a 30%+ payout ratio

#### Sales CF

Improve CCC, and strengthen cash generation (gradual CCC improvement over 3 years)

#### Selling assets

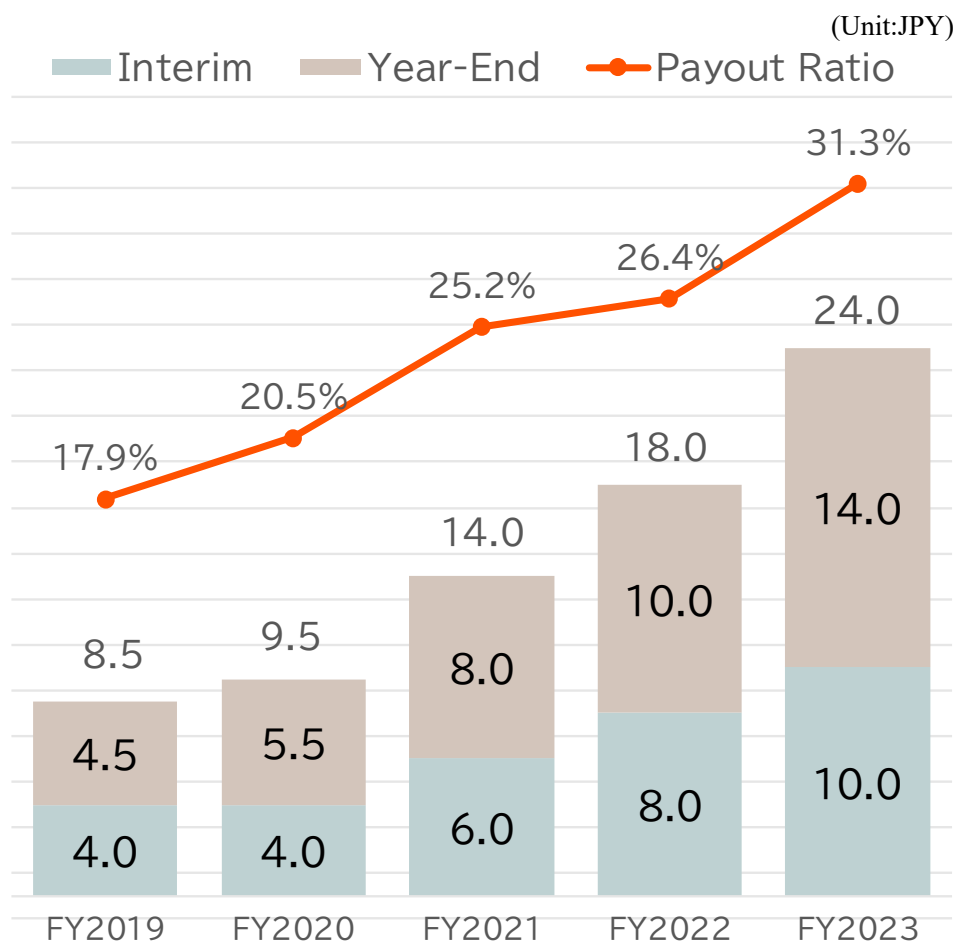
Sell assets such as cross-shareholding stocks



### <Policy on Determination of Dividends of Surplus>

Regarding the distribution of profits of Nissui Group, the basic policy is to return profits to shareholders by the consolidated financial results of Nissui Group in response to changes in the business environment while also paying attention to strengthening the corporate structure from a long-term and comprehensive perspective and retaining internal earnings in preparation for business development in fields where future growth is expected.

The year-end dividend was set at 14 yen per share for FY2023. Combined with the interim dividend of 10 yen per share paid on December 7, 2023, the annual dividend is 24 yen.



The Six Basic Strategies	Initiatives in FY2022 and FY2023
1. Evolving Towards Sustainability Management	<p>As actions to the risks and opportunities arising from climate change, Nissui declared its support for recommendations by the Task Force on Climate-related Financial Disclosures (TCFD) in November 2021 and joined the TCFD Consortium.</p> <p>The Company also identifies the risks and opportunities related to climate change, assesses the impact on businesses and financial effects through scenario analysis, and discloses information according to the four disclosure items recommended in the TCFD recommendations: Governance, Strategy, Risk Management, and Metrics and Targets.</p> <p>In addition, we recognize that the conservation of biodiversity is an important management issue, and in September 2023 we joined the Task Force on Nature-related Financial Disclosures (TNFD) Forum. In December 2023, we registered as a TNFD Adopter. We published the Nissui Group TNFD Report 2023, which outlines our dependence on nature and impacts, risks and opportunities, and countermeasures for our business activities in line with the TNFD framework. In addition, as for the sustainable use of marine resources, Nissui strives to grasp the actual situation by surveying the resource status of handled marine products and working with stakeholders to resolve the issues. The Third Survey of Procured Marine Resources Sustainability was conducted in FY2023, and the results of the survey and future initiatives will be disclosed in the first half of FY2024.</p>
2. Acceleration of Global Expansion	<p>Nissui has set a goal to increase the ratio of overseas sales to about 38% by FY2024. In the Marine Products Business, we are working to strengthen access to marine product resources in New Zealand and expand the marine products business by strengthening our fresh fish procurement and processing functions in Europe. In the food products business, the Company has filled the shortage of production capacity through acquisitions in Europe and expanded the sales area to Spain and Italy. In North America, with the construction of a new plant to increase production capacity, the company has increased its product categories to include health promotion products, and our mainstay is fried fish and fried shrimp. In the Fine Chemicals business, we have applied for the necessary approvals to ship the EPA pharmaceutical raw materials to Europe.</p>
3. Opening New Business & Business Boundary Areas	<p>As an innovative food solution that meets the diverse needs of our customers, Nissui is expanding our range of health category products, including “fast-twitch skeletal muscle protein,” and reducing salt products as a key, utilizing our functional research results of marine materials.</p> <p>In addition, in July 2023, we merged our subsidiary Nippon Cookery Co., Ltd. and Mitsubishi Corporation's subsidiary GOURMET DELICA Co., LTD, which were convenience store vendor businesses, to establish NC・GD HOLDINGS CO., LTD. In July 2024, we plan to merge the three companies and start a business as Nippon Delica Service Co., Ltd. Mitsubishi Corporation, Lawson, Inc., and Nissui will share know-how, optimize the production system, and enhance product development. Nissui will expand the business and improve profitability by developing and manufacturing products to meet needs, such as individual, simple, and healthy, by new categories (frozen lunch box, Frozen chilled products) utilizing our characteristics of the chilled business and frozen food products business.</p>
4. Innovating Productivity	<p>We promote optimizing aquaculture sites by deploying AI- and IoT-supported fish counting devices and adopting electronic fish health records for aquaculture companies. In the future, the Company will analyze environmental and rearing data to develop an optimal rearing conditional model and raise fish efficiently. In addition, as a means of technology transfer at food factories, the Company is working on visualizing and analyzing data of the experience and intuition of veteran employees using eye-tracking technology. We have developed our staffing planning support tool for food factories using mathematical optimization (mathematical planning) methods and are currently introducing and deploying it to factories.</p>

5. Financial Strategy	<p>We evaluated businesses by ROIC based on efficiency, and growth potential, and the Board of Directors deliberates on the business portfolio. To improve the ROIC of each business, we will continue to manage the CCC (Cash Conversion Cycle) every month, hold briefings to deepen understanding of ROIC and CCC, and share the details of the initiatives of each business and Group company at regular meetings. We will carry out asset light through the optimization of various operations. Regarding cross-shareholdings, we proceed with the sale of cross-shareholdings each year while assessing the appropriateness of holding each stock, and we sold 10 stocks in FY 2022 and 6 stocks in FY 2023. We will use the cash generated to invest in growth areas. We have set a 30% or more payout ratio as a mid-term dividend target. In FY 2023, we reached our targets of an annual dividend of 24 yen per share and a payout ratio of 31.3%.</p>
6. Governance strategy	<p>The Board of Directors sets the overall direction for corporate strategy and other matters. It emphasizes supervisory functions while maintaining essential decision-making functions.</p> <p>In addition, since FY2016, we have been evaluating the effectiveness of the Board of Directors every year, conducting a questionnaire for all officers, extracting issues that can be identified from the survey results, and discussing with all officers how to overcome these issues to improve the Board of Directors functions.</p> <p>In addition, Nissui decided to increase the ratio of performance-related compensation (performance-related and stock-based compensation) to about half of the total compensation from FY2023.</p> <p>The Company believes this will increase awareness and improve business performance and corporate value over the mid-to-long term.</p> <p>See «II. Status of Corporate Governance and Matters regarding Directors and Officers, 4 Compensation of Directors and Audit &amp; Supervisory Board Members, 6 Evaluation of the Effectiveness of the Board of Directors».</p>

## The Nissui Group's Sustainability

The Nissui Group aims to create four types of value, namely environmental value, social value, value in human capital and financial value, and position sustainability management as a core pillar of our efforts to achieve the vision. We will promote sustainability management that creates value in pursuit of a sustainable society and translate it into the enhancement of business competitiveness.

Viewing sustainability issues from the dual angles of risk and opportunity, we will strengthen our non-financial capital by engaging in the creation of social value, value in human capital, and environmental value, and connect them to the creation of financial value.

### Environmental Value

- Actions toward Climate Change
- Reducing Environmental Impact
- Sustainability of Marine Resources
- Conservation of Biodiversity
- Conservation of Marine Environment

< FY2023 Results >

- CO<sub>2</sub> emissions(Scope 1・2) : Reduced by 6.8% Compared to FY2018 (absolute quantity)
- Usage of plastics\* : To be disclosed by the end of FY2024.
- Procurement of sustainable marine resources : To be disclosed by the end of FY2024.

\* Scope: Nissui Corporation

### Social Value

- Solve Health Problem
- Respect for Human Rights
- Sustainable Procurement
- Initiatives to Ensure Safety and Security

< FY2023 Results >

- Sales of Health Category Products: Expanded by 100% Compared to FY2021
- Ratio of conducting assessments of Tier-1 suppliers : 92%

### Value in Human Capital

- Diverse Human Capital Playing an Important Role
- Diversity & Inclusion
- Training and Development
- Work Style Reform
- Employee Health

< FY2023 Results >

- Employee engagement score\* : Improved by 11.6% Compared to FY2021
- Ratio of female manager\* : 6.6%

\* Scope: Nissui Corporation

## Environmental Value

### Biodiversity Conservation

In recognition of the importance of the preservation of biodiversity, the Nissui Group revised its Environmental Code in 2014 and upholds preservation of biodiversity in its Policies.

Access to resources is the strength of the Nissui Group. The Group's ability to procure materials from around the world, with focus on marine products, is the wellspring of its value creation. By the same token, however, our business activities are heavily dependent on natural capital and easily impacted by changes to it. Always mindful that we do business by receiving the bounty of earth and sea, we constantly gauge the dependence and impact of our value chain on biodiversity. The Nissui Group strives to avoid and minimize negative impacts from its operations, and to restore and regenerate where possible.

#### < Publication of TNFD Report >

In September 2023, Nissui joined the TNFD (Note) Forum, and in December 2023, registered as a TNFD Adopter. In addition, in December 2023, the "Nissui Group TNFD Report 2023" was published, outlining the reliance and impact of business activities on nature, associated risks and opportunities, and corresponding measures in accordance with the TNFD framework.

[https://nissui.disclosure.site/assets/pdf/89/2023\\_tnfd\\_en.pdf](https://nissui.disclosure.site/assets/pdf/89/2023_tnfd_en.pdf)

#### < Forest, River, and Sea Conservation and Cleanup Activities >

For the Nissui Group, whose business relies on the bounty of nature, the conservation of the natural environment and biodiversity is a crucial issue. Moving forward, we will continue to approach the conservation of forests, rivers, and the sea as an integrated effort, based on the belief that forest conservation leads to the health of the sea. Nissui participates in the "Tottori Kyosei-no-Mori (Tottori Co-Existence Forest)" in Tottori Prefecture and engages in conservation activities in the "Nissui Forest" within the "Kodera Kenko-no-Mori (Kodera Health Forest)" in Himeji City, Hyogo Prefecture. It also conducts cleanup activities along rivers and coastal areas to combat marine plastic pollution.

Note: Task Force on Nature-related Financial Disclosures (TNFD) is an international organization whose aim is to build a framework through which private enterprises and financial institutions can conduct appropriate evaluation and disclosure of risks and opportunities related to natural capital and biodiversity.

## Social Value

### Respect for Human Rights

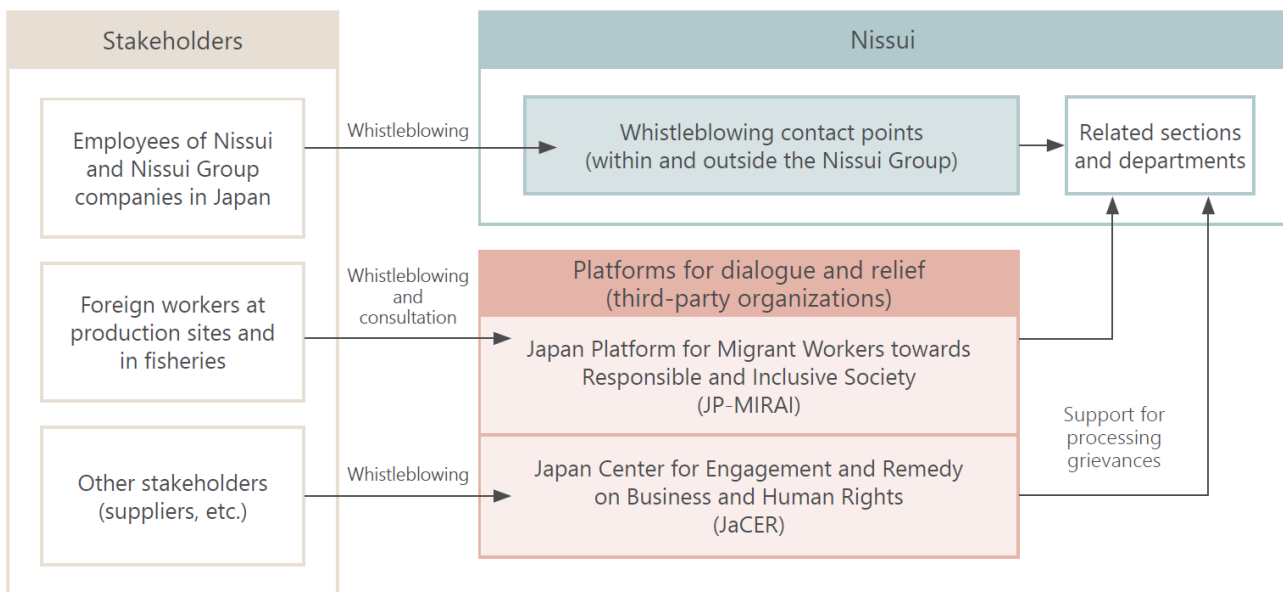
The Nissui Group's long-term vision is to be “a leading company that delivers friendly foods for people and the earth.” An indispensable condition for achieving this vision is respect for human rights throughout the value chain. Given that the seafood supply chain is exceptionally long and complex, the Nissui Group recognizes that the risk of human rights violations is high, carrying significant risk of impact on continuity of Group operations.

#### <Initiatives for Sustainable Procurement>

In FY2023, we distributed the Supplier Guideline to all 470 of Nissui's Tier-1 suppliers and collected signed letters of agreement. Additionally, we introduced a platform that allows suppliers to respond to self-check items, enabling us to identify areas where their efforts are lacking. Through this platform, we aim to reduce human rights and environmental risks in the supply chain by promoting supplier self-checks. If a supplier's results indicate that they do not meet the required threshold for items relating to human rights or the environment, then we will provide opportunities for us to visit the supplier or implement online meetings, so as to clarify the intention behind the supplier's responses and determine the actual situation, and we will offer advice to help the supplier realize improvements.

#### <Expansion of Remediation System (Grievance Mechanism)>

The Nissui Group has established an internal whistleblowing system for employees of Nissui and its domestic group companies, allowing them to report issues to contact points both within and outside the Group. From FY2023, we have also established an external grievance and reporting contact point for issues related to business and human rights. In addition to our own initiatives, we are partnering with specialized third-party organizations to build a system for providing necessary remediation.



## Value in Human Capital

Nissui has emphasized reinforcing business portfolio management in its long-term vision, prioritizing the allocation of management resources to business areas with sustainable growth potential, and considers human capital equally important. While discussions on a human capital strategy aimed at the ideal business portfolio have just begun, in FY2023, we reassessed our material issues. We established four subcommittees related to our human capital strategy. These subcommittees have started identifying challenges and developing response plans in collaboration with our businesses. The basic approach to our human capital strategy is outlined below.

### Material Issues and Corresponding Subcommittees on Human Capital

Material Issues	Corresponding Subcommittee
Embracing our mission and establishing our brand	Branding Subcommittee
Developing human capital and empowering diverse personnel	Human Capital Management Subcommittee Diversity Subcommittee
Securing a stable workforce and improving productivity	Workforce Security and Productivity Improvement Subcommittee

### <Basic Approach to Human Capital Strategy>

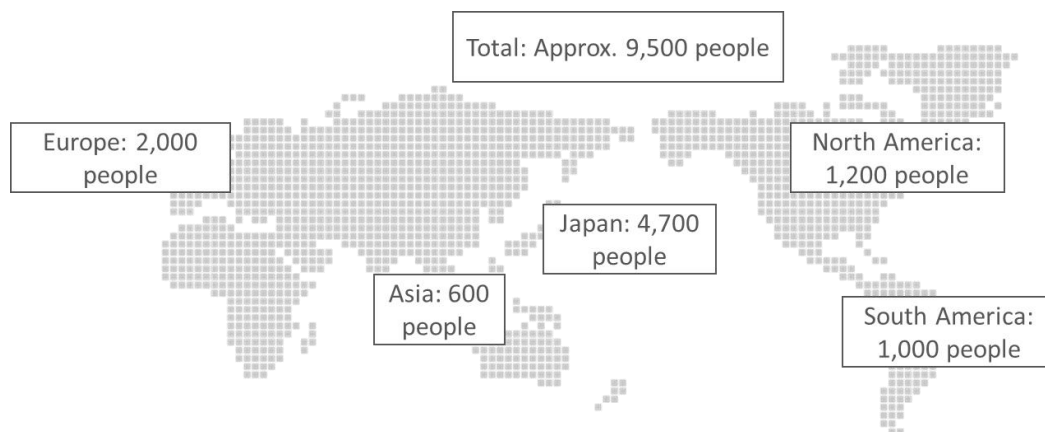
#### ① Diverse Human Capital Plays an Important Role

Our vision toward 2030 is defined as “a work environment where people with various values perform their duties proactively and independently, demonstrating strong potential in their respective fields of expertise.” We believe that the knowledge and experiences of employees with diverse values are linked to creating innovative food solutions. For more information on our diversity initiatives, including Women’s Empowerment and Employment of Persons with Disabilities, please refer to our website (<https://nissui.disclosure.site/en/themes/148>).



② Initiatives toward Becoming a Global Company

As we progress toward achieving a 50% ratio of overseas net sales, we recognize the urgent need to balance the pace of business expansion with the recruitment and development of human capital. We consider global human capital to be individuals who fully understand and embody the Nissui Group's mission and vision and can work seamlessly with international and local colleagues. It is crucial to have language skills and to understand the Nissui Group's core values deeply. We provide opportunities to engage in sustainability and business portfolio management through initiatives such as the Mid-Term Plan projects. Additionally, we are advancing development from various perspectives, including cross-cultural training and short-term assignments to overseas Group companies.



③ Securing and Development of Specialized Human Capital

In a rapidly changing external environment, areas requiring expertise in sustainability, governance, and DX/IT are increasing and becoming more diverse and complex. To address these external changes and to secure and develop highly specialized human capital in areas such as R&D, sustainability, and governance, as well as to address the shortage of expertise in DX/IT, we introduced the Next Expert (NE) role to leverage specialized expertise to enhance corporate value and recognition. In the future, we will focus on strengthening our pool of specialized human capital by recruiting experienced professionals.

④ Securing and Developing Human Capital That Will Contribute to Sustainable Business Growth

Securing human capital not only for the growth areas identified as aquaculture, fine chemicals, and chilled businesses but also to support core business areas is an urgent priority. Therefore, since 2023, we have held joint recruitment briefings with Group companies to secure specialized human capital to support field operations. Specialists with expertise in research and development, manufacturing technology, and quality control are actively involved in the aquaculture and fine chemicals businesses and the R&D division. We are also promoting human capital development by enhancing expertise by exchanging human capital between divisions and Group companies to deepen our understanding of product information and production processes.

Our human capital strategy is being developed in collaboration with our businesses from a risk perspective. However, for FY2024, discussions on management strategy/business portfolios will be based on critical issues in preparation for the next Mid-Term Business Plan, aligning human capital strategy with our businesses' growth strategies.



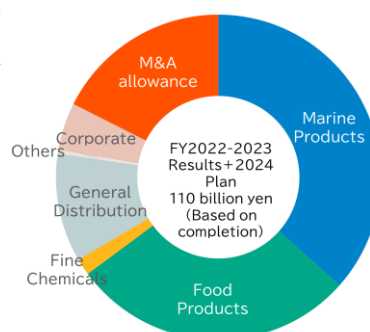
### 3 Other Financial Condition

#### 1. Status of Capital Investments

<Progress status of capital investment plan>

Nissui has actively invested in strengthening access to resources and growth areas such as overseas business.

(Unit : 100 million yen)	FY2022-2023 Results + FY2024 Plan	FY2024 Plan	Total
The total amount of investments (Completed base)	576	563	1,139
(Breakdown of investments : including share acquisition)			
<b>Marine Products Business</b>	<b>255</b>	<b>161</b>	<b>416</b>
Fishery (Investment in the enhancement of Fishing Vessel Capacity of purse seine fisheries)			
Aquaculture (expansion of production lines, maintenance and renewal of facilities, etc.)			
Processing and trading (production line improvement, maintenance and renewal investment, etc.)			
<b>Food Products Business</b>	<b>213</b>	<b>109</b>	<b>322</b>
Europe and North America (production line automation, plant capacity increase, etc.)			
Food products in Japan (rice balls, spring roll production lines, etc.)			
Chilled production in Japan (increase in plant capacity for refrigeration equipment, etc.)			
<b>Others</b>			
Renewal of cooling equipment at the distribution center (natural cooling)	108	92	200
M&A (assuming M&A, mainly overseas)	-	200	200



#### 2. Financing

There was no significant financing for the consolidated fiscal year ended March 31, 2024.

In order to ensure business activities go smoothly, the Company has selected the optimal financing method from the wide range of methods available, including direct financing, with the aim of procuring stable funds while controlling costs.

In regard to indirect financing, the Company reduced interest rate fluctuation risks and secured stable funds through swift actions such as increasing the ratio of long-term fixed funds in accordance with economic conditions and other factors by balancing long-term fixed funds and variable short-term fixed funds using swaps and other means based on an approximately 1:1 ratio.

Foreign exchange risk has been mitigated by generally procuring with yen, US dollars, or euros depending on the size of the business in each country. Furthermore, commitment lines were set with several financial institutions to prepare for liquidity risks from financing difficulties caused by sudden changes in the economic environment.

In terms of the efficiency of funds, in Japan a cash management system (CMS) is used, and outside Japan lending of funds, etc. between overseas Group companies is centrally managed by the Head Office, taking into consideration the tax systems of each country and other factors. In North America, the controlling company has implemented CMS and manages funds for North America in the same way as Japan.

### 3. Principal Lenders (as of March 31, 2024)

Lender	Amount of borrowings
Mizuho Bank, Ltd.	17,700 million yen
Overseas Fishery Cooperation Foundation of Japan	17,195
MUFG Bank, Ltd.	15,000
The Norinchukin Bank	14,600
Sumitomo Mitsui Trust Bank, Limited	6,700

Note: In addition to the above, the Company has borrowings from syndicated loans (42,000 million yen in total).

## II Status of Corporate Governance and Matters regarding Directors and Officers

### 1 Basic Policy Concerning Corporate Governance

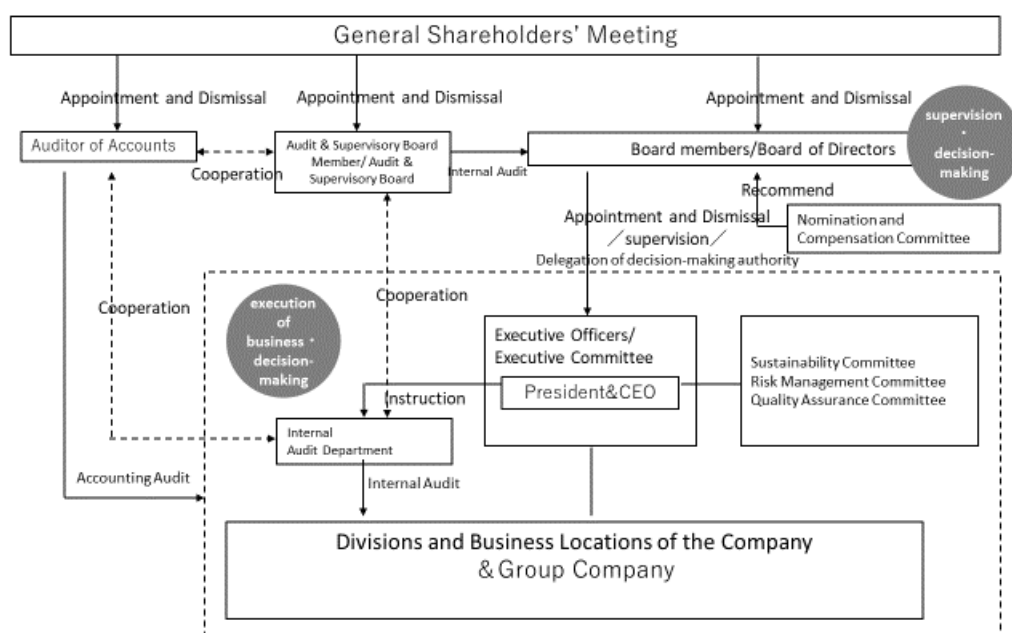
With a view to improving the profitability and capital efficiency of the Company and its Group companies, as well as to promoting initiatives toward corporate social responsibility to encourage sustainable growth and medium- and long-term enhancement of corporate value, the Board of Directors will demonstrate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

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

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

### 2 System of Corporate Governance

Diagram: System of Corporate Governance



#### 1. Board of Directors

##### < Principal roles >

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

##### < Structure >

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

## 2. Audit & Supervisory Board

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

## 3. Nomination and Compensation Committee

The Nomination and Compensation Committee is an optional committee that serves as advisory bodies to the Board of Directors. The Committee consists of three Independent Outside Directors and two Representative Directors, and is chaired by an Outside Director. The activities for FY2023 (the fiscal year under review) are as follows.

The Nomination Committee deliberates on issues such as the structure of the Board of Directors, the selection and dismissal of candidates for Directors including the President, the evaluation system, skill matrix and succession planning, etc. to make recommendations and decisions to the Board of Directors.

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

### ○ Composition of Nomination Committee Members and Deliberation Overview

Positions and responsibilities (Composition)	Name	Deliberation overview (8 meetings held in total)
Independent Outside Director (Chairperson)	Mikito Nagai	<ul style="list-style-type: none"><li>• Skill matrix of the Board of the Directors</li><li>• Succession planning</li><li>• System of nomination and compensation of Group Companies</li><li>• Composition of the Board of Directors (number of Directors, required skills going forward, etc.)</li><li>• Structure of the Board of Directors after the 2024 General Shareholders' Meeting</li></ul>
Independent Outside Director (Committee Member)	Tokio Matsuo	
Independent Outside Director (Committee Member)	Atsumi Eguchi	
Representative Director and President (Committee Member)	Shingo Hamada	
Representative Director, Senior Managing Executive Officer (Committee Member)	Seiji Takahashi	

### <Views on Election of Directors >

The Company annually discusses the ideal composition of the Board of Directors in the Nomination Committee, considering insights, experience, expertise balance, diversity, scale, and various perspectives. The Company strives to ensure that the Board of Directors can exercise its supervisory function necessary for the realization of the Company's mid- and long-term mission and vision. The Company considers that the skills necessary to ensure effectiveness of the Board of Directors are as follows.

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

### <Criteria for Election of Directors>

Outside Directors should have the ability to supervise the adequacy and appropriateness of the Company's management from an objective and expert perspective, such as persons with practical experience in corporate management, those with expertise regarding sustainability, finance and accounting or law, or those who have expertise regarding corporate governance, through their experience as Outside Officers at other companies. Regarding Internal Directors, they are elected based on their extensive business experience and expertise at the Company, as well as their decision-making and supervisory abilities for the realization of the mid- and long-term mission and vision by exercising their leadership skills.

<Diversity>

In the election of Directors, the Company's policy is to ensure: 1) ratio of Outside to Internal Directors, 2) skills, expertise, and background necessary for supervision, 3) years in office (considering the composition for the next several years), and 4) diversity in such areas as age, gender, and nationality.

○ Composition of Compensation Committee Members and Deliberation Overview

Positions and responsibilities (Composition)	Name	Deliberation overview (7 meetings held in total)
Independent Outside Director (Chairperson)	Mikito Nagai	<ul style="list-style-type: none"> <li>Revision of executive compensation system</li> <li>Evaluation for each individual for performance-linked compensation and stock-based compensation for FY2022</li> <li>Amount to be paid to each individual of performance-linked compensation paid in June 2023 and December 2023</li> <li>Additional purchases of trust compensation (BBT)</li> </ul>
Independent Outside Director (Committee Member)	Tokio Matsuo	
Independent Outside Director (Committee Member)	Atsumi Eguchi	
Representative Director and President (Committee Member)	Shingo Hamada	
Representative Director, Senior Managing Executive Officer (Committee Member)	Seiji Takahashi	

### 3 Company Officers

#### 1. Directors and Audit & Supervisory Board Members

Name	Positions and responsibilities	Significant concurrent positions
Shingo Hamada	Representative Director, President, (Chief Executive Officer (CEO))	Outside Board Member, Chuo Gyorui Co., Ltd.
Seiji Takahashi	Representative Director, Senior Managing Executive Officer (Marine Products Business Operating Officer)	Outside Audit & Supervisory Board Member, CHUBU SUISAN Co., Ltd.
Shinya Yamamoto	Director, Managing Executive Officer (Chief Financial Officer (CFO), In charge of Corporate Administration Group)	
Koji Umeda	Director, Managing Executive Officer (Food Products Business Operating Officer, In charge of Marketing Planning Department, Strategic Products Development Department)	
Shinya Yamashita	Director, Managing Executive Officer (Fine Chemicals Business Operating Officer, In charge of R&D Group)	
Masahide Asai	Director, Executive Officer (International Business Operating Officer, Business Supervisor in South America, In charge of International Business Development Department and Strategic Products Development Department)	President, NIPPON SUISAN AMERICA LATINA S.A. (N.A.L.) (currently NISSUI AMERICA LATINA S.A.)
Mikito Nagai	Director	Outside Director (Audit & Supervisory Committee Member), OKASAN SECURITIES GROUP INC. Outside Director, Tohoku Electric Power Co., Inc. Outside Director, OHBA CO., LTD.
Tokio Matsuo	Director	Outside Director, Toyo Gosei Co., Ltd.
*Atsumi Eguchi	Director	
Hiroyuki Hamano	Standing Audit & Supervisory Board Member	
Shino Hirose	Audit & Supervisory Board Member	Partner, Abe, Ikubo & Katayama External Auditor, JOYFUL HONDA CO., LTD. Outside Director, INNOTECH CORPORATION
Masahiro Yamamoto	Audit & Supervisory Board Member	
Tadashi Kanki	Audit & Supervisory Board Member	Outside Audit & Supervisory Board Member, NAGANO KEIKI CO., LTD.

Notes: 1. Directors with a \* were elected and appointed at the 108th Ordinary General Shareholders' Meeting held on June 28, 2023.

2. Directors Mikito Nagai, Tokio Matsuo, and Atsumi Eguchi are Outside Directors.

3. Audit & Supervisory Board Members Shino Hirose, Masahiro Yamamoto, and Tadashi Kanki are Outside Audit & Supervisory Board Members.

4. Audit & Supervisory Board Member Hiroyuki Hamano has experience serving as Director and Executive Vice President of NIPPON SUISAN (U.S.A.), INC. (currently NISSUI USA, INC.) and Executive Officer in charge of the Corporate Strategic Planning & IR Department and the Finance and Accounting Department of the Company, and possesses extensive expertise in determining the appropriateness of overall corporate activities.

5. In addition to his many years of experience at a financial institution, Director Mikito Nagai possesses broad insight gained as a President and CEO of an operating company and Outside Director of a listed company.

6. Director Tokio Matsuo has, in addition to compliance experience at a glass manufacturer, broad expertise accumulated as a Representative Director of a

listed chemical manufacturer.

7. Director Atsumi Eguchi has engaged in research & development and public relations/communications divisions at major beverage and food manufacturing companies and has broad knowledge and abundant experience.
8. Audit & Supervisory Board Member Shino Hirose is well-versed in corporate law as an attorney, and serves as an External Auditor of a listed company. She has professional expertise in determining the appropriateness of overall corporate activities.
9. Audit & Supervisory Board Member Masahiro Yamamoto has abundant experience as an accounting expert, having served as a representative partner of a major audit firm as a certified public accountant and currently serving as a Director (Audit and Supervisory Committee member) of a business company.
10. Audit & Supervisory Board Member Tadashi Kanki has four years of experience as a Standing Audit & Supervisory Board Member at a listed company, and thus has considerable expertise in audit.
11. Assumption and retirement of significant positions concurrently held  
Director Shinya Yamashita retired as Director and Chairman of TN Fine Chemicals Co. Ltd. on July 10, 2023, following the dissolution of said company.  
Audit & Supervisory Board Member Masahiro Yamamoto retired as Outside Director (Audit & Supervisory Committee Member) of DIGITAL HOLDINGS, Inc. on March 28, 2024.
12. There are no significant capital or trading relationships between the above companies where concurrent positions (including those listed in Notes) are held and the Company.
13. The Company has designated all Outside Directors and Outside Audit & Supervisory Board Members as “independent directors/auditors” in accordance with the rules of the Tokyo Stock Exchange, and reported to the Exchange accordingly.

## 2. Matters regarding Outside Officers

Category	Name	Number of Board of Directors meetings attended	Number of Nomination and Compensation Committee meetings attended	Number of Audit & Supervisory Board meetings attended	Status of Key activities
Outside Directors	Mikito Nagai	19/20 meetings	(Nomination) 8/8 meetings (Compensation) 6/7 meetings	—	In addition to his experience at financial institutions, he has abundant experience as a corporate manager, such as having served as representative director of an operating company. At the Board of Directors meetings, etc., he makes appropriate management decisions and provides oversight, such as leading discussions on the effectiveness of the Board of Directors, as well as provides comments on the optimization of the business portfolio and on financial strategies from a management perspective. In addition, as Chairperson of Nomination Committee and Compensation Committee, he leads fair and transparent operation of the Committee meetings regarding succession planning, the composition of the Board of Directors, the election of Directors and Audit & Supervisory Board Members and matters concerning compensation, etc.
	Tokio Matsuo	20/20 meetings	(Nomination) 8/8 meetings (Compensation) 7/7 meetings	—	He has extensive experience and broad expertise as a corporate manager, including having served as representative director of an operating company. At the Board of Directors meetings, he provides advice regarding the Company's sustainability activities from medium- and long-term perspectives as well as makes management decisions and provides oversight appropriately from a broad-based perspective. In addition, he provides advice for improvement of the election of Directors and Audit & Supervisory Board Members and the compensation system at the Nomination Committee and Compensation Committee meetings, based on his management experience.
	Atsumi Eguchi	15/15 meetings	(Nomination) 6/6 meetings (Compensation) 3/3 meetings	—	She has broad knowledge and abundant experience, including having engaged in research & development and public relations/communications divisions at an operating company. She makes management decisions and provides oversight appropriately at the Board of Directors meetings from a multi-faceted perspective including corporate communication and diversity. In addition, she provides expert and specific advice on the election of Directors and Audit & Supervisory Board Members and the compensation system with consideration of recent trends and other companies' cases at the Nomination Committee and Compensation Committee meetings.



Category	Name	Number of Board of Directors meetings attended	Number of Nomination and Compensation Committee meetings attended	Number of Audit & Supervisory Board meetings attended	Status of Key activities
Outside Audit & Supervisory Board Members	Shino Hirose	20/20 meetings	—	16/16 meetings	She is well versed in corporate legal affairs and compliance issues as an attorney at law, and provides comments as necessary from an independent and objective standpoint and from the perspective of diversity to ensure adequacy and appropriateness of decision-making by the Board of Directors and the Audit & Supervisory Board based on her expertise and experience in legal issues.
	Masahiro Yamamoto	19/20 meetings	—	16/16 meetings	He has professional knowledge regarding finance and accounting as a certified public accountant. Leveraging his abundant experience and expertise as an accounting expert, he provides comments as necessary from an independent and objective standpoint.
	Tadashi Kanki	19/20 meetings	—	16/16 meetings	In addition to the experience as a Standing Audit & Supervisory Board Member at a listed company, he has broad knowledge and experience in sales and corporate planning at financial institutions. Leveraging this experience, he provides comments to encourage effective and appropriate supervision of overall management from an independent and objective standpoint.

#### 4 Compensation of Directors and Audit & Supervisory Board Members

##### a. Policies on compensation, etc. of individual Directors and Audit & Supervisory Board Members

###### 1) Basic Policy

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

###### 2) Method for the determination of compensation of Directors

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

###### 3) Compensation system and individuals eligible for payment, etc.

Compensation of Directors (excluding Outside Directors) consists of three components, namely, "basic compensation," "performance-linked compensation," and "stock-based compensation." Outside Directors and

Audit & Supervisory Board Members receive only basic compensation (fixed compensation). Until FY2022, the ratio between each compensation of Directors was roughly targeted at 65:30:5 when business performance targets are fully achieved. From FY2023, in order to raise awareness among Directors of improving business performance and increasing corporate value over the medium to long term, the design of the system has been changed to set the ratio to 55:25:20 when business performance targets such as consolidated ordinary profit, etc. and other KPIs of the Mid-Term Business Plan are fully achieved. Thus, the ratio of performance-linked variable compensation (performance-linked compensation and stock-based compensation) has been raised to approximately half of the total.

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

< Directors' compensation system >

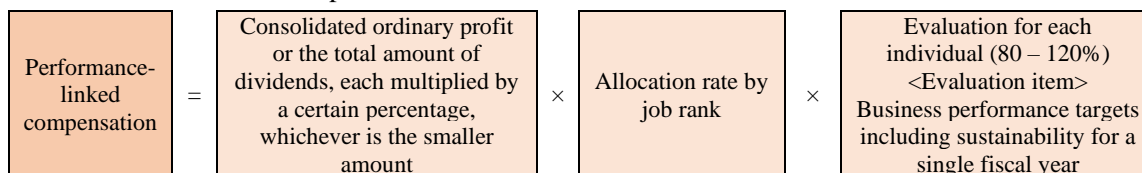
Type of compensation	Basic compensation	Variable compensation	
		Performance-linked compensation	Stock-based compensation
Contents	Fixed compensation in accordance with rank	Compensation in which the total amount of payment is determined based on the total amount of dividends or consolidated ordinary profit for the fiscal year, and allocated and paid in accordance with job rank by adding individual evaluations.	Compensation in which the total amount of payment is determined based on the achievement ratio of the Mid-Term Business Plan, and paid in the form of the Company's stock in accordance with job rank and individual evaluations.
Eligible for payment	Internal Directors / Outside Directors	Internal Directors only	Internal Directors only
Payment timing	Monthly	Twice a year	Lump-sum payment at a certain time after the end of the final fiscal year of the Mid-Term Business Plan period
Payment method	Cash	Cash	Stock and cash
Method for determining the amount of payment		Consolidated ordinary profit or the total amount of dividends, each multiplied by a certain percentage, whichever is smaller, is the basic amount of payment.	Corporate performance achievement rate is determined for the Mid-Term Business Plan period
		The basic amount of payment is allocated in accordance with job rank and individual payment is determined in accordance with the achievement rates of business performance targets within the range of 80% to 120%.	Predetermined base points for each job rank is multiplied by a determined corporate performance achievement rate, which will be adjusted by individual achievement rates of financial and non-financial targets within the range of 80% to 120%.
Ratio (guidelines) *In the case that consolidated ordinary profit, which is a financial KPI of the Mid-Term Business Plan, reaches 35.0 billion yen	55%	25%	20%

#### 4) Compensation, etc. of Directors

##### < Basic compensation >

Basic compensation consists of three components, namely, representative consideration, supervisory consideration, and executive consideration, and executive consideration is set according to the job rank.

##### < Performance-linked compensation >

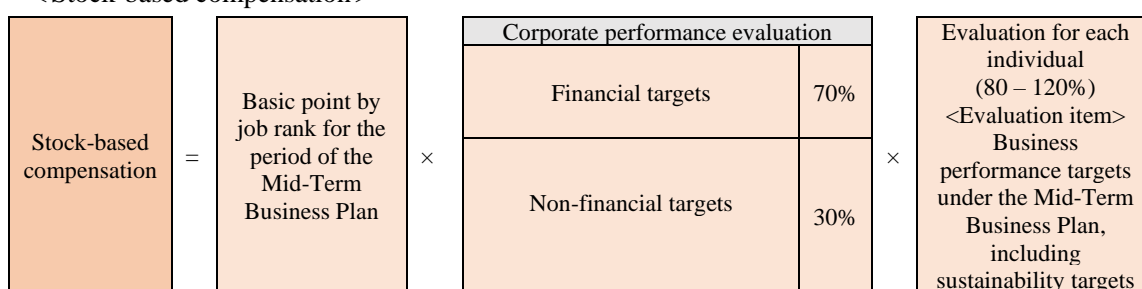


Performance-linked compensation is paid to Executive Officers based on the idea that the compensation is distribution of added value generated in a single fiscal year.

This compensation uses “consolidated ordinary profit,” which is a performance evaluation indicator, and “total amount of dividends” conscious of shareholders’ perspectives as indicators. Consolidated ordinary profit or the total amount of dividends, each multiplied by a certain percentage, whichever is the smaller amount, is used as the basic amount of the compensation, which is then allocated and paid in accordance with the job rank based on individual evaluations. As the compensation composition ratio is set based on the timing when the Mid-Term Business Plan is achieved, if consolidated ordinary profit or total amount of dividends, which is conscious of shareholders’ perspectives, is increased or decreased, the ratio of performance-linked compensation in total compensation is designed to be increased or decreased accordingly.

Evaluation for each individual was introduced in FY2021 with an aim to clarify the degree of contribution of each officer to the business performance for a single fiscal year. Certain business performance targets, including sustainability targets, have been selected as evaluation items, and achievement rates are evaluated against those items within the range between 80% and 120%. The basic amount of performance-linked compensation paid, the allocation rate by job rank, and evaluation for each individual shall be determined by the Board of Directors after deliberation by the Compensation Committee.

##### < Stock-based compensation >



«Evaluation items and evaluation weight for stock-based compensation»

The following evaluation items have been established for stock-based compensation, in conjunction with the commencement of the new Mid-Term Business Plan “Good Foods Recipe 1” in FY2022. Specifically, sustainability evaluation items, in addition to the current evaluation items such as achievement rate of consolidated ordinary profit, have been selected with the aim of optimizing the business portfolio, improving capital efficiency, and enhancing shareholder value.

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

As detailed above, financial and non-financial (sustainability) items have been selected for evaluation of corporate performance, and their weightings have been set to 70:30. Financial targets are evaluated based on the percentage of achievement in accordance with actual results, while non-financial (sustainability) targets are evaluated within the range between 50% and 150%. The number of shares to be granted to individuals is determined by multiplying the predetermined base points for each job rank by corporate performance achievement rates, and then reflecting the individual evaluations. For individual evaluations, KPIs and sustainability items under the Mid-Term Business Plan are used, and the achievement rates are defined within the range between 80% and 120%. The corporate performance achievement rates and the individual evaluations shall be determined by the Board of Directors after deliberation by the Compensation Committee.

**5) Compensation, etc. of Audit & Supervisory Board Members**

With respect to compensation, etc. of Audit & Supervisory Board Members, the amount of basic compensation (fixed compensation) shall be determined through discussions among the Audit & Supervisory Board Members, and shall be within the range of the total amount of compensation, etc. approved by the General Shareholders’ Meeting in advance.

**b. Matters Regarding Resolutions of the General Shareholders' Meeting on Compensation, etc. of Directors and Audit & Supervisory Board Members**

Category of Officers	Type of compensation	Compensation limit	Date of General Shareholders' Meeting Resolution	Number of Officers at the time of resolution (eligible for payment)
Directors	(1) Basic compensation	Within 1.0 billion yen per year (including 0.1 billion yen or less for Outside Directors)	June 25, 2009	7 (two of which are Outside Directors)
	(2) Performance-linked compensation (not applicable to Outside Directors)			5
	(3) Stock-based compensation (not applicable to Outside Directors)	Within 135 million yen per year	June 25, 2021	5
Audit & Supervisory Board Members	Basic compensation only	Within 0.2 billion yen per year	June 27, 2007	4 (three of which are Outside Audit & Supervisory Board Members)

In regard to performance-linked compensation for the fiscal year under review, “consolidated ordinary profit,” which is an indicator for calculating performance-linked compensation, is indicated in 1.1 Trends in Assets and Income, and annual dividends per share, which is the basis for calculating the “total amount of dividends,” is indicated in Policy Regarding the Determination of Dividends from Surplus, etc. The basic amount of performance-linked compensation paid, the allocation rate by job rank, and evaluation for each individual were determined by the Board of Directors on May 22, 2024 after deliberation by the Compensation Committee on May 14, 2024, and the amount paid to each individual was determined by the Compensation Committee also held on May 22, 2024, which was delegated by the Board of Directors.

The policy regarding the determination of the details of compensation, etc. for each individual Director, was decided by the Board of Directors after deliberation by the Compensation Committee, which is chaired by an Independent Outside Director. The amount paid to each individual for the fiscal year under review was determined by said Committee, under delegation by the Board of Directors, based on said policy; therefore, the Board of Directors has determined that it is in line with said policy and appropriate.

**c. Total amount of compensation, etc. for Directors and Audit & Supervisory Board Members regarding the fiscal year under review**

Category of Officers	Total amount of compensation, etc. (in millions of yen)	Total amount by type of compensation, etc. (in millions of yen)			Number of Officers paid
		Basic compensation	Performance-linked compensation	Stock-based compensation	
Directors (excluding Outside Directors)	359	216	83 (Note)	58	6 (Stock-based compensation: 6)
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	26	26	—	—	1
Outside Directors	36	36	—	—	4
Outside Audit & Supervisory Board Members	38	38	—	—	3

Note: The performance-linked compensation of Directors includes the amount estimated to be paid in June 2024.

## **5 Matters on Responsibilities of Company Officers**

### **1. Overview of liability limitation agreement**

The Company and each Outside Director and Outside Audit & Supervisory Board Member have entered into an agreement that limits liability for damages to the extent designated by laws and regulations in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act.

### **2. Overview of Directors and Officers Liability Insurance Policy**

The Company has entered into a directors and officers liability insurance policy provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, with the insured being the Directors, Audit & Supervisory Board Members, Executive Officers, Accounting Auditor, and other key employees of the Company and its subsidiaries. (However, this excludes the Company's subsidiaries that have entered into directors and officers liability insurance policies independently.)

This insurance policy covers losses such as damages and litigation costs incurred in a third-party, shareholder, or corporate litigation to be borne by the insured in regard to the performance of their duties (however, this excludes cases that correspond to exemptions specified in the insurance policy, such as those stemming from a criminal act or act carried out with the awareness that it violates the law).

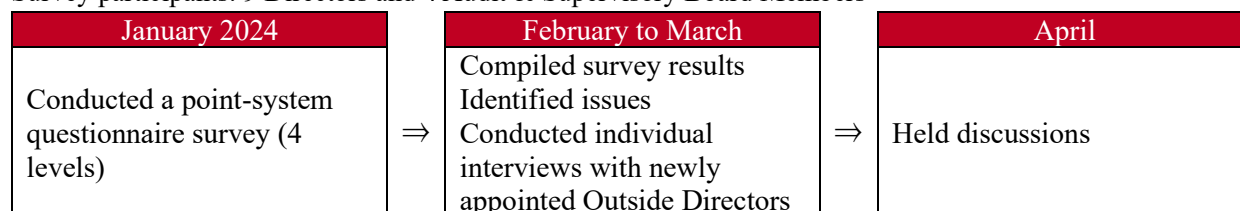
The premium of said insurance policy shall be paid in its entirety by the Company.

## 6 Evaluation of the Effectiveness of the Board of Directors

Based on Supplementary Principle 4.11.3 of the Corporate Governance Code, the Company has evaluated the effectiveness of the Board of Directors every year since FY2016. The process involves conducting a questionnaire survey for all executives, identifying the issues from the results of the survey, and holding discussions which are participated in by all executives to address such issues in order to improve the functionality of the Board of the Directors. There are also years when the secretariat conducts interviews with individual participants as necessary after conducting the questionnaire, confirming and supplementing the details of the questionnaire. Since the previous fiscal year, the Company has held discussions facilitated by Outside Directors.

### Summary of the evaluation conducted in FY2023

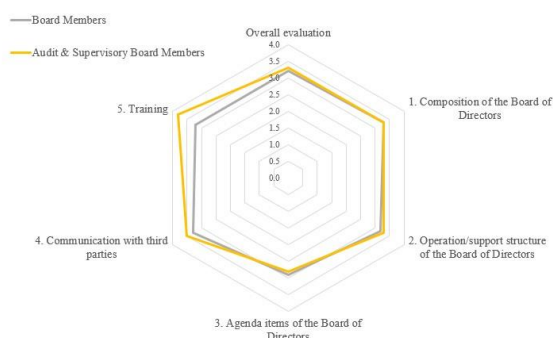
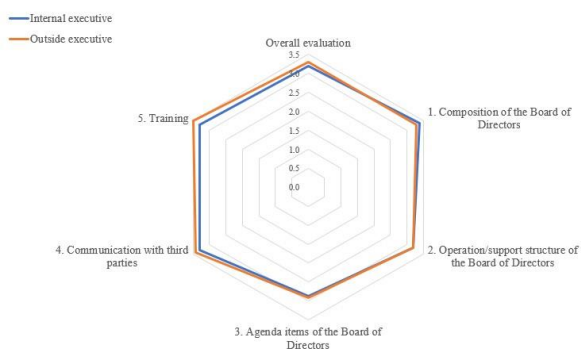
Survey participants: 9 Directors and 4 Audit & Supervisory Board Members



### Items on Questionnaire and summary of Survey results

[Major Category]

1. Composition of the Board of Directors	While the scale is considered appropriate, there is a widespread desire for the appointment of female internal executives, as all current internal executives are Japanese men.
2. Operation and support structure of the Board of Directors	Since active exchange of opinions takes place at the Board of Directors under the appropriate leadership of the Chairperson, the current performance of the Board of Directors was given generally high marks by executives.
3. Agenda items of the Board of Directors	As in the previous fiscal year, this was the lowest rated item. Although improvement measures are taken every year, issues remain.
4. Communication with third parties	Because the Company has been focusing on IR activities in recent years, this evaluation has been improving.
5. Timing	Received the highest evaluation among all items. It is considered that providing opportunities for Outside Directors to deepen their understanding of the Company's business through study sessions targeting Outside Directors as well as visits to the factories and subsidiaries contributed to the positive evaluation.



[Evaluation Item]

Category	Evaluation item	
1. Composition of the Board of Directors	<ul style="list-style-type: none"> <li>Size of the Board (1-1)</li> <li>Diversity of the Board (1-3)</li> </ul>	<ul style="list-style-type: none"> <li>Ratio of Internal and Outside Board Members (1-2)</li> </ul>
2. Operation/support structure of the Board of Directors	<ul style="list-style-type: none"> <li>Meeting frequency and time allocation (2-1)</li> <li>Well-balance business reports (2-3)</li> <li>Timing of distributing meeting materials (2-5)</li> </ul>	<ul style="list-style-type: none"> <li>Quality and volume of meeting materials (2-2)</li> <li>The content of the explanation and reports (2-4)</li> </ul>
	<ul style="list-style-type: none"> <li>Steering and attributes of Chairperson (2-6, 2-8)</li> <li>Adequacy of discussion time (2-9)</li> </ul>	<ul style="list-style-type: none"> <li>The level of activity of the discussions (2-7)</li> <li>The companywide perspective of the Board Members (2-10)</li> </ul>
	<ul style="list-style-type: none"> <li>System of providing information (2-11, 2-12)</li> </ul>	<ul style="list-style-type: none"> <li>Opportunities for communication outside of the Board (2-13, 2-14)</li> </ul>
3. Agenda items of the Board of Directors	<ul style="list-style-type: none"> <li>Number of agenda items, delegation to execution (3-1, 3-2)</li> <li>Sustainability (3-4)</li> <li>Human resources strategies and succession planning (3-6)</li> <li>Nomination and compensation determination process (3-8)</li> </ul>	<ul style="list-style-type: none"> <li>Management strategies from a medium- to long-term perspective (3-3)</li> <li>Investment strategies (3-5)</li> <li>Risk management (3-7)</li> </ul>
4. Communication with third parties	<ul style="list-style-type: none"> <li>Quality and volume of disclosures (4-1)</li> </ul>	<ul style="list-style-type: none"> <li>Internal system (4-2)</li> </ul>
5. Training	<ul style="list-style-type: none"> <li>Training for internal executives (5-1)</li> </ul>	<ul style="list-style-type: none"> <li>Training for outside executives (5-2)</li> </ul>

**High evaluation**

Evaluation scores of 3.6 and above (4 is the highest and 1 is the lowest)

**Low evaluation**

Evaluation scores of less than 3.0 (4 is the highest and 1 is the lowest)

Items that decreased by 0.3 points or more from the previous fiscal year's evaluation



## Issues identified from the Questionnaire

Upon summarizing the questionnaire results, the secretariat identified the following issues.

- 1) The medium- and long-term management themes (growth strategy, business portfolio, human resource strategy, succession, etc.) have not been considered sufficiently.
- 2) Improvement of materials for the Board of Directors meetings (details and timing of distribution)
- 3) Arrangement of presented meeting agenda
- 4) Enhancement of supervisory functions of Internal Directors (succession)
- 5) Composition of the Board of Directors
- 6) Establishment of a system for pre-evaluation of investment projects

## Overview of Discussions

In the discussions, the above-mentioned issues were broadly divided into three categories: 5), 2)/3)/6), 1)/4). Outside Directors facilitated the discussions, which are held separately from the Board of Directors meetings in a free-form discussion format.

5) Composition of the Board of Directors	This issue was commonly recognized among executives, who expressed their high expectations for the early promotion of female executives who started their career at the Company. It was confirmed that efforts will be made to nurture and prepare such individuals through education and other means.
2) Improvement of materials for the Board of Directors meetings 3) Arrangement of presented meeting agenda 6) Establishment of a system for pre-evaluation of investment projects	All of these items are related to the operation of the Board of Directors meetings. Although improvements have been made such as the attachment of summaries of discussions made at Executive Committee meetings, step-by-step discussions on important matters, and efforts to explain matters related to medium- and long-term plans, there were requests for further clarification of key points in materials for the Board of Directors meetings and for prior explanations regarding agenda items.
1) Deepening the consideration of medium- and long-term management themes 4) Enhancement of supervisory functions of Internal Directors	With regard to 1), it was suggested that informal discussions could lead to improvements by deepening discussion of medium- and long-term management themes and identifying points for review or with insufficient deliberations. As for 4), while it is not possible to exclude Directors with business backgrounds to deepen discussions on business matters, it was mentioned that there is a possibility of raising awareness of supervisory functions through the development of human resources, such as having employees experience work in multiple departments including management and administration from an early stage.

Considering the matters described in the free-description field in the questionnaire and discussions as well as other company initiatives, the Company will continue to work on considering and implementing improvement measures to further enhance the quality of discussions.

## 7 Accounting Auditor

1) Audit firm

Ernst & Young ShinNihon LLC

2) Amount of compensation, etc.

	Compensation based on auditing services	Compensation based on non-auditing services
Amount of compensation by the Company for the year	91 million yen	4 million yen
Amount of compensation by subsidiaries for the year	30 million yen	- million yen
Total amount of monetary compensation and other property benefits to be paid by the Company and its subsidiaries to the Accounting Auditor	122 million yen	4 million yen

Notes: 1. Because the amount of the auditing compensation for audits based on the Companies Act and audits based the Financial Instruments and Exchange Act is not clearly differentiated in the auditing agreement between the Company and the Accounting Auditor, and cannot be effectively differentiated, the amount in “Compensation based on auditing services” above is the total amount for both.

2. “Non-auditing services” refers to services other than those under Article 2, Paragraph 1 of the Certified Public Accountants Act. The Company pays compensation for TNFD support services to the Accounting Auditor.

3. The Company’s main overseas subsidiaries are audited by accounting auditors (with certification corresponding to the relevant certification of the country) other than the Company’s Accounting Auditor.

4. In addition to the above, the Company’s overseas subsidiaries pay a total of 383 million yen as auditing compensation and compensation for tax and other related services to Ernst & Young, which belongs to the same network as the Company’s Accounting Auditor.

3) Continuous period of auditing

72 years

4) Certified public accountants who have performed services and continuous years of auditing

Tomohiro Miyagawa (4 years)

Shigehiro Koshihara (7 years)

Masatoshi Komiya (5 years)

5) Reason for Audit & Supervisory Board agreeing to compensation, etc. for Accounting Auditor

The Company’s Audit & Supervisory Board confirmed trends in the auditing period by audit item and auditing compensation, and the audit plan and results of the past fiscal year, and reviewed the appropriateness of matters such as the auditing period and estimate of the amount of compensation for the fiscal year ended March 31, 2024. As a result, the Audit & Supervisory Board has provided consent under Article 399, Paragraph 1 of the Companies Act in regard to the compensation, etc. for the Accounting Auditor.

6) Policy on determining dismissal or non-reappointment of the Accounting Auditor

In the event the Audit & Supervisory Board determines that the Accounting Auditor falls under the items specified in each item of Article 340, Paragraph 1 of the Companies Act by unanimous agreement of all Audit & Supervisory Board Members, it shall dismiss the Accounting Auditor.

Furthermore, in the event the Audit & Supervisory Board determines that it is difficult for the Accounting Auditor to perform its duties properly due to the quality of audits, independence, or other factor, determines that it is appropriate to change the Accounting Auditor in order to enhance the quality of audits, or determines that it is necessary for any other reason, the Audit & Supervisory Board shall determine the details of a proposal regarding the dismissal or non-reappointment of the Accounting Auditor.

### **III System to Ensure the Appropriateness of Operations**

An overview of the matters approved by the Board of Directors as the basic policy concerning the system to ensure the appropriateness of the Company's operations (i.e. internal control system) and that of the operational status of the system are as follows. Furthermore, the Company has posted the full text of the Basic Policy for Internal Control on the Company's website. ([https://www.nissui.co.jp/english/vision\\_policy/internal\\_control/index.html](https://www.nissui.co.jp/english/vision_policy/internal_control/index.html)).

#### **I System to ensure that the Directors and employees perform their duties in compliance with laws and regulations, and the Articles of Incorporation (Compliance System)**

##### **■ Overview of the system**

Directors and Executive Officers take the lead in adhering to norms such as the Declaration on Action of Sustainability as well as the Code of Ethics, Quality Assurance Code and Environmental Code, which have been set forth in line with the Company's business philosophy, and raise the awareness of the employees.

The Ethics Subcommittee, an organization which includes external attorneys, plans and manages programs to ensure compliance with laws, regulations, the Articles of Incorporation and internal regulations (hereinafter referred to as "Laws and Regulations"). An officer in charge reports the detailed activities of the Subcommittee to the Board of Directors. Furthermore, the Ethics Subcommittee has both internal and external points of contact, accepts whistleblowing reports directly from officers and employees of the Group, and simultaneously reports to the Audit & Supervisory Board Members for the early detection and correction of suspected violations of Laws and Regulations. The Company maintains confidentiality of the information and does not treat the informing party disadvantageously.

In terms of internal controls to ensure the reliability of financial reporting, the Company establishes a dedicated internal organization to ascertain the status of company-wide internal controls, and build a system on a consolidated basis for engaging in efforts to keep written records of, assess, and improve key business processes and other activities.

##### **■ Overview of operational status**

The Ethics Subcommittee holds regular meetings to formulate and implement measures to improve the Group's compliance, and also appropriately operates the whistleblowing system (which has both internal and external points of contact). The Subcommittee detects at an early stage suspected violations of Laws and Regulations and compliance problems through operation of its whistleblower system and distribution of compliance questionnaires. In cooperation with the relevant officers and departments, the Subcommittee corrects individual incidents and considers and implements measures to prevent recurrence when necessary. Since FY2020, the Company has conducted compliance workshops individually with Group subsidiary companies. The Company promotes improvement of compliance for the entire Group by sharing its ideal vision for compliance, and discussing compliance issues and measures for each company at the workshops. In addition, the activities of the Ethics Subcommittee are periodically reported to the Board of Directors.

Regrading internal controls to ensure the reliability of financial reporting, a dedicated organization within the Company evaluates the effectiveness of internal controls in the Group based on the "Internal Controls Evaluation Policy" and reports the results to the Board of Directors.

## **2 System to store and manage information related to the execution of duties by Directors (Information Management System)**

### **■ Overview of the system**

The Company appropriately stores and manages the minutes of the General Shareholders' Meetings, minutes of the meetings of the Board of Directors, minutes of the meetings of the Executive Committee, and minutes of meetings of various committees chaired by Directors and Executive Officers, and approval forms (*ringi-sho*), execution reports, etc., in accordance with laws and regulations as well as internal rules.

### **■ Overview of operational status**

Documents related to the execution of duties by Directors, such as minutes of Board of Directors meetings, are properly stored and managed in accordance with laws, regulations, and internal rules. In addition, the Information Security Subcommittee, which is the subordinate organization to the Risk Management Committee, establishes internal regulations, etc. related to overall information management, and conducts reviews as appropriate. Education on information security, including information management, are conducted for all employees in order to strengthen the information management system. The Group companies in Japan also engage in the enhancement of information security and are instructed to periodically conduct status checks in order to achieve the standards defined by the Company.

### **3 Regulations and other systems for management of risk of loss (Risk Management System)**

#### **■ Overview of the system**

The Risk Management Committee, an organization under the direct control of the Representative Director and President, strives to build, maintain, and improve the risk management system of the Group based on the risk management regulations. The officer in charge regularly reports the Committee's activities to the Board of Directors.

For high-priority risks to the Group, each risk management organization, which consists of persons in charge of related business divisions, formulates measures to enhance the effectiveness of risk management and oversees progress. Meanwhile, the persons in charge shall execute risk management properly in relation to their operations.

#### **■ Overview of operational status**

The Risk Management Committee is dedicated to the establishment, maintenance, and improvement of the company-wide risk management system by deliberating and approving the following matters, and reporting to the Board of Directors as an integrated risk management function to comprehensively ascertain and manage company-wide high-priority risks.

- Identifying high-priority risks (identifying the high-priority risk management organization)
- Deliberating high-priority risk response plans (formulated and reported by the high-priority risk management organization)
- Reviewing the execution of high-priority risk response plans (annual review, evaluation, and corrective actions)
- Comprehensively ascertaining and confirming high-priority risk response plans (consolidation and centralization of next year's plans at the company level)

#### **4 System to ensure the efficient execution of duties by Directors (System for Efficient Execution of Duties)**

##### **■ Overview of the system**

In principle, meetings of the Board of Directors are held at least once per month. The Board of Directors makes decisions on important matters, resolves medium- to long-term management strategies and budgets for each fiscal year, and oversees the status of Directors' and Executive Officers' execution of operations. Furthermore, meetings of the Executive Committee, which is comprised of Executive Officers, are held at least once per month in principle to make decisions on the execution of important operations.

For the execution of operations, the Representative Director and President shall govern the Group, and each Director and Executive Officer shall assume executive responsibility over the divisions he/she has control over and/or is in charge of.

##### **■ Overview of operational status**

20 meetings of Board of Directors were held this fiscal year in accordance with the regulations on the Board of Directors. In addition, 26 Executive Committee meetings were held this fiscal year in accordance with the regulations on the Executive Committee.

The Board of Directors secures enough time for substantial deliberation aiming for sustainable growth and the medium- to long-term improvement of corporate value, and makes decisions on important matters and oversees appropriateness of the status of execution of duties, etc. Through the evaluation of the Board of Directors' effectiveness, etc., the Board of Directors continuously works towards creating an environment that supports appropriate risk-taking.

The Executive Committee meeting, in collaboration with the Board of Directors, makes decisions on major operations such as the formulation of management strategies for the entire Group, formulation and promotion of plans for each division and business, improvement of business processes, etc. The respective heads of each division and business also strive to ensure the appropriateness of operations by reporting issues of operations and status of engagement, and exchanging opinions and providing suggestions as necessary, etc.

## **5 System to ensure the appropriateness of operations in the corporate group consisting of the Company and its subsidiaries (Group Company Management System)**

### **■ Overview of the system**

While respecting the autonomy of management of Group companies, the Company requires Group companies to comply with the rules on the governance of subsidiaries it has formulated. In addition, the Company designates executive officers as managers in charge of each Group company, and governs the Group by such means as the dispatch of officers to the Board of Directors of each Group company. Furthermore, group management meetings attended by the heads of Group companies are held periodically to give thorough instructions on and discuss important matters concerning the execution of operations.

The internal audit division, an organization under the direct control of the Representative Director and President, conducts an internal audit on the Group based on an annual plan, and periodically reports the summary of the results to the Board of Directors.

### **■ Overview of operational status**

The Company requires all subsidiaries to comply with governance regulations and has set up the governance system that “important matters” stipulated in the rules are to be submitted to the Board of Directors and Executive Committee of the Company for deliberation, and important “matters requiring reporting” are to be reported appropriately to them.

In addition, Executive Officers are designated as “managers in charge” of each Group company to manage each company in an overarching manner from a Group management perspective. Each “manager in charge” manages and oversees the Group company they are in charge of, while they also ensure the appropriateness of the Group company’s operations through members of the Company dispatched as director or auditor to the Group company. In addition to basic governance training for dispatched directors and dispatched auditors, workshops to study actual audit cases, etc. which are tailored to dispatched auditors, observed by the Audit & Supervisory Board of the Company, are conducted every year in order to improve the level of supervision over the Group companies.

In addition to governance based on the rules above, the Group Management Conference, which targets top management of Group companies, is held (4 times this fiscal year) to report important matters concerning the execution of operations, to give thorough instructions on mission and vision, and to discuss specific themes such as sustainability, etc. In addition, setting up a system for meetings in which the management teams of the target Group companies and the management team of the Company can exchange views specific to each company’s respective situations also allows timely and direct management decisions.

Additionally, social trends and important issues pertaining to corporate administration divisions are provided to the top management of the corporate administration divisions of Group companies through information sharing and theme-based discussions in order to seek qualitative improvement of corporate administration of the entire Group.

The internal audit division, an organization under the direct control of the President, conducts internal audits on the Company and Group companies based on an annual plan, and reports the results to the Representative Director, Audit & Supervisory Board Members and the Board of Directors. The internal audit division shares the audit results and issues with the divisions involved in subsidiary management, as well as the dispatched directors and dispatched auditors, and strives to improve the level of governance through collaboration with such divisions to solve relevant issues.

## **6 Basic views on the elimination of antisocial forces and its status**

### **■ Overview of the system**

The Group eliminates any relationship with any antisocial forces or organizations that pose a threat to civic order and safety and refuses any unreasonable claims or other requests from them. The Group ensures this by clearly articulating it in its Code of Ethics and its Ethical Behavior Standards. The Group also establishes a system to appropriately deal with this issue whereby information from related governmental agencies is collected on an ongoing basis, responsible divisions are immediately reported to and consulted in the event of incidents, and close liaison is maintained with related governmental agencies and legal experts.

### **■ Overview of operational status**

With regard to the cutting of ties with antisocial forces or organizations in society, the Company has established and clearly articulated its Code of Ethics and Ethical Behavior Standards, thoroughly informing its employees of its policies by posting such information on the Company's website and other means. In addition, the Group deals appropriately with this issue whereby information from related governmental agencies are collected on an ongoing basis, responsible divisions are immediately reported to and consulted in the event of incidents, and close liaison is maintained with related governmental agencies and legal experts.

## **7 System to ensure that the Audit & Supervisory Board Members' audits are conducted effectively**

### **■ Overview of the system**

Audit & Supervisory Board Members verify the deliberations, resolutions, and reports of the Board of Directors, and build a system for interviewing and confirming with Directors and Executive Officers about the status of execution of operations when necessary.

The internal audit division reports the Group's operational audit results to the Audit & Supervisory Board Members. Employees of the internal audit division, the Secretarial Section, and other departments assist the duties of Audit & Supervisory Board Members upon said Members' request and not be subject to instructions or orders from Directors, etc.

If the officers and employees of a Group company discover any fact which may cause considerable damage to the Group, they shall immediately report to the Audit & Supervisory Board Members themselves or through the division specified by instruction, or report to the Company's whistleblowing system whereby the Audit & Supervisory Board Members are also simultaneously reported to. The Company prohibits disadvantageous treatment of officers and employees of Group companies who make such reports.

If the Audit & Supervisory Board Members request the payment of any expenses incurred with respect to the execution of their duties, the Secretarial Section shall immediately process the expenses in accordance with the regulations regarding officers.

### **■ Overview of operational status**

This fiscal year the Audit & Supervisory Board held 16 meetings. Each Audit & Supervisory Board Member conducts audits with the following methods to ensure the effectiveness of audits regarding the execution of duties by Directors, including confirming the status of establishment and operation of internal controls of the Company and Group companies.

- a. Attending important meetings such as Board of Directors and Executive Committee meetings
- b. Regularly exchanging opinions with the Representative Director and Directors (including Outside Directors)
- c. Cooperating with the Accounting Auditor, internal audit division, etc.
- d. Carrying out on-site audits at offices of the Company and Group companies

Furthermore, the Company assigns "Staff of Audit & Supervisory Board Members" members to assist the duties of Audit & Supervisory Board Members from a standpoint independent from Directors and Executive Committee Members.



## IV Matters Relating to the Current State of the Company

### 1 Principal Businesses (as of March 31, 2024)

Business	Main businesses activities
Marine Products Business	Fishery, aquaculture, and processing/sales
Food Products Business	Processing and chilled processing
Fine Chemicals Business	Production and sales of pharmaceutical raw materials, functional raw materials, and functional foods
General Distribution Business	Cold storage, transportation, and customs clearance
Other	Shipbuilding and repair, vessel operation, engineering, etc.

### 2 Major Business Locations and Principal Subsidiaries (as of March 31, 2024)

#### 1) The Company

Head Office: 1-3-1 Nishi-Shimbashi, Minato-ku, Tokyo, Japan

Sales Offices: Head office and five other locations

Plants: Hachioji General Plant and six other locations

R&D: Tokyo Innovation Center and two other locations

## 2) Subsidiaries

(Unit: million yen)

Company	Head office	Capital	Percentage of voting rights of the Company	Main businesses
Kurose Suisan Co., Ltd.	Kushima-shi, Miyazaki	498	100.0	Aquaculture / Marine products processing and sales
Seinan Suisan Co., Ltd.	Oshima-gun, Kagoshima	150	100.0	Aquaculture / Marine products processing and sales
Kaneko Sangyo Co. Ltd.	Nagasaki-shi, Nagasaki	90	100.0	Aquaculture / Marine products processing and sales
Yumigahama Suisan Kaisha, Ltd.	Sakaiminato-shi, Tottori	125	100.0	Aquaculture / Marine products processing and sales
Kyowa Fishery Co., Ltd.	Sakaiminato-shi, Tottori	95	95.0	Fishery
Farm Choice Co., Ltd.	Imari-shi, Saga	50	100.0	Formula feed production and sales / Aquaculture
Hachikan Co., Ltd.	Hachinohe-shi, Aomori	100	50.0	Food production and sales
Hokkaido Nissui Co., Ltd.	Sapporo-shi, Hokkaido	490	100.0	Cold storage management / Marine products processing and sales / Food sales
Nippon Cookery Co., Ltd.	Shinagawa-ku, Tokyo	1,450	70.0 (70.0)	Food production and sales
Gourmet Delica Co., Ltd.	Tokorozawa-shi, Saitama	330	70.0 (70.0)	Food production and sales
Nissui Logistics Corporation	Minato-ku, Tokyo	2,000	100.0	Cold storage management / Freight transportation
Nissui Engineering Co., Ltd.	Minato-ku, Tokyo	100	100.0	Construction design / Consulting for production technology
Nissui America Latina S.A.	Chile	169,513 (1,000 USD)	100.0	Holding company
Salmones Antartica S.A.	Chile	86,071 (1,000 USD)	100.0 (100.0)	Aquaculture / Marine products processing and sales
EMDEPES*	Chile	165,561 (1,000 USD)	100.0 (100.0)	Fishery / Marine products processing and sales
Nordic Seafood A/S	Denmark	1,650 (1,000 DKK)	100.0 (100.0)	Marine products purchasing and sales
UniSea, Inc.	USA	3,505 (1,000 USD)	100.0	Marine products processing and sales
Nissui USA, Inc.	USA	23,281 (1,000 USD)	100.0	Holding company
F.W. Bryce, Inc.	USA	(14,854 (1,000 USD))	100.0 (100.0)	Marine products purchasing and sales
King & Prince Seafood Corporation	USA	0.01 (USD)	100.0 (100.0)	Food production and sales
Gorton's, Inc.	USA	10 (USD)	100.0 (100.0)	Food production and sales
Cite Marine S.A.S.	France	1,775 (1,000 EUR)	100.0 (100.0)	Food production and sales
Three Oceans Fish Company Ltd.	UK	40 (1,000 GBP)	75.0 (75.0)	Food production and sales
Thai Delmar Co., Ltd.	Thailand	72,000 (1,000 THB)	90.0	Food production and sales

Note: 1. Main consolidated subsidiaries are shown.

2. For subsidiaries that do not have an amount that applies to share capital, legal capital surplus (or corresponding equivalent) is shown in parentheses in the capital column as the amount equivalent to capital.

3. The number in parentheses of percentage of voting rights indicates the ratio of indirectly held shares.

\*An abbreviation for Empresa de Desarrollo Pesquero de Chile S.A.

### 3 Employees (as of March 31, 2024)

#### 1. Number of employees in the Corporate Group

Business	Number of employees	
Marine Products Business	3,679	[2,568]
Food Products Business	4,511	[6,164]
Fine Chemicals Business	268	[38]
General Distribution Business	681	[95]
Other	680	[77]
Company-wide	285	[50]
Total	10,104	[8,992]

Note: Number of employees refers to the number of regular employees. The average annual number of temporary employees is not included in the number of employees and is indicated in brackets.

#### 2. Employees in the Company

Number of employees	(Difference from previous year end)	Average age	Average years of service
1,504	(Increased by 19)	43.10 years old	16.39 years

Note: In addition to the above, there are also 1,095 temporary employees (average number in the fiscal year).

#### 4 Status of Shares

1. Total Number of Shares Authorized 1,000,000,000 shares
2. Total Number of Shares Issued 312,430,277 shares
3. Number of shareholders 105,838 (decrease of 7,203 from the previous fiscal year-end)
4. Breakdown by Type of Shareholder

Category	Status of Shares						
	Japanese financial institutions	Japanese securities firms	Other Japanese companies	Foreign investors		Japanese individuals and others	Total
				Non-individual	Individual		
Number of shareholders	56	57	471	290	243	104,721	105,838
Percentage held	40.8	3.2	9.1	24.2	0.0	22.7	100.0

#### 5. Principal Shareholders (top 10)

Shareholder name	Number of shares owned (in thousands of shares)	Stockholding ratio
The Master Trust Bank of Japan, Ltd. (Trust Account)	64,959	20.8%
Custody Bank of Japan, Ltd. (Trust Account)	33,379	10.7
Mochida Pharmaceutical Co., Ltd.	8,000	2.6
Mizuho Bank, Ltd.	7,987	2.6
STATE STREET BANK AND TRUST COMPANY 505223	4,477	1.4
STATE STREET BANK WEST CLIENT – TREATY 505234	4,142	1.3
JP MORGAN CHASE BANK 385781	3,979	1.3
JPMorgan Securities Japan Co., Ltd.	3,927	1.3
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	3,679	1.2
Juniper	3,624	1.2

Note: Stockholding ratio was calculated excluding treasury shares (845,865 shares). Treasury shares do not include the 623,600 shares of the Company's stock held by the Board Benefit Trust (BBT).

#### 5 Other Important Matters Regarding the Current Status of the Corporate Group

There is nothing to report.

**Consolidated Balance Sheet**  
(As of March 31, 2024)

(Unit: million yen)

Description (Assets)	Amount	Description (Liabilities)	Amount
<b>Current assets</b>	<b>325,167</b>	<b>Current liabilities</b>	<b>212,816</b>
Cash and deposits	16,664	Notes and accounts payable - trade	56,623
Notes and accounts receivable - trade	108,292	Short-term borrowings	96,680
Merchandise and finished goods	98,333	Lease liabilities	1,243
Work in process	33,012	Income taxes payable	6,394
Raw materials and supplies	52,727	Accrued expenses	33,600
Other	16,821	Provision for bonuses	4,097
Allowance for doubtful accounts	(684)	Provision for bonuses for directors	213
<b>Non-current assets</b>	<b>281,217</b>	Provision for loss on litigation	85
<b>Property, plant and equipment</b>	<b>166,308</b>	Other	13,877
Buildings and structures	66,186	<b>Non-current liabilities</b>	<b>136,263</b>
Machinery, equipment and vehicles	40,744	Long-term borrowings	109,729
Vessels	14,065	Lease liabilities	4,607
Land	28,127	Deferred tax liabilities	6,533
Leased assets	6,746	Provision for share awards for directors (and other officers)	134
Construction in progress	7,056	Retirement benefit liability	9,661
Other	3,381	Other	5,596
<b>Intangible assets</b>	<b>17,369</b>	<b>Total liabilities</b>	<b>349,080</b>
Goodwill	2,560	<b>(Net assets)</b>	
Software	3,074	<b>Shareholders' equity</b>	<b>206,745</b>
Other	11,734	Share capital	30,685
<b>Investments and other assets</b>	<b>97,539</b>	Capital surplus	22,048
Investment securities	32,213	Retained earnings	154,715
Shares of subsidiaries and associates	45,130	Treasury shares	(703)
Long-term loans receivable	6,443	<b>Accumulated other comprehensive income</b>	<b>42,447</b>
Retirement benefit asset	464	Valuation difference on available-for-sale securities	14,141
Deferred tax assets	3,240	Deferred gains or losses on hedges	1,006
Other	11,210	Foreign currency translation adjustment	29,961
Allowance for doubtful accounts	(1,163)	Remeasurements of defined benefit plans	(2,661)
		<b>Non-controlling interests</b>	<b>8,110</b>
		<b>Total net assets</b>	<b>257,304</b>
<b>Total assets</b>	<b>606,384</b>	<b>Total liabilities and net assets</b>	<b>606,384</b>

**Consolidated Statement of Income**  
(April 1, 2023 to March 31, 2024)

(Unit: million yen)

Description	Amount	
<b>Net sales</b>		<b>831,375</b>
Cost of sales		705,731
<b>Gross profit</b>		<b>125,644</b>
Selling, general and administrative expenses		95,980
<b>Operating profit</b>		<b>29,663</b>
<b>Non-operating income</b>		
Interest income	261	
Dividend income	746	
Foreign exchange gains	286	
Share of profit of entities accounted for using equity method	2,123	
Subsidy income	974	
Other	1,198	5,591
<b>Non-operating expenses</b>		
Interest expenses	2,957	
Other	334	3,291
<b>Ordinary profit</b>		<b>31,963</b>
<b>Extraordinary income</b>		
Gain on sale of non-current assets	466	
Gain on sale of investment securities	3,210	
Insurance claim income	1,045	
Gain on transfer of fishing rights	966	5,688
<b>Extraordinary losses</b>		
Loss on disposal of non-current assets	691	
Impairment losses	920	
Loss on valuation of investment securities	137	
Accident related loss	1,052	2,802
<b>Profit before income taxes</b>		<b>34,850</b>
Income taxes - current	11,330	
Income taxes - deferred	(1,138)	10,192
<b>Profit</b>		<b>24,658</b>
Profit attributable to non-controlling interests		807
<b>Profit attributable to owners of parent</b>		<b>23,850</b>

**Non-consolidated Balance Sheet**  
(As of March 31, 2024)

(Unit: million yen)

Description (Assets)	Amount	Description (Liabilities)	Amount
<b>Current assets</b>	<b>171,942</b>	<b>Current liabilities</b>	<b>132,740</b>
Cash and deposits	3,343	Accounts payable - trade	25,853
Accounts receivable - trade	63,786	Short-term borrowings	46,000
Merchandise and finished goods	44,969	Current portion of long-term borrowings	15,422
Work in process	5,096	Accounts payable - other	1,822
Raw materials and supplies	15,066	Income taxes payable	2,882
Short-term loans receivable	29,577	Accrued expenses	22,203
Accounts receivable-other	8,670	Deposits received	16,292
Other	1,451	Provision for bonuses	1,608
Allowance for doubtful accounts	(20)	Other	654
<b>Non-current assets</b>	<b>201,449</b>	<b>Non-current liabilities</b>	<b>102,166</b>
<b>Property, plant and equipment</b>	<b>35,570</b>	Long-term borrowings	94,383
Buildings	12,969	Provision for retirement benefits	2,897
Structures	2,851	Provision for share awards for directors (and other officers)	134
Machinery and equipment	8,982	Deferred tax liabilities	3,083
Land	8,996	Other	1,667
Construction in progress	618	<b>Total liabilities</b>	<b>234,906</b>
Other	1,152	<b>(Net assets)</b>	
<b>Intangible assets</b>	<b>2,654</b>	<b>Shareholders' equity</b>	<b>124,267</b>
Software	1,936	<b>Share capital</b>	<b>30,685</b>
Other	717	<b>Capital surplus</b>	<b>20,592</b>
<b>Investments and other assets</b>	<b>163,224</b>	Legal capital surplus	12,955
Investment securities	31,745	Other capital surplus	7,636
Shares of subsidiaries and associates	89,622	<b>Retained earnings</b>	<b>73,676</b>
Investments in capital of subsidiaries and associates	1,413	Other retained earnings	73,676
Long-term loans receivable	19,595	Reserve for advanced depreciation of non-current assets	616
Distressed receivables	26,793	Retained earnings brought forward	73,060
Other	1,905	<b>Treasury shares</b>	<b>(687)</b>
Allowance for doubtful accounts	(7,851)	<b>Valuation and translation adjustments</b>	<b>14,218</b>
		Valuation difference on available-for-sale securities	13,315
		Deferred gains or losses on hedges	903
<b>Total assets</b>	<b>373,392</b>	<b>Total net assets</b>	<b>138,485</b>
		<b>Total liabilities and net assets</b>	<b>373,392</b>

**Non-consolidated Statement of Income**  
(April 1, 2023 to March 31, 2024)

(Unit: million yen)

Description	Amount	
<b>Net sales</b>		<b>340,108</b>
Cost of sales		286,770
<b>Gross profit</b>		<b>53,338</b>
Selling, general and administrative expenses		47,991
<b>Operating loss</b>		<b>5,346</b>
<b>Non-operating income</b>		
Interest income	544	
Dividend income	7,923	
Foreign exchange gains	318	
Reversal of allowance for doubtful accounts for subsidiaries and associates	851	
Other	92	9,729
<b>Non-operating expenses</b>		
Interest expenses	799	
Other	78	877
<b>Ordinary profit</b>		<b>14,198</b>
<b>Extraordinary income</b>		
Gain on sale of non-current assets	0	
Gain on sale of investment securities	3,210	3,210
<b>Extraordinary losses</b>		
Loss on disposal of non-current assets	256	
Loss on valuation of investment securities	137	
Loss on valuation of shares of subsidiaries and associates	153	547
<b>Profit before income taxes</b>		<b>16,862</b>
Income taxes - current	3,469	
Income taxes - deferred	(302)	3,166
<b>Profit</b>		<b>13,695</b>



# Translation Independent Auditor's Report

May 20, 2024

The Board of Directors Nissui  
Corporation

Ernst & Young ShinNihon LLC Tokyo,  
Japan

Tomohiro Miyagawa  
Designated Engagement Partner Certified  
Public Accountant

Shigehiro Koshihara  
Designated Engagement Partner Certified  
Public Accountant

Masatoshi Komiya  
Designated Engagement Partner Certified  
Public Accountant

## Opinion

Pursuant to Article 444, paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets, and notes to the consolidated financial statements of Nissui Corporation and its consolidated subsidiaries (the Group) applicable to the fiscal year from April 1, 2023 to March 31, 2024.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position and results of operations of the Group applicable to the fiscal year ended March 31, 2024, in accordance with accounting principles generally accepted in Japan.

## Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Other Information**

The other information comprises the information included in the Group's business report and its supplementary schedules. Management is responsible for preparation and disclosure of the other information. The Corporate Auditor and the Board of Corporate Auditors are responsible for overseeing the Group's reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Responsibilities of Management, the Corporate Auditor and the Board of Corporate Auditors for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Corporate Auditor and the Board of Corporate Auditors are responsible for overseeing the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Corporate Auditor and the Board of Corporate Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Corporate Auditor and the Board of Corporate Auditors with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

#### **Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

#### Notes to the Readers of Independent Auditor's Report

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

# Translation Independent Auditor's Report

May 20, 2024

The Board of Directors  
Nissui Corporation

Ernst & Young ShinNihon LLC  
Tokyo, Japan

Tomohiro Miyagawa  
Designated Engagement Partner  
Certified Public Accountant

Shigehiro Koshihara  
Designated Engagement Partner  
Certified Public Accountant

Masatoshi Komiya  
Designated Engagement Partner  
Certified Public Accountant

## Opinion

Pursuant to Article 436, paragraph 2, item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, and notes to the financial statements of Nissui Corporation applicable to the fiscal year from April 1, 2023 to March 31, 2024.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position and results of operations applicable to the fiscal year ended March 31, 2024, in accordance with accounting principles generally accepted in Japan.

## Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other Information

The other information comprises the information included in the business report and its supplementary schedules. Management is responsible for preparation and disclosure of the other information. The Corporate Auditor and the Board of Corporate Auditors are responsible for overseeing the reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of Management, the Corporate Auditor and the Board of Corporate Auditors for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Corporate Auditor and the Board of Corporate Auditors are responsible for overseeing the financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the financial statements is not expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.
- We communicate with the Corporate Auditor and the Board of Corporate Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide the Corporate Auditor and the Board of Corporate Auditors with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

#### **Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

#### Notes to the Readers of Independent Auditor's Report

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

## Audit & Supervisory Board Audit Report

### Audit Report

The Audit & Supervisory Board prepared this audit report after deliberation based on the audit reports prepared by each Audit & Supervisory Board Member regarding the execution of duties by Directors in the 109th fiscal year (from April 1, 2023 to March 31, 2024), as described below.

#### 1. Method and Details of Audit by Audit & Supervisory Board Members and Audit & Supervisory Board

- (1) The Audit & Supervisory Board established an audit policy and plan for the fiscal year under review, and received reports on the implementation status of audits and their results from each Audit & Supervisory Board Member. In addition, it received reports from Directors and the Accounting Auditor on the status of execution of their duties, and requested explanation when needed.
- (2) Each Audit & Supervisory Board Member communicated with Directors, Executive Officers, the internal audit division, and other employees, worked to gather information and develop an auditing environment by onsite inspection in accordance with the audit policy and plan for the fiscal year under review and in line with the audit standards for Audit & Supervisory Board Members established by the Audit & Supervisory Board, and performed audits with the following methods:
  - 1) attended Board of Directors and other important meetings, received reports from Directors, employees, and others on the status of execution of their duties, and requested explanation when needed; and reviewed important approval forms and other documents, and examined the status of business operations and properties;
  - 2) monitored and verified the development and operation of the “System to Ensure the Appropriateness of Operations (Internal Control System)” by Directors as stated in the business report; and received reports on the status of evaluations and audits of internal controls regarding financial reports from Directors and Ernst & Young ShinNihon LLC, and requested explanations when needed;
  - 3) ascertained the business circumstances of subsidiaries at the Company’s Board of Directors meetings, communicated and exchanged information with subsidiaries’ Directors, Audit & Supervisory Board Members, etc., and received business reports from subsidiaries when needed;
  - 4) reviewed details of the “Basic Policy Regarding Control of the Company” as stated in the business report, taking into account factors such as the status of deliberations by the Board of Directors and others; and
  - 5) monitored and verified that the Accounting Auditor is maintaining an independent position and carrying out audits properly, received reports from the Accounting Auditor on the status of execution of their duties, and requested explanation when needed; and discussed key audit matters with the Accounting Auditor, received reports on the status of said auditing, and requested explanation when needed. In addition, Audit & Supervisory Board Members received notification from the Accounting Auditor that said Auditor has established the “System to Ensure the Appropriate Performance of Duties” (matters stated in each item of Article 131 of Regulations on Corporate Accounting) in accordance with the “Quality Control Standards for Audit” (October 28, 2005 Business Accounting Council), etc., and requested explanation when needed.

Based on the above methods, Audit & Supervisory Board Members reviewed the business report and attached detailed statements thereof, financial statements (balance sheet, profit and loss statement, statement of changes in shareholders’ equity, and notes to financial statements) and attached detailed statements thereof, and consolidated financial statements (consolidated balance sheet, consolidated profit and loss statement, consolidated statement of changes in shareholders’ equity, and notes to consolidated financial statements) for the fiscal year under review.

#### 2. Results of Audits

- (1) Audit results for the business report, etc.
  - 1) The business report and attached detailed statements thereof were found to accurately present the status of the company in accordance with laws, regulations, and the Articles of Incorporation.
  - 2) No misconduct related to the execution of duties by Directors or serious matters that violated laws, regulations, or the Articles of Incorporation were found.
  - 3) Details of resolutions by the Board of Directors concerning the Internal Control System were found to be appropriate. In addition, no matters warranting comment were found in regard to the contents of the business report on said Internal Control System or the execution of duties by Directors, including internal controls regarding financial reports.
  - 4) No matters warranting comment were found in regard to the basic policy regarding control of the company.
- (2) Audit results for financial statements and attached detailed statements thereof  
The methods and results of the audits by the Accounting Auditor, Ernst & Young ShinNihon LLC, were found to be appropriate.
- (3) Audit results for consolidated financial statements  
The methods and results of the audits by the Accounting Auditor, Ernst & Young ShinNihon LLC, were found to be appropriate.

May 21, 2024

Audit & Supervisory Board, Nissui Corporation

Audit & Supervisory Board Member (standing)	Hiroyuki Hamano
Audit & Supervisory Board Member	Shino Hirose
Audit & Supervisory Board Member	Masahiro Yamamoto
Audit & Supervisory Board Member	Tadashi Kanki

Note: Audit & Supervisory Board Members Shino Hirose, Masahiro Yamamoto, and Tadashi Kanki are Outside Audit & Supervisory Board Members as set forth in Article 2, Item 16 of the Companies Act.