

Directors, Audit & Supervisory Board Members, Executive Officers

(as of June 27, 2023)

Director



Masaru Ikemi
Representative Director, President & CEO

■ **Date of birth:** December 22, 1957 (65 years of age)
■ **Attendance at board meetings:** 100% (17/17)

April 1981 Joined the Company
April 2008 General Manager of Overseas Operations Department of Maruha Nichiro Foods, Inc.
April 2009 Acting General Manager of Overseas Business Coordination Department of Maruha Nichiro Holdings, Inc.
April 2011 Executive Officer of Maruha Nichiro Holdings, Inc.
April 2014 Director of the Company
June 2014 Director of the Company
April 2017 Managing Executive Officer of the Company
June 2017 Director of the Company (current position)
April 2019 Senior Managing Executive Officer of the Company
April 2020 Representative Director, President & CEO of the Company (current position)



Sadahiko Hanzawa
Representative Director, Executive Vice President

■ **Date of birth:** November 23, 1959 (63 years of age)
■ **Attendance at board meetings:** 100% (17/17)

April 1983 Joined the Company
April 2007 General Manager of Marine Products Sales Department of the Company
April 2010 Executive Officer of Maruha Nichiro Seafoods, Inc.
April 2013 Director of Maruha Nichiro Seafoods, Inc.
April 2014 Executive Officer of the Company
June 2014 Director of the Company
April 2019 Managing Executive Officer of the Company
June 2019 Director of the Company (current position)
April 2020 Senior Managing Executive Officer of the Company
April 2023 Representative Director and Executive Vice President of the Company (current position)



Kenji Funaki
Director, Managing Executive Officer

■ **Date of birth:** June 30, 1961 (61 years of age)
■ **Attendance at board meetings:** New appointment

April 1984 Joined the Company
April 2011 General Manager of Marine Products Trade Department No.1 of Maruha Nichiro Seafoods, Inc.
April 2014 General Manager of North America Operations Department of the Company
April 2017 Executive Officer of the Company
April 2021 Managing Executive Officer of the Company (current position)
June 2023 Director of the Company (current position)



Seiichi Hiroshima
Director, Managing Executive Officer

■ **Date of birth:** January 5, 1962 (61 years of age)
■ **Attendance at board meetings:** New appointment

April 1985 Joined the Company
April 2017 General Manager of Accounting Department of the Company
April 2020 Executive Officer of the Company
April 2023 Managing Executive Officer of the Company (current position)
June 2023 Director of the Company (current position)



Somuku Iimura
Outside Director

■ **Date of birth:** April 14, 1953 (70 years of age)
■ **Attendance at board meetings:** 100% (17/17)

April 1986 Registered as an attorney at law
April 1986 Joined Masuda & Ejiri
July 2007 Joined Nishimura & Asahi
June 2014 Outside Director of the Company (current position)
June 2016 External Audit & Supervisory Board Member of Yamada Denki Co., Ltd. (currently YAMADA HOLDINGS CO., LTD.) (current position)
January 2020 Joined Natori Law Office
May 2020 External Audit & Supervisory Board Member of SANYO SHOKAI LTD. (current position)
June 2020 Outside Director of The Furukawa Battery Co., Ltd. (current position)
December 2020 Established ITN Partners

December 2020 Executive Partner of ITN Partners (current position)
Reason for selection: Somuku Iimura has knowledge of legal compliance gained as an attorney, and the Company deems that he will contribute from a fair and neutral standpoint, to the Company's corporate governance and group management by providing opinions concerning group management from a different perspective than internal Directors, based on abundant experience and exceptional insight. Accordingly, the Company once again elected him as an Outside Director. He has never been directly involved in the management of a company, however the Company judges he will appropriately fulfill his duties as an Outside Director based on the above reasons.



Katsue Okuda
Outside Director

■ **Date of birth:** December 28, 1963 (59 years of age)
■ **Attendance at board meetings:** 100% (17/17)

April 1986 Joined The Mitsubishi Trust and Banking Corporation
September 1997 Joined Ogata Appraisal Corporation
November 2000 Director of Ogata Appraisal Corporation
April 2006 Member of Tokyo District Court's civil conciliation committee (current position)
April 2009 Lecturer in Meiji University Graduate School of Global Business
November 2012 Outside member of Investment Committee of AEON Reit Management Co. Ltd. (current position)
November 2017 Representative Director of Kudan Ogata Holdings Corporation
March 2018 Executive Director of Kenedix Residential Next Investment Corporation
June 2018 Outside Corporate Auditor of CERESPO CO., LTD.
July 2018 Representative Director of Kudan Urban Appraisal Co., Ltd.
April 2021 Vice Chairman of Tokyo Civil Conciliation Association

June 2021 Outside Audit & Supervisory Board Member of the Company
October 2021 External Director of CRE, Inc. (current position)
June 2022 Outside Director of CERESPO CO., LTD. (current position)
December 2020 Representative Director of Kudan Ogata Appraisal Firm (current position)
June 2023 Outside Director of the Company (current position)

Reason for selection: Katsue Okuda has a wealth of experience and excellent insight from her work primarily in the real estate appraisal field, and based on her corporate management knowledge cultivated at multiple companies she is expected to contribute to the Company's corporate governance as well as group management by providing opinions on group management from a different perspective than internal Director. Accordingly, the Company elected her as an Outside Director.



Yoshiko Tonoike
Outside Director

■ **Date of birth:** January 26, 1971 (52 years of age)
■ **Attendance at board meetings:** New appointment

April 1997 Appointed as Prosecutor
April 2017 Full-Time Instructor of Tatsumi Legal Institute, Co. Ltd. (current position)
June 2021 Instructor of Meiji University Legal Laboratory (current position)
June 2021 Outside Director of Daitoh Trading Co., Ltd.
November 2021 Registered as an attorney at law
November 2021 Joined Minaki & Kitazawa Law Office
November 2021 Visiting Attorney of Minaki & Kitazawa Law Office (current position)
June 2023 Outside Director of the Company (current position)

Reason for selection: Yoshiko Tonoike has knowledge of legal compliance gained as an attorney, and the Company deems that she will contribute from a fair and neutral standpoint, to the Company's corporate governance and group management by providing opinions concerning group management from a different perspective than internal Directors, based on abundant experience and exceptional insight. Accordingly, the Company elected her as an Outside Director. She has never been directly involved in the management of a company, however the Company judges she will appropriately fulfill her duties as an Outside Director based on the above reasons.



Bradley Edmister
Outside Director

■ **Date of birth:** March 7, 1974 (49 years of age)
■ **Attendance at board meetings:** New appointment

September 1999 Joined Sullivan & Cromwell law firm
February 2000 Registered as an attorney at law in New York State (U.S.)
April 2007 Joined Milbank, Tweed, Hadley & McCloy law firm
April 2008 Lecturer of Keio University Law School (current position)
April 2009 Joined Ropes & Gray law firm
October 2009 Partner of Ropes & Gray law firm
September 2011 Joined Morgan, Lewis & Bockius law firm
September 2011 Partner of Morgan, Lewis & Bockius law firm
April 2022 Specially Invited Professor of Keio University Law School (current position)
February 2023 Joined Hogan Lovells law firm
February 2023 Partner of Hogan Lovells law firm (current position)

June 2023 Outside Director of the Company (current position)

Reason for selection: Bradley Edmister has a wealth of experience and exceptional insight in the fields of M&A, private equity, joint ventures, and other cross-border M&As through his many years as an attorney active in the state of New York and is expected to contribute to the Company's corporate governance as well as group management by providing opinions on group management from a different perspective than internal Directors. Accordingly, the Company elected him as an Outside Director. He has never been directly involved in the management of a company however the Company judges he will appropriately fulfill his duties as an Outside Director based on the above reasons.

Audit & Supervisory Board Member



Ryusuke Aya
Outside Audit & Supervisory Board Member

■ **Date of birth:** May 20, 1960 (63 years of age)
■ **Attendance at board meetings:** 100% (17/17)

April 1984 Joined The Industrial Bank of Japan, Limited
April 2014 Executive Managing Director of Mizuho Bank, Ltd.
June 2014 Member of the Board of Directors and Managing Executive Officer of Mizuho Financial Group, Inc.
June 2017 Member of the Board of Directors (Audit and Supervisory Committee Member) of Mizuho Financial Group, Inc.
June 2017 Member of the Board of Directors (Audit and Supervisory Committee Member) of Mizuho Bank, Ltd.
June 2019 Outside Audit & Supervisory Board Member of the Company (current position)

Reason for selection: Ryusuke Aya has many years of experience at financial institutions and in-depth knowledge in the field, including expertise in finance and accounting. Accordingly, the Company determined he will appropriately fulfill his duties as an Outside Audit & Supervisory Board Member.



Taiichi Ono
Outside Audit & Supervisory Board Member

■ **Date of birth:** January 5, 1963 (60 years of age)
■ **Attendance at board meetings:** 100% (13/13)

April 1986 Joined The Mitsubishi Trust and Banking Corporation
March 2009 General Manager of Loan Sales Department of Mitsubishi UFJ Trust and Banking Corporation
June 2011 General Manager of Credit Supervisory Division of Mitsubishi UFJ Trust and Banking Corporation
June 2012 Executive Officer and General Manager of Sales Department 1 of Mitsubishi UFJ Trust and Banking Corporation
June 2015 Managing Executive Officer of Mitsubishi UFJ Trust and Banking Corporation
April 2021 Senior Managing Executive Officer of Mitsubishi UFJ Trust and Banking Corporation
April 2022 Corporate Advisor of Mitsubishi UFJ Trust and Banking Corporation
June 2022 Outside Audit & Supervisory Board Member of the Company (current position)

Reason for selection: Taiichi Ono has many years of experience at financial institutions and in-depth knowledge in the field, including expertise in finance and accounting. Accordingly, the Company determined he will appropriately fulfill his duties as an Outside Audit & Supervisory Board Member.



Yoshio Kimura
Outside Audit & Supervisory Board Member

■ **Date of birth:** April 26, 1966 (57 years of age)
■ **Attendance at board meetings:** New appointment

April 1989 Joined The Norinchukin Bank
July 2009 General Manager of Naha Branch of The Norinchukin Bank
June 2015 General Manager of JA Bank System Management Div. of The Norinchukin Bank
July 2017 Executive Officer of The Norinchukin Bank
April 2021 Full-Time Counselor of The Norinchukin Bank
June 2021 Outside Audit & Supervisory Board Member of Maruha Nichiro Logistics, Inc.
June 2023 Outside Audit & Supervisory Board Member of the Company (current position)

Reason for selection: Yoshio Kimura has many years of experience at financial institutions and in-depth knowledge in the field, including expertise in finance and accounting. Accordingly, the Company determined he will appropriately fulfill his duties as an Outside Audit & Supervisory Board Member.



Hiroyuki Tabe
Audit & Supervisory Board Member

■ **Date of birth:** May 21, 1961 (62 years of age)
■ **Attendance at board meetings:** 100% (17/17)

April 1985 Joined the Company
April 2016 General Manager of Finance Department of the Company
April 2018 General Manager of Business Planning & Development Department of the Company
April 2019 General Manager of Internal Auditing Department of the Company
June 2020 Audit & Supervisory Board Member of the Company (current position)



Yoshito Kaneyama
Outside Audit & Supervisory Board Member

■ **Date of birth:** August 16, 1959 (63 years of age)
■ **Attendance at board meetings:** 94% (16/17)

October 1983 Joined Aoyama Audit Corporation (currently, PricewaterhouseCoopers Aarata LLC)
March 1987 Registered as a certified public accountant
August 1995 Opened Kaneyama & Associates Certified Public Accountant Office (current position)
June 2013 Outside Audit & Supervisory Board Member of Maruha Nichiro Holdings, Inc.
April 2014 Outside Audit & Supervisory Board Member of the Company (current position)

Reason for selection: Yoshito Kaneyama has expertise in finance and accounting as a certified public accountant. Accordingly, the Company determined he will appropriately fulfill his duties as an Outside Audit & Supervisory Board Member.

Executive Officer

President & CEO
Executive Vice President
Managing Executive Officer
Managing Executive Officer

Masaru Ikemi
Sadahiko Hanzawa
Kenji Funaki
Seiichi Hiroshima

In charge of Product Development Department, Production Management Department, Regional Branches, Extensive Area Sales Department
Director of Fishery Business Unit, Aquaculture Business Unit, and Overseas Business Unit
Supervisor of Legal Affairs & Risk Management Department, Corporate Planning Department, General Affairs Department, Personnel Department, Corporate Branding Department, Finance Department. In charge of Accounting Department, Internal Auditing Department, Business Administration Department

Managing Executive Officer
Managing Executive Officer

Kenichi Komon
Satoshi Kokaji

Director of Logistics Unit, in charge of Digital Transformation Department, and Logistics Department
Supervisor of Business Planning Department and Central Research Institute. In charge of Quality Assurance Department and Consumer Relations Center

Managing Executive Officer
Managing Executive Officer
Executive Officer
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Executive Officer

Yasushi Wakamiya
Daisuke Yasuda
Hidekata Yamada
Masayuki Kanamori
Masato Mizoguchi
Yoshinobu Kumamoto
Kenji Watabiki
Isao Wakamatsu
Shoji Kishi
Itaru Kawada
Masami Azuma
Kimihiko Takaya
Katsuhiro Adachi
Yoshitaka Koseki

Director of Processed Foods Business Unit and Fine Chemicals Unit, in charge of Domestic Plants
Director of Marine Products Trading Unit, Foodstuff Distribution Business Unit and Meat and Products Business Unit
Assigned to Vietnam
Deputy Director of Marine Products Trading Unit and Overseas Business Unit
Deputy Director of Foodstuff Distribution Business Unit
Deputy Director of Meat and Products Business Unit and Foodstuff Distribution Business Unit
Deputy Director of Processed Foods Business Unit
In charge of Legal Affairs & Risk Management Department, General Affairs Department, and Personnel Department
Assigned to Thailand
Assigned to North America
General Manager of Kanto Regional Branch
Deputy Director of Fine Chemicals Unit
In charge of Corporate Planning Department, Corporate Branding Department, and Finance Department
General Manager of Business Planning Department and in charge of Central Research Institute

Corporate Governance Roundtable Discussions



Representative Director,
President & CEO
Masaru Ikemi

Outside Director
Somuku Iimura

Outside Director
Katsue Okuda

Representative Director,
Executive Vice President
Sadahiko Hanzawa

Maruha Nichiro's governance with a view to improving MNV

As the Maruha Nichiro Group completes the first year of its Medium-term Management Plan and aims to improve MNV, what role should Outside Directors play in governance and how should Internal Directors respond? Two Outside Directors, Representative Director and President & CEO Ikemi, and Representative Director and Executive Vice President Hanzawa held a roundtable discussion.

What is the role of corporate governance?

Ikemi: While corporate governance reform has progressed and been implemented in the Japanese market, but it makes me think about what a company exists for in the first place. If stakeholders, primarily investors, view Maruha Nichiro's corporate governance as a benchmark from an external perspective, we can imagine that they will naturally become actively involved. While strengthening governance is a natural way of thinking, I

instead consider how we can apply the concept of corporate governance to the benefit of the Company.

Hanzawa: Discussions of corporate governance as a system have only recently become more active, but there have long been discussions about what the reason for being of a company is. Nonetheless, the first priority was to make money, and the only value provision to the outside world was to distribute the results of earning to shareholders, who are part of the stakeholders. However, society has changed with the frequent occurrence of corporate scandals and the emergence of an era of

emphasis on compliance. Additionally, given that the Group experienced a scandal in 2013, the framework of corporate governance has been permeated within the Company as a system to deter such occurrences. As a publicly listed company, we should correctly interpret the framework as a concentrated set of guidelines incorporating demands and expectations from outside the Company, especially investors, and steadily implement it.

Iimura: Corporate governance is a mechanism to ensure fair management, and I think it is evolving in a way that fits the Company. Formally, we have increased the number of Outside Officers, and in reality, we have created an environment in which Outside Officers can speak out more easily. However, I believe that corporate governance is not a one-size-fits-all solution. Instead, it should be developed taking into account the various differences between companies, such as their history and corporate culture.

Okuda: I became an Outside Director from an Outside Audit & Supervisory Board Member in FY2023. I served as an Outside Audit & Supervisory Board Member for two years, and I have many opportunities to interact with full-time Audit & Supervisory Board Members and become familiar with the actual situation within the company. I also had many opportunities to visit the field, which I felt facilitated my access to information about the company's strengths and weaknesses.

I also felt that discussions at meetings of the Board of Directors became more active with each passing day. I believe this is largely due to the fact that, under President & CEO Ikemi's leadership, the Outside Officers have a deeper understanding of the Company as they are provided with information about the Company's good and bad points without reservations.

Ikemi: I am glad to hear that, but a fundamental premise is that we can meet the requirements of corporate governance by providing appropriate information in the first place, and we are consciously paying attention to the quality and quantity of the information we provide to Outside Officers.

Okuda: Corporate governance is a mechanism necessary for the sustainable growth of a company. Accordingly, corporate governance may not be said to be functioning unless sustainable growth is achieved. However, various measures take time. It is also necessary to work on corporate governance from a long-term perspective. Although people within the Company may tend to be conservative because of their deep knowledge of the business, based on my own experiences thus far, I hope to contribute in ways that can spark new ideas and provide insights. I am feeling the pressure of my respon-

sibilities as an Outside Director.

Hanzawa: Related to the insights mentioned by Okuda, the evaluation of the effectiveness of the Board of Directors often makes me aware of new perspectives and changes within the Company. When I look at the results of interviews conducted by third-party organizations, the overwhelming majority of the comments are requests for opinions based on the knowledge possessed by Outside Officers, and I sense a change in the trend of the Board of Directors. We are seeing more active discussions and longer meetings of the Board of Directors, which would not have occurred if only internal members were present. I am always very grateful for the increasing number of suggestions.

Iimura: For both President & CEO Ikemi and Vice President Hanzawa, as well as for others, their willingness to listen is very much appreciated. Recently, after meetings of the Board of Directors there are times when additional, spillover discussions occur, with people asking for opinions about things, and I am aware of the changes in our Board of Directors.

Ikemi: Internal Directors, feeling the pressure to answer any question they might be asked, prepare thoroughly and attentively, and in this sense the impact that the presence of Outside Officers has on Internal Directors is immeasurable. I believe it's not appropriate for Internal Directors to attend meetings of the Board of Directors with the mindset of merely representing their respective business divisions. If each of us can represent our company and further engage in discussions for the entire company, I believe our Company can evolve even more.

Hanzawa: I am also strongly conscious of looking at our Company as a whole. First of all, we have changed the structure of the Company by assigning all Managing Executive Officer level Executives as Unit Directors, which are the top Executive Officers. Also, in the weekly Managing Executive Officers' Committee meetings on Mondays, I try to keep a certain distance from each business unit. For example, in discussions about the Fishery Business Unit, I used to be hesitant to express a negative opinion because it was not my home unit, but now I feel that we have fostered an atmosphere in which anyone can speak up and participate in an open manner.

Iimura: In the past, almost all decisions were discussed and made in the Managing Executive Officers' Committee, and the Board of Directors often just formalized those decisions. But just as Vice President Hanzawa mentioned, the exclusive atmosphere where people didn't want opinions on their areas of responsibility has disappeared.

Okuda: I feel that the president is a major factor in shaping the personality of a company. Depending on who the

president is, the flow and atmosphere of the Board of Directors can vary considerably. I feel that President & CEO Ikemi has a sense of speed and is able to see the big picture by determining which areas to focus on and which areas to consider over the long-term. I feel that President & CEO Ikemi, Vice President Hanzawa, and the other Directors are able to see the big picture because of their global experience, which is a very important part of our growth.

Ikemi: You mentioned that the individuality of a company starts with its president, but continuity is also important when it comes to management. Regarding nurturing successors, I first make them aware of the importance of introducing themselves to the Nomination Committee. It's challenging to make appropriate nominations without understanding who is at the core of the management and their personalities and abilities. I always ensure that explanations during internal inspections come from Unit Directors, and descriptions of the business in board meetings come from Unit Directors or Deputy Unit Directors, as we try to make the best use of every opportunity.

Hanzawa: As for President & CEO Ikemi's or my successor, I believe that the final decision lies with the Nomination and Compensation Committee and its chairman, President & CEO Ikemi. Nonetheless, I thoroughly discuss various matters with the current six Managing Executive Officers and the Executive Officers who come next. It's not about making them hear my opinion; by understanding the reasoning behind their thoughts, I aim to better understand the next generation's management's characteristics and leadership.

To achieve the vision depicted in the New Long-term Corporate Vision

Ikemi: The New Long-term Corporate Vision and Medium-term Management Plan were formulated based on unprecedented discussions with Outside Officers, and one area of significant interest for our Outside Directors is probably ROIC. However, while spreading the understanding of ROIC is essential, the real challenge is how much understanding we can gain internally.

Because there are limits to people, goods, and money, ROIC is not simply an overall profit margin, it's about potentially radical ideas, like halving the number of plants. We will instill such a concept itself through discussions that fit our style. While we've set a 3-year interval, it's not easy to get everyone onboard internally.

Hanzawa: Although we communicate the idea of ROIC management to our employees, there's still much work to do for it to resonate deeply. We will continue to input the ROIC concept as knowledge through training and other means, but everyone must understand that the hurdles are high, as is the case for environmental and social values. There's a sentiment like, "This is tough, I wonder how far the Company is willing to go in this regard?" While there's indeed a perceived gap currently, it is groundbreaking that a company with such a long history has disclosed its long-term goals in a highly ambitious manner, and we are focusing on spreading the message so that employees will likewise think, "This is a great thing, I'll do my best too."

limura: Just as Hanzawa mentioned, the Company has proactively disclosed contributions to environmental and social values, and I feel that there are more instances



Striving to improve MNV based on constructive dialogue with Outside Directors

Masaru Ikemi



Focusing on penetration of ROIC management while being aware of separation of execution and management

Sadahiko Hanzawa

where consumers resonate with our corporate stance as a result. It is important for us to repeat the trial-and-improvement process without making this Medium-term Management Plan just an "idealistic picture." Quick response and concreteness will attract employees, and I believe it will also lead to social recognition.

Okuda: We are raising the bar by working on the trinity of economic value, environmental value, and social value. This means that we aim to enhance corporate value and achieve sustainable growth based on the integration of sustainability and business strategy. This is an extremely challenging task. On the other hand, when I listen to discussions at committee meetings, it is sometimes difficult to understand how sustainability initiatives are linked to business strategies. I look forward to further discussions on what kind of initiatives will lead to specific business growth and ultimately to our sustainable growth.

At the recent financial results briefing, President & CEO Ikemi stated, "We have increased our catch quota in Alaska, and this is to expand procurement possibilities, which will lead to the Company's growth. As a precondition for procurement, we are researching which marine resources in which areas of the world are depleted and to what extent." In order to conserve marine resources and achieve sustainable procurement, we monitor the volume of marine products handled and conduct surveys on the status of wild marine resources. Through such efforts, like the investment in Alaska, we will buy fishing quotas for fish species that have a surplus as resources. This has made a significant contribution to the Company's profits, and it has become a story that integrates sustainability and business strategy. We believe it's good

to continue dialogues and disclosures that are conscious of such a story in the future.

Ikemi: I really agree. It's the storytelling aspect of strengthening resource access.

Hanzawa: By combining the fishery resource survey and resource access strengths, we can strongly emphasize, for example, that there are no problems with Alaska pollock resources, and therefore we will promote securing Alaska pollock resources and expanding the supply. The perspective of matching sustainability and strengths is important. Unfortunately, however, there are still some aspects that are not yet visible, and we will continue to analyze the current situation with regard to areas that are opaque.

Challenges to ROIC management and issues that have come to light

limura: I think measuring the impact of the introduction of ROIC is still to come, but as the President said, it's still in the introduction phase, and we should first focus on penetration, and then see how it changes.

Hanzawa: I also think the change will come in the future. Regarding ROIC, we started with two departments as pilot projects last year, and plan to set KPIs for all departments this fiscal year. We will discuss the results once the data is gathered and move on to the next step, so we will see how each person in charge perceives the figures that come out and how they enact change in response.

Okuda: In the real estate market I'm involved in, we prioritize the return on the invested capital. We forecast the level of return and future growth expectations, and based on the results, we make a decision on how much

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we should pay. This is because the future is always uncertain. In reality, it cannot be said that things will always turn out as forecasted, but they are considered important as a criteria for judgment. The same applies for corporate management, and ROIC is an indicator that comes from a similar perspective.

Although there are parts of an operating company that cannot be judged uniformly due to the business structure and historical background of the industry, we need to be strongly aware of the fact that we too have announced that we will make ROIC management a pillar of our business.

Because we have already announced our ROIC management to the outside world, we must implement initiatives to improve ROIC in any way we can. If we lack this determination, I believe the market's evaluation will be harsh. This is because the external view often tends to be somewhat cynical.

Currently, as was pointed out, I feel that the understanding of ROIC is not yet widespread. Our working capital increased significantly last fiscal year due to an increase in liabilities. This is a shift in capital that worsens ROIC. If it leads to growth afterward, it's not a problem, but I've been concerned that perhaps there isn't a sufficient sense of urgency.

When making new investments, we also consider future cash flow projections. However, I believe that in making such decisions, we need to analyze the various possibilities more than ever before.

Ikemi: Thank you for your feedback. Regarding the point made by Okuda, I think we need to explain in detail. While this case does not involve an increase in inventory volume, which is largely due to external environmental

factors, we recognize that this fiscal year is a year in which the real test will be how we respond to the increased working capital. It's not that our inventory turnover rate has particularly improved; we believe the main factor is the rise in unit prices.

Nonetheless, I've been emphasizing the need to check on this matter frequently during the Managing Executive Officers' Committee. As Okuda pointed out, it would be unacceptable if we lost our sense of urgency, and we must understand why these events are occurring all the way down to the front lines of our business and be accountable to those outside the Company.

Linking sustainability strategy implementation to MNV improvement for the next 100 years

Okuda: It says in our Company Credo, "Loyal to our people, the most important asset of our Company." This means that the growth of people contributes greatly to the growth of a company, and that is exactly right. From our practical experience, when people grow, business volume and profits also increase. We realize that there is no growth of a company without the growth of its people.

Our human resources strategy conveys our intention to develop human resources to support our future areas of focus, and we have high expectations for them. While some units are understaffed, it is necessary to make the Company a place where employees want to work and contribute to growth, not only in response to salary levels but also in terms of intangible aspects. I sometimes wonder if we can attract more outstanding human resources through creativity and ingenuity.



Promptness and concreteness of human resource strategy is the key to MNV creation and expansion

Somuku Imura



Focusing on capital efficiency, injecting a management perspective with an eye on the market's evaluation of the company

Katsue Okuda

Hanzawa: Recruiting outstanding human resources is not easy, and in an era when a certain number of employees leave the Company, we are focusing on how to increase their engagement. What makes people want to work hard for the company? Is it the salary or the feeling of growth? We focus on the perspective of what can be improved to increase engagement.

Maruha Nichiro should be proud of its awareness to select nine materiality in terms of environmental and social values, set specific KPIs, and strive to achieve them. I believe that the extent to which we can instill a strong awareness of the need to achieve these aspirations in all of our employees will determine our future success.

Ikemi: Our Company has existed for 143 years. Now, as the management team, it is our responsibility to ensure its survival and thrive robustly for the next 100 years as winners. While we have publicly announced that we are improving MNV, to put it plainly, this idea is at the root of what we are doing.

As I mentioned earlier, our strength is marine products, so it is natural for us to manage our resources to ensure our continued existence for the next 100 years, and it is also natural for us to strengthen our human capital that will drive our growth. By showcasing to society that we can achieve everything, including diversity, women's active participation, environmental value and social value, we aim to gain trust and have our products purchased. The more I think about it, the more I feel everything we should do for the next 100 years is encompassed in these actions.

Imura: A company is all about its people. In order to hire and train talented people, regardless of gender or

nationality, it is important to create an environment where people can enjoy working. As it is a job, it is naturally demanding, but I hope to realize a workplace where people can find enjoyment in their work. A senior lawyer whom I respect said to me, "Expose everything you have. Share all your know-how with your juniors. This method will not only nurture your juniors, but it will also serve as an incentive for you to come up with new ideas when you have nothing left to offer." I hope that Maruha Nichiro will aim to be a Company where people can enjoy themselves, expose what they know, and educate others.

Ikemi: Thank you very much for this valuable opportunity. As a Company that will survive for the next 100 years, we are now in the second year of an important transition period in which we have promised both internally and externally to enhance our economic value, environmental value, and social value in a three-pronged integrated manner. Continuing forward, we value our dialogue with Outside Directors who give us frank and honest opinion and, by aligning with all our employees, we are committed to balancing business and sustainability and striving for MNV improvement.

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Corporate Governance

The Maruha Nichiro Group strives to achieve sustainable growth and implement improvements in corporate value over the long-term by building equitable and productive relationships with our stakeholders. To this end, we are placing importance on ensuring operational integrity, transparency and efficiency while utilizing measures to accelerate decision making and strengthen oversight. We will continue working to strengthen corporate governance with the Corporate Governance Code, by proactively responding to external requests and dialogues, and by strengthening our effective corporate governance framework which addresses social trust.

Corporate governance framework

Maruha Nichiro Corporation has adopted a corporate auditing system recognizing that having Audit & Supervisory Board members supervise the execution of duties by Directors as an independent institution consigned by shareholders represents an effective means for securing the sound and sustainable growth of the Company and strengthening our high-quality corporate governance framework in response to social credibility.

Board of Directors

Maruha Nichiro Corporation's Board of Directors is comprised of eight Directors including four Outside Directors. Our Board of Directors provides highly effective supervision from an independent and objective perspective by incorporating an executive officer system in which supervisory and executive duties are appropriately divided with the Managing Executive Officers' Committee. The Board of Directors meetings

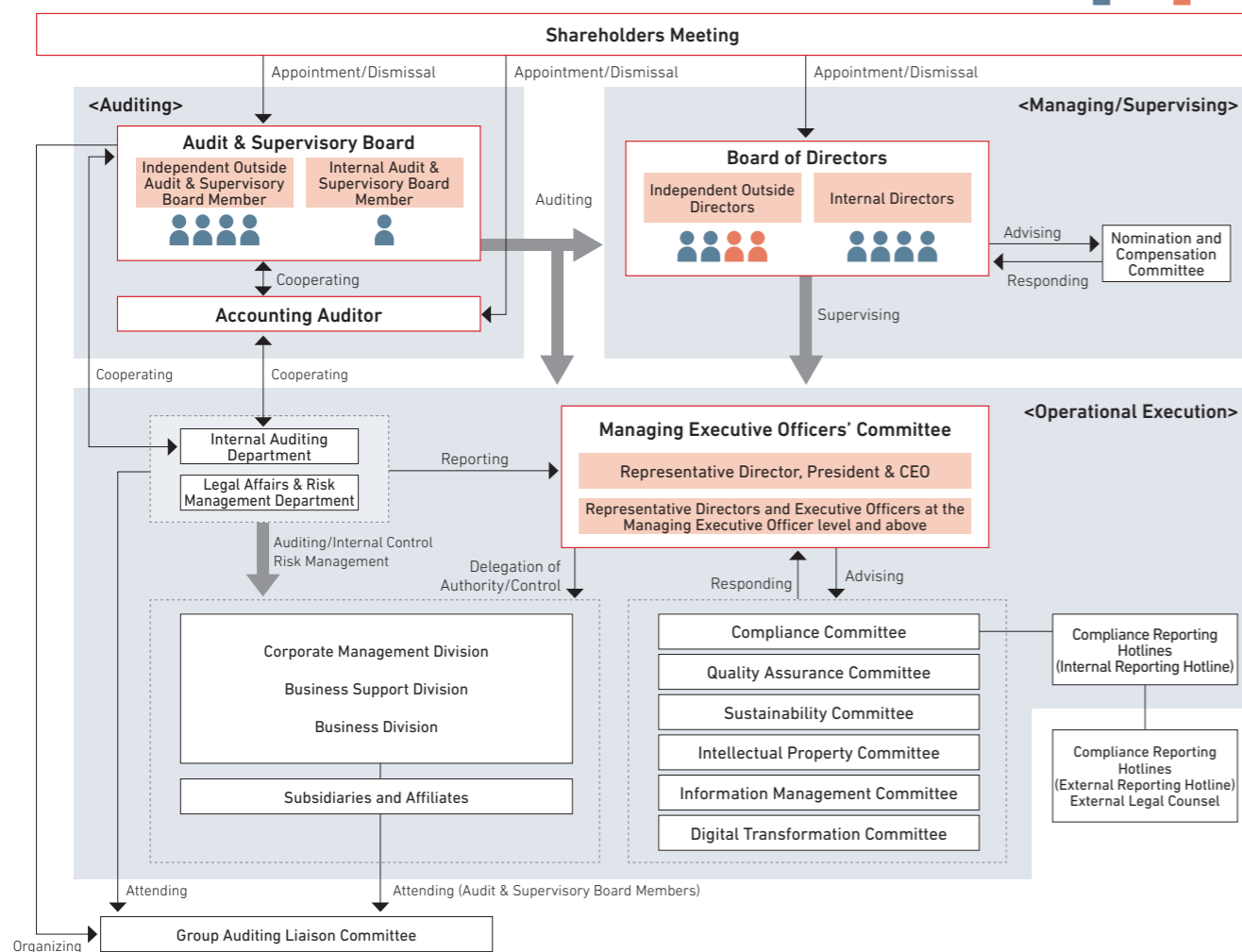
are generally held once a month to make decisions on important management matters such as the management basic policy, management strategy, Medium-term Management Plan, annual management plan, and capital policy. Decisions on individual operational execution are delegated to the Managing Executive Officers' Committee. In FY2022, the Board of Directors met 17 times, including extraordinary meetings, with an average attendance rate of 97% for Directors and 99% for Audit & Supervisory Board members.

Managing Executive Officers' Committee

Maruha Nichiro Corporation's Managing Executive Officers' Committee is comprised of eight members including the representative Directors and Executive Officers at the Executive Officer level and above. The Managing Executive Officers' Committee is responsible for planning and drafting management strategies for the entire Maruha Nichiro Group, to develop a system to promote such strategies, and

Corporate governance framework

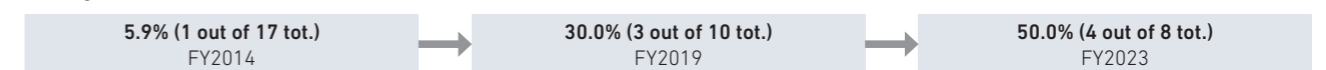
Male Female



History of recent governance reforms

	FY2014-FY2017	FY2018-FY2021	FY2022-FY2023
Group Governance	2014 Transitioned from a pure holding company to an operating holding company 2014 Launched Group Philosophy penetration activities 2015 Established the Corporate Governance Guidelines (revised seven times since)		
Separation of executive and management duties	2016 Abolished Directors with titles 2016 Began evaluating the effectiveness of the Board of Directors 2018 Established Nomination and Compensation Committee 2019 Appointed female outside director → 2023 Increased by one director 2023 Appointed foreign national Outside Director		
Compensation system	2016 Introduced performance-linked compensation 2022 Introduced medium-term performance-linked stock compensation system		
Risk Management	2014 Established Risk Management Department (currently Legal Affairs & Risk Management Department) 2015 Began formulation of the Group Risk Management Basic Plan		

Changes in the ratio of Outside Directors



Note: The board composition for Mar. 2024 is that as of June 27, 2023.

to establish and effectively promote policies regarding overall management strategies to realize the long-term corporate vision. The Managing Executive Officers' Committee meets generally once a week and makes prompt management decisions on the operational execution delegated by the Board of Directors, and matters of importance are reported to the Board of Directors meetings. In FY2022, the Managing Executive Officers' Committee was held 45 times.

Audit & Supervisory Board

Maruha Nichiro Corporation has implemented a corporate auditing system involving five auditors, four of whom are Outside Audit & Supervisory Board members. Audit & Supervisory Board members audit the operational execution of Directors by meeting at regularly held meetings and deciding on matters pertaining to audit policies, audit plans, audit methods, and execution of auditor duties, and by attending important meetings including Board of Directors meetings, holding interviews with Maruha Nichiro Directors and department General Managers, conducting site visits at domestic and overseas subsidiaries, receiving and reviewing the results of audits from, and exchanging opinions with our accounting auditor, and regularly holding meetings of the Group Auditing Liaison Committee. In FY2022, Audit & Supervisory Board meetings were held seven times, with an average Audit & Supervisory Board Member attendance rate of 100%. Moreover, at Maruha Nichiro, four highly independent Outside Audit & Supervisory Board members are designated as independent officers. Three outside members have been appointed based on their long years of experience and in-depth knowledge from their career experience at financial institutions.

Nomination and Compensation Committee

Outside Directors comprise a majority of the members of the Nomination and Compensation Committee. The chair and members of this committee are appointed by the Board of Directors. Additionally, this committee deliberates on the nomination and compensation system, and standards for Directors and Executive Officers. The committee assists the Board of Directors with decision making by responding to views regarding these matters. With regard to nominations, the Nomination and Compensation Committee met in May 2022 to deliberate on candidates for director and executive officer positions after the Shareholders' General Meeting held in June 2022. Respecting the findings of the committee, the Board of Directors passed resolutions on the selection of director and Executive Officers. Moreover, when appointing a former Representative Director and President & CEO, etc., as Counselor or Corporate Advisor, the Nomination and Compensation Committee deliberates on the matter and the Board of Directors decides on the matter, but, at present, there are no applicable persons.

With regards to compensation, the Nomination and Compensation Committee met in May 2022 to deliberate on officer compensation for July 2022 and beyond. Respecting the findings of the committee, the Board of Directors passed a resolution on officer compensation during its meeting in June 2022. In FY2022, the Nomination and Compensation Committee met two times, with an average Committee member attendance rate of 90%.

Other committees

Maruha Nichiro Corporation has established the following committees which are chaired by persons appointed by the Managing Executive Officers' Committee as advisory bodies to the Management Committee.

Composition of each committee

Committee name	Chair	Vice Chair	Members*	Observers
Compliance Committee	Ikemi	Hanzawa, Hiroshima	Imura, Tonoike, Funaki	Okuda, Aya, Tabe
Quality Assurance Committee	Ikemi	Hanzawa, Kokaji	Funaki, Hiroshima	Imura, Okuda, Tonoike, Ono, Kimura
Sustainability Committee	Ikemi	Hiroshima	Hanzawa, Funaki	Imura, Okuda, Tonoike, Ono, Tabe
Intellectual Property Committee	Hiroshima	-	Hanzawa, Funaki	Kimura, Tabe
Information Management Committee	Komon	Wakamatsu	Hanzawa, Funaki, Hiroshima	Ono, Kimura
DX Promotion Committee	Ikemi	Komon	Hanzawa, Funaki, Hiroshima	Aya, Ono

*Only Directors are listed among the committee members.

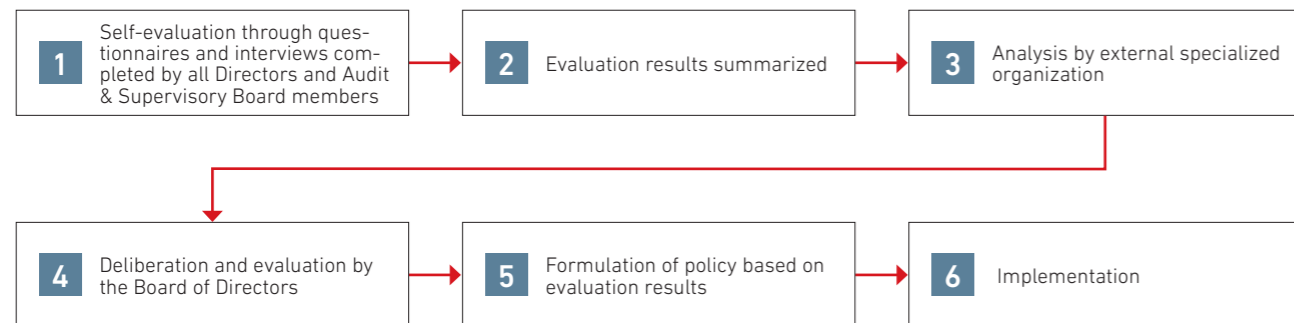
Corporate Governance

Evaluation of Board of Directors effectiveness

Once every year, Maruha Nichiro Corporation conducts a self-evaluation of its Board of Directors by each director as stipulated in Article 21 of the Corporate Governance Guidelines to analyze and evaluate the Board's effectiveness, and discloses the summary of the results. In FY2022, the Board of Directors deliberated on the results of the

evaluation based on self-assessment in the form of a questionnaire and interview with all Directors and Audit & Supervisory Board Members conducted from February to March, and an analysis was conducted with the support of an external specialized organization. We confirmed that the Board of Directors is functioning appropriately and that its effectiveness is generally ensured.

Effectiveness Evaluation Process



Evaluation items

- 1 Growth strategy and Medium-term Management Plan
- 2 Group governance
- 3 Risk management
- 4 Compliance
- 5 Secure audit reliability
- 6 Resource allocation
- 7 Use of voluntary governance mechanisms
- 8 Diversity, qualities and expertise of Board of Directors
- 9 Officer training
- 10 Diversity of core human resources
- 11 Addressing sustainability issues
- 12 Dialogue with shareholders
- 13 Operation of the Board of Directors (discussion topics, roles and responsibilities of the Board of Directors, provision of information, management of issues raised, etc.)

Analysis and evaluation of Board of Directors' effectiveness

- FY2022 recognized issues and action policy**
- 1 Enhance deliberations on resource allocation, etc.
 - 2 Strengthen monitoring of group governance
 - 3 Further discussions on dialogue policy with shareholders and investors
 - 4 Further promote information provision and communication with Outside Officers

- Response Status**
- 1 Along with the introduction of value creation management, reported on the overall picture of its foundation structure and status of initiatives, and exchanged opinions on the state of the ideal business portfolio.
 - 2 The status of Group companies is reported regularly, and if any events such as compliance or other matters are detected, they are reported in a timely and appropriate manner, are also held on the role on the state of group governance are also deepened.
 - 3 Sharing discussions held with shareholders and investors in IR meetings and discussions on dialogue policy, etc., while leveraging the knowledge of Outside Officers.
 - 4 To promote understanding of the Company by Outside Officers, created opportunities to learn through plant tours and business briefings by Executive Officers.

Looking ahead

- FY2023 recognized issues and action policy**
- 1 Setting a strategic agenda with emphasis on substantive discussion of management topics.
 - 2 Enhance a mechanism for information provision to fully draw out the knowledge of Outside Directors and officers to further deepen discussions.
 - 3 Clarification and continual improvement of indicators, frequency, and depth to materialize execution monitoring.

Stimulate and enhance discussions at the Board of Directors

Maruha Nichiro Corporation takes measures such as providing Outside Directors and Outside Audit & Supervisory Board members with explanations of its business operations and conducting site visits from time to time to deepen their understanding of the Maruha Nichiro Group's businesses in order to stimulate discussion at

Board of Directors meetings. In addition, Outside Directors participate in the Expert Committee, which is an advisory body to the Managing Executive Officers' Committee, and Outside Directors and Outside Audit & Supervisory Board members provide opinions. Moreover, opinion exchange led by Outside Directors and Outside Audit & Supervisory Board members are also held to aid in ensuring the effectiveness of Auditing.

Main topics and comments and questions from Outside Officers

- **Regarding the Revision of the Executive Compensation System and the Introduction of Medium-term Performance-linked Stock Compensation**
 - Changes from previous compensation levels due to this revision
 - The evaluation criteria for new executive officer compensation metrics and its relationship with MNEV
 - The achievement levels for short-term performance-linked compensation and medium-term performance-linked compensation
- **Regarding the Acquisition and Cancellation of Treasury Stocks**
 - The reason why our recent stock price is not being evaluated by the market
- **Regarding the Issuance of Domestic Unsecured Bond (Blue Bond)**
 - The relationship between land-based aquaculture and the scale of corporate bonds
 - The possibility of reissuing bonds after maturity redemption

Review of the succession plan

At Maruha Nichiro Corporation, we believe it is important to cultivate future leaders and select appropriate leaders in order to achieve sustainable growth for enterprise value. Therefore, we will proceed with a review of the succession plan, including defining and training the human resources needed to realize the Group Philosophy, which is the Meaning of Existence of our Group.

strategy and relationship in business transactions. Each year, the Board of Directors examines the investment value of each cross-shareholding, and reduces holdings based on stock prices and market trends such as selling of stocks that have diminished value in maintaining based on our business strategy or business relationships. In the examination, after carefully scrutinizing benefits such as dividend yields and transaction status on an individual basis, we also make a comprehensive determination by taking into account qualitative evaluations such as the concept of future transactions and their strategic importance. In FY2022, the Board of Directors' meeting held on August 29, 2022 conducted an examination of cross-shareholdings, and reduced holdings by 3.1 billion yen for five companies' stocks.

Approach to cross-shareholdings

Although Maruha Nichiro Corporation maintains cross-shareholdings with its partners with the purpose of maintaining and strengthening business relationships, the basic policy is to determine the value of such investments by comprehensively taking into account our business

Corporate Governance

Appointment of Directors with experience and professionalism

The Board of Directors at Maruha Nichiro Corporation defines a "Board of Directors Skills Matrix" that clarifies the knowledge, experience, and abilities of its officers necessary for the sustainable growth of the

Company and the enhancement of its medium-to long-term enterprise value. We have marked with a red circle in the areas in which each officer is expected to contribute to the Company's management by leveraging their extensive experience, high-level insight and a high degree of expertise.

Board of Directors skills matrix

Officer name	Main specialization, background							
	Management and business strategy	Global business	Sustainability	Legal affairs and risk management	Finance and accounting	Personnel and human resources development	Research and development	Digital Transformation and Intellectual property
Representative Director, President & CEO Masaru Ikemi	●	●	●			●		●
Representative Director, Executive Vice President Sadahiko Hanzawa	●						●	
Director Managing Executive Officer Kenji Funaki	●	●	●					
Director Managing Executive Officer Seiichi Hiroshima				●	●	●		●
Outside Director Somuku Iimura				●				
Outside Director Katsue Okuda	●			●	●			
Outside Director Yoshiko Tonoike				●				
Outside Director Bradley Edmister	●	●	●	●				
Outside Audit & Supervisory Board Member Ryusuke Aya	●	●		●	●			
Outside Audit & Supervisory Board Member Taiichi Ono	●				●			
Outside Audit & Supervisory Board Member Yoshio Kimura	●				●			
Audit & Supervisory Board Member Hiroyuki Tabe		●		●	●			
Outside Audit & Supervisory Board Member Yoshito Kaneyama					●			

Moreover, the above does not represent all of the experience and expertise possessed by each officer.
*As of the end of June 2023

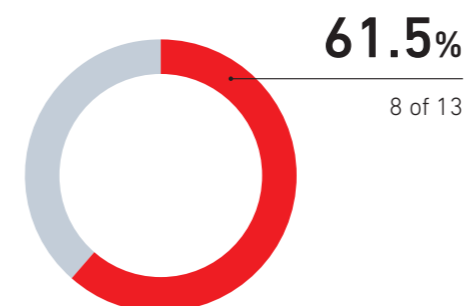
Selection criteria for skill items

Item	Reason for selection:	Number of applicable persons
Management and business strategy	We have selected those with the corporate management experience and extensive experience in business departments required for effective supervision from a medium- to long-term perspective.	8
Global business	We have selected those with the global corporate management experience and extensive experience in business departments required for effective supervision from a global perspective.	5
Sustainability	We have selected those who are experts in the sustainability field (academic experts), those who have experience as executives in international NGOs, and those with extensive experience related to corporate sustainability.	3
Legal affairs and risk management	We have selected those who are experts in the fields of law and risk (e.g., attorneys), and those who have extensive experience in the related corporate departments.	7
Finance and accounting	We have selected those who are experts in the fields of finance and accounting (e.g., certified public accountants), those with experience as executives at financial institutions, and those with extensive experience in the related corporate departments.	7
Personnel and human resources development	We have selected those with experience as executives of the related corporate departments, and those with extensive related work experience.	2
Research and development	We have selected those with experience as executives of the related corporate departments, and those with extensive related work experience.	1
Digital Transformation and Intellectual property	We have selected those with experience as executives of the related corporate departments, and those with extensive related work experience.	2

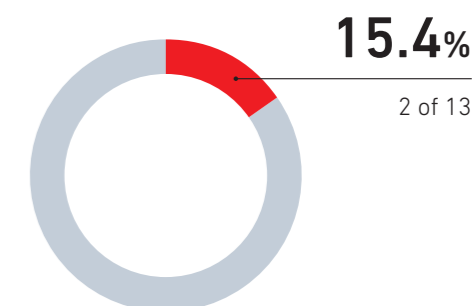
Moreover, the above does not represent all of the experience and expertise possessed by each officer.
* As of the end of June 2023

Diversity among Directors and Audit & Supervisory Board Members

Ratio of independent Outside Officers, including all Directors and Audit & Supervisory Board members



Ratio of female officers among all Directors and Audit & Supervisory Board members



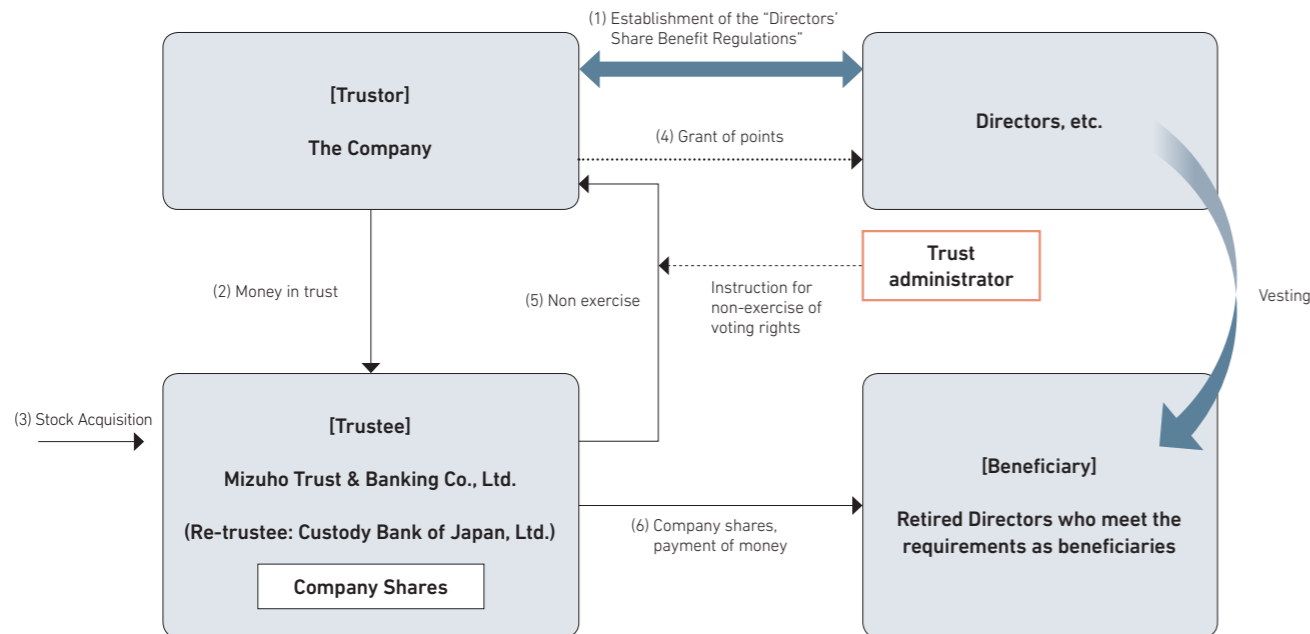
Corporate Governance

Amount of compensation for Directors and Audit & Supervisory Board members

The compensation for the executive management and Directors of Maruha Nichiro Corporation consists of fixed compensation, short-term performance-linked compensation, and medium-term performance linked stock compensation. The evaluation metrics for performance-linked compensation are consolidated ordinary income for

short-term, and consolidated financial indicators and ESG indicators for medium-term. Additionally, compensation for Outside Officers is fixed compensation only. Moreover, we established the Nomination and Compensation Committee as an advisory body to the Board of Directors. The same committee deliberates on topics such as the compensation system and standards, which are then approved by the Board of Directors.

Medium-term performance-linked stock compensation plan



Amount of Compensation Paid to Directors and Audit & Supervisory Board members

Executive classification	Total amount of compensation, etc. (million yen)	Total amount of compensation, etc. by type (million yen)			Number of eligible officers (persons)
		Fixed compensation	Performance-linked compensation		
			Monetary	Non-monetary	
Director	265	188	57	19	7
(Outside Director)	(27)	(27)	(-)	(-)	(3)
Audit & Supervisory Board Member	82	82	-	-	6
(Outside Audit & Supervisory Board Member)	(61)	(61)	(-)	(-)	(5)
Total	348	271	57	19	13
(Outside Officer)	(89)	(89)	(-)	(-)	(8)

(Notes) 1. Amounts paid to Directors do not include salary paid to Directors who serve concurrently as employee.
 2. In a resolution passed at the extraordinary Shareholders Meeting held on January 30, 2014, it was resolved that the compensation of Directors is limited to no more than 60 million yen per month (not including employees' salary who also serve as Directors) and the compensation of Audit & Supervisory Board members is limited to no more than 10 million yen per month.
 The number of Directors subject to this resolution of the Shareholders' Meeting is 13 (of which, two are Outside Directors), and the number of Audit & Supervisory Board Members subject to this resolution is five (of which, four are Outside Audit & Supervisory Board Members).
 The Company resolved at the 78th Ordinary General Meeting of Shareholders held on June 28, 2022 that, in addition to monetary compensation, a performance-linked stock compensation plan, the "Board Benefit Trust (BBT)," for Directors (excluding Outside Directors and domestic nonresidents) and Executive Officers (excluding domestic nonresidents) was to be introduced. Four Directors are subject to the resolution of the General Meeting of Shareholders.

Compliance

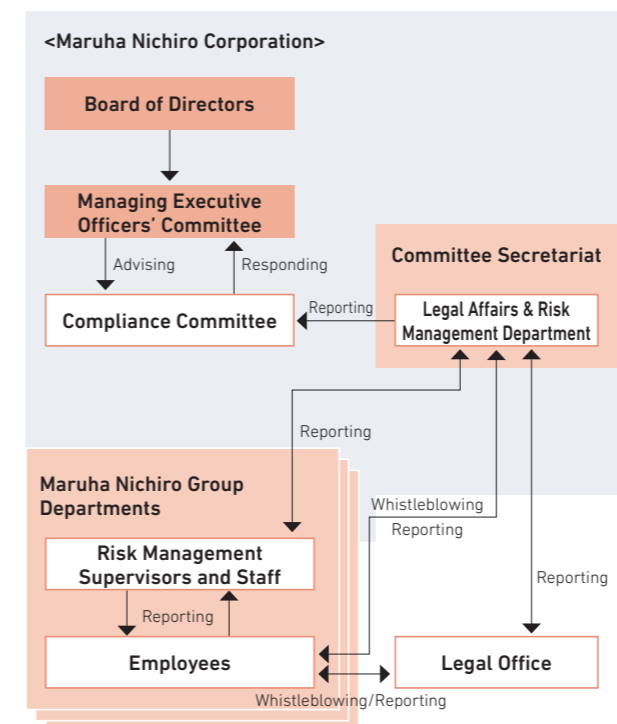
The Maruha Nichiro Group has established a compliance program as a foundation for practicing sustainable management at the organization level and by all officers and employees. We recognize that compliance requires that every employee not only abide by laws and regulations, but also put into practice the Group Philosophy and follow the Group Code of Conduct at all times.

Compliance framework

To promote compliance, the Group has established the Maruha Nichiro Group Compliance Committee with the goal of early detection and prevention of any violations of laws or regulations as well as penetration of compliance awareness.

The Compliance Committee has established a secretariat within the Legal Affairs & Risk Management Department, where it checks the appropriateness of operations within the Group based on changes in the social environment, surveys of public institutions and past cases of legal violations or scandals inside and outside of the Group. It provides support to promptly rectify any deficiencies.

Compliance framework



Whistleblowing system

The Maruha Nichiro Group has introduced a whistleblowing system to enhance its capacity for self-correction, and has reviewed its operation system in accordance with the revised Whistleblower Protection Act effective June 1, 2022. There are two internal and external points of contact to receive inquiries and reports from employees. All employees working in the Maruha Nichiro Group, including employees on loan, contract workers and temporary employees, officers, and employees who have retired within the past year, can directly access these contact points via telephone, e-mail or standard mail without going through their

supervisor. At the request of the whistleblower, Maruha Nichiro Corporation's whistleblower response personnel (Legal Affairs & Risk Management Department) will be contacted without using the whistleblower's name, to confirm the facts of the matter while cooperating with other relevant departments and the whistleblower response personnel of the relevant company.

We also strive to protect whistleblowers by accepting anonymous notifications and forbid departments inside the Company from looking for the whistleblower when confirming the facts of the matter.

In addition, the information for the whistleblower contact is provided in the Philosophy Book and on the intranet and other media accessible to Group employees to ensure that all employees know where to turn to when necessary. In FY2022, there were 16 reports. However, none of the reports were determined to involve human rights violations, environmental pollution, or significant impacts on socially accepted practices.

Group Philosophy Training

Group Philosophy Training is a training program developed based on our experience that the Group Philosophy was not resonating with employees following the pesticide contamination incident at AQLI Foods in 2013. From FY2022, we updated the content of this training program with the aim of making the Group Philosophy more personal for employees. The purpose is to provide a space for each employee to independently consider the relationship and connection between their daily work and the Group Philosophy, and to further understand the philosophy as their own.

We have gradually rolled out this philosophy training to all employees of Group companies and all business sites of Maruha Nichiro Corporation, and the training is led by officers of the Company. In FY2022, due to COVID-19 the group training was cancelled, but we instead conducted an online Group Philosophy Training program for new hires at Maruha Nichiro Corporation and group companies.



Scene at a Group Philosophy Training for new employees of the Group

Risk Management

The Maruha Nichiro Group engages in Enterprise Risk Management (ERM) with the purpose of improving corporate value and fulfilling the trust of stakeholders given that risk management is considered an important element of corporate management.

Role of Risk Management

The Group considers risk management activities to be a function for eliminating and mitigating factors that may hinder the execution of the Group's philosophy. We consider risk management, along with implementing management strategy, to form the "wheels of a car" for achieving business objectives. We are working to increase trust from stakeholders by implementing preventive countermeasures against inherent business risk, mitigating these risks, and proper information disclosure at the same time.

Management structure centered on Legal Affairs & Risk Management Department

The Group has established a system which the Legal Affairs & Risk Management Department plays a central role, whereby the risk management supervisors and risk management staff of Maruha Nichiro Corporation Departments and each Group company, cooperate to carry out risk management operations.

The Legal Affairs & Risk Management Department prepares a risk matrix based on the evaluation and analysis of risks identified by each department of the Company and by each Group company, to sort and determine the priority of risks for the Maruha Nichiro Group. In this manner, the department routinely manages the various latest risks facing the Group's business activities and uses its findings to improve operations. The Legal Affairs & Risk Management Department also plays a central role in the Group's crisis management in response to emergency situations. This includes preventing the spread of risks and crises before they materialize as well as contingencies such as major accidents, incidents or large-scale disasters that could threaten the continuity of the Group.

Risk Management Framework



Implementation of risk assessment based PDCA Cycle

The Maruha Nichiro Group regularly identifies risks that impact the Group, taking into consideration changes in the business environment. In turn, these risks are evaluated and analyzed according to level of impact, based on the impact actual risks and predicted risks have, and possibility of occurrence, which determines the frequency of risk materialization. The results are assessed comprehensively together with management vulnerabilities.

Serious risks determined to have a high priority after sorting are assigned countermeasures based on the nature of the risk, which are then approved by the Managing Executive Officers' Committee. On top of this, we have established a system whereby the Legal Affairs & Risk Management Department monitors the progress of countermeasures implemented by Maruha Nichiro Corporation departments and each Group company, while providing assistance. In this manner, the organizational PDCA cycle is functioning effectively.

Main Expected Risk

Risk item	Main relevant risk	Main initiatives
Outbreak of new infectious diseases	<ul style="list-style-type: none"> Shutdown of operations due to employee infections Downturn in overseas fisheries business Downturn in sales to food services and institutional food businesses 	<ul style="list-style-type: none"> Prevention of employee infections using thorough sanitary controls, staggered working hours, and working from home, etc. Optimization through review of underperforming businesses
Natural disasters and accidents, etc.	<ul style="list-style-type: none"> Shutdown of operations and inability to supply products due to damage to production facilities or interruptions in logistics functions, etc. 	<ul style="list-style-type: none"> Diversify production and storage sites and formulate Business Continuity Plan (BCP)
Information management	<ul style="list-style-type: none"> Leakage, loss or alteration of personal information or important information Suspension of IT systems 	<ul style="list-style-type: none"> Development of rules and manuals and employee training Build and operate system management framework Dealing with cyberattacks
Compliance	<ul style="list-style-type: none"> Occurrence of costs to respond to legal or regulatory violations Declining trust from customers 	<ul style="list-style-type: none"> Development of rules and manuals and employee training Whistleblowing system and internal auditing Establish Maruha Nichiro Group Compliance Committee and engage in activities
Supply safe and secure foods	<ul style="list-style-type: none"> Declining trust from customers due to quality complaints or troubles associated with products 	<ul style="list-style-type: none"> Implement PDCA activities about quality assurance and quality control throughout the entire Group Enhance plant inspections, guidance and quality and food hygiene management training Continue with food defense management and education
Practice sustainable procurement	<ul style="list-style-type: none"> Growing risk of incomplete raw materials procurement due to delayed response to environmental and social issues in the supply chain 	<ul style="list-style-type: none"> Raise awareness among suppliers of the Basic Policies of Procurement and Supplier Guidelines, etc. Monitor suppliers

*Due to space limitations, only a few of these risks are introduced here. For details, see our securities report (Japanese).

Promotion of Prompt and Reliable Risk Communication

To ensure that important risk information is conveyed to top management promptly and reliably, multiple communication channels have been established. Risk information within the Group is not only reported to the President & CEO of Maruha Nichiro Corporation via the regular organizational route, but also flows from risk management staff appointed in Maruha Nichiro Corporation departments and each Group company directly to the relevant departments of the Company's Corporate Management Division and Legal Affairs & Risk Management Department.

The Legal Affairs & Risk Management Department actively promotes risk communication with each department and Group company, along with education and training, in aiming to improve and maintain this structure. Through these activities, we strive to enhance risk awareness across the entire Group and promote prompt response, and cultivate a corporate culture that never conceals information.

Business Continuity Plan (BCP) formulation Pandemic response

In case of an outbreak or spread of a new infectious disease, we set up emergency response headquarters and establish a disease prevention and countermeasure

Flow of Risk Information



- 1 Normal flow
- 2 3 Direct reporting from Risk Management Staff

Due to space limitations, only a few of these activities are introduced here. For details, see our corporate website (English) or securities report (Japanese).

manual, as well as disseminate and share updates on various response measures with the entire Group as appropriate, in an effort to minimize infections among employees. During the COVID-19 pandemic in 2020, we prevented infections among employees while minimizing impacts on our business with thorough implementation of basic preventive measures and flexible work styles under the guidance of the emergency response headquarters.

Promoting implementation of BCP at Group companies, including major earthquakes countermeasures

In preparation for major earthquakes, we have established the Maruha Nichiro Group Business Continuity Plan (BCP) Regulations, which we have made improvements to continuously. We are seeking improvement through regular drills and revision of the plan to achieve a more effective system as well as gradually implementing BCP at Group companies.

Information Security

The Maruha Nichiro Group has established the Information Management Committee, which is chaired by the Managing Executive Officer in charge, to appropriately manage both paper-based and electronic information entrusted to us by our stakeholders. The Committee develops rules and regulations for Maruha Nichiro and each Group company, as well as implements the PDCA cycle for information management, identifies issues and considers countermeasures, along with enhancing and entrenching the Group's overall information management systems.

As technical measures to ensure cybersecurity, in addition to installing firewalls and anti-virus measures for emails and PCs, we use external SOC services to detect and analyze cyberattacks 24 hours a day, 365 days a year. We are planning to implement Endpoint Detection and Response (EDR) to monitor the status of devices including computers and quickly detect and respond to suspicious activities. As a personnel measure, we regularly conduct "information security learning" and "targeted e-mail training" via e-learning to educate and train all employees of the Group, and strive to establish knowledge and raise awareness. In addition, we are conducting the annual "information incident response training" at relevant departments in preparation for contingencies. In response to issues identified in this training, we established a method of communicating with all officers and employees beside using the intranet, conducted brainstorming sessions at each workplace to identify work processes and consider a work continuity plan assuming that computers are unavailable for an entire day for employees to experience the situation firsthand.

Going forward, we will continue to ensure that all officers and employees are trained with the ability to respond to contingencies through initiatives such as the one described above.