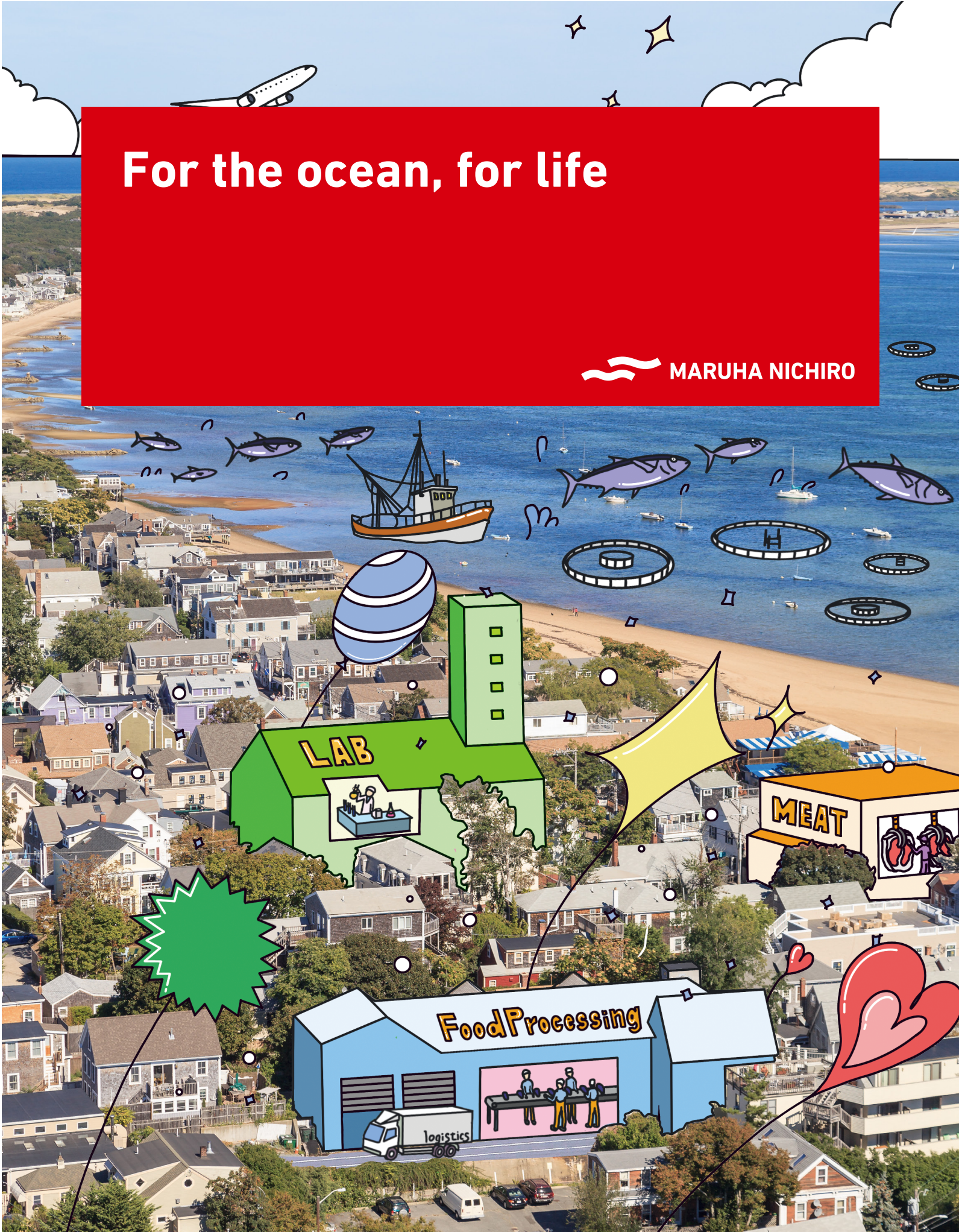


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Maruha Nichiro Group Integrated Report 2024



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Feature **The Maruha Nichiro Group's Mission to Sustainably Supply Marine Products for the Next 100 Years**



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## Highlights of Integrated Report 2024

In the Medium-term Management Plan from FY2022, "For the ocean, for life MNV 2024," the Maruha Nichiro Group targets maximizing Maruha Nichiro Value (MNV), which integrates economic value, environmental value, and social value. To help our stakeholders understand it in more detail, this report includes three features on topics related to maximizing MNV. The first is "the Maruha Nichiro Group's mission to sustainably supply marine products." The risks and opportunities involved in fulfilling the Group's critical responsibility to provide sustainable marine products were discussed in a roundtable discussion held with experts. The second is "Food promoting project that contributes to creating health value and sustainability." It explains how the Group will contribute to

addressing the social and environmental challenges facing the world through its products. The third is "building a supply chain that leaves no one behind." It presents a roundtable discussion held with experts on issues related to building a sustainable supply chain, such as human rights violations and labor practices. In addition to these features, this integrated report contains business strategies for each segment and unit, as well as an Outside Directors' roundtable discussion on sustainability, all of which elaborate on the Maruha Nichiro Group's approach and specific initiatives aimed at maximizing MNV. We hope you will read it and share your impressions and honest opinions on the Maruha Nichiro Group.

### Involvement by Management

In order to convey to stakeholders our strengths and value provided to society and use this report for later dialogue with our stakeholders, the management team is responsible for its completion through confirmation and approval by the Managing Executive Officers' Committee and the Board of Directors, as well as interviews with Masaru Ikemi, Representative Director, President & CEO, and Seiichi Hiroshima, Director and the Managing Executive Officer responsible for finance. Additionally, the disclosure of business strategy has also been confirmed by members of the Managing Executive Officers' Committee following interviews with Segment and Unit Directors.

### Editorial Policy

**Reporting period**

FY2023 (April 2023 – March 2024)

\* Some contents include information after April 2024.

**Organizations covered by report**

Reporting is based on companies subject to consolidation in the Maruha Nichiro Group, but some organizations may not fall within the scope of reporting, depending on its nature. Reporting of limited scope is denoted as such.

**Reference guidelines**

This report was drafted by referencing the "International Integrated Reporting Framework" of the Value Reporting Foundation (VRF) and the Ministry of Economy, Trade and Industry's "Guidance for Collaborative Value Creation." In addition, ESG information was drafted by referencing the "Sustainability Reporting Standards" by the Global Reporting Initiative (GRI).



**Date of publication**

September 2024 (next publication: September 2025)

**Note on forward-looking statements**

The opinions and forecasts contained in this report are based on the information available to the Company at the time of the report's writing and imply no guarantee or pledge concerning the accuracy or completeness of said information. Therefore, future performance may deviate from the Company's forecasts.



# Meaning of Existence

## Group Philosophy

**Maruha Nichiro Group aims to be an essential part of society by improving everyone's daily life with wholesome, safe and healthy food.**

## Brand Statement

**For the ocean, for life**

Maruha Nichiro's  
over 140 years' experience with the ocean  
has given it deep knowledge of nature's bounty.

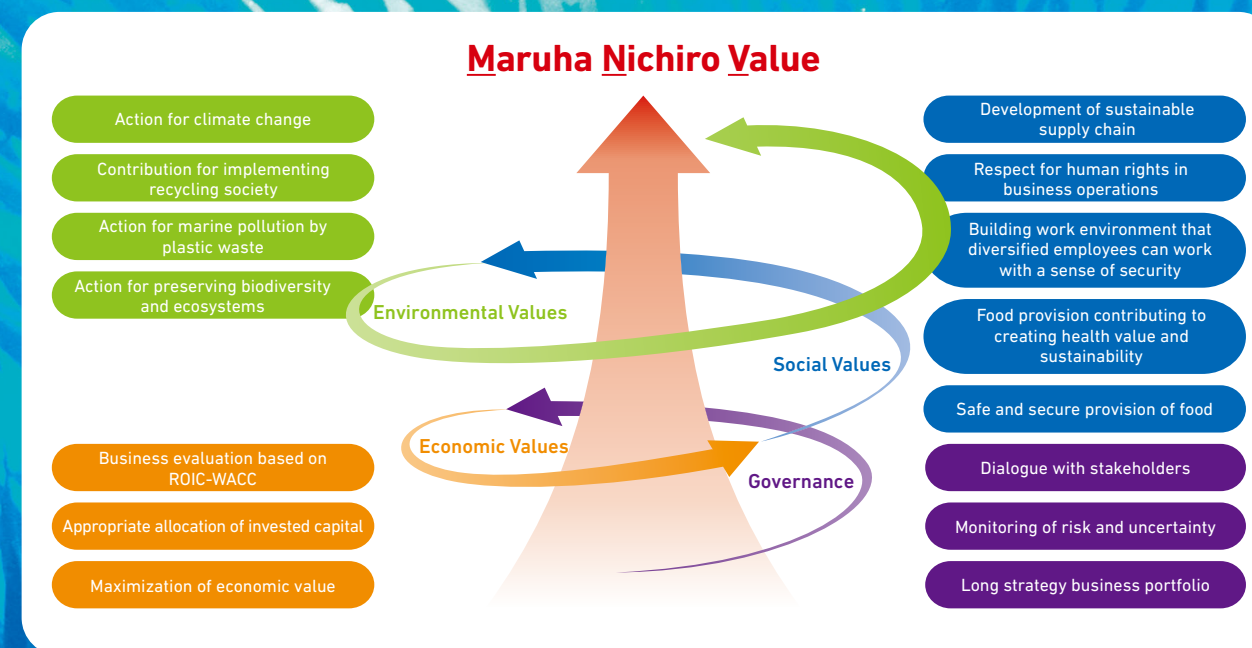
To eat is to live.

To live is to leave for future generations.

We bring nature's blessings to people  
and transform nature's vitality into people's strength.

Through food, we will continue to do so, now and always.

## Maruha Nichiro Value (MNV)



## What is MNV?

The Maruha Nichiro Group defines its approach to value creation as "MNV (Maruha Nichiro Value)." All employees carry out business activities collectively for achieving MNV creation. The creation of MNV is based on two fundamental principles. First, through integrating corporate strategy and sustainability, we will create value unique to the Group for all of our stakeholders and enhance enterprise value and generate sustainable growth. Second, we will steadily execute corporate strategies for maximizing "Maruha Nichiro Economic Value," which is the foundation to make business continuous, and aim for maximizing "Social Value" and "Environmental Value."

As a Health Value Creation Company that contributes to the enrichment and happiness of people around the world, we will continue to offer safe, secure, and high-quality protein and aim to maximize the creation of MNV.

## Financial KGI

	FY2024 Plan (A)	FY2027 Target (B) <sup>1</sup>	FY2023 Result (C)	Difference	
				A-C	B-C
MNEV <sup>2</sup> (billion yen)	≥12.0	≥11.0	11.9	≥0.1	(0.9)
Net sales (billion yen)	1,050.0	≥1,000.0	1,030.7	19.3	(30.7)
Operating income (billion yen)	30.0	≥31.0	26.5	3.5	≥4.5
EBITDA (billion yen)	50.0	≥50.0	46.0	4.0	≥4.0
ROIC	4.3%	≥5%	4.2%	0.1 pts.	0.8 pts.
ROE	9.0%	≥9%	10.8%	(1.8) pts.	(1.8) pts.
Net D/E ratio	≤1.1 times	≤1.0 time	1.2 times	(0.1) pts.	(0.2) pts.

<sup>1</sup> Formulated FY2021

<sup>2</sup> Basic concept of Maruha Nichiro Economic Value (MNEV)  
We calculate "MNEV spread" by subtracting weighted average cost of capital (WACC) from return on invested capital (ROIC) and obtain MNEV by multiplying MNEV spread by amount of invested capital. It represents the economic amount of added enterprise value from the business operation.



# President's Message



## Masaru Ikemi

Representative Director, President & CEO  
Maruha Nichiro Corporation

In a changing environment, we aim to build a more resilient business foundation and maximize Maruha Nichiro Value (MNV), which integrates economic value, environmental value, and social value.

Even as market conditions change dramatically, we feel confident about our stable profitability

### FY2023 Business Environment and Performance Review

FY2023 was a year in which COVID-19 restrictions on market and economic activity were largely lifted, but it brought about new changes in market conditions. Notably, our overseas business, which was exceptionally strong in FY2022, experienced a rapid downturn in the face of a significantly changing market environment. In 2022, the Company invested in acquiring additional access rights to Alaska pollock resources in North America and increased its rights to the species. In FY2023, however, Chinese plants that had been halted due to the country's zero-COVID policy resumed production, and their products flooded the market at once. Furthermore, our pet food business in Thailand, which had strong demand, saw its sales decline as major customers made inventory adjustments following the recovery of logistics functions, and operating income decreased substantially.

As for our domestic business, while the weak yen

increased the cost of procuring from overseas, the Foodstuff Distribution Business Segment, whose mainstay is food for institutional-use, increased operating income substantially due to the recovery of human flows, increased inbound demand, price revisions, and improved productivity. The Processed Foods Business Segment also benefited from price revisions and improved productivity, leading to an increase in operating income. These two segments offset the downturn in our overseas business.

As a result, the Group's consolidated net sales for FY2023 was 1,030.7 billion yen, up 10.2 billion yen from the previous year, surpassing the 1,000 billion yen mark for the second consecutive year. In addition, operating income was 26.5 billion yen. Although it did not reach the record high of FY2022, our recent efforts to strengthen profitability are starting to manifest themselves in assuring income, while our units' businesses complement each other.

### Transforming into a company that embraces new challenges

#### Progress of the Medium-term Management Plan "For the ocean, for life MNV 2024"

My assessment is that the Medium-term Management Plan is making smooth progress in its second year, including steady improvements in MNEV. Yet, as the global market continues to undergo significant changes, it remains a major challenge to develop our organizational capabilities to overcome this tough environment. It is not enough to merely achieve numerical targets. We must transform ourselves into an all-new Maruha Nichiro Group that is driven to embrace new challenges and can survive the next era.

Since 2014, the Group abolished the pure holding company structure and transitioned to an operating holding company structure. Nevertheless, there was still a culture of mutual improvement through competition within our

vertically segmented marine products and foods businesses. Around the time of the advent of the COVID-19 pandemic, we entered an era of global business uncertainty. It then became clear that rather than each unit focusing on its own business goals, it is essential for us to understand and leverage the Group's comprehensive management resources to maximize the value chain. Recognizing these challenges, we launched the Medium-term Management Plan "For the ocean, for life MNV 2024" in FY2022. Currently, the Group, which has many plants in Japan, faces mounting concerns, including rapid currency fluctuations, rising interest rates, and a shortage of human resources. Securing and increasing profit, as well as enhancing productivity, are urgent issues. Additionally, it is



critical that we optimize resource allocation through business portfolio management. In the lead-up to this, we have introduced ROIC management, implemented organizational restructuring to establish segments and units, and developed new strategies for our overseas business.

In FY2023, we made advances in creating value across departments. Collaboration has begun between the Marine Products Trading Unit, the Meat and Products Business Unit, and the Processed Foods Business Unit. On the other hand, on the administration front, vertical silos remain deeply ingrained, making it urgent to standardize workflows and systems, reform operation flows, and improve efficiency across the entire Group. In addition, changing the work approach of the entire organization is crucial for fostering a corporate culture that embraces taking on challenges. I am concerned that, in an old-fashioned organization, where the placements of personnel are fixed and tasks can be performed only by certain individuals, young employees may lose opportunities to challenge themselves and may feel incapable of pursuing their ambitions. The present organization needs flexibility to fully draw on the strengths of its talents with diverse values.

Since becoming President & CEO, I have actively promoted digital transformation (DX). Our efforts

bore fruit. We obtained DX certification from the Ministry of Economy, Trade and Industry in July 2023 and were selected as one of the Noteworthy DX Companies 2024. We also received awards, such as the Cabinet Office Minister's Award in the Consumer-Oriented Management Excellent Case Awards and the Commissioner of the Consumer Affairs Agency Award in the Food Loss Reduction Promotion Award. The reasons given for our selection included our use of AI technology, promotion of DX, development of technologies such as full-life cycle aquaculture of bluefin tuna and land-based aquaculture of salmon, and measures against food loss. I personally think we were recognized for the Group's transformative changes. The Group aims to be a company that creates not only economic value but also value for the environment, human capital, and society according to social changes. Otherwise, we will likely not be chosen by customers in the future. In FY2024, we initiated a capital and business alliance with Kibun Foods Inc., a company with strong brand power in "safety and deliciousness." By leveraging the strengths of both companies, we will aspire to create more ethical markets and products with new values.

\* Maruha Nichiro Economic Value

## To continue being a company chosen by the market in the future

### The Significance of the Long-term Corporate Vision for 2027

The Long-term Corporate Vision for 2027, which was redefined prior to the formulation of the Medium-term Management Plan "For the ocean, for life MNV 2024," clarifies the global environment that surrounds the Group from a longer-term perspective. In Japan, many food and other markets will be shrinking as the population declines. Therefore, for growing the domestic market, it is essential to accurately capture consumer needs through a market-in approach. Maruha Nichiro is focusing on developing products that meet social demand, such as nursing care foods and health foods, as well as products that meet current market needs, such as convenient foods. In other parts of the world, there are concerns about food and protein shortages due to population growth. Given the low reproductive capacity of marine resources, it is the Group's most important mission to build a sustainable marine product supply scheme, capitalizing on the technological capabilities accumulated in the marine product and food

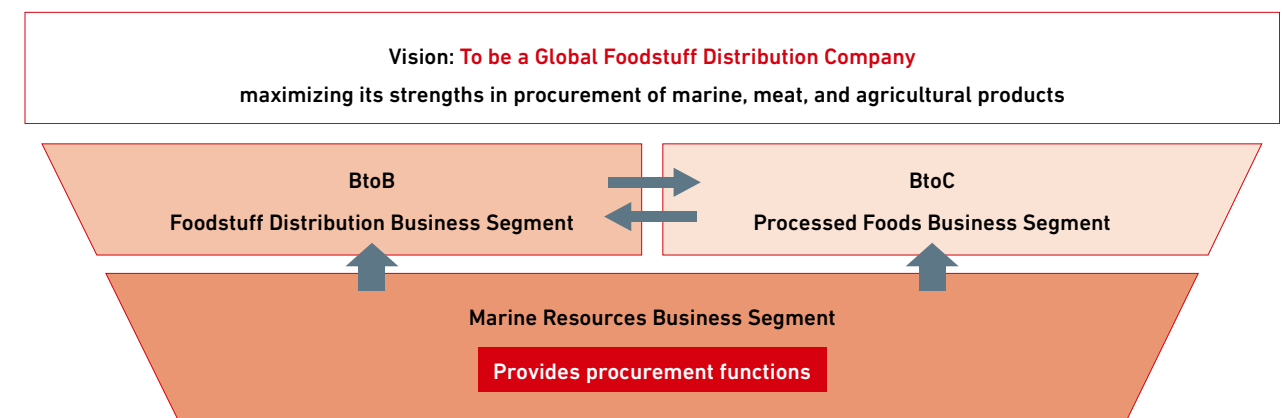
sectors as the world's number one global seafood supplier. While the "world's number one" title has been conferred upon the Group for its procurement capacity, we are a company that can create value across the whole food value chain, from upstream to downstream. We will make maximum use of our world-leading procurement capacity for food distribution and the provision of processed foods. We must thereby become the world's number one in the entire value chain, including resource conservation, Social Value, and Environmental Value.

Economic Value, Social Value, and Environmental Value may not always align in the short term. The introduction of new fishery and aquaculture technologies incurs development costs, and switching to renewable energy also leads to increased costs. Even so, I believe that realizing our Long-term Corporate Vision is indispensable for the Maruha Nichiro Group to continue being chosen by customers and the stock market in the future.

### Long-term Corporate Vision for 2027

Long-term Corporate Vision	<p>(1) To contribute to making the earth and society more sustainable by creation of "Economic Value", "Social Value" and "Environmental Value" through business</p> <p>(2) To enhance value proposition of "Maruha Nichiro Brand" globally, and contribute to enhancing customers' health value</p> <p>(3) To strengthen and make sustainable value chain, based on the business activities of procuring marine resources and food processing technology, and maximum enterprise value</p>
Business Vision	<p>(1) To become the No.1 global seafood supplier</p> <p>(2) To become the No.1 frozen and nursing care food supplier in Japan</p> <p>(3) To become a leading company of marine products and marine-based functional products</p>

### Strengthening the Value Chain Leveraging Our Procurement Capacity



### Strategic Governance Initiatives

We are implementing strategic governance by establishing a governance framework that is more committed to the creation of MNV. We restructured our organization with the aim of optimizing resource allocation and maximizing the value provided based on the principles of business portfolio management. The new structure with three segments was initiated in April 2024. To head the execution of businesses alongside Unit Directors, Segment Directors were newly appointed to manage and supervise businesses from a company-wide perspective. The roles and responsibilities of each Officer are clearly delineated for maximizing MNV. We have also publicly committed to adopting a three-pillar approach, comprised of the Marine Resources Business, Foodstuff Distribution Business, and Processed Foods Business Segments. As previously mentioned, the Group, both domestically and internationally, had two pillars—the marine

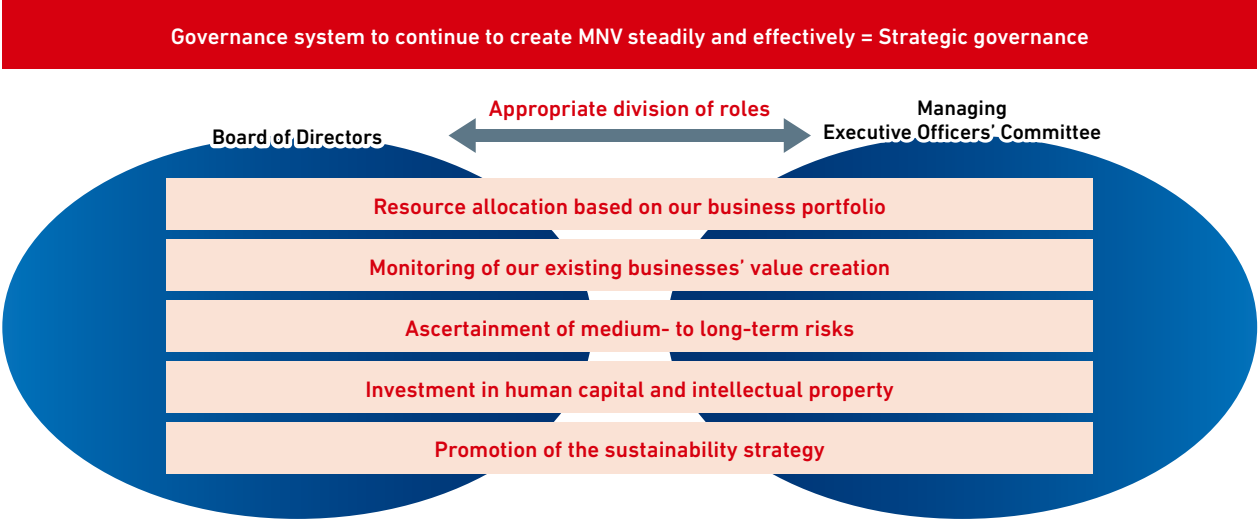
products business and the foods business. In the marine products business started by our founder, the ratio of procured marine products supplied to the market as raw materials has decreased, while the sales ratio of marine products that are highly processed, such as by filleting and pre-processing, has risen. They were increasingly akin to the institutional foods and consumer foods supplied by the foods business. Supplying these products to customers from separate departments, albeit having similar product lineups, resulted in a lot of inefficiency. Therefore, we restructured our organization so that a BtoB strategy can be applied to marine products, agricultural products, and meat products collectively. Additionally, we intend to increase the ratio of our overseas business, which will be important for growing the Group. For example, considering that the Marine Resources Business Segment's Alaska pollock operations in North America are expanding, we can create high



value-added products if know-how from our foods business is applied better. Or considering that our overseas pet food business is becoming a new source of revenue, we can create new products beyond canned foods by integrating know-how from our processed foods business. For these reasons, we shifted from managing multiple businesses as a single Overseas Business Unit, to allocating the businesses into several units based on their characteristics. Under this new structure,

we are planning to develop a company-wide global strategy by formulating regional strategies, including reviewing the establishment of Regional Headquarters (RHQs) to oversee operations in North America, Europe, and Asia. Having worked in various overseas locations myself, I know that it is not easy to develop win-win business schemes with local partner companies. Nonetheless, we aim to expand high value-added businesses in each region by leveraging the collective strength of the Group.

Strategic Governance



Segment	Unit
Marine Products Business	Fishery Business
	Aquaculture Business
	Marine Products Trading
	Overseas Business
Processed Foods Business	Processed Foods Business
	Fine Chemicals
Foodstuff Distribution Business	Foodstuff Distribution Business
	Meat and Products Business
Logistics	Logistics

FY2023

For monitoring value creation in existing businesses, we began to look into ROIC two years ago and have been exploring a ROIC management approach that suits the Group. We are working on building a foundation for full-scale implementation from the next Medium-term Management Plan. Given the current business environment, predicting external risks has become extremely difficult,

Segment	Unit
Marine Resources Business	Fishery Business
	Aquaculture Business
	North America Operations
	Marine Products Trading
Foodstuff Distribution Business	Foodstuff Distribution Business
	Agricultural Foods & Meat and Products
Processed Foods Business	Processed Foods Business
	Fine Chemicals

FY2024

making it crucial to increase the resilience of our internal business structure. We believe it is thus, time to intensify discussions on the business portfolio and make a decision toward transformation. By utilizing ROIC with WACC as an indicator, we aim to implement management practices that emphasize capital efficiency across the Group.

Medium- to Long-term Initiatives for Improving ROIC

Segment	Profitability improvement measures		Invested capital
	Japan (Domestic)	Overseas	
Marine Resources Business	<ul style="list-style-type: none"><li>Cost reduction through improved operational efficiency (Fishery Business)</li><li>Cost reduction through reduced use of fishmeal and improved rearing techniques (Aquaculture Business)</li></ul>	<ul style="list-style-type: none"><li>Expand sales focusing on high-margin products</li><li>Development and expansion of high value-added products</li><li>Strengthen sales of farmed fish</li></ul>	<ul style="list-style-type: none"><li>Strengthen access to marine resources and value chains, including through M&amp;A</li><li>Cost reduction through increased productivity in plants, promotion of automation, and other measures (North America)</li></ul>
Foodstuff Distribution Business	<ul style="list-style-type: none"><li>Improvement of profit margin (price revision, strengthening sales in focused categories and channels)</li><li>Improving efficiency by renewing or eliminating products</li><li>Development and expansion of high value-added products that are not affected by marine products market prices</li></ul>	<ul style="list-style-type: none"><li>Strengthen sales of marine products and institutional products</li><li>Strengthen sales of nursing care food business</li></ul>	<ul style="list-style-type: none"><li>Overall optimization through restructuring of production and sales</li><li>Improve capital efficiency by renewing or eliminating products</li><li>Increase inventory turnover and reduce working capital</li></ul>
Processed Foods Business	<ul style="list-style-type: none"><li>Improvement of profit margin (price revision, strengthening sales in focused categories)</li><li>Improving efficiency by renewing or eliminating products</li><li>Development and expansion of high value-added products</li></ul>	<ul style="list-style-type: none"><li>Strengthen sales of frozen foods</li><li>Cultivate new sales channels for pet food business</li></ul>	<ul style="list-style-type: none"><li>Optimization through plant reorganization</li><li>Cost reduction through automation of plants</li><li>Reduction of product items</li></ul>

In FY2023, efforts were also commenced to enhance the value of our human capital. We began by clarifying the ideal and current situations and examining what human resources strategies would be effective for bridging the gap between them. Alongside human resources strategies, it is also critical to increase employee engagement. When each employee feels a sense of purpose in their work, they develop the motivation to take on various challenges. I believe it is crucial to create a conducive work environment where employees are highly motivated to grow and their psychological safety is ensured. Each employee has diverse values. Some wish to deepen their expertise in a particular field, while others want to challenge themselves in a specific area. There are also those who have ideals about work styles. The Company aims to create a human resources system that responds flexibly to these desires and allows for appropriate placements. However, to achieve flexible job rotation, it is necessary to standardize and unify the various work methods that exist across different departments. Since May 2024, we have started traveling to different locations for town hall meetings, where we engage directly with employees from various levels to hear their thoughts. Based on their reactions, I believe it is time to fundamentally transform our work methods. We hope to begin reforming our business processes as soon as possible.

Maruha Nichiro regards intellectual property to be a highly

important intangible asset that contributes to enhancing enterprise value. The Company develops technologies through co-creation with an array of partners, including entering into industry-academia collaboration agreements with the University of Tokyo (UTokyo). We consider that co-creation with partners is essential for introducing new technologies in society and enhancing the value of intellectual property. In FY2024, we plan to accelerate our efforts in land-based aquaculture in collaboration with Mitsubishi Corporation. Going forward, we will continue to work on enhancing the value of intellectual property through open innovation with wide-ranging domestic and international partners.





## We will continue to advocate about Japan's resource management issues

### Materiality Initiatives

The Group has identified nine materiality areas. While all of them are important, we view that the following two have a direct impact on our business continuity and are closely tied to the social value we provide, and we are continuously focusing our efforts on them: "Action for preserving biodiversity and ecosystem" (KGI ideal state in 2030: Confirm that there is no risk of resource depletion in the fish stocks we handle); and "Provision of safe and secure food" (KGI ideal state in 2030: Providing safe food to people around the world).

The risk of depletion of marine resources is increasing year by year due to global warming. In North American, Northern European, and Oceanian countries where advanced resource management has been implemented, resource continuity is ensured, and the fisheries industry is also growing. Conversely, in Japan, the management bodies are fragmented, with some aspects under national management or local self-management. As a result, Japan lacks science-based resource management, which we view is a major issue. We participate in SeaBOS\*, comprised of eight of the world's largest seafood companies. As its mission,

seafood companies and scientists engage in joint discussions, acknowledging the gaps between them, and work together in an alliance in which participating companies advance stewardship in their countries and share information. Japan's resource management lags behind other countries. We will continue to actively participate in SeaBOS dialogues, while engaging many stakeholders more than ever before, including the Japanese government, fishing cooperatives, and major seafood companies, on the question: is Japan's marine resource management sustainable? Domestically, the supply of popularly consumed fish species, such as Pacific saury, squid, and horse mackerel, has declined considerably, making it feel all the more real that there is also increasing resource risk due to climate change. We intend to strengthen our advocacy to ensure that Japan can quickly realize science-based resource management.

\* SeaBOS: Seafood Business for Ocean Stewardship. This global initiative was launched in 2016 to advance collaboration between eight of the world's largest seafood companies and scientists who research the ocean, fishing, and sustainability, with the aim of leading science-based strategies and activities to ensure sustainable seafood production and a healthy ocean environment.

## We are considering revising shareholder returns as our earning power increases

### Returns to Shareholders

In FY2023, we distributed a dividend of 85 yen per share for the year, which is an increase of 15 yen from the initial plan. Regarding returns to shareholders, due to the need to improve our financial condition, the Company's shareholder return policy has been limited to distributing stable dividends based on business performance and providing shareholder returns through flexible share buybacks. As our efforts to improve our financial health has made progress, and as the foundation develops for generating profits from

our current business portfolio, our intention is to revise our shareholder return policy. In FY2024, we anticipate distributing a dividend of 100 yen per share for the year. Our next Medium-term Management Plan aims for a dividend payout ratio of 30% or more, and discussions are underway. Furthermore, we will accelerate the optimization of our business portfolio to generate stable cash flows, and strive to inform shareholders about a return policy that meets their expectations while maintaining financial discipline.

## Our dual efforts to improve the health of the planet and the health of people

### The Maruha Nichiro Group's Brand Statement

In 2024, the Group entered its 144th year since its founding. It is a square number, meaning we have

gone through the 12-year cycle of the Chinese zodiac 12 times. Our predecessors overcame

various twists and turns as well as critical management challenges that seem to occur roughly every 12 years. As a result, we are where we are now. As our stakeholders are aware, we started out as a fishing company. Today, we have grown to become a comprehensive food company and have expanded our business scope. At the core of this growth is our ability to procure marine resources, a strength that has been consistently passed down, which we are greatly proud of.

All the while, however, the environmental changes have been extraordinary, and they are gaining pace. I fear that the various changes that have taken place over these 144 years will now occur in just 12 years at 12 times the speed. Every day I think about what we need to do to ensure that the Maruha Nichiro Group remains a company chosen by its stakeholders in the next 100 years. While making the most of the DNA inherited from our predecessors and our strength in procuring marine resources, we undoubtedly need to choose and pursue measures to survive and pass on the Company to the next era and become a company recognized by society.

What humanity universally seeks in any era is health. Our core mission is to meet humanity's desire to consume a variety of meals and become healthy, both in body and mind. We already possess the strength to secure marine resources, which are extremely valuable resources. The key is how we can utilize this advantage and rise up the steps into the next era. The next step might not only be wild fish but also fish raised on land or cultured meat. We have a responsibility to make the most of the resources that are the Earth's blessings, and I believe we must rise to this challenge.

In May 2024, the Maruha Nichiro Group announced its support for the Planetary Health\* Design Laboratory (PHD Lab.), an effort by JR East and UTokyo to improve the health of the planet. In addition, the Group announced its partnership with JR East and UTokyo to develop "Planetary Health Diet," which is people and planet-friendly food to enrich both people's lives and the planet for the next 100 years. In February 2026, Maruha Nichiro plans to move its headquarters to TAKANAWA GATEWAY CITY (Tokyo), an experimental site for the future created by the University of Tokyo Gateway Campus and JR East. As part of this move, we discussed with them about potential collaboration and decided to join this project. Based at TAKANAWA GATEWAY CITY, the project aims to create food of the future by combining the diverse and leading-edge expertise of UTokyo and materialize the food by leveraging Maruha Nichiro's resources and processing and distribution network. The food will be delivered throughout Japan and the world using JR East's extensive customer network. Specifically, the initiative will work toward

the revaluation and rebranding of fish consumption by combining UTokyo's knowledge of artificial intelligence, fisheries science, and customer psychology in an interdisciplinary way, with the aim of expanding fish consumption in a sustainable and eco-friendly manner. Additionally, through interdisciplinary application of molecular nutrition, informatics, and cultural studies at UTokyo, we will provide personalized superfood (complete health food) tailored to each individual's health and preferential needs based on their personal health record and strive to improve their quality of life through food.

As embodied in the Maruha Nichiro Group's brand statement, "For the ocean, for life," we recognize that the Group's top priority for the next era is to address both the health of the planet and the health of people in tandem. Including our participation in this project, our stakeholders can have high expectations for the future of the Maruha Nichiro Group.

\* Planetary health: Includes analysis of the impact of economic activities on people's health, living things, and both urban and natural environments, with the intention of creating a way of living that maintains a balance between "people, urban environments, and the planet".





# History of Value Creation

# Over 140 years

## Group Philosophy

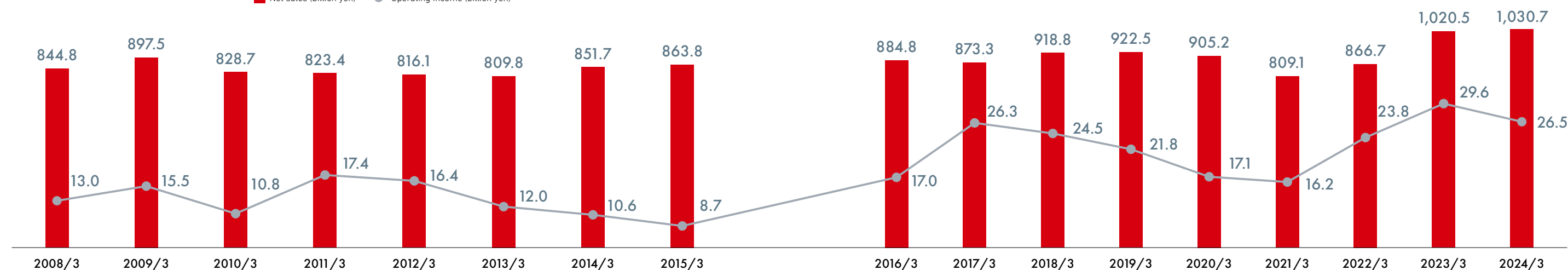
Maruha Nichiro Group aims to be an essential part of society by improving everyone's daily life with wholesome, safe and healthy food.

## Brand Statement

For the ocean,  
for life

## Net sales and operating income

■ Net sales (billion yen) ● Operating income (billion yen)



## 2010

The Maruha Nichiro Group became the first private company to successfully raise bluefin tuna from egg to harvest



## 2013

Investment in Austral Fisheries Pty Limited (Australia), Seafood Connection Holding B.V. (The Netherlands)



## 2007

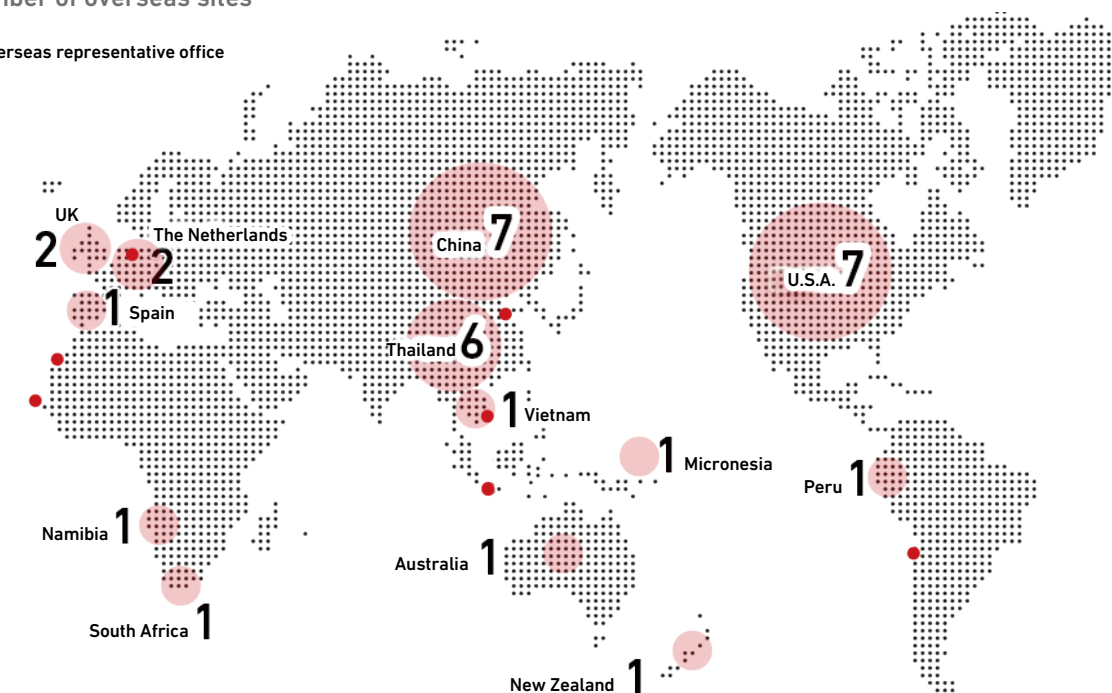
The birth of Maruha Nichiro Holdings, a comprehensive food company with capabilities to procure marine products and develop products

Red: Moves to further expand into the global market Blue: Actions to promote sustainability

\*1 This global initiative was launched in 2016 to advance collaboration between eight of the world's largest seafood companies and scientists who research the ocean, fishing, and sustainability, with the aim of leading science-based strategies and activities to ensure sustainable seafood production and a healthy ocean environment.  
\* "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) has been applied from FY2020, and the figures since FY2020 are the amounts after the retroactive application of the accounting standard in question.

## Number of overseas sites

● Overseas representative office



## 2016

SeaBOS<sup>1</sup> member since its launch



## 2018

Established Maruha Nichiro Meat and Products USA, Inc.

## 2020

Conducted surveys on the Group's volume of marine products handled and the resource status of wild capture marine products

## 2014

Merged the six Group companies to form Maruha Nichiro Corporation

## 2020

Established Maruha Nichiro Aquaculture Technology Development Center Co., Ltd.

## 2022

- Published the new Long-term Corporate Vision that integrates the corporate strategy for the era of VUCA and the sustainability strategy and the new Medium-term Management Plan "For the ocean, for life MNV 2024"
- Established a joint venture company, ATLAND Corp., with Mitsubishi Corporation



## 2023

Entered into a capital and business alliance agreement with Kibun Foods Inc.

## 2021

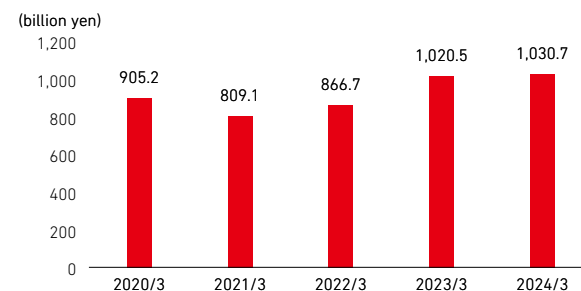
Sai Gon Food Joint Stock Company (Vietnam) becomes a subsidiary



# At a Glance / Financial & Non-financial Highlights

## Net sales

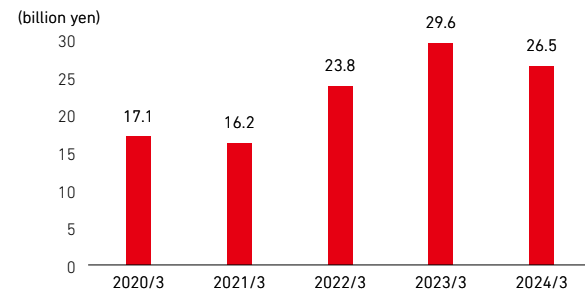
**1,030.7 billion yen**



Net sales increased by 1.0% year-on-year to 1,030.7 billion yen due to the penetration of price revisions and strong sales in the Foodstuff Distribution Business Segment. Net sales exceeded 1,000 billion yen for the second consecutive year.

## Operating income

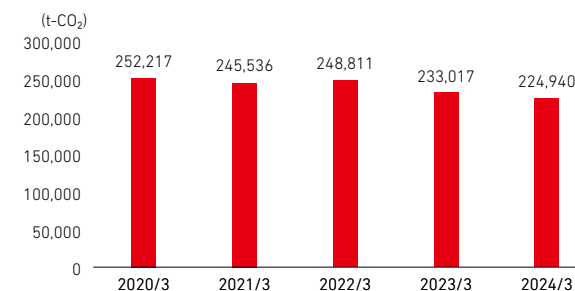
**26.5 billion yen**



Although the Processed Foods Business and Foodstuff Distribution Business Segments had strong performances, they could not offset the decline in income in the Marine Resources Business Segment. As a result, operating income decreased by 10.3% year-on-year to 26.5 billion yen.

## CO<sub>2</sub> emissions

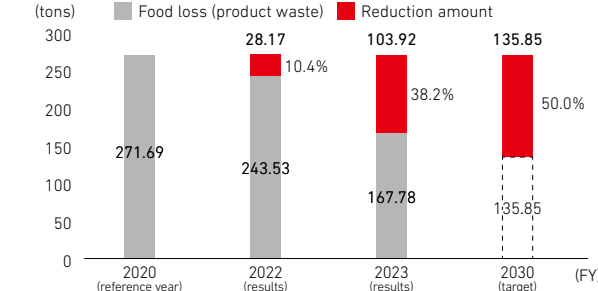
**224,940 t-CO<sub>2</sub>**



As a result of the Maruha Nichiro Group (Domestic) setting reduction targets for each company, improving energy efficiency, and introducing renewable energy such as installment of solar panels, CO<sub>2</sub> emissions for our entire domestic Group totaled approx. 225,000 t-CO<sub>2</sub>, a decrease of about 8,000 t-CO<sub>2</sub> (3.5%) year-on-year.

## Food loss reduction

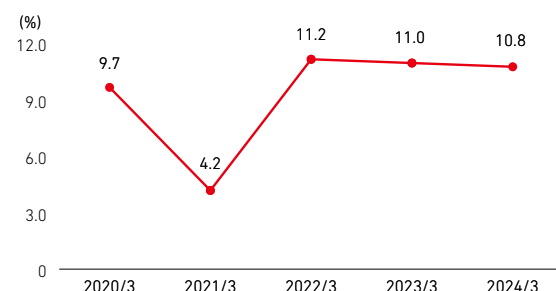
**103.92 t**



The Maruha Nichiro Group has set a KPI target of "reducing food loss by 50% by FY2030 compared to the FY2020 level." To achieve this goal, we have implemented measures to suppress food loss, such as modularizing carton cases, promoting pallet transportation, and establishing standards for external packaging damage. In cases where there was still food loss, we have partnered with Food Bank Kanagawa and the logistics companies that store our frozen products to establish a sustainable and efficient scheme for food donation. Through these efforts, we were able to reduce food loss by 38.2% in FY2023 compared to the FY2020 level.

## Return on equity (ROE)

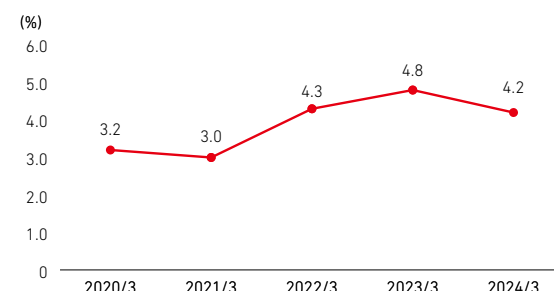
**10.8%**



ROE for FY2023 was 10.8%. We are entering the final year of the three-year Group Medium-term Management Plan, "For the ocean, for life MNV 2024," which spans from FY2022 to FY2024. We will continue our efforts for "integration of corporate strategy and sustainability," "implementation of management for creating value," and "strengthening business foundation for sustainable growth," while pursuing synergies with each unit, and work to enhance profitability in order to maximize enterprise value.

## Return on invested capital (ROIC)

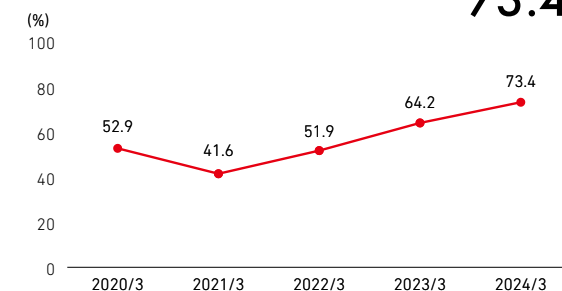
**4.2%**



ROIC for FY2023 was 4.2%, down 0.6 percentage points from 4.8% in the previous consolidated fiscal year, due to an increase in working capital, a decrease in ordinary income, among other reasons. With concerns about rising interest rates and a shortage of human resources, selecting and concentrating invested capital and the allocation of human resources are inevitable. We will work on building a new business portfolio based on these premises from the next Medium-term Management Plan (FY2025 onward).

## Percentage of employees taking paid vacation

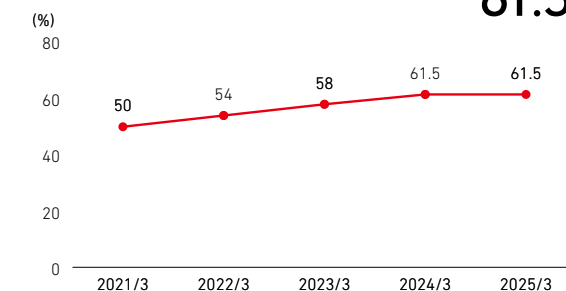
**73.4%**



The percentage of employees taking annual paid vacation at Maruha Nichiro Corporation for FY2023 was 73.4%. We will continue to build a workplace environment where diverse employees can work with a sense of security.

## Ratio of Independent Outside Officers among all Directors and Audit & Supervisory Board Members

**61.5%**



We aim to invigorate discussions at the Board of Directors by incorporating feedback and suggestions by Independent Officers, and the ratio of Independent Officers following the 80th Shareholders' General Meeting (held in June 2024) was 61.5%.

## Maruha Nichiro by the numbers

Marine products handled by the Group  
Approx.  
**1.70**  
million tons  
(based on FY2022 second marine resources survey results)

The Maruha Nichiro Group became the first private company to successfully raise bluefin tuna from egg to harvest  
**2010**

Approx. **27** % market share in the United States  
Annual accessibility to Alaska pollock resources in the Bering Sea  
Approx. 299,800 tons  
(cumulative total for January to December 2023)

Domestic share of DHA (for health food products) production  
Approx. **50** %  
(cumulative total as of April 2024 / researched by Maruha Nichiro)

A global network of  
Approx. **70**  
countries and regions  
(as of January 2020)

Catch quota for Patagonian toothfish in Australia's EEZ  
Approx. **70** %  
(tabulated as of April 2024 / researched by Maruha Nichiro)

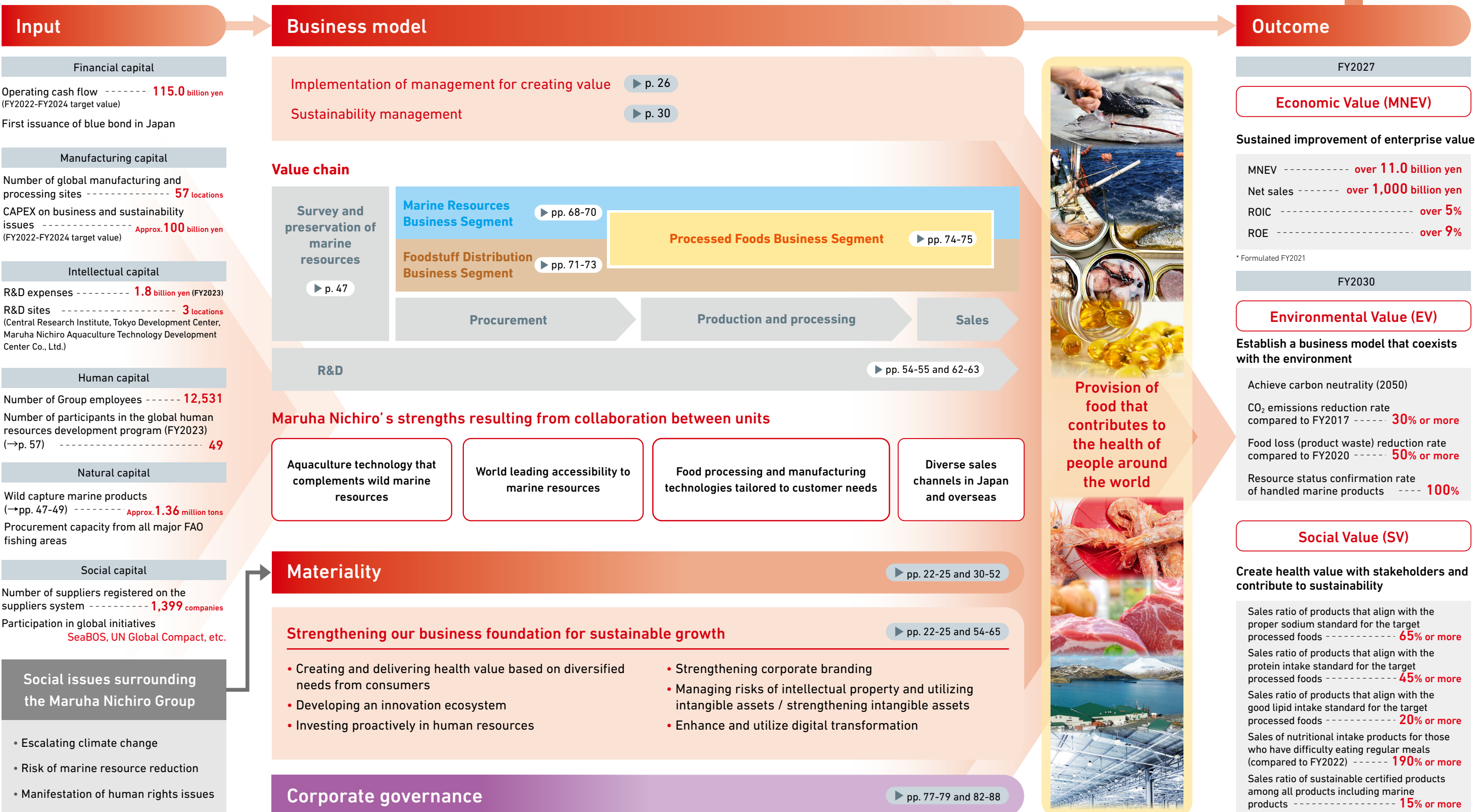
\* Weight is converted to a raw fish equivalent



# Maruha Nichiro's Value Creation Story

## The Maruha Nichiro Value (MNV) creation process

The Maruha Nichiro Group aims to be an essential part of society by improving everyone's daily life with wholesome, safe and healthy food, thereby achieving the Group's growth and a sustainable society. We will work to maximize the Maruha Nichiro Value (MNV) by integrating corporate strategy and sustainability.





## The Maruha Nichiro Group's Mission to Sustainably Supply Marine Products for the Next 100 Years

The marine products handled by the Maruha Nichiro Group are a valuable source of high-nutritional protein, and we consider their provision to be a vital mission of the Group. However, their sustainable supply faces a number of risks and opportunities. We exchanged opinions with outside experts who have specialized knowledge and broad insights on ways to mitigate risks and leverage opportunities for supplying marine products sustainably.

### 1 Kenji Funaki

Director, Managing Executive Officer, and Director of Marine Resources Business Segment  
Maruha Nichiro Corporation

Master's in Environmental Management, University of Nottingham, UK. Has been in his current position since July 2021.

### 2 Daisuke Yasuda

Managing Executive Officer and Director of Foodstuff Distribution Business Segment  
Maruha Nichiro Corporation

### 5 Rika Sueyoshi

Director General  
Ethical Association  
Established Ethical Association in 2015. Promotes and raises awareness of ethical concepts and ethical consumption through courses, lectures, policy recommendations, textbook writing, and more.

### 3 Satoshi Maekawa

Lead, Oceans and Fisheries Group, First Nature Conservation Division  
WWF Japan (World Wide Fund for Nature Japan)  
Promotes and helps obtain seafood eco-labels. Member of the Council for Promotion of the Industrialization of Aquaculture Growth.

### 6 Asuna Okubo

Director  
Ethical Association  
Principal, Owls Consulting Group, Inc. Possesses knowledge on a range of sustainability topics and experience in strategic projects.

### 4 Mutai Hashimoto

Lead, Sustainable Finance Group, First Nature Conservation Division  
WWF Japan (World Wide Fund for Nature Japan)

### Mitigating the risks facing wild marine resources and aquaculture:

Verification of wild marine resource quantities and establishment of voluntary management standards for aquaculture farms

**Funaki:** The Group, both in the past and now, identifies its primary mission as providing society with a stable and sustainable supply of marine products, which are a valuable source of protein. However, there are several risks to fulfilling this

mission. One is depletion of wild capture marine products. Because of its unstable quantities, we worry that it will become increasingly difficult or even impossible to catch these products. Furthermore, as resource surveys are inadequate,

we cannot accurately grasp the state of these resources, making it difficult to take appropriate measures. This poses a major challenge for mitigating this risk. The second risk is related to aquaculture. There is a risk that aquaculture farms may disrupt local ecosystems. Additionally, depending on how antibiotics are used, there is a risk of proliferation of antibiotic-resistant bacteria. There is also the potential risk of marine resources decreasing due to the overfishing of wild capture marine products, which become feedstuff for farmed fish.

**Maekawa:** The decline in wild capture marine resources has been pointed out for some time, but it seems to have become more pronounced in the last few years. With catch volumes decreasing, fishing is no longer possible or sustainable in various regions. First of all, over 30% of the areas in the world are overfished, and there is massive fish consumption, particularly in countries like China and India. Additionally, global warming is altering the marine environment, affecting aquaculture and coastal fisheries. As you indicated, not knowing resource quantities has hindered resource recovery measures, which is one of the factors compounding the risks. How the international community and Japanese companies maintain the sustainability of marine resources is becoming more critical than ever. In Japan, the revision of the Fishery Act in 2020 introduced Western-style fishery management, in which resource quantities are determined before catch volumes are set. There are many fish species that have not even been surveyed yet, and ensuring their quantities will be a significant challenge.

**Funaki:** In the United States and Norway, the government sets allowable catch quotas based on resource surveys, and allocates these quotas to private fishing vessels to manage their resources.

In contrast, in Japan, all we hear is that "fish are disappearing rapidly." To address the risk of depletion of wild capture marine products, we conduct resource surveys of the marine products we handle. The survey results are shared with affiliated companies and related departments to identify issues and make improvements. One of our KPIs related to these surveys is "resource status confirmation rate of handled marine products: 100% by FY2030." For aquaculture, we believe that management at the ASC certification<sup>\*1</sup> level will contribute to risk mitigation. Among our main farmed fish, yellowtail and amberjack have already obtained ASC certification at some aquaculture farms. Since there is no certification standard for tuna, we have established voluntary management standards that align with ASC certification and implemented them across the Group's 13 aquaculture farms.

**Maekawa:** For a company like Maruha Nichiro, which handles a wide variety of fish species worldwide, aiming for "100% resource status confirmation rate" is very progressive and challenging. I hope you continue to set an example as a leading company in the world. At the same time, I ask that you also pay attention to whether any risks might arise for the species that are already being managed. With regard to aquaculture, I agree that establishing strict voluntary standards is one way of managing them. However, saying that these voluntary standards are equivalent to ASC certification may mislead consumers, so caution is needed.

<sup>\*1</sup> ASC certification: This international certification program for aquaculture is managed and run by the Aquaculture Stewardship Council (ASC). Certification requires that farms are preventing environmental pollution and overuse of resources, as well as establishing honest relationships with workers and local residents.  
MSC certification: Certification for sustainable fishing administered by the Marine Stewardship Council (MSC), an international non-profit organization. The MSC blue fish label is applied to seafood that has been caught in a sustainable MSC-certified fishery that minimizes impact on marine resources and the environment.

### To eliminate involvement in IUU fishing and human rights violations through procuring marine products: Ensuring traceability of marine products and the announcement of a procurement policy for marine products

**Yasuda:** We realize that procuring marine products runs the risk of engaging in IUU fishing and human rights violations. The Group is taking steps to ensure traceability to demonstrate to our customers that Maruha Nichiro is a company that does not handle marine products involving IUU fishing, child labor, or forced labor from the outset. It is also meant to demonstrate the Group's commitment to our global suppliers. The Marine Products Trading Unit that I oversee, with the cooperation of our suppliers, has been enhancing its efforts for responsible labeling, indicating where a fish was caught and where it was processed

before it reaches consumers. Alongside developing a traceability system, we plan to announce a new procurement policy specifically for marine products this September. We will make this clear procurement policy known within and outside the Company and ensure its implementation.

**Maekawa:** IUU fishing is an old and deeply rooted issue. While it must be eliminated, we fully understand the difficulty of achieving zero IUU fishing. As a first step, as you mentioned, it is important to issue a statement that Maruha Nichiro "does not handle products derived from IUU fishing." As to how to eliminate it specifically,





there is significant meaning in approaching the government and corporate supply chains. Beyond simply creating guidelines and asking for compliance, Maruha Nichiro staff need to visit the sites and conduct interviews. Ensuring traceability is not a distant goal if your company does not work alone but also collaborates with other major enterprises and large distribution companies. We would certainly like to assist.

**Okubo:** Human rights issues in the fishing and marine product processing industries are becoming

#### Information disclosure using the TNFD international biodiversity framework: A tool to represent the Maruha Nichiro Group's sustainability initiatives

**Funaki:** The complete version of the TNFD framework<sup>\*2</sup> was released in September of last year. From then on, we began to hold a study session for Officers, a study session for employees, among other activities. In 2024, we held a workshop to analyze and map impacts and dependencies for each business. Based on that, we are assessing businesses with high dependencies and impacts, namely, Alaska pollock fishing and the Group's farming of bluefin tuna, amberjack, and yellowtail. In terms of TNFD's LEAP approach, by September 2024, we plan to disclose up to Locate (identifying high-impact and high-dependency businesses and areas, such as Japanese aquaculture and the North American Alaska pollock business) and Evaluate (evaluating a business's dependencies and impacts

an increasingly important topic. My understanding is that, the further upstream you go, the more complex the supply chain becomes and grasping the supply chain itself becomes challenging. Among the issues, human rights violations on fishing vessels are considered extremely difficult to detect. The disclosure of Maruha Nichiro's procurement policy for marine products is a very important initiative. To realize this policy, it is critical that you manage the supply chain. Specifically, it is important to communicate with suppliers and not only address actualized risks but also identify potential risks and take appropriate measures. For actualized risks, it is crucial to consider how remedies will be provided to victims of human rights violations. Especially in cases of IUU fishing, workers are often placed in vulnerable environments, and their chances of forced labor are high. As a remedy measure, I advise Maruha Nichiro to consider establishing a grievance mechanism through which workers can consult and file reports.

on biodiversity).

**Hashimoto:** I think it is outstanding that you intend to make disclosures actively from a very early stage. On the other hand, TNFD tends to be perceived as "another new set of guidelines." Maruha Nichiro is already making progress on disclosures that TNFD is intended for, such as traceability, human rights issues, and marine resource quantity. Therefore, I encourage you not to be overly cautious and to use TNFD as an opportunity to reveal what you have been regarding as materiality. As part of TNFD, I would also like to see disclosures on the goal of your marine resources survey, "resource status confirmation rate of handled marine products: 100% by FY2030."

<sup>\*2</sup> A tool for assessing and reporting how a company's business activities are linked to the environment and biodiversity and what risks and opportunities they present

#### The marine resources situation

The overexploitation of marine resources is recognized as an urgent global issue requiring immediate action. According to data released by FAO (Food and Agriculture Organization of the United Nations), 28% of marine resources are either depleted or severely overfished, while over 50% cannot increase production beyond current levels, necessitating a proper system for resource management. Meanwhile, global market trends show that marine resource competition has begun across the world.

#### Ethical consumption

Combined with various nouns, the adjective "ethical" can greatly broaden their meaning. "Ethical consumption" refers to consumption or services that take into account, people, the global environment, and society, including regional revitalization and employment.

#### To turn ethical consumption of marine products into a market opportunity:

Raising awareness of MSC and ASC certified products in Japan and creating opportunities for customers to choose them

**Yasuda:** We have kept on offering MSC- and ASC-certified products, believing that increasing ethical consumption of marine products could bring opportunities to the Group. However, it is still only a small group of customers who are committed to ethical consumption. We have to not only work alone, but also collaborate with industry peers and distribution customers to inform consumers about what MSC and ASC certifications are.

**Funaki:** I had always thought that Japan was a leading nation in catching and eating fish, and that the United States and Europe still lagged behind. But, from around the mid-2000s when I was stationed in the United States, MSC certification rapidly spread in the West. MSC certification initially started with a partnership between WWF and Unilever, and they spread the concept by involving processors and consumers. This kind of movement doesn't exist in Japan, and it feels frustrating when it is a leading country in fish consumption. In Japan too, I think it is important that processors, retailers, and others work together to communicate the value and importance of certification to consumers.

**Sueyoshi:** From 2019 to 2021, our organization conducted a survey on ethical consumption trends among more than 6,000 people in Japan, ranging from the 10 to 19 age group to 70s and older. To about 30% of the respondents who were committed to ethical consumption, we asked what information they refer to for such consumption. The top response was "certification label." We found out that certification labels have influence as a purchasing trigger for those who are already conscious of ethical consumption. Nevertheless, it seems that the discussion has become an ongoing cycle with companies saying, "We won't put certification labels because consumers don't buy the products," and consumers saying, "I will buy them if they are available, but such products are not very accessible."

**Yasuda:** Certified products include not only products for general consumers but also institutional-use

products for businesses, such as hotels and food services. Communicating this to customers has also been a major challenge. Even if we put certification labels on large packaging, they are discarded before customers see them. Therefore, we plan to enhance our communication for institutional-use products, including their packaging, and propose menu ideas that bring out the quality of the ingredients.

**Sueyoshi:** I agree. Visibility is extremely important. Ethical consumption has begun to be covered in junior high school textbooks in 2021 and in high school textbooks in 2022. Various certification labels are also mentioned. Young people, who will be the core consumers in 10 to 20 years, are learning about ethical consumption before adults do and are called "ethical natives." Certification labels are easily recognizable when you pick up a product. I believe they are an effective means to gain the empathy and confidence of consumers.

**Yasuda:** To turn the increase in ethical consumption into an opportunity for company growth, in FY2025 we will fully launch the food promoting project that contributes to creating health value and sustainability. By incorporating into our product standards, our countermeasures for risks related to Japanese people's health issues and food sustainability, and working to expand the sales of products that meet these standards, we will aim to grow as a company that is chosen by our customers.

WEB Feature: The Maruha Nichiro Group's mission to sustainably supply marine products for the next 100 years



#### IUU fishing and human rights issues

IUU fishing stands for illegal, unreported, and unregulated fishing. It includes not only poaching but also inaccurate and underreported fishing, fishing by vessels of non-flag states, and fishing by unauthorized vessels in areas managed by regional fisheries management organizations (RFMOs). In recent years, human rights violations against crew members, fisheries observers, and processing plant

and other workers have been raised as an issue of particular concern relating to IUU fishing. Specifically, cases where foreign crew members on pelagic tuna fishing vessels are forced to work long hours and have their passports confiscated, or are subjected to physical abuse, have been reported, as well as child labor at processing plants for farmed shrimp in Southeast Asia.



# Food Promoting Project That Contributes to Creating Health Value and Sustainability



The Maruha Nichiro Group's philosophy is to aim to be an essential part of society by improving everyone's daily life with wholesome, safe and healthy food. To realize this philosophy, it is essential that we contribute to improving the health value of consumers and continuously provide them with a stable supply of sustainable food that is socially and environmentally friendly. The Maruha Nichiro Group will continue to provide food that contributes to creating health value and sustainability to improve customers' daily life.

## Approach to providing nutrition

Extending healthy life expectancy and reducing health disparities are global challenges. In Japan, "Health Japan 21 (Third Term)" recommends improving individuals' behavior and health condition. The Maruha Nichiro Group will contribute to extending healthy life expectancy and reducing health disparities by providing nutrition through our products as well as information.

## Approach to food sustainability

As the world population grows, the food supply system continues to have an increasing environmental impact. Marine resources too have been impacted significantly. The Maruha Nichiro Group considers that its mission is to provide a stable supply of marine products to consumers.

## Message from representative

As part of our Medium-term Management Plan materiality, the project has been continuously examining how we can address and contribute to solving customers' health issues from both the nutrition and sustainability perspectives under the Group's philosophy of "providing healthy food." Additionally, last fiscal year, the Ministry of Health, Labour and Welfare released "Health Japan 21 (Third Term)" starting from 2024. Its basic policies are primarily "extending healthy life expectancy and reducing health disparities" and "improving individuals' behavior and health condition." The four themes we have identified as materiality solutions are "proper protein intake," "proper sodium intake," "good lipid intake," and "nutritional intake for those who have difficulty eating regular meals." We believe they are in line with the basic policies. By setting specific KPIs for 2030 and carrying out marketing activities, we will contribute to promoting customers' health through sustainable food.



**Koji Owada**  
General Manager, Marketing Department  
Leader, Food promoting project that contributes to creating health value and sustainability

## The aims of the Food Promoting Project That Contributes to Creating Health Value and Sustainability





Feature: Nutrition that contributes to creating health value

KPI setting and standards

At the Tokyo Nutrition for Growth Summit 2021 hosted by the government of Japan, the Company endorsed two action plans: promoting innovation in food related industries and promoting behavioral change for personal nutrition. In line with these plans, we have established the following four evaluation items: proper protein intake; proper sodium intake; good lipid intake; and nutritional intake for those who have difficulty eating regular meals (reducing nutritional disparities).

Recognizing anew that many of our products already generate health value and are making a contribution, we set the “sales ratio of target products” as the KPI, with the objective of increasing the share of these products to total sales. By using the sales ratio as the KPI, it takes into account the linkage with economic value and social value creation through business activities.

Our initiatives

In July 2024, we submitted action goals and evaluation indicators focusing on “proper sodium intake” for the Ministry of Health, Labour and Welfare’s “Strategic Initiative for a Healthy and Sustainable Food Environment” in which we are participating.

We also plan to inform our initiatives to society by turning our community site “Oishiine!! (Delicious!!)” into a health owned media and increase communication with many customers, including members.

Going forward, we will formulate an overall marketing strategy, integrate it company-wide, and expand our lineup of health value creating products.

Four items for evaluating health value

	Standard	FY2030 KPI
Proper sodium intake	Less than 3 g per meal, or less than 0.46 g per 100 kcal <sup>*1</sup>	Sales ratio of products that meet the standards among the target processed foods: 65% or more
Proper protein intake	4.1 g or more per 100 kcal, or 8.1 g or more per 100 g <sup>*2</sup>	Sales ratio of products that meet the standards among the target processed foods: 45% or more
Good lipid intake	350 mg or more per meal, or 1 mg or more per 1 g <sup>*3</sup>	Sales ratio of products that meet the standards among the target processed foods: 20% or more
Reducing nutritional disparities	Promotion of foods that support nutritional intake for people with chewing and swallowing difficulties	Sales amount of target products: 190% or more than the FY2022 amount

<sup>\*1</sup> Our proprietary standard based on the “Chanto” (adequate) diet Smart Meal standard  
<sup>\*2</sup> Our proprietary standard based on the “Fukumareru” (containing) Consumer Affairs Agency labeling standard  
<sup>\*3</sup> Our proprietary standard for the intake target of fish-derived n-3 polyunsaturated fatty acid (PUFA), based on the Ministry of Health, Labour and Welfare’s 2020 Dietary Intake Standards’ reference intakes for n-3 PUFA



**Shoichiro Tsugane**  
Professor  
International University of Health and Welfare Graduate School  
M.D., Ph.D. Former Executive Director of National Institutes of Biomedical Innovation, Health and Nutrition and Director of National Institute of Health and Nutrition. Former Director of the Center for Public Health Sciences, National Cancer Center

Message from expert

For the purposes of setting and implementing KPIs related to health value creation, it is extremely important and wise that Maruha Nichiro is attaching health value to products that can be expected to extend healthy life expectancy. Many of the products already on the market that focus on health value are often intended to solve specific health or nutritional issues, and they appear to have limited effectiveness in extending healthy life expectancy. To contribute to extending healthy life expectancy in Japan, measures are needed to prevent leading causes of early death, such as cancer and cardiovascular diseases, as well as frailty, which is a major reason why nursing care is needed in old age. Excessive sodium intake (which increases the risk of ischemic heart disease, stroke, and stomach cancer) and low intake of seafood-based n-3 PUFA (which increases the risk of ischemic heart disease) have been scientifically shown to be unhealthy. Furthermore, protein deficiency (which increases the risk of early death and frailty) is a relatively critical issue in Japan, where the health impact of being underweight is more concerning than obesity. It is reasonable to place value on providing products that can contribute to the improvement of these issues.



Sustainable food provision

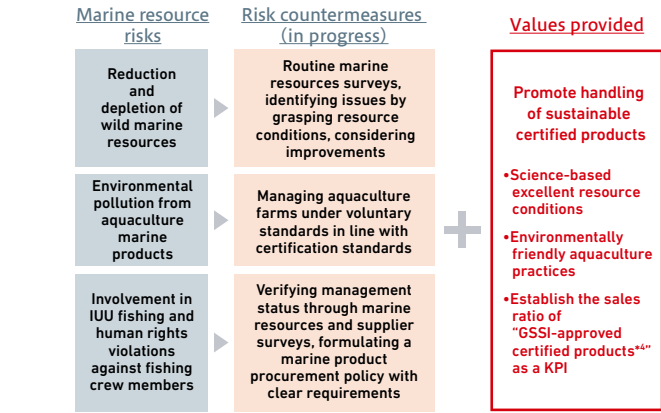
KPI setting and standards

Marine products distributed globally are considered to carry many risks, such as the depletion of wild marine resources, environmental destruction due to aquaculture, and involvement in IUU fishing. In addition to countering these risks, as part of our value proposition for “Sustainable food provision,” we have decided to set KPIs and actively promote the handling of marine products produced by sustainable fisheries and aquaculture that have obtained internationally recognized certification approved by the Global Sustainable Seafood Initiative (GSSI). Similar to the creation of health value, we will set the “sales ratio of certified products to total sales” as the KPI and advance our initiatives accordingly.

Our initiatives

Through our business activities, we need to make it clear to customers why it is significant to handle sustainable marine products, as well as inform and raise awareness of the general public. To this end, at the Japan International Seafood and Technology Expo held in August 2024, our employees and MSC Japan conducted a dialogue-style seminar and discussed the challenges currently facing the fisheries industry. We will also inform our initiatives to many people in society using “umito.”, our owned media.

WEB Food provision contributing to creating health value and sustainability



Evaluation item for sustainability

	Standard	FY2030 KPI
Sustainable certified product	GSSI-certified marine products <sup>*4</sup>	Sales ratio of sustainable certified products among all products including fishery and marine products: 15% or more

<sup>\*4</sup> Certified marine product approved by GSSI (e.g., MSC-certified, ASC-certified, BAP-certified, MEL-certified)



Message from expert

Amid a deteriorating global outlook for the food situation, the food industry is stepping up its sustainability efforts in the areas of nutrition, the environment, and human rights. Against this backdrop, Maruha Nichiro’s sales ratio targets from both the nutrition and sustainability procurement perspectives capture the necessary actions head-on.

For nutrition, the Company established its own standards for measuring “healthy foods” based on nutritional epidemiology, showing a willingness not only to improve the nutritional contents of its products but also to promote the sales of marine products with high nutritional benefits.

For sustainability procurement, Maruha Nichiro sets out a goal to obtain GSSI-approved certification for both fishery and aquaculture. GSSI established standards covering both marine resource quantities and human rights (including labor practices), and the sales ratio targets represent an important step forward for Maruha Nichiro.

Its competitiveness will be fostered as it overcomes the challenges that lie in achieving the ambitious targets. I am looking forward to the Company’s raising the sales ratio standards in the long run.



**Kenji Fuma**  
CEO  
Neural Inc.  
A non-executive director of board or advisory board member for several companies in the ESG field. Has served on committees of the Ministry of the Environment, Ministry of Agriculture, Forestry and Fisheries, Ministry of Health, Labour and Welfare, Ministry of Economy, Trade and Industry, and others. Authored many books and given numerous lectures.



# Medium-term Management Plan

## "For the ocean, for life MNV 2024"

### Basic strategies

#### Integration of corporate strategy and sustainability

- Maruha Nichiro Value (MNV) is defined as the Group's approach to value creation that integrates corporate strategy and sustainability.

#### Implementation of management for creating value

- Developing a governance system for value creation
- Identifying materiality and setting financial/non-financial KGI
- Resource allocation based on our business portfolio
- Strategic investment in growth driver areas
- Maximizing the value chain across departments

#### Strengthening our business foundation for sustainable growth

- Creating and delivering health value based on diversified needs of consumers
- Developing an innovation ecosystem
- Investing proactively in human resources
- Strengthening corporate branding
- Managing risks of intellectual property and utilizing/strengthening intangible assets
- Enhance and utilize digital transformation

### Management targets and progress

	FY2024 targets	FY2023 results
MNEV*	<b>12.0 billion yen +</b>	<b>11.9 billion yen</b>
Net sales	<b>1,050.0 billion yen</b>	<b>1,030.7 billion yen</b>
Operating income	<b>30.0 billion yen</b>	<b>26.5 billion yen</b>
EBITDA	<b>50.0 billion yen</b>	<b>46.0 billion yen</b>
ROIC	<b>4.3%</b>	<b>4.2%</b>
ROE	<b>9.0%</b>	<b>10.8%</b>
Net D/E ratio	<b>≤ 1.1x</b>	<b>1.2x</b>

\*Our approach to Economic Value (MNEV) creation

$$\text{MNEV} = \text{MNEV Spread} \times \text{Invested Capital}$$

||

$$\text{Return on invested capital (ROIC)} - \text{Weighted average capital cost (WACC)}$$

## Progress of growth strategy for achieving the Medium-term Management Plan

### Strengthening sales and distribution of marine products in Europe

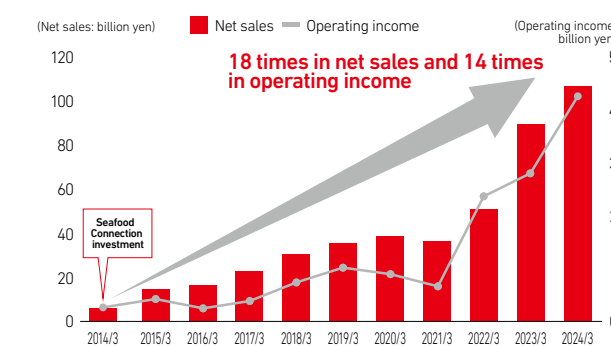
Like Japan, Europe has a long history of fish-eating culture. In recent years, demand for marine products in Europe has been rising even faster, driven by growing health consciousness and the popularity of Japanese cuisine.

Seafood Connection Holding B.V. ("Seacon") is the Group's main company responsible for the sale of marine products in Europe. Since our capital investment in 2013, Seacon has expanded its main sales channels to the Netherlands, where its headquarters are located, as well as to surrounding countries, Spain, and Italy, and has 10 sales sites in Europe as of FY2023.

In May 2024, Seacon acquired 100% of the shares of Seacon Italia S.r.l., which was established in June 2022, and is currently promoting the establishment of a robust sales structure in Italy, the largest consumer of marine products in Europe.

Going forward, we will expand our activities in each site while aggressively entering untapped countries and markets so as to maximize the strengths of our overseas network to drive our expansion into overseas markets, a growth driver area for the Group, across Europe.

#### Performance of Seacon



### New entry into algae-derived DHA

#### Conclusion of business alliance agreement with Mara Renewables Corporation ("Mara")

DHA, a type of omega-3 fatty acid, is an essential fatty acid that is hardly produced by the human body and must be obtained from one's diet. It is a functional ingredient that is essential for maintaining good health, and its demand is growing amid rising health consciousness around the world.

In order to provide a more sustainable and stable supply of DHA to meet this growing demand, we will start the production and sale of algae-derived DHA in collaboration with Mara.

Algae-derived DHA is derived from the same source as fish oil-derived DHA, has exactly the same structure, and can be supplied in a stable manner without concerns about the effects of marine pollution or the depletion of marine resources.

By integrating Mara's DHA extraction technology with our proprietary odorless DHA technology, we

will accelerate the supply of DHA for general food such as health foods, powdered milk, and beverages to meet the growing demand for DHA. Going forward, we will further collaborate with Mara with a view to establishing joint plants in Asia and Oceania.



Algae magnified under a microscope



# Message from the Managing Executive Officer Responsible for Finance



**Seichi Hiroshima**

Director and Managing Executive Officer of Maruha Nichiro Corporation

at around 45.0 billion yen as long as working capital was at normal levels, so it could be said that the results were in line with our expectations. We expect operating cash flow for the current fiscal year to be positive at around 50.0 billion yen. This would allow us to carry out the capital investments in the Medium-term Management Plan largely as planned.

In the Medium-term Management Plan, we introduced ROIC management, which makes use of return on invested capital (ROIC) as a management indicator to emphasize capital efficiency. We have positioned FY2022 and FY2023 as a period for promoting greater awareness of capital efficiency, and we believe that our efforts on this front have been successful and led to a reduction in working capital. FY2024 has been positioned as a period for transitioning to implementation, and we believe that we are now sufficiently prepared.

A major feature of our financial strategy is the fact that we are

now able to engage in financing directly by issuing corporate bonds starting in FY2022. In October 2022, we issued 5.0 billion yen in blue bonds, bonds that raise funds for marine conservation, and in August 2023, we issued 13.0 billion yen in unsecured corporate bonds. We also issued 15.0 billion yen in unsecured corporate bonds in April 2024. Furthermore, we intend to issue commercial papers in the future.

## ROIC management that leverages synergies between business units to create value

Investors and customers tend to think of the Company as a highly volatile company that is affected by market conditions of marine resources. While it is true that marine resources fluctuate depending on demand in Japan and overseas and on weather conditions, our volatility is not as high over a period of five years or more. We have eight business areas and handle a wide variety of fish species. Even if our profits decline in some of our businesses, we have a system in place to offset that with other areas. Furthermore, as the global

population continues to increase, demand for marine resources, which are a source of protein, will likely continue to grow worldwide. These factors could be considered dominant strengths of the Group. In order to increase profit margins and invest aggressively in growth going forward, it is imperative to leverage synergies between business units and convey a narrative of value creation to external stakeholders instead of one of conglomerate discount.

What is needed is ROIC management, or greater awareness of how to improve the capital efficiency of each business. In FY2024, we will create four quadrants based on profit margins and market growth potential to determine the positioning of each business, thus entering a phase in which the scope of capital will be determined in a concrete manner. At this moment, we are laying the foundation for growth, including the allocation of cash and human resources. Furthermore, in order to increase awareness, we are considering incorporating indicators for the achievement of ROIC-related targets into our personnel evaluation system. In FY2023, we introduced a share benefit plan for some of our employees. We have created a system that not only ensures that we are on the same page as our shareholders but also that our performance is properly reflected in our compensation. By raising awareness of the need to generate earnings in excess of the cost of capital, we believe that our various financial indicators will improve at an accelerated pace going forward, having already led to a reduction in working capital at this point.

## Formulating business strategies by backcasting and having a 10-year vision

We must also develop a greater awareness of our stock price. It is important for each one of us to consider what we should do to increase our stock price. Right now, our price-to-book ratio (P/B ratio) is less than 1. Since our return on equity (ROE) is 10%, our P/B ratio should be larger than 1. We believe that it is important to raise awareness of capital efficiency in order for us to be properly evaluated by investors.

Since we are perceived as a company with high financial risk by external stakeholders, we will also continue to reduce interest-bearing debts. We hope to reduce our net debt-to-equity ratio (D/E ratio) to less than 1 during the period covered by the next Medium-term Management Plan. This would allow us to achieve a credit rating of A-, one step up from BBB+. Our target credit rating for the medium to long term is A.

The key to both of these tasks is greater awareness of capital efficiency and business strategy. We hope that each business would envision where it should be in 10 years and

formulate a business strategy by backcasting. This approach is already starting to gain traction among General Manager-level employees, and we expect to see even greater growth going forward.

## Promoting the issuance of green bonds for broader value creation

Looking ahead to the next Medium-term Management Plan, we will formulate strategies related to intangible asset investments, especially human capital strategy. Our basic policy is to create a matrix of business divisions and divisions that manage intangible assets so that they can cooperate well with each other while remaining independent. Discussions are underway right now, and we are putting in place a structure that will allow us to make the most of this in our business.

We will also invest aggressively in human resources, R&D, and the environment. In particular, our R&D expenses are low at 0.16% of net sales, which has to be said is overwhelmingly lower than those of other companies in the same industry. We would like to double our R&D expenses to 0.3% of net sales.

Companies today are all expected to create value in the three areas of society, the environment, and the economy. Among these areas, the Group has an especially strong affinity with the environment. In other words, as society has high expectations of us, we will seek to steadily achieve the following five goals: environmental management, action against climate change, contributing to a recycling-oriented society, action for preserving biodiversity and ecosystems, and action against marine pollution by marine plastics.

With regard to financing, we would like to issue green bonds so that we can raise funds for a wide range of businesses. Financing through blue bonds as mentioned earlier is limited to environmentally sustainable fishery and aquaculture businesses, such as land-based salmon aquaculture businesses. By issuing green bonds, which can be used to finance a wider range of businesses, we will be able to act more flexibly to create value for the environment.

In terms of shareholder returns, we have stepped up from distributing stable dividends to setting a target dividend payout ratio of 30% or more for FY2025. We are confident that we can achieve this goal, which would require financial discipline and improving shareholder value. We look forward to your continued support.



# Sustainability Management

## Basic approach

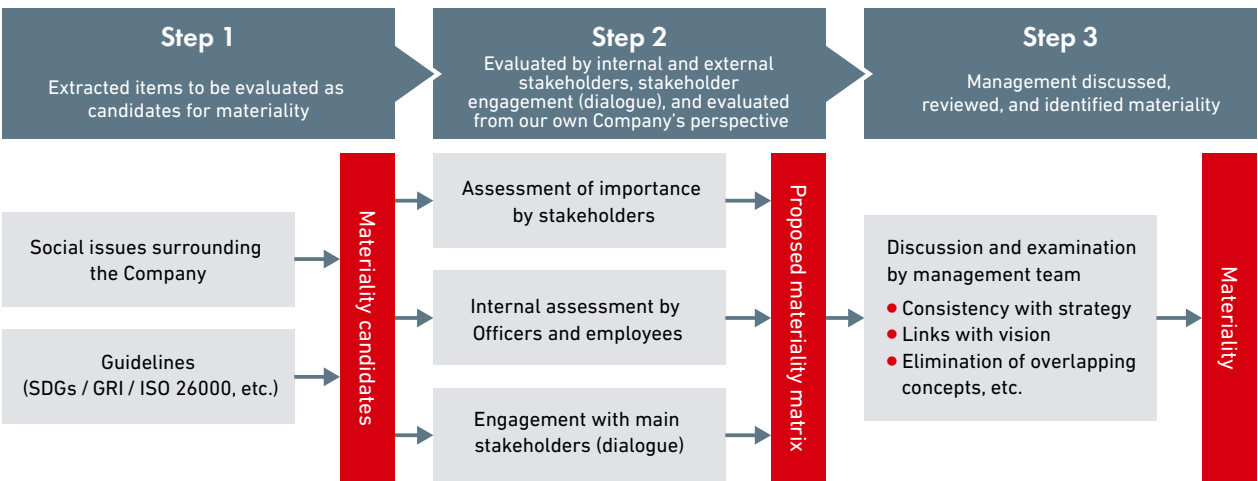
The Sustainability Committee of the Maruha Nichiro Group consists of the Executive Officers who also serve as Directors of Maruha Nichiro Corporation, Executive Officers in charge of related departments, and heads of related departments as committee members, with Outside Directors and Audit & Supervisory Board Members as observers. In order to integrate sustainability into our corporate strategy, we must strengthen our framework for promoting sustainability. Since FY2022,

the Sustainability Committee has increased its frequency of meetings from biannually to quarterly. In addition, we also involve all Unit Directors in these meetings to incorporate business strategies into our sustainability initiatives and engage in more active discussions. The Sustainability Committee conducts progress management of the nine materiality areas, establishes plans and targets for the Group's overall sustainability strategy, and discusses the activity evaluation of each Group company.

Maruha Nichiro Group organization structure for sustainability promotion



Materiality review process



KGI for materiality and main risks and opportunities

	Materiality	KGI (ideal state in 2030)	Risks and opportunities (○: opportunities/●: risks)
Creation of Environmental Value	(1) Action against climate change	Establish a leading position in the industry for decarbonization and action against climate change	○ Expand sales opportunities for aquaculture marine products to compensate for the decline in the catch of wild capture marine products ● Growing risk of raw material procurement failure due to climate change
	(2) Contributing to a recycling-oriented society	Adoption and practice of circular economy through the efficient use of resources within the Group	○ Cost reductions through reduced use of plastic containers and packaging, as well as food loss and waste reduction ● Cost increases due to switching to environmentally friendly materials for plastic containers and packaging
	(3) Action against marine pollution by marine plastics	Practice zero discharge of plastics into the ocean by the Company and the supply chain	○ Improve the image of the Company as a company that actively addresses the problem of marine plastics ● Cost increases due to switching to fishing gear that is less likely to be washed away at sea
	(4) Action for preserving biodiversity and ecosystems	Confirm that there is no risk of resource depletion in the fish stocks we handle	○ Increase enterprise value through the provision of sustainable marine resources ● Rising costs of obtaining and maintaining certification
Creation of Social Value	(5) Provision of safe and secure food	Provide safe food to people around the world	○ Cost reductions from fewer quality-related incidents and quality complaints ● Decline in profitability due to loss of customer trust caused by product quality complaints or problems
	(6) Food provision contributing to creating health value and sustainability	Establish branding as a top food company contributing to creating health value and sustainability	○ Improve enterprise branding to create health value for customers and provide food with sustainability in mind ● Cost increases in product development that fulfills product standards
	(7) Building a workplace environment where diverse employees can work with a sense of security	Achieve a workplace environment where diversity is respected and employees feel safe and comfortable at work	○ Improve motivation within the Company by appointing human resources regardless of gender, age, nationality, etc. ● Incur human capital development and workplace environment improvement costs
	(8) Respect for human rights in business operations	Zero human rights violations (such as forced labor) by the Company and the supply chain	○ Reduce human rights risks in the supply chain within the Group ● Damage to enterprise value due to delays in responding to human rights issues
	(9) Development of a sustainable supply chain	Working with suppliers to build a sustainable procurement network	○ Reduce risks of environmental and social issues in the supply chain ● Growing risk of raw material procurement failure due to delays in addressing environmental and social issues in the supply chain

## Message from representative

Over the Company's long history of over 140 years, we have always relied heavily on the sea and on marine resources and embraced our mission of providing a stable supply of valuable protein while having the privilege to handle these resources. In order to continue being able to do what we have been doing hitherto, it is important for all of our employees to naturally deepen their awareness of promoting sustainability and for the Sustainability Committee to function properly to this end. This year marks the seventh year of the committee, and with each passing year, we have engaged in more active discussions and deepened our understanding of issues. As Economic Value, Environmental Value, and Social Value are inextricable from one another, the Company will work together as a whole to promote sustainability while having each and every employee be eager to enhance all three forms of value.



Kenji Funaki  
Chair of Sustainability Committee, Director and Managing Executive Officer



# Progress on Materiality and KPI Achievement

★★★★★ : KPI achieved   ★★★★★ : Progress made ahead of schedule in achieving KPI for FY2024/FY2030  
★★★★ : On schedule in achieving KPI   ★★ : Behind schedule in achieving KPI

	Materiality	KGI (ideal state in 2030)	Main KPIs	Targets and results				FY2023 self-evaluation*	Pages containing more details
				2050 targets	FY2030 targets	Medium-term Management Plan “For the ocean, for life MNV 2024”			
						FY2024 targets	FY2023 results		
Creation of Environmental Value	(1) Action against climate change	Establish a leading position in the industry for decarbonization and action against climate change	Formulation of CO <sub>2</sub> emissions reduction roadmap (Domestic G <sup>1</sup> )	—	—	—	—	Completed	pp. 44-46
			CO <sub>2</sub> emissions reduction rate (Compared to FY2017: Domestic G)	—	30% or more	10% or more	11.6%	★★★★☆	
			Achieve carbon neutrality (Overall G <sup>1</sup> )	Achieve carbon neutrality	—	—	Various measures underway to achieve carbon neutrality	★★★★☆☆	
	(2) Contributing to a recycling-oriented society	Adoption and practice of circular economy through the efficient use of resources within the Group	Reduction rate of plastic used in containers and packaging (including switching to bioplastics, recycled materials, etc.) (MN <sup>1</sup> )	—	30% or more	10% or more	3.7%	★★☆☆☆☆	pp. 50-51
			Food loss (product waste) reduction rate (Domestic G)	—	50% or more	20% or more	38.2%	★★★★☆	
			Recycling rate of food waste (Domestic G)	—	—	99% or more	98.8%	★★★★☆☆	
	(3) Action against marine pollution by marine plastics	Practice zero discharge of plastics into the ocean by the Company and the supply chain	Establishment of fishing gear management guidelines and operational rates (Overall G)	—	—	100% operational rate	Draft of fishing gear management guidelines established and trial implementation underway	★★☆☆☆☆	p. 52
			Employee participation rate in coastal cleanup (Domestic G)	—	30% or more	10% or more	23.4%	★★★★☆	
	(4) Action for preserving biodiversity and ecosystems	Confirm that there is no risk of resource depletion in the fish stocks we handle	Resource status confirmation rate of marine products handled (Overall G)	—	100%	—	81.8%	★★★★☆☆	pp. 18-21 pp. 47-49
			Conduct biodiversity risk assessment (Domestic G)	—	—	Conduct biodiversity risk assessment	Biodiversity risk assessment based on TNFD framework underway	★★★★☆☆	
			Implementation of certification-level management for aquaculture farms (Domestic G)	—	—	Implement certification-level management for aquaculture farms in the Group	Management of aquaculture farms in the Group based on voluntary management standards for aquaculture farms underway	★★★★☆☆	
Creation of Social Value	(5) Provision of safe and secure food	Provide safe food to people around the world	Serious quality-related incidents <sup>2</sup> (Domestic G)	—	—	Zero cases	Zero cases	★★★★★	pp. 34-35
	(6) Food provision contributing to creating health value and sustainability	Establish branding as a top food company contributing to creating health value and sustainability	Establishment of product standards that contribute to health value creation and sustainability and setting of FY2030 targets (MN)	—	Achieve FY2030 KPIs (health value creation and sustainability)	Establish product standards that contribute to health value creation and sustainability and set FY2030 targets	Formulated product standards and KPIs for food that contribute to health value creation and sustainability	★★★★☆☆	pp. 18-21 pp. 22-25
	(7) Building a workplace environment where diverse employees can work with a sense of security	Achieve a workplace environment where diversity is respected and employees feel safe and comfortable at work	Percentage of female employees by maintaining 50% female recruitment ratio (MN)	—	35% or more	—	Female recruitment ratio in FY2024: 50%	★★★★☆☆	pp. 37-39
			Percentage of women on Board of Directors (MN)	—	30% or more	—	15.4% (April 2024)	★★★★☆☆	
			Percentage of female Managers (MN)	—	15% or more	—	7.7% (April 2024)	★★★★☆	
			Establishment of Maruha Nichiro Human Resource Development Program and setting of FY2030 targets (MN)	—	Achieve FY2030 KPIs	Establish the Maruha Nichiro Human Resource Development Program and set FY2030 targets	Formulated an overall HR policy and JD <sup>3</sup> for Manager-level employees as the basis for the program	★★★★☆☆	
			Establishment of employee engagement assessment methodology and setting of FY2030 targets (MN)	—	Achieve FY2030 KPIs	Establish employee engagement assessment methodology and set FY2030 targets	Engagement survey conducted, with assessment analysis and review of appropriateness to be conducted	★★★★☆☆	
	(8) Respect for human rights in business operations	Zero human rights violations (such as forced labor) by the Company and the supply chain	Confirmation rate of zero human rights violations in the supply chain (Overall G)	—	100%	—	Conducted human rights training (participation rate: 98.7%) and elucidated issues through a human rights risk map Started implementation of guidelines on the employment of foreign people	★★★★☆☆	pp. 40-41 pp. 42-43
(9) Development of a sustainable supply chain	Working with suppliers to build a sustainable procurement network	Rate of agreement with supplier guidelines and rate of improvement in key items (Overall G)	—	Rate of agreement with supplier guidelines and rate of improvement in key items: 100%	Rate of coverage of suppliers for the Supplier Survey System: 100%	Rate of coverage of suppliers for the Supplier Survey System: 64%	★★☆☆☆☆	pp. 40-41	

\*1 Abbreviations of target organizations: MN = Maruha Nichiro Corporation; Domestic G = Domestic Group consolidated companies; Overall G = Global consolidated companies

\*2 Serious quality-related incidents are defined as product recalls announced in newspapers or on the Company's website due to violations of relevant regulations or voluntary codes as specified in GRI Standards 416-2 and 417-2.

\*3 JD: Abbreviation for Job Descriptions



# Provision of Safe and Secure Food

## Message from representative

The current fiscal year is the final year of the Medium-term Management Plan “For the ocean, for life MNV 2024.” In this Medium-term Management Plan, we have focused on reviewing and consolidating the foundation of our quality assurance systems by promoting activities aimed at achieving zero quality-related incidents, reviewing regulations, and launching the operation of our product information management system. As a result, we expect to achieve most of our KPIs. On the other hand, we recognize that further enhancement of our quality assurance systems is essential in the current so-called VUCA era in order to keep up with the fast-paced changes in the environment and continue providing safe and secure food at all times. We will expedite our efforts to address the issues that we are currently working on, including fostering a food safety and quality culture in which each and every Officer and employee involved in the value chain of Maruha Nichiro products considers food safety and quality as their top priority, and developing quality assurance systems for our overseas expansion.



**Tomoyuki Okumura**  
General Manager of Quality Assurance Department

## Initiatives for zero quality-related incidents

### Product incidents and measures to prevent recurrence

The Maruha Nichiro Group achieved zero serious quality-related incidents\* in FY2023. On the other hand, although we have not formally issued any product recalls, there were still complaints and problems that could have evolved into serious incidents if we had taken the wrong action, and reducing such incidents remains an issue for us. Since January 2022, we have been promoting efforts aimed at achieving zero quality-related incidents with the aim of preventing serious quality-related incidents so as to continue providing wholesome, safe, and healthy food. In FY2023, as part of our new initiative, we set up internal working groups from the viewpoints of “design and development assessment,” “purchasing management,” and “variable quality risk management,” and started issuing and implementing new regulations

to strengthen the foundation of our quality assurance regulations. In addition, we formulated quality control standards (additional standards) based on an analysis of the causes of past complaints that could have led to serious quality-related incidents, and conducted reviews using the additional standards during regular audits of manufacturing partners from FY2024 in a progressive manner. We have established a system to prevent abnormal incidents and problems from upstream manufacturing processes and are shifting from the existing model of preventing recurrence of incidents to a preventive model of taking action before the occurrence of abnormal incidents.

\* Serious quality-related incidents are defined as product recalls announced in newspapers or on the Company's website due to violations of relevant regulations or voluntary codes as specified in GRI Standards 416-2 and 417-2.

### Standardizing management method for product specification information

As Maruha Nichiro carries a wide range of product categories from foods that are close to raw materials, such as marine products, meat products, and agricultural products, to processed food that is consumed in a variety of settings, we have long faced the issue of having different methods for managing product specification information for different product categories. At the same time, the environment surrounding the food industry changes frequently, so there is a need to manage the latest product specification information and provide product information to customers promptly. In

response to this, we have progressively introduced a new system that allows us to carry out the centralized management of everything from raw material information to product specification information and product information that we provide to customers. By utilizing this system, we will seek to provide accurate product information to customers and improve the efficiency of internal operations.

WEB Food Safety



## Strengthening quality assurance systems within the Group

We ensure food safety and food defense by conducting audits, reviews, and guidance in the form of visits to manufacturing sites based on our proprietary standards that take into account the requirements of GFSI-recognized certification schemes (food safety management systems). In addition, we are expediting the provision of food not only within Japan but also globally. In order to respond promptly to quality-related issues arising from this, we have stationed quality assurance personnel in China and Thailand and are working on further strengthening our quality assurance systems in cooperation with local staff while maintaining close contact with each country/region.



Plant audit in progress

## Quality-related training within the Group

To enhance the quality level of the value chain provided by the Group, it is crucial to improve awareness and knowledge of product quality among all employees. In FY2023, we continued to work on ensuring that our employees are competent in quality-related skills, conducting a total of 60 quality-related training sessions by job level and job scope that were attended by a total of 10,351 employees.

Going forward, we will further enhance the training content and improve the quality of existing content to raise the level of education and training and improve employee awareness and knowledge.



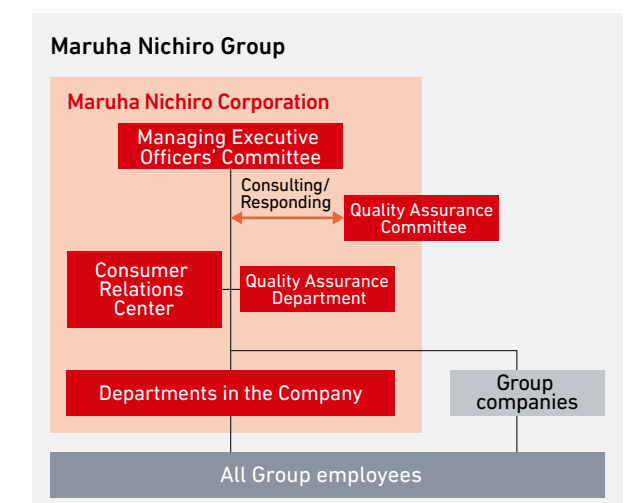
Practical training on the extraction of potential hazards at a manufacturing site

## Consumer-oriented management

### Basic approach and management system

Each company in the Group has established a quality assurance system tailored to its business field based on a common approach in line with the “Maruha Nichiro Group Quality Assurance Policy.” We also reflect customer feedback in our quality assurance activities. The Group made a voluntary declaration on consumer orientation in March 2018. The Group will promote consumer-oriented management by firmly recognizing and taking action in the three areas of listening to and making use of customer feedback, working for the future and the next generation, and complying with laws and regulations/strengthening corporate governance.

### Quality assurance framework





## Maruha Nichiro receives an award from the Minister of State for Special Missions of the Cabinet Office

The Consumer-Oriented Management Excellent Case Awards have been presented by the Consumer Affairs Agency since FY2018 to recognize and promote businesses that have made outstanding efforts in consumer-oriented management. Maruha Nichiro was the first Japanese food and marine products company to receive an award from the Minister of State for Special Missions of the Cabinet Office at the FY2023 Consumer-Oriented Management Excellent Case Awards organized by the Consumer Affairs Agency.



Ceremony for an award from the Minister of State for Special Missions of the Cabinet Office

(From left) Hanako Jimi, Minister of State for Special Missions of the Cabinet Office; Masaru Ikemi, Representative Director, President & CEO of Maruha Nichiro Corporation



### Reasons for receiving the award

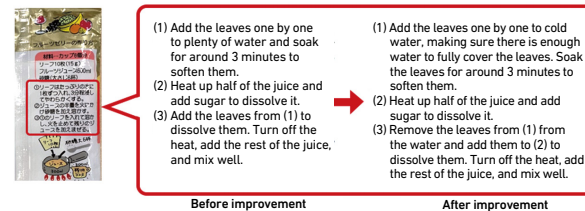
- Maruha Nichiro is working to reduce its environmental impact and protect marine resources through efforts such as the egg-to-harvest aquaculture of bluefin tuna (a "circular" aquaculture model in which eggs are collected from artificially hatched fish, hatched, and raised), which was successfully carried out for the first time by a private company in the world, as well as its plan to construct a land-based Atlantic salmon aquaculture facility to promote commercialization.
- In the area of nursing-care food for the elderly, Maruha Nichiro is working to address the challenges of a super-aging society through efforts such as providing well-being value through "small but satisfying meals" while exchanging information with healthcare and nursing care workers and contributing to shorter cooking and serving time for employees at such facilities.

Source: "FY2023 Consumer-Oriented Management Excellent Case Awards: Reasons for selection," Consumer Affairs Agency

## Deepening communication with customers

The Consumer Relations Center plays a role in communicating with customers even after products have been delivered to them. Specifically, as part of our BCP measures during the COVID-19 pandemic and other events, we have enhanced our responsiveness by building a system that allows people to receive customer telephone calls at home and by providing information on the dedicated website of the Consumer Relations Center. We have been using a chatbot automated answering service for customer questions 24 hours a day, 365 days a year, on the dedicated website. Since February 2023, we have been performing maintenance for the chatbot by analyzing customer questions every month to ensure that it can provide more accurate answers to questions from customers regarding all consumer products. In addition, we have used the Q&A service Yahoo! Chiebukuro provided by Yahoo! JAPAN to answer various questions whenever possible since December 2019, when we acquired an official corporate account. In turn, many customers have used this service to find answers to their questions.

As an initiative to utilize customer feedback in the improvement and modification of products and services, we regularly hold Product Improvement Study Meetings in which Officers and heads of related departments participate. In FY2023, these study meetings allowed us to achieve 22 improvements and modifications.



Product transformed based on customer feedback

[Product name] Gelatin Leaf

[Date of improvement] From October 2022

[Customer feedback] We received an inquiry from a customer who found it difficult to understand how to make jelly with the product.

[Details of improvement] We made improvements to the back of the packaging such that the method of making fruit jelly was easier to understand.



\*Packaging shown is at the time of improvement

Product transformed based on customer feedback

[Product name] Sichuan-style Mapo Don

[Date of improvement] From February 2022

[Customer feedback] We received feedback that the texture was too grainy.

[Details of improvement] We improved the product's texture by replacing the coarsely ground "sansho" (Japanese pepper), which had been used to reproduce the dish's authentic flavors and had a unique texture, with finely ground "sansho".

WEB Consumer-oriented management

## Creation of Social Value

# Building a Workplace Environment Where Diverse Employees Can Work with a Sense of Security

## Promotion of diversity and inclusion

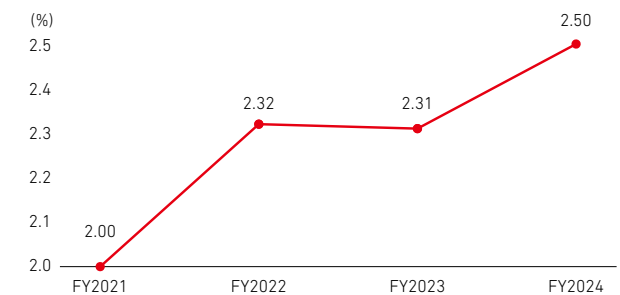
Maruha Nichiro Corporation has formulated the "Diversity & Inclusion Declaration" to foster a corporate culture in which respect for diversity and the maximization of each employee's abilities are universally recognized as essential for the sustainable growth of the Company. As part of an organization-

wide effort to raise awareness and change the behavior of employees, D&I personnel have been appointed in each department from FY2022, while discussions and improvement activities regarding the organization's issues and ideal state are conducted at regular meetings.

## Employment of persons with disabilities

In line with our policy of working together with persons with disabilities, we have established a specialized department at the head office where they can play active roles and take charge of some of the operations at the head office. Additionally, we have established "key teams" at plants to help them settle and increased the number of jobs through careful selection and streamlining of tasks so that they can play active roles in more workplaces throughout the Company, and we will continue to do so going forward.

### Changes in employment ratio of persons with disabilities (as of April 1 of each fiscal year)



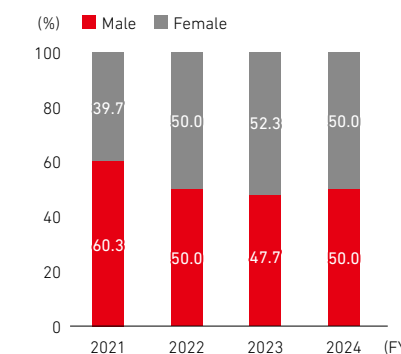
## Promotion of women's empowerment

In order to be a company where everyone can demonstrate their strengths, it is imperative that we create an environment where women can play active roles, and we have been making efforts to achieve this. In 2017, we received Level 2 "Eruboshi" certification from the Minister of Health, Labour and Welfare.

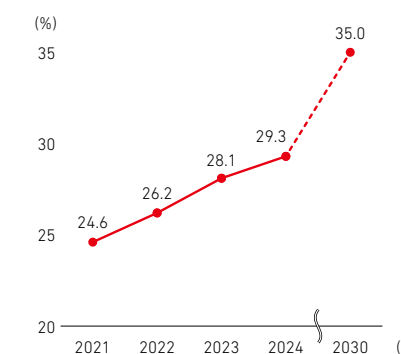
In order for the Maruha Nichiro Group to take on the challenge of new possibilities in food and continue to provide the vitality of life to people worldwide, we believe

it is essential to actively assign female employees to overseas locations and to positions such as sales, which have hitherto been dominated by male employees, and to draw on more diverse perspectives. In addition to increasing the percentage of female employees, we are providing more opportunities for female employees to play active roles and promoting them to positions that involve decision-making.

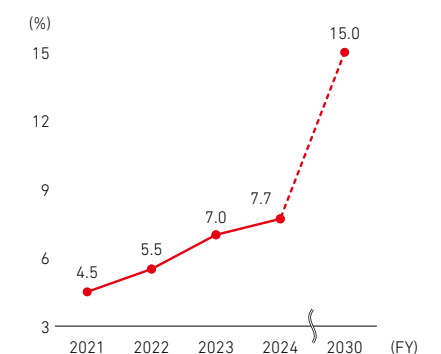
### Changes in gender ratio of new graduates hired (joined the Company on April 1 of each fiscal year)



### Changes in percentage of female employees (as of April 1 of each fiscal year)



### Changes in percentage of female Managers (as of April 1 of each fiscal year)





## Childcare support

Maruha Nichiro has maintained a 100% rate of women taking childcare leave for eight consecutive years, and almost all employees who have taken childcare leave have returned to work. In order to support employees in balancing work with childcare and allow all employees to fully demonstrate their abilities, we have established the following targets and action plans, whose implementation is currently underway.

### Targets

1. To create a psychological environment that allows all employees involved in childcare to achieve a positive balance between work and childcare.
2. To create a physical environment that allows all employees involved in childcare to achieve a positive balance between work and childcare.
3. To create an environment that makes it easier for all employees involved in childcare to take childcare leave.

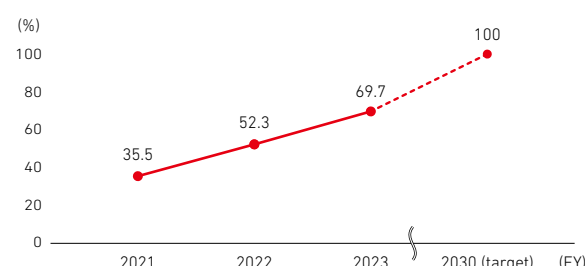
## Encouraging the participation of men in childcare

To help foster a corporate culture where it is easier for men to take childcare leave, we have joined "the Ikuboss Corporate Alliance" and endorsed the "100% Childcare Leave for Men Declaration." We also hold seminars for Managers and other management-level employees, male employees eligible for childcare leave, as well as colleagues who work with them, in order to raise greater awareness among all employees.

### Examples of initiatives in FY2023

- Management seminar on leveraging diverse human resources (396 participants)
- Launch of "Hagu Support," a consultation service to provide support for balancing work with childcare and nursing care needs

Changes in percentage of male employees taking childcare leave and vacation



In addition, in order to create an environment in which male employees can take childcare leave more easily, we introduced a system in FY2023 to provide partial salary support during the period of childcare leave. These measures have supported the realization of a positive balance between work and childcare for employees. This encourages not only female employees but also male employees to take childcare leave (including short-term leave), and as a result, the Company acquired "Kurumin" certification for the fourth time in 2023.

## Promotion of health and productivity management

The Company exists to contribute to better health for people around the world through its various business activities, driven by the Group's philosophy of being an essential part of society by improving everyone's daily life with wholesome, safe and healthy food. We believe that the health of our employees is an important factor in achieving this goal, and in 2018, we formulated our health

and productivity management policy. The Personnel Department, Health Promotion Office (comprising industrial physicians, public health nurses, and clinical psychologists), and the Maruha Nichiro Health Insurance Society have established an organizational structure to promote health and productivity management under Executive management supervision.

Maruha Nichiro Corporation has undergone external evaluation in relation to the following health management initiatives.

- Health and Productivity Management Brand 2022
- 2024 Certified Health and Productivity Management Outstanding Organization (White 500)
- Sports Yell Company 2024
- Tokyo Sports Promotion Company



## Health and productivity management policy

### Mission Health and Productivity Management Declaration

The Maruha Nichiro Group believes that the physical and mental health of each and every employee, as well as their ability to demonstrate their individuality and capabilities to the maximum, will contribute to the development of the Company. The Company will work together with the Maruha Nichiro Health Insurance Society and employees to promote various activities aimed at achieving health and productivity management based on the Company Credo, "Loyal to our people, the most important asset of our Company." Furthermore, we will contribute to society by contributing to better health for people around the world through various business activities related to food.

### Vision A company supporting health

To become a company where Maruha Nichiro comes to mind whenever "companies that support the health of people" are mentioned

### Value Employees' health

To continue taking on the challenge of maintaining and improving the health of each and every employee

### Strategy Customers' health

Health and productivity management / lifelong health plans (an approach centered on fish and fish-derived functional food such as DHA, EPA, etc.)

### Example of initiatives

## well-B Challenge: Promoting health and productivity management using the Company's own products

We are promoting the health of our employees through the use of the Company's own products developed and provided by the Group to support the maintenance and promotion of our customers' health. The "DHA Challenge" implemented in FY2019 was a central project in our health and productivity management efforts, with a total of over 400 employees taking our DHA products and showing improvement in neutral fat in all instances. In FY2022, the program was revamped as the "well-B Challenge" given the personalized

nature of health issues beyond neutral fat and the fact that exercise, not just food, is essential for achieving good health. We have continued to use the Company's own products in implementing our "Food × Exercise" initiative.

Through this initiative, we aim to help each and every person understand their own state of health in preparation for health checkups and boost their wellness by adhering to a well-balanced diet and good exercise habits, thereby allowing them to achieve mental, physical, and social well-being.

FY	DHA Challenge			well-B Challenge		
	2019	2020	2021	2022	2023	2024
Number of participants	100	151	193	221	295	300 (maximum capacity)

WEB Health Management

## Initiatives for fostering a corporate culture and implementing cultural reforms

In order for the Group to continue contributing to society sustainably while simultaneously realizing the well-being of our employees, it is essential for us to have an organizational culture that allows us to coexist and be integrated with the environment around us in a sustainable manner. To this end, we will encourage and promote a change of mindset among all our Officers and employees. Starting in FY2024, we will implement a cultural reform that is focused on sharing and resonating with the future that the

Group is aiming for and making the reform feel close to everyone. Specifically, we will work on workplace reforms that encourage self-transformation and self-development, as well as co-creation through food that involves many stakeholders. We will launch several open-recruitment projects that bring employees and management closer together and aim to promote activities that will allow many employees to envision, discuss, and achieve an exciting future that looks ahead to the next 100 years.



# Respect for Human Rights in Business Operations / Development of a Sustainable Supply Chain

## Message from representative

The Maruha Nichiro Group has been engaged in various initiatives aimed at promoting respect for human rights, including formulating a human rights policy in FY2019, conducting human rights and labor practices surveys of suppliers in certain fields since FY2020, and formulating the Maruha Nichiro Group Guidelines on the Employment of Foreign Technical Intern Trainees and Specified Skilled Workers in FY2022. However, we have not been able to carry out comprehensive risk identification and analysis of all risks of human rights violations along the value chain.

Therefore, in FY2023, we conducted human rights training for all Group employees in Japan and compiled the risks of human rights violations identified for each organization into a human rights risk map. Based on the results of this analysis, we will work with suppliers and other stakeholders going forward to perform human rights due diligence aimed at ensuring zero human rights violations along the value chain.



**Yusuke Sato**  
Manager of Sustainability  
Group, Corporate Planning  
Department

## Respect for human rights in business operations

### Human rights risk map and priority issues identified

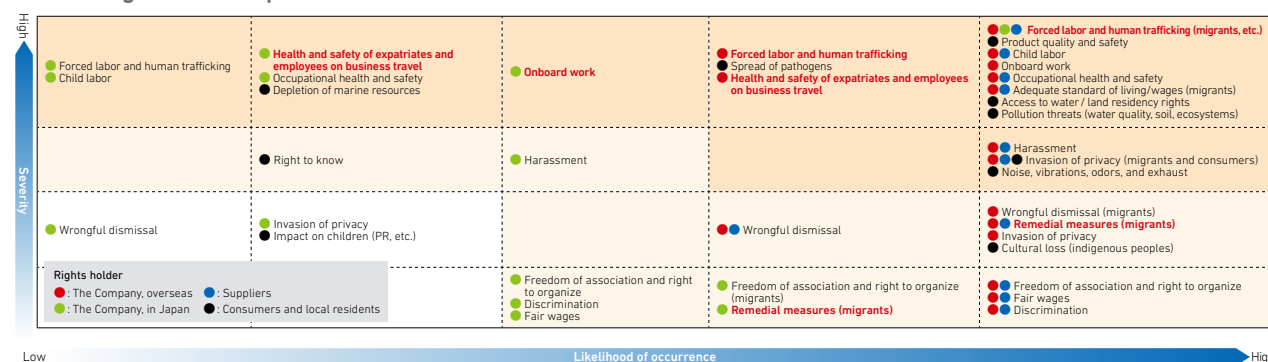
After the human rights training was conducted, each organization in the Group in Japan discussed human rights violations that could occur in the course of its business activities and identified the risks accordingly. By aggregating and analyzing these results, we then created a risk map for human rights violations in the Group and the supply chain and identified significant human rights issues. Among them, we identified seven issues that are closely related to our business and could have a particularly serious impact if they were to occur as human rights issues that we should prioritize in addressing. We then decided to ascertain the current situation surrounding these issues and work to rectify them and mitigate their negative impact. As part of our efforts, we held a dialogue with experts in June 2024

and asked for their opinions on the specific approach that we should adopt (see pp. 42-43).

#### Human rights issues that we should prioritize in addressing

- (1) Forced labor and human trafficking of migrant workers in Japan within the Group
- (2) Rights violations of fishing vessel workers in Japan within the Group
- (3) Health and safety of expatriates and business travelers within the Group
- (4) Forced labor and human trafficking of migrant workers overseas within the Group
- (5) Forced labor and human trafficking of workers overseas within the Group
- (6) Forced labor and human trafficking of workers in the supply chain (upstream)
- (7) Establishment and operation of relief mechanisms

### Human rights risk map



## Guidelines on the employment of foreign people

As an example of specific measures to address “(1) Forced labor and human trafficking of migrant workers in Japan within the Group” that we have identified as a priority issue, the Maruha Nichiro Group Guidelines on the Employment of Foreign Technical Intern Trainees and Specified Skilled Workers, which had been implemented on a trial basis in FY2023, have been put into full operation (from May 2024). These guidelines were established to ensure that the

human rights of foreign workers, who are in socially vulnerable positions, are respected in a manner that is consistent with international standards. Going forward, we will continue to review the implementation status of the guidelines at each site on a regular basis, and when problems are identified, to take the necessary action to rectify them, thereby working to create a workplace environment where foreign workers can work with peace of mind.

## Development of a sustainable supply chain

### Coverage of the supply chain management survey system

In FY2022, we introduced the Maruha Nichiro Supplier Survey System and conducted a survey of 1,000 companies (50.1%) registered in the system regarding their compliance with the Company’s supplier guidelines. In FY2023, we focused on raising the registration rate for the system, but it remained at 64.0%. In FY2024, we will aim to achieve 100% coverage of food suppliers, conduct surveys of suppliers that were not surveyed in

FY2022, and begin analyzing issues and requesting suppliers for whom issues were identified to rectify them. For suppliers in areas assessed as high-risk and for certified plants that manufacture our branded products, we will also conduct labor practices surveys as part of our human rights due diligence protocol.

### KPI progress chart

KPI	FY2022	FY2023
System coverage in 2024 (MN)	1,000 companies/1,996 companies (50.1%)	1,399 companies/2,186 companies (64.0%)
100% rate of agreement with supplier guidelines and rate of improvement in key items in 2030 (Overall G)	—	—
Rate of agreement with supplier guidelines in 2030 (MN)	927 companies/1,996 companies (46.4%)	929 companies/2,186 companies (42.5%)
Rate of improvement in key items of the supplier guidelines in 2030 (MN)	—	—
Rate of agreement with supplier guidelines in 2030 (Overall G)	—	—
Rate of improvement in key items of the supplier guidelines in 2030 (Overall G)	—	—

## Efforts to eliminate IUU fishing

IUU fishing refers to illegal, unreported, and unregulated fishing. In addition to investigating compliance by managers and fishery operators of the marine products we handle through our marine resources surveys, we revised our supplier guidelines in FY2022 to request affirmation that the marine products we procure are not linked to IUU fishing. Besides conducting periodic surveys on compliance with our guidelines, we will also adopt measures such as reviewing the appropriateness of the status quo through catch certificates, etc., in the event of incidents that raise particular risk-related concerns. From September 2024, we will also start implementing a procurement policy tailored to marine products to strengthen our efforts to eliminate IUU fishing.

### The Maruha Nichiro Group Marine Products Procurement Policy

- (1) The Maruha Nichiro Group aims to procure marine products while taking into account sustainability based on the Maruha Nichiro Group Basic Procurement Policy.
- (2) We will establish traceability for the marine products we procure, including information on catch/harvest timings, areas, fishing vessels, etc.
- (3) We will procure marine products that are caught/harvested in accordance with the laws and regulations of each country and regional fisheries management organizations (RFMOs) and which have been reported appropriately to ensure that no IUU fishing is involved.
- (4) We will ensure that we are not involved in human rights violations such as forced labor or child labor in the supply chain through which we procure marine products.
- (5) We will actively promote the handling of marine products produced by sustainable fisheries and aquaculture that have acquired international certification (MSC certification, ASC certification, etc.).
- (6) We will regularly report on our goals and the progress of our initiatives regarding the procurement of marine products in compliance with this procurement policy.





The Maruha Nichiro Group has included "Respect for human rights in business operations" in its materiality that it reviewed in 2022. We have exchanged opinions with external experts with specialized knowledge on issues such as labor practices and human rights violations that may occur in the Group and in the marine products industry in the course of conducting our business.

WEB Feature: Building a Supply Chain That Leaves No One Behind



### Background and recognition of issues that led to the identification of significant human rights issues

**Adachi:** In 2015, it was reported that our Group company in Thailand was using shrimps peeled by slave labor. In the end, it turned out that the report was mistaken and that the Group was not involved. However, criticism of Thai marine products intensified among Western countries and had a considerable impact on the Group, which was our first direct experience of human rights risks in business. Since then, we have adopted targeted measures such as formulating a human rights policy, conducting questionnaire surveys of suppliers, and establishing guidelines on the employment of technical intern trainees, etc. However, we have come to the conclusion that it is essential that we once again identify risks in a comprehensive manner, elucidate what we need to prioritize in addressing, and take action, and we have thus identified the risks inherent in our business as well as existing issues.

### Human rights issues faced by migrant workers in Japan

**Ibusuki:** With regard to technical intern trainees, there are many cases where their basic wage is set at just above the minimum wage, to which an unreasonably

high deduction is applied, resulting in a take-home pay of 30 to 40 thousand yen. In many cases, they arrive in Japan after taking loans and paying a large amount of money in pre-departure expenses and referral fees to the sending organization, which makes this a form of bonded labor, and they cannot complain or quit regardless of what happens. Generally, the inability of intern trainees to change workplaces is the reason why this system has been internationally regarded as slave labor or forced labor.

### Challenges faced by companies employing intern trainees

**Ibusuki:** For companies, the cost of accepting intern trainees is a heavy burden. In addition to an initial outlay of 500 thousand to 1 million yen per intern trainee and 30 to 40 thousand yen per month in upkeep costs, companies also pay for the renewal of residence status, trade skill tests, etc. While it is understandable that companies would not want trainees to be transferred elsewhere, the institutionalization of a transfer ban gives rise to the problem of trainees being unable to quit even if they encounter problems at the workplace. It has been said that around half of companies accepting technical intern trainees are companies with 10 or fewer employees, and there have been many cases of lack of proper labor management in the fisheries industry,

as well as industrial accidents at plant sites where major accidents occur shortly after employees join the company.

In the event of a human rights violation, all parties involved should work together to find a solution that does not seriously damage the company's image while restoring the rights of the intern trainee whose rights have been violated. I believe that a company that makes every effort to take action to remedy problems in the supply chain is one that fulfills its corporate social responsibility, which would allow the company to foster a positive corporate image.

**Kokaji:** After conducting a questionnaire survey of business sites and on-site inspections, we have begun to implement the guidelines on the employment of foreign people such as technical intern trainees from this year onward. We would like to improve the system while reviewing the implementation status of the guidelines at each business site. It is imperative that each business site is able to operate autonomously based on the situation on the ground, so we will also focus on putting in place an education system that includes training. With regard to the issue of debt, our biggest challenge is to address the principle of employer payment. We would like to search for local NGOs and establish relationships with co-creation partners while seeking advice from supervising organizations and experts. We will also consider joining NGOs and other organizations that support victims in seeking redress, as relief mechanisms without multilingual points of contact remain an urgent issue.

### Issues facing Japanese companies, the disparity between Japanese and international standards, and forced labor in the fisheries and food industries

**Tanaka:** Given the structural challenges of society and the need to pursue profits, it is easy to lose sight of the purpose of performing human rights due diligence. I believe that workers will follow suit if there is a positive vision of not only addressing issues with a negative impact on human rights but also creating attractive workplaces throughout the value chain, which would attract a large number of workers and make Maruha Nichiro's entire commercial distribution more sustainable. Guidelines are often used to ensure that there are no problems but may not always be able to detect and rectify issues such as forced labor in practice. I believe the starting point for dialogue with society is to listen to feedback from workers, understand their needs, and disclose any progress that has been made with regard to initiatives.

**Adachi:** I realized that it is important to have a step-by-step approach to achieve happiness for people along the supply chain, and to understand the current situation. We need to consider how exactly we should work on frameworks and auditing methods that ensure that relief mechanisms extend to every single foreign worker.

**Tanaka:** It is important to look at the facts from the standpoint of each individual worker. It would be useful to focus on areas that would pose a risk to the reputation of the entire fisheries industry if identified, such as IUU fishing hot spots on the high seas beyond the reach of flag state governance, while seeking the cooperation of NGOs and other organizations that conduct third-party audits.

In establishing relief mechanisms, it is vital to have effective tools that are accessible to workers on board vessels or at plants whenever such tools are required, as well as an environment where they are encouraged to speak up and ask for help. Improving transparency along the supply chain can be a challenging task, but the important thing is to make every effort to get as close as possible to sites with risks in order to detect human rights risks, and that management is able to analyze and communicate the relevant facts to the outside world even if there are structural challenges standing in the way.

### Expectations for Maruha Nichiro

**Tanaka:** I believe Maruha Nichiro is a leader in the industry and that it would be good to promote the identification of problems and the establishment of points of contact for seeking redress on the industry level.

Once you make sure that there is no forced labor within the Company, raise awareness accordingly, and encourage employees to take action, your employees on the front lines will share information regarding these efforts with your business partners. When business partners are able to take the initiative in performing human rights due diligence, this practice will start to gain traction among their own business partners as well. While business partners are the targets of audits, they are also capable of gaining awareness of and actively promoting human rights due diligence on their own. It would be wonderful if Maruha Nichiro could have both its employees and business partners play equal roles and make the most of their respective capabilities.

**Ibusuki:** I think one of the challenges facing the fisheries industry is that it is prone to problems and is subject to intense media scrutiny. That is why I believe that Maruha Nichiro's sincere efforts as a leader in the industry will transform the industry and have an impact on other industries.

**Adachi:** Guidelines tend to focus on what a company can do, but I think it is imperative that we focus on workers who are performing the work. Thank you very much.

**Kokaji:** A company like ours exists amid relationships with people, with human rights serving as its very basis. I am once again reminded of the importance of putting ourselves in other people's shoes and exercising our imagination in the course of our activities.

Thank you very much for your valuable feedback today.



# Action against Climate Change

## Message from representative

We launched the CO<sub>2</sub> emissions reduction project in FY2023, and by making it an activity involving a variety of tasks in categories across different fields ranging from food manufacturing to aquaculture and cold storage, we have been working on the project with greater speed and urgency with the aim of achieving a 30% reduction in CO<sub>2</sub> emissions by FY2030. While there is generally a trade-off between cost and CO<sub>2</sub> emissions, it is of paramount importance to overcome these challenges and continue to provide high-quality products while expanding our economic activities and minimizing our impact on the environment.

Specific initiatives that we have undertaken include improving energy efficiency, introducing the use of renewable energy through the installation of on-site/off-site solar panels, etc., and fulfilling our role as a leader of the industry through innovation.



**Hiroshi Soeda**  
CO<sub>2</sub> Emissions Reduction Project  
Leader, General Manager  
of Production Management  
Department

## CO<sub>2</sub> emissions reduction project

As part of our action against climate change, we have set CO<sub>2</sub> emissions reduction as a KPI and have been working to achieve our targets. In order to expedite our efforts and increase their reach, we launched the CO<sub>2</sub> emissions reduction project in FY2023. A Managing Executive Officer and the General Manager of the Production

Management Department serve as the project owner and project leader, respectively, and going forward, we will continue to implement concrete initiatives such as reviewing targets for each site and methods to reduce CO<sub>2</sub> emissions.

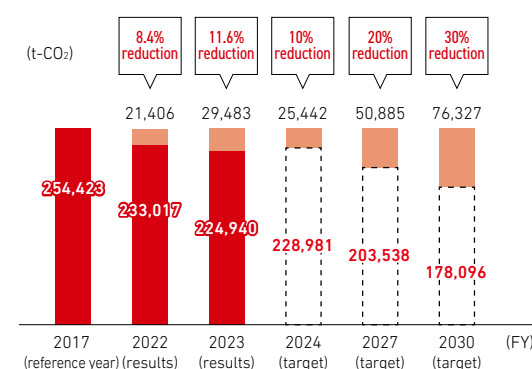
## Progress in reducing CO<sub>2</sub> emissions in accordance with the CO<sub>2</sub> emissions reduction roadmap

The CO<sub>2</sub> emissions reduction roadmap formulated in September 2022 is divided into three phases leading up to FY2030, with FY2017 as the reference year: in Phase 1 (FY2022-2024), we aim to achieve a CO<sub>2</sub> reduction rate of 10%, in Phase 2 (FY2025-2027) a CO<sub>2</sub> reduction rate of 20%, and in Phase 3 (FY2028-2030) a CO<sub>2</sub> reduction rate of 30% or more, with the ultimate goal of achieving carbon neutrality.

In FY2023, which corresponds to Phase 1, solar

panels were installed at four business sites of Maruha Nichiro Corporation, including the Shin-Ishinomaki Plant, which is expected to generate a total of 1.73 million kWh of electricity and reduce approximately 920 tons of CO<sub>2</sub> emissions per year. Going forward, we will also consider adopting other concrete measures such as the installation of off-site solar panels, in addition to on-site solar panels.

## Changes in CO<sub>2</sub> emissions reduction



Shin-Ishinomaki Plant



Sun Gourmet Corporation



Maruha Nichiro Aquaculture  
Technology Development Center



Maruha Nichiro Kyushu

WEB Climate Change



## Achieving carbon neutrality

### Calculation of carbon footprint of frozen foods

In August 2023, the Company was selected as one of the participating companies in the FY2023 Model Project for the Carbon Footprint ("CFP") of Products and Services, organized by the Ministry of the Environment. We selected our core product "Ocean Blue White Fish & Tartar Sauce" as the product subject to CFP calculations for this model project, and we calculated the product's CFP throughout its life cycle, from the procurement of raw materials to product use and disposal. A feature of this product is the use of environmentally friendly MSC-certified Alaska pollock sourced from Alaska as an ingredient. The CFP calculated using Alaska pollock sourced

from Alaska was only 0.93 kg-CO<sub>2</sub>eq, which is approximately 17% lower than the CFP calculated using regular Alaska pollock. Going forward, we will continue to work on calculating CFP for our other core products and actively offer food prepared from environmentally friendly raw materials as part of our efforts to reduce greenhouse gas emissions.



Ocean Blue White Fish & Tartar Sauce

### Scope 3 calculations and third-party verification

With regard to CO<sub>2</sub> emissions data, in addition to Scope 1 emissions (direct emissions from fuel combustion, etc.) and Scope 2 emissions (indirect emissions from electricity, etc.), which we have calculated and disclosed hitherto, we have also calculated and disclosed Scope 3 emissions (emissions from other companies related to our activities, excluding Scope 1 and 2 emissions). In

addition, to ensure the reliability of the disclosed data, we have undergone third-party verification of our CO<sub>2</sub> emissions data (Scopes 1 to 3) by a verification organization. We will continue to undergo third-party verification on a regular basis and consider undergoing similar third-party verification of other disclosed data besides CO<sub>2</sub> emissions data (Scopes 1 to 3).

## Maruha Nichiro receives an A- rating in the "CDP Climate Change Report 2023"

The Company responded to the "CDP Climate Change 2023 Questionnaire" issued by the Carbon Disclosure Project (CDP; headquartered in London, UK), a non-profit organization that operates the world's leading environmental information disclosure platform, and received an A- rating. The CDP Climate Change Report is based on a survey conducted by CDP of more than 23,000 companies around the world, which are rated on a scale of A to D- based on how effectively they address climate change-

related issues and disclose relevant information. By disclosing information through CDP, we will continue to respond to requests for greater transparency from financial institutions, customers, and other stakeholders.



## Promoting CFC-free refrigeration equipment

The Maruha Nichiro Group is promoting the transition to CFC-free refrigeration equipment.

Since FY2012, the directly managed plants of Maruha Nichiro Corporation have been gradually transitioning their key refrigeration equipment to CFC-free equipment, with 100% of all key refrigeration equipment to be introduced going forward being equipment that uses natural refrigerants.

Marine Access Corporation introduced non-

CFC equipment cooled by high-efficiency natural refrigerant chillers designed for cold storage in FY2022. This project was selected and granted subsidies by the Ministry of the Environment as a project for accelerating the introduction of energy-saving natural refrigerant equipment for the early realization of a CFC-free, low-carbon society. In FY2023, we reduced annual CO<sub>2</sub> emissions by 3,650 tons.

## TCFD Initiatives

In July 2021, Maruha Nichiro Corporation announced its support for the TCFD recommendations and joined the TCFD Consortium. We are currently conducting scenario analysis for our various units, namely, the Fishery Business Unit, Aquaculture Business Unit, Marine Products Trading Unit, Overseas Business Unit, Processed Foods Business Unit, and Foodstuff Distribution Business Unit.\*

\*Unit names as of 2023

### Assessment of the impact on wild marine resources based on the scenarios of a 1.5°C and 4°C temperature rise

Changes in fish species and fishing grounds resulting from a rise in seawater temperatures will have an impact on marine resources businesses and are expected to have a significant impact on many of the business units in the Group. With regard to the wild capture marine products handled by the Group in 2021<sup>1</sup>, we have estimated the changes in such products based on the forecast scenarios for fishery and aquaculture production in 2050<sup>2</sup> published by the Food and Agriculture Organization (FAO), and projected that there would be an increase in almost all areas excluding Asia in the 1.5°C scenario but that there would be a decrease in almost all areas around the world in the 4°C scenario. A decline is projected in Asia, especially in view of Japan's already declining fishery production forecasts.

### Measures to address impact on wild marine resources

Mitigating the impact on wild marine resources requires us to respond to changes in the marine environment. The Maruha Nichiro Group has examined the opportunities and risks surrounding wild marine resources as a result of rising temperatures as shown in the table below, and in

	Wild marine resources (2050)		
	2021 survey (Thousands of metric tons)	1.5°C scenario	4°C scenario
Asia	479	↘	↘↘
Americas	470	↗↗	↘
Europe	223	↗	↘
Oceania	68	↗↗	↘
Other	122	→	→
Total	1,362	↗	↘

↗or ↘: 10% to 20% increase/decrease

↗↗or ↘↘: 20% or more increase/decrease

\*1 The 2021 survey is based on the results of the Group's second marine resources survey

\*2 The State of World Fisheries and Aquaculture

addition to the measures that have been adopted thus far, we will proactively consider measures to cope with changes in fish species and fishing grounds as well as the higher procurement costs of marine products as a result of rising seawater temperatures.

Risk and opportunity factors	Business impact	Future measures
Changes in the marine environment	● Decline in catch and sales due to changes in fish species and fishing grounds	<ul style="list-style-type: none"> <li>Proactive activities and information gathering by SeaBOS Task Forces</li> <li>Secure access to fishing rights in the northern market [Overseas Business Unit]</li> <li>Collaborate with partners that possess fishing rights [Overseas Business Unit]</li> <li>Reduce the risk of marine pollution (e.g., optimize the amount of feed through the introduction of AI-tracking fish counting machines, etc.) [Aquaculture Business Unit]</li> <li>Increase artificial propagation (egg-to-harvest aquaculture of bluefin tuna, hatching of yellowtail and amberjack, etc.) to supplement and replace natural propagation [Aquaculture Business Unit]</li> <li>Strengthen R&amp;D system for propagation technologies [Aquaculture Business Unit]</li> <li>Establish cell culture technologies for fish (joint research with IntegriCulture Inc.)</li> <li>Develop technologies for the commercial production of alternative protein sources, cultured fish meat, and the implementation of food processing</li> </ul>
	● Higher sales from promptly responding to changes in fishing grounds	
	● Expansion of alternative protein raw materials due to changes in fish species	
	● Higher procurement costs of marine products as a result of rising seawater temperatures	<ul style="list-style-type: none"> <li>Change suppliers promptly [Marine Products Trading Unit] [Processed Foods Business Unit]</li> <li>Explore alternative raw materials (change of fish species)</li> <li>R&amp;D of fish and aquaculture methods that are resilient to typhoons, red tides, and other external factors [Aquaculture Business Unit]</li> <li>Develop formula feed (stabilize feed costs and quality, design and pass on optimal nutrients for cultivation) [Aquaculture Business Unit]</li> <li>Proactive use of fish meal [Aquaculture Business Unit]</li> </ul>

●: Risk ●: Opportunity

WEB Information disclosure based on the TCFD framework

## Creation of Environmental Value

# Action for Preserving Biodiversity and Ecosystems

### Message from representative

Preserving our biodiversity and ecosystems is the most important social and environmental issue for the Group, which has been supported by gifts of nature, especially marine products that are caught and cultivated around the world. In order to achieve our ideal state in 2030 of confirming that there is no risk of resource depletion in the fish stocks we handle, we have started to not only confirm the resource status of wild capture marine products through marine resources surveys but also implement certification-level management for aquaculture farms and conduct analyses based on the TNFD framework from FY2023 onward. We believe that the implementation of certification-level management for aquaculture farms will allow for aquaculture operations that take into account preservation of the environment and biodiversity, even for aquaculture farms for fish species without certification standards such as tuna. We also believe that analyzing our dependencies and impacts based on the TNFD framework will allow us to detect risks and opportunities that may otherwise elude us.

There is still a lot that the Group intends to do. We will continue to implement our current initiatives so that we can achieve our ideal state in 2030.



**Yusuke Sato**  
Manager of Sustainability Group,  
and Manager of Sustainable  
Marine Resources Office,  
Corporate Planning Department

### Implementation of certification-level management for aquaculture farms

In order to put the materiality of "action for preserving biodiversity and ecosystems" into practice for the Group's aquaculture business, we conducted a gap survey that uses the ASC yellowtail/cobia standards as its benchmark at the business sites of Maruha Nichiro Marine Kumano and Maruha Nichiro AQUA Sakurajima in FY2022. We formulated our proprietary voluntary management standards in FY2023 based on the survey results and conducted audits at four fishing grounds to ensure compliance with the standards and to identify issues. We plan to conduct audits at the remaining nine fishing grounds in FY2024 and complete audits of all the

fishing grounds in our Aquaculture Business Unit. We will continue to make improvements based on the results of these audits in order to practice sustainable aquaculture with a reduced impact on the environment.



Checking the feed

### Improving on the second marine resources survey

The first step to utilizing marine resources sustainably across future generations is to determine the state of management of marine resources. Of the approximately 1.7 million tons of marine products handled by the Company, we have not been able to determine the state of management for 310,000 tons, and we have shared this issue throughout the Company in order to make tackling it our top priority. We are currently in dialogue with each supplier as part of preparations for our third survey scheduled to take place in FY2025. In addition, since the comprehensiveness of marine resources databases

is also an important issue, we will work with relevant organizations such as SFP\* to enhance the databases. The Sustainable Marine Resources Office was newly established in FY2024 to take charge of operations aimed at addressing these issues.

\* Sustainable Fisheries Partnership, a U.S. non-profit organization that manages FishSource, an international marine resources database developed based on information on marine resources from fisheries organizations in various countries

WEB Action for preserving biodiversity and ecosystems

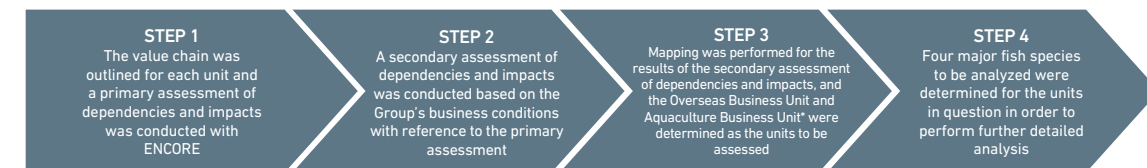


# TNFD Initiatives

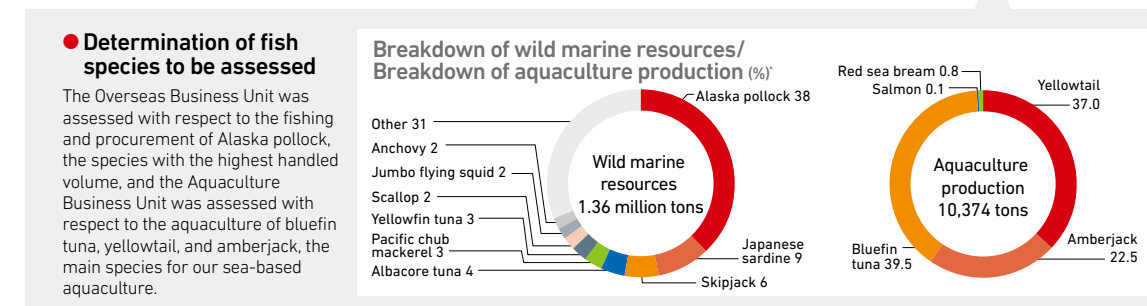
The Maruha Nichiro Group's businesses are highly dependent on a variety of ecosystem services. However, biodiversity has deteriorated rapidly in recent years as a result of economic activities, which we recognize to be an important social issue. We have thus conducted an assessment of the dependencies and impacts on biodiversity in our Alaska pollock fishing/procurement and aquaculture business based on the TNFD framework.

## Steps to determine fish species to be assessed

In order to conduct a detailed assessment of dependencies and impacts on biodiversity, we determined the fish species to be assessed with the following steps.



\*Unit names as of FY2023



\*Breakdown of wild marine resources and breakdown of aquaculture production based on the second marine resources survey (conducted in FY2022)

## Identification of priority locations ("Locate" under the LEAP approach)

### ● Alaska pollock fishing/procurement

After reviewing the overlap between the main fishing areas for Alaska pollock (Alaska, Western Kamchatka) and ecologically or



Main fishing areas for Alaska pollock

biologically significant marine areas (EBSAs) as well as protected waters, we confirmed that there is partial or significant overlap, or that the fishing areas are likely in the surrounding waters of EBSAs and protected waters. Based on the above, we have identified all the main fishing areas as priority locations.

### ● Aquaculture of bluefin tuna, amberjack, and yellowtail

We confirmed that 11 of the 13 Maruha Nichiro Group aquaculture farms in Japan fall within waters of high biodiversity importance designated by the Ministry of the Environment, and furthermore, all of the aquaculture farms are located within Marine Protected Areas (MPAs). Based on the above, we have identified all the aquaculture farms as priority locations.



The Group's aquaculture farms in Japan

## Determination of dependencies and impacts ("Evaluate" under the LEAP approach)

Besides information on dependencies and impacts that we studied using ENCORE during the identification of priority locations to be assessed, we also studied materials such

as papers and reports. As a result, we have identified significant dependencies and impacts that could lead to risks and opportunities for our business as shown in the table below.

### ● Alaska pollock fishing/procurement

Significant impacts for Maruha Nichiro Group's Alaska pollock fishing/procurement			
Target of impact	(Reference) Scale of impact based on ENCORE assessment	Reasons for determining impact as significant	Maruha Nichiro Group's efforts to address impact
Marine ecosystem habitats	Very high	As assessed with ENCORE, fisheries may have a significant negative impact on marine ecosystem habitats depending on their scale of operations, fishing gear, fishing methods, etc.	<ul style="list-style-type: none"> <li>Operations that adhere to Alaska's stringent fishing regulations (e.g., restrictions on fishing areas, catch quotas, timing, fishing gear, fishing methods, etc.)</li> <li>Procurement of marine products sourced from MSC-certified fisheries (Alaska, Western Kamchatka)</li> </ul>
Wild fish stocks	High	As assessed with ENCORE, overfishing and bycatch may have a significant impact on the status of wild fish stocks and marine ecosystems.	<ul style="list-style-type: none"> <li>Confirmation of the resource status of marine products handled through marine resources surveys</li> <li>Operations that adhere to Alaska's stringent fishing regulations (e.g., restrictions on fishing areas, catch quotas, timing, fishing gear, fishing methods, etc.)</li> <li>Procurement of marine products sourced from MSC-certified fisheries (Alaska, Western Kamchatka)</li> </ul>

Significant dependencies for Maruha Nichiro Group's Alaska pollock fishing/procurement			
Target of dependency	(Reference) Scale of dependency based on ENCORE assessment	Reasons for determining dependency as significant	Maruha Nichiro Group's efforts to address dependency
Spawning grounds, nursery grounds, and habitats	Very high	As assessed with ENCORE, spawning grounds, nursery grounds, and habitats have a very strong relationship to the reproduction of individuals of a particular species, and the stock of Alaska pollock is highly dependent on these locations.	<ul style="list-style-type: none"> <li>Action against climate change</li> <li>Initiatives of SeaBOS Task Force IV</li> <li>Procurement of marine products sourced from MSC-certified fisheries (Alaska, Western Kamchatka)</li> </ul>
Water quality	Very high	As assessed with ENCORE, ecosystem services that maintain the chemical state of seawater have a significant impact on the spawning, growth, and habitation of marine organisms, and the stock of Alaska pollock is highly dependent on these services.	

\*Only representative significant impacts/dependencies are listed

### ● Aquaculture of bluefin tuna, amberjack, and yellowtail

Significant impacts for Maruha Nichiro Group's aquaculture			
Target of impact	(Reference) Scale of impact based on ENCORE assessment	Reasons for determining impact as significant	Maruha Nichiro Group's efforts to address impact
Marine ecosystems	High	As assessed with ENCORE, farmed fish primarily feed on wild fish, and fisheries may have a significant negative impact on marine ecosystem habitats depending on their scale of operations, fishing gear, fishing methods, etc.	<ul style="list-style-type: none"> <li>Implementation of marine resources surveys</li> <li>Establishment of voluntary management standards for aquaculture farms</li> <li>Acquisition of ASC certification for yellowtail and amberjack</li> </ul>
Seabed soil/ seawater quality	High	As assessed with ENCORE, contamination of seabed soil and seawater quality by antibiotics and discharged plastics, etc., and an increase in biochemical oxygen demand (BOD) due to the cultivation of farmed fish are impacts that require attention in sea-based aquaculture, which is in direct contact with marine ecosystems.	<ul style="list-style-type: none"> <li>Establishment of voluntary management standards for aquaculture farms</li> <li>Acquisition of ASC certification for yellowtail and amberjack</li> <li>Initiatives of SeaBOS Task Force III</li> <li>Initiatives of industry, government, and academia to reduce the use of antibiotics</li> <li>Action against marine pollution by marine plastics</li> </ul>
Marine ecosystems	High	Although this has not been assessed with ENCORE, drug-resistant bacteria that do not respond to antibiotics may cause die-offs of farmed fish and pose health risks to humans.	<ul style="list-style-type: none"> <li>Establishment of voluntary management standards for aquaculture farms</li> <li>Acquisition of ASC certification for yellowtail and amberjack</li> <li>Initiatives that take animal welfare into account</li> </ul>

Significant dependencies for Maruha Nichiro Group's aquaculture			
Target of dependency	(Reference) Scale of dependency based on ENCORE assessment	Reasons for determining dependency as significant	Maruha Nichiro Group's efforts to address dependency
Biological raw materials	Very high	As assessed with ENCORE, biological raw materials such as wild fish, etc., are indispensable as feed for farmed fish.	<ul style="list-style-type: none"> <li>Implementation of marine resources surveys</li> <li>Establishment of voluntary management standards for aquaculture farms</li> <li>Acquisition of ASC certification for yellowtail and amberjack</li> </ul>
Water quality (seawater)	Very high	As assessed with ENCORE, the deterioration of seawater quality, including the occurrence of red tides and an increase in biochemical oxygen demand (BOD), has a significant impact on aquaculture productivity.	<ul style="list-style-type: none"> <li>Establishment of voluntary management standards for aquaculture farms</li> <li>Acquisition of ASC certification for yellowtail and amberjack</li> <li>Initiatives that take animal welfare into account</li> </ul>
Water flow (seawater)	Very high	As assessed with ENCORE, seawater quality, which has a significant impact on aquaculture productivity, is in turn significantly impacted by seawater flow.	<ul style="list-style-type: none"> <li>Introduction of large floating copper-alloy marine cages that take into account the cultivation environment of farmed fish</li> </ul>

## Future plans

Going forward, we will analyze the kinds of risks and opportunities that exist ("Assess" under the LEAP approach) and consider measures in response to the risks and opportunities identified ("Prepare" under the LEAP approach) based on the results of

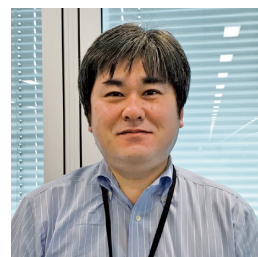
the current analysis, and ensure the timely disclosure of relevant information, with the goal of achieving our KGI (ideal state in 2030) of "confirming that there is no risk of resource depletion in the fish stocks we handle."

# Contributing to a Recycling-oriented Society

## Message from representative

The plastic use reduction project aims to reduce the amount of plastic used in the containers and packaging materials of various products by 30% by FY2030, in order to realize a recycling-oriented society, which is one of the materiality areas for the creation of environmental value. Our efforts to date have been effective in reducing plastic use in a wide range of products, including frozen foods, non-frozen and chilled foods, and marine products. In addition to reducing plastic use through thinner and smaller trays and packaging materials, there are also cases of using bioplastic trays for core commercial-use frozen food products such as "Gomoku Ankake Yakisoba" and "Shrimp and Cheese Gratin." These efforts will contribute to the achievement of our targets, one product at a time.

We will continue to promote this project with the aim of having each business take ownership of the project and having all employees work toward the realization of a sustainable society.

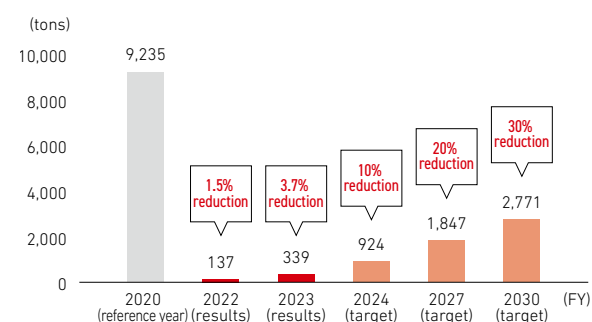


**Kazunori Tani**  
Plastic Use Reduction Project  
Leader, General Manager  
of Product Development  
Department

## Plastic use reduction initiatives

The amount of plastic used in containers and packaging in FY2020, the reference year, was approximately 9,235 tons. In FY2024, the target year of the current Medium-term Management Plan, we have aimed to achieve a 10% reduction compared to FY2020. Results through FY2023 were below our targets at around a 3.7% reduction, but we made efforts in FY2023 to share information among different business departments by launching an internal information-sharing website and holding various study sessions. We were thus able to collate more information by strengthening the horizontal connections between different business departments. We will continue to strengthen our efforts to reduce plastic used in containers and packaging throughout the Company.

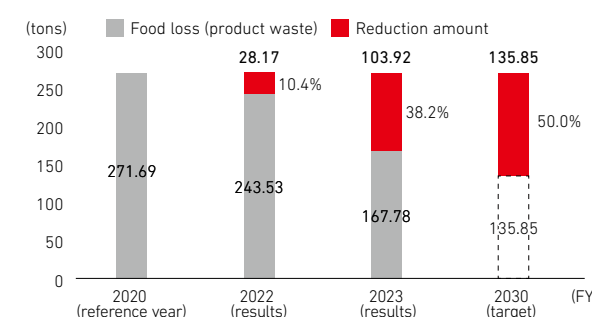
### Results for plastic use reduction



## Food loss reduction initiatives

The amount of food loss in FY2020, the reference year, was 271.69 tons. In FY2024, the target year of the current Medium-term Management Plan, we have aimed to achieve a 20% reduction compared to FY2020. We successfully reduced food loss by 38.2% in FY2023 compared to FY2020 by implementing various measures such as promoting pallet transportation and the modularization of carton cases, establishing exterior damage standards for commercial-use frozen foods, and expanding the range of products eligible for donation to food banks, etc. With the cooperation of relevant departments and Group companies, we were able to achieve our FY2024 target one year ahead of schedule. We will further promote various measures with the aim of achieving our 50% reduction target for FY2030 as compared to FY2020.

### Results for food loss reduction



WEB Recycling



Bad example of carton module

Good example of carton module

## Donation to food banks

Although we have been donating to food banks since 2009, our efforts surrounding frozen foods, which account for a large percentage of the Company's food loss, had been hindered by delivery costs and storage issues encountered by recipients. Therefore, we developed a sustainable and efficient donation scheme in collaboration with Food Bank Kanagawa and a logistics company that stores our frozen foods. Under this scheme, items eligible for donation generated within the Company are stored in the logistics company's storage warehouse before they are transported by Food

Bank Kanagawa's refrigerated trucks and stored in reefer containers. They are then handed over to non-profit organizations such as Kodomo Shokudo (children's cafeterias) and government agencies, which deliver the items to those in need on a regular basis. Donations in FY2022, when this scheme was launched, amounted to 16.87 tons, and this figure grew to 37.24 tons in FY2023, when the scope of products eligible for donation was expanded. We will continue to donate to food banks and provide food to those in need.

## Topics Maruha Nichiro receives the Commissioner of the Consumer Affairs Agency Award at the FY2023 Food Loss and Waste Reduction Promotion Awards

Maruha Nichiro received the Commissioner of the Consumer Affairs Agency Award at the FY2023 Food Loss Reduction Promotion Awards presented by the Consumer Affairs Agency and the Ministry of the Environment. The award was presented to Maruha Nichiro in recognition of the ripple effect on other companies and future potential resulting from its efforts as a major industry player to establish a sustainable frozen foods donation scheme through a three-way collaboration between a food manufacturer, a logistics company, and a food bank, as well as the progressive nature of frozen foods donation.

In response to receiving this award, the Company will print some of the winning entries of the FY2023 "Aim for Zero Food Loss" senryu contest on its product packaging for a limited time with the aim of contributing to greater awareness of food loss reduction.



Award ceremony for the Food Loss and Waste Reduction Promotion Awards



Broccoli (printed with senryu on zero food loss)



Ready-to-eat fish sausage (printed with senryu on zero food loss)



# Action against Marine Pollution by Marine Plastics

## Message from representative

"Action against marine pollution by marine plastics" is a materiality distinctive to the Group. This social issue garnered significant interest in the employee survey that was conducted during the materiality review process of the Medium-term Management Plan. Furthermore, as the Group is deeply involved with the ocean, we have set KPIs and are addressing this issue as an independent materiality, separate from reducing plastic use under "contributing to a recycling-oriented society."

The cleanup activity named "Make Sea Happy!" had strong employee interest since its inception and has developed into a group-wide activity. It is held over 60 times throughout Japan with more than 1,400 participants. It is increasingly co-organized with business partners and local governments in areas where we have business operations, and we expect that the Group's activities will continue to expand across society.

As part of our efforts to prevent the discharge of marine plastics, we are also advancing measures for managing fishing gear. In addition to trial use of recycled nets by the Group's fishing companies, we established fishing gear management guidelines and are implementing them within the Group, with the eventual goal of applying them throughout the supply chain.



**Yusuke Sato**  
Manager of Sustainability Group,  
Corporate Planning Department

## About the "Make Sea Happy!" cleanup activity

As part of our action against marine pollution by marine plastics, we aim to increase the percentage of employee participation in cleanup activities to 10% by FY2024 and to 30% by FY2030. In FY2023, Make Sea Happy! activities were held nationwide, from Hokkaido to Okinawa. The percentage of employee participation in cleanup activities in

FY2023 was 23.4%, achieving the FY2024 target a year ahead of schedule.



Group photo of the Head Office participants

## About fishing gear management

We are currently drafting fishing gear management guidelines and aim to begin implementing them across the Group in FY2024. The form for reporting

lost fishing gear has been utilized by TAIYO A&F CO., LTD. since last year, and its use by the entire Group will be considered going forward.

## Topics Expanding the "Fishing Net to Fishing Net Recycling" initiative by utilizing discarded fishing nets

Toray Industries, Inc., NITTO SEIMO CO., LTD., and TAIYO A&F CO., LTD., a Group company of Maruha Nichiro Corporation, have continued the program launched in November 2022 to contribute to a recycling-oriented society and help resolve the issue of marine plastics by recycling materials from used fishing nets into new nets. In November 2023, the companies broadened the program to additionally recover materials from nylon fishing nets. TAIYO A&F plans to conduct a trial operation with offshore purse seine fishery, employing fishing nets that use raw yarn recycled from discarded fishing nets. This will be the first time in the industry that recycled fishing nets once used in operations are used in actual fisheries.



## Column

# Employee-centered Cultural Reform

## Starting cultural reform now

As we mark our 144th anniversary, we have begun embarking on cultural reform now, looking ahead to the next 100 years and beyond. In recent years, numerous projects focused on work style reform and inhouse innovative activities have been carried out actively. This has been cultivating a company culture that continuously evolves toward consumer-oriented management.

To remain a company that continues to contribute to society and be chosen by many stakeholders, it is essential to foster creative and autonomous human resources. We view our human resources as "capital." To unleash their value to the fullest, we will realize "employee-centered" cultural reform.

## President & CEO's town hall meetings

The President & CEO visits all Company sites and engages in direct dialogue with employees in order to communicate the significance and concept of cultural reform to all employees and to encourage each of them to challenge themselves, co-create, and take actions for self-development. Time is spent sharing various ideas between top management and employees.



President & CEO's town hall meeting

## Head Office: A place for self-transformation and self-development

We have decided to relocate our Head Office to TAKANAWA GATEWAY CITY in February 2026. Being developed by JR East, this "city that continuously inspires the birth of new business and culture" will enable employees to fully express themselves and their abilities and challenge themselves while finding meaning in their work. We are striving to create an employee-centered office, a "place that encourages self-transformation and self-development and where work becomes more enjoyable than ever" and a "place that generates many opportunities for co-creation."



Image: JR East

## A new initiative at TAKANAWA GATEWAY CITY

The Company, which has joined a partnership between JR East and the University of Tokyo (UTokyo) aimed at improving the health of the planet, will be advancing "Planetary Health Diet," a concept of people and planet-friendly food. Planetary health includes analysis of the impact of economic activities on people's health, living things, and both urban and natural environments, with the intention of creating a way of living that maintains a balance between people, urban environments, and the planet.

The food of the future created by combining Maruha Nichiro's resources and processing

and distribution network as well as UTokyo's diverse and leading-edge expertise will be further improved using JR East's extensive customer network, including TAKANAWA GATEWAY CITY, an experimental site for the future with approximately 100,000 expected visitors. The food will be delivered throughout Japan and the world.

In addition, the Company will open a venue where customers can try the "Planetary Health Diet" food. Through its operation, we will implement consumer-oriented management and foster human resources.



# Developing an Innovation Ecosystem

As part of our efforts to strengthen our business foundation for sustainable growth, we are promoting upfront investments in the marine-tech and food-tech areas, as well as exploring the potential use of digital technologies in new business areas.

## R&D of cultivated seafood products

Cultivated seafood products, which are proliferated fish cells processed into edible form, are gaining attention as one of the new technologies that could solve future global food shortages. In August 2022, the Company began joint development with IntegriCulture Inc., a Japanese startup aiming to establish technology for cultivated seafood

products, and Ichimasa Kamaboko Co., Ltd., a company with a leading domestic market share in fish paste products. Through this joint development, we aim to establish technology for proliferating fish cells and develop food processing technologies that ensure proliferated cells can be consumed safely and with peace of mind.

### Voice Comment from researchers

Our team is conducting reserch on cell culture to develop technology for cultivated seafood products. Our research goal is to culture fish-derived muscle cells, and turn them into processed products. Research on fish cell culture is still premature, and knowledge is limited. Moreover, the culturing conditions vary depending on the fish species, making optimization uneasy. We are currently developing the technology in collaboration with startup companies under joint research agreement. Through this open innovation, the team is working collectively to become a frontrunner in the field of cultivated seafood products.



Cultivated Seafood Products (Cultured Fish Meat) Team, Research Section 3, Central Research Institute

Furthermore, to ensure the development of cultivated seafood technologies, we entered into a collaboration agreement in August 2023 with Umami Bioworks Pte Ltd., a company that is developing and commercializing cultivated seafood products in Singapore. In anticipation of changes

in the global business environment, including technological and legal developments, we will expand our research and development scheme and accelerate progress toward early commercialization through this new collaboration with an overseas and domestic companies.

### Voice Expectations and recommendations for Maruha Nichiro

We believe that cultivated seafood (and meat) is a generational shift and one that will take many stakeholders to bring to the mainstream market. Given the task ahead of us to bring cultivated fish to consumers with the right sensory profile and price, we believe that finding the right partners is critical to developing the right technology stack and scaling it to meet global demand.

We are delighted to be working closely with Maruha Nichiro, a global leader in seafood, to establish cell-cultivated production for highly desired seafood products that can alleviate growing pressures on our oceans while delivering premium quality seafood to consumers for generations to come. With UMAMI's unique technology platform and Maruha Nichiro's deep expertise in delivering superior seafood to consumers, we believe this partnership can lay the groundwork for global launch of cell-cultivated seafood.



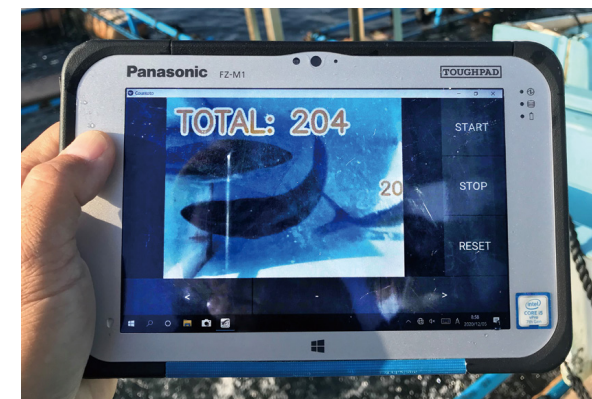
Mihir Pershad  
Founder & CEO, Umami Bioworks

## New technologies at aquaculture farms

### • Countoto (AI fish counting system)

Since introducing the "Countoto" AI fish counting system at our aquaculture farm in 2020, we have enhanced its environmental durability and usability and improved its overall performance. This device has been installed at all of our sites where yellowtail and amberjack are farmed, and has become indispensable to our operations.

Based on this technology, we have also developed a system for counting juvenile fish for seedling production. It is currently used for counting yellowtail juveniles, and its future application for juveniles of other fish species is under consideration.



### • Automated vaccination machine

We have been exploring the use of an automated system for vaccinating farmed fish, which has been done manually at aquaculture sites. Through the "FY2022 Food Safety and Consumer Confidence Measures Project" of the Ministry of Agriculture, Forestry and Fisheries, we initiated operational trials of an automated vaccination machine in collaboration with Kyoritsu Seiyaku Corporation that aims for its practical application.

Automating vaccinations is expected to reduce human errors, lessen the physical burden on employees, enhance safety, and reduce labor costs and other expenses. We will strive for full-scale automation for yellowtail as soon as possible and for all farmed fish in the future.



## Initiatives for land-based aquaculture

### • ATLAND

On October 18, 2022, the Company and Mitsubishi Corporation ("MC") established a joint venture company, ATLAND Corporation ("ATLAND"), that will specialize in land-based farming of salmon in Nyuzen Town, Toyama Prefecture. The investment ratio of ATLAND is Maruha Nichiro 49% and MC 51%. The plan is to construct a land-based aquaculture facility in Nyuzen Town with a capacity of producing 2,500 tons of Atlantic salmon annually.

By combining the technology developed at our land-based aquaculture research facility in Yuza Town, Yamagata Prefecture, with the expertise of the Mitsubishi Corporation Group, we aim to successfully develop new technologies for large-scale land-based aquaculture.



Aerial photo of Nyuzen Town, courtesy of the Nyuzen Town Office



# Investing Proactively in Human Resources

### Message from the responsible Executive Officer

For 144 years since its founding, the Maruha Nichiro Group has operated under its Company Credo, “Loyal to our people, the most important asset of our Company,” believing that it is most important to realize the wellbeing of each employee by increasing their knowledge, skills, and abilities and allowing them to fully demonstrate their potential, which in turn will contribute to resolving social issues.

We remain committed to investing in human resources, including nurturing talent and creating a workplace environment where diverse human resources can work with a sense of wellbeing, thereby maximizing our enterprise value.

Aiming to achieve the Long-term Corporate Vision of the Group to maximize the value chain across departments, we will quantitatively and qualitatively assess the gaps between the current and ideal human capital in the growth scenarios of each business. By doing so, we will identify priority issues and strategically assign human resources from a group-wide perspective.

In addition, we will work to create a dynamic human resource portfolio that can adapt quickly and flexibly to changes in the business environment, while also implementing measures to maintain and secure human resources.

The Company is gathering information on human resources using various management systems, such as the talent management system. At the Managing Executive Officers’ Committee, discussions are held regularly on the human resources system and personnel necessary to realize our corporate strategy. In FY2023, we created job descriptions for Manager-level positions, which serve as the hubs for various initiatives, and clarified the duties and roles of each position. In FY2024, we will review the job descriptions for department General Manager-level positions, renew the succession program, and revamp education and training programs. In the next Medium-term Management Plan from FY2025, we will demonstrate the linkages between our corporate strategy and human resource strategy in more detail.

Building a win-win relationship with our employees is the Company’s top priority, and enhancing engagement will be a perpetual theme. It will be especially critical to match each employee’s career plan, provide a workplace environment where employees can fully unleash their respective strengths, and foster a culture that encourages employees to take on challenges.

As regards concrete initiatives, in FY2022, we introduced new systems, including the internal free agent (FA), open recruitment, four-day workweek, and side job systems. We have also launched several internal projects in which employees can participate at their will. In FY2023, many employees participated in cross-departmental projects that went beyond their duties, such as formulating new business strategies and exploring the

application of AI tools to operations.

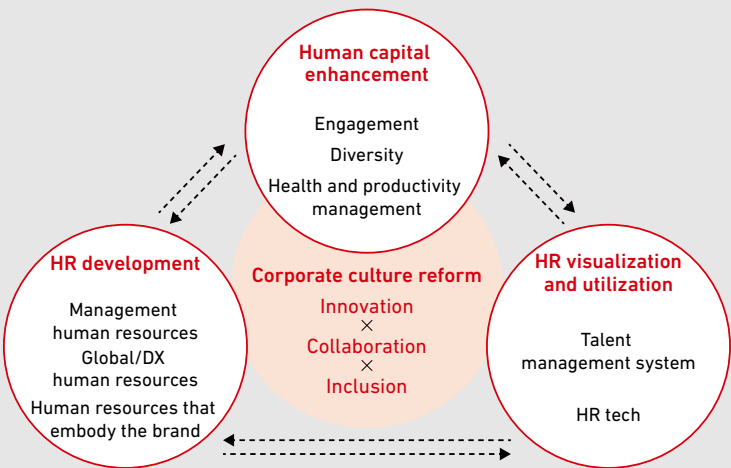
All of these initiatives are expected to not only broaden employee horizons, develop their abilities, and foster autonomous career development, but also encourage innovation and help create a culture in which employees can challenge themselves.

We will continue to provide diverse opportunities for our fellow employees so that they can see themselves grow professionally and consider their career development autonomously.



Isao Wakamatsu  
Executive Officer

### Cultivating change-makers for the new era



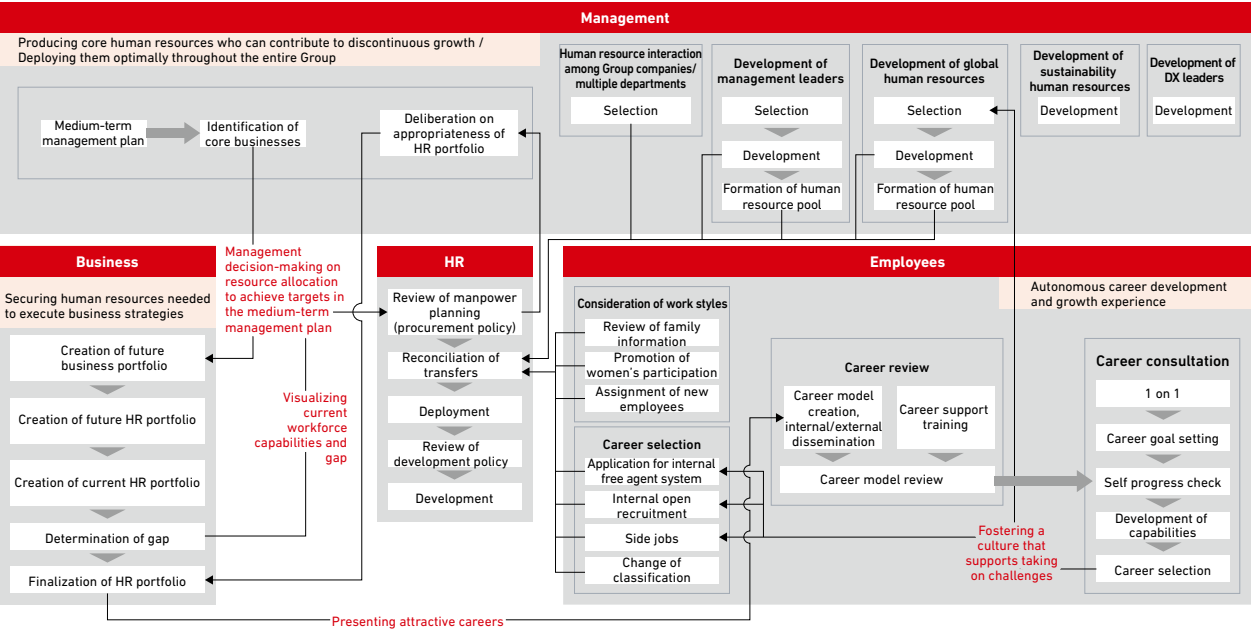
### Human capital management underpinning sustainable growth

Maruha Nichiro invests aggressively in human resources, designating human resources who contribute to achieving the Long-term Corporate Vision and creating new values as change makers.

We have formulated the three-point vision for HR initiatives shown on the right, and are carrying out the initiatives accordingly.

#### Overall vision for HR initiatives

1. Produce core human resources who can contribute to discontinuous growth and utilize human capital from a group-wide perspective
2. Secure human resources necessary for business operations and the execution of business strategies
3. Support employees in their autonomous career development and provide opportunities in which they can see themselves grow professionally



### HR development

Various education and training programs are offered to develop the core human resources needed to achieve our Long-term Corporate Vision.

In FY2024, we will review these programs and establish the Maruha Nichiro Human Resource Development Program.

### Developing global human resources

#### • Global human resources development program (MGP)

For career-track employees who have been with Maruha Nichiro for at least two years and are aged 35 or under, we offer a program to help improve their language skills needed for global business as well as other skills, such as cross-cultural management, presentation, and negotiation. Through this program, we promote individual

growth and cultivate management human resources who will manage overseas subsidiaries and business operations. Eleven employees newly registered in FY2023, increasing the number of total participants to 49 including those registered since the previous fiscal year.

#### • Developing global human resources in growth driver areas

We have launched a program that sends employees every three months to the Group company, Northcoast Seafoods Ltd. (“NCS”). The purpose is to develop talent who will expand the overseas market of the Group’s frozen foods, which we identify as

a growth driver area. By working hands-on with NCS’s R&D members on product development, our human resources will gain overseas marketing and product development skills.

Developing management leaders

Since FY2018, we have been implementing a management leader development program (MMP), believing that the sustainable creation of enterprise value requires the medium- to long-term development of core talent who can approach management and business from a company-wide perspective and leverage the Group's resources. The program selects qualified personnel from a wide range of departments and positions,

including General Managers, Section Managers, and non-managers. In the development and experience phases, the personnel are provided with opportunities to grow, not only by acquiring management-related knowledge and skill literacy but also by gaining the necessary professional experiences, which will lead to the systematic cultivation of the next generation of management leaders.

Providing growth opportunities through education and training programs

As part of our job level- and selection-based education programs, we provide opportunities for employees to learn about the expected capabilities and roles of various positions and duties as well as business skills, and thereby, develop talent across the Company. In addition, we offer opportunities for employees to acquire knowledge and skills on their own, regardless of their current duty or position, such as through theme-specific training, correspondence education (self-development), and a qualification acquisition incentive scheme.

In the FY2023 theme-specific training Zenkatsu (open-to-all) open courses, two sessions of "Career Design Courses" were held to support career development. The courses received more applications than the capacity allowed. For Maruha Nichiro Group companies, the Personnel Department of Maruha Nichiro Corporation organizes job level-based training (for management, mid-level, and young employees) and fosters talent across the entire Group.

Education system at Maruha Nichiro Corporation

	Position	Rank	Job level-based training		Selection-based, theme-specific training			Personal development	Qualification acquisition incentive scheme	
Management	General Manager Acting General Managers	General manager	Target management training Training for new General Managers	Group company employees	Succession program (MSP)	Management leaders development program (MMP)	Support for returning to work and balancing work with other responsibilities (Seminars for employees on childcare leave before and after their return to work)	Zenkatsu (open-to-all) open courses	*Subsidies available for all job levels	
	Deputy General Managers	Senior manager	Management training e-Learning	Employees in plant areas					254 e-learning courses in total	
	Managers	Manager specialist		Training for management-level Group employees					Unlimited course package provided by JMAM	
Non-management	Deputy Managers	Level 1	Training for new Deputy Managers		Global human resources development program (MGP)	Development training for OJT leaders	Mentor training		Correspondence training 159 courses in total	39 courses in total for eligible qualifications
	Chiefs	Level 2	Training for new Chiefs	Training for mid-level Group employees					Public lectures (external)	
		Level 3	Follow-up training III	Training for young Group employees					Ready-made meal correspondence training Level 1-3	
			Follow-up training II							
			Follow-up training I Training for new Maruha Nichiro employees On-site training for new personnel							
		Training for new Group employees								

Human capital enhancement

Career development support

To allow employees to plan their careers autonomously and grow professionally, we provide self-guided career development support based on employee transfer preference surveys. By providing

such opportunities to see themselves grow and consider their career paths autonomously, we are enhancing the effectiveness of our HR policies.

Support programs

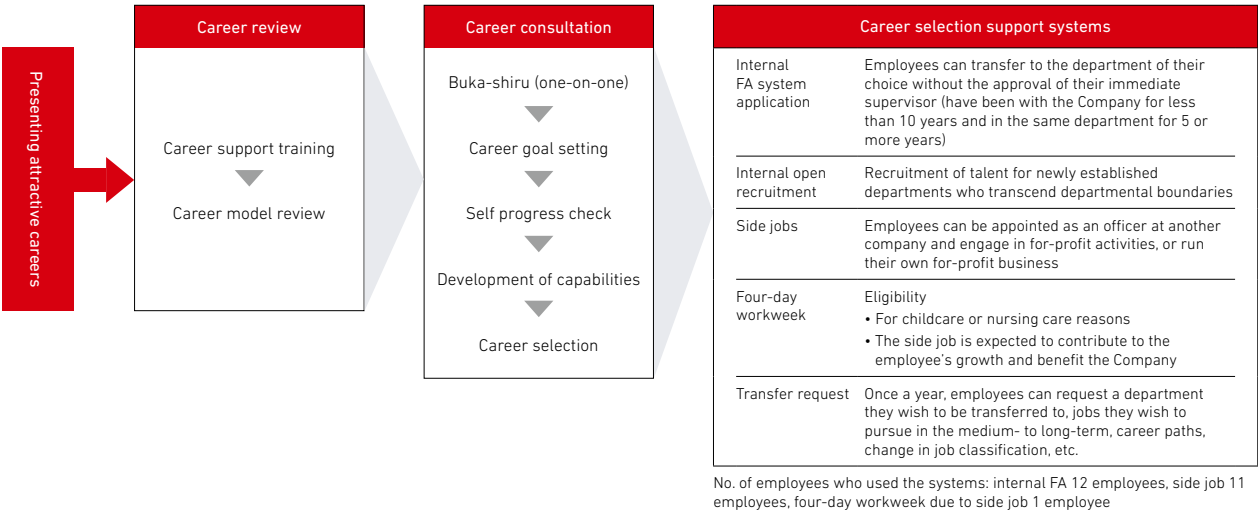
To promote interaction and collaboration between existing business departments and to support employees' career planning and endeavors from

a company-wide perspective, we introduced the internal FA, internal open recruitment, side job, and four-day workweek systems in FY2022.

Effective use of Buka-shiru (one-on-one meetings)

Since FY2021, we have implemented one-on-one meetings between employees and their supervisors with the goals of improving psychological safety, improving the quality of the relationship between employees and their supervisors, and supporting the growth of employees. For the future, we are considering utilizing these meetings as a means to develop skills that correspond with the career

consultations of employees and support their career development. Buka-shiru (one-on-one meetings) is listed as a duty of managers in the job descriptions for Manager-level positions created in FY2023. This is expected to stimulate the meetings and turn them into an opportunity to further promote independent career planning by employees.



Improving employee engagement

The Maruha Nichiro Group considers improving employee engagement to be a crucial element of enterprise value. The scope of our engagement survey has been expanded since FY2023 to include not only career-track and area-track employees but also employees of directly managed plants and Group companies, totaling 10,197 people. By analyzing the survey results and providing feedback to each department regarding its evaluation, management uses the survey as a tool to review their practices, while insights are gained on company-wide engagement. Furthermore, the Personnel Department supports the development of action plans through score monitoring and

interviews. In the future, the aim is to establish an action cycle within each department based on the survey results. Based on the survey results and the report's content, Group companies and the Business Planning Department unit team of Maruha Nichiro Corporation assess the companies' situation, review the issues and the need for approaches to deal with them, and strive to improving their score.

**FY2023 engagement survey:**  
Maruha Nichiro Corporation (non-consolidated)  
Survey circulated to 3,331 regular and non-regular employees (3,094 employees responded), 92% response rate



# Enhance and Utilize Digital Transformation

## Message from representative

Maruha Nichiro promotes bold innovative activities, aiming to foster a continuously changing corporate culture. This fiscal year, looking ahead to the future, we are embarking on employee-centered cultural reform to ensure that we remain a company of choice for the next 100 years.

In this endeavor, it is important to capture the ever-evolving digital technology trends in a timely manner and contribute to their correct and effective usage. We will seek to maximize impact in collaboration with numerous knowledgeable companies, venture companies, and members of academia.



**Masato Takou**  
Manager of Administrative  
Innovation Office,  
Digital Transformation Department

## The past and future of Maruha Nichiro's DX

### Fostering a culture of transformation and challenges through Maruha Nichiro's DX initiatives



To address business continuity, we have been steadily advancing "Defensive DX," focusing on IT infrastructure development, the modernization of internal systems, and operational streamlining. In FY2024, we will take a significant step forward in "Offensive DX," including deepening existing businesses and creating new ones through cultural reform.

At the same time, we will commence efforts for enhancing enterprise value by collaborating not only within the Company but also with many companies and organizations that possess

specialized expertise.

Following our certification as a "DX Certified Business Operator" by the Ministry of Economy, Trade and Industry in 2023, we were certified as a "Noteworthy DX Company" by the ministry in May 2024 in recognition of our readiness and commitment to tackle various themes as a company-wide project.

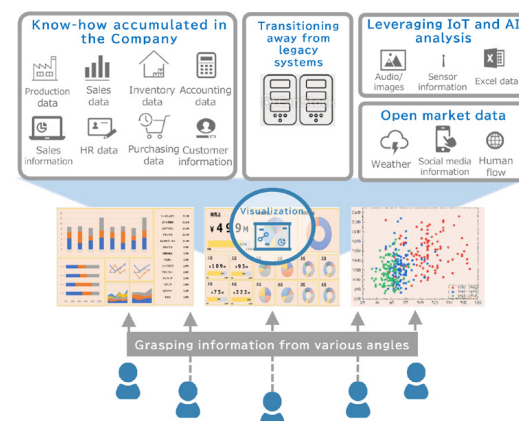


## Promoting Maruha Nichiro's DX

### Toward data-driven management

Aiming to drive more advanced and faster management decision-making, we are working on data accumulation and visualization. By collecting data scattered throughout the Company and multiplying it across departments, it becomes possible to gain an immediate and deep understanding of the situation.

We plan to switch from the system we have been using to a new one with a more efficient and visually powerful dashboard function. By rolling out



a dashboard that can grasp information intuitively within the Company, we are allowing all employees to make data-driven decisions.

For example, by converting the accounting division's financial statements from traditional paper-based formats into dashboards, information can be comprehensively understood from various angles. Furthermore, by delving into key figures, we can gain an understanding of the details, which will

lead to more sophisticated decision-making.

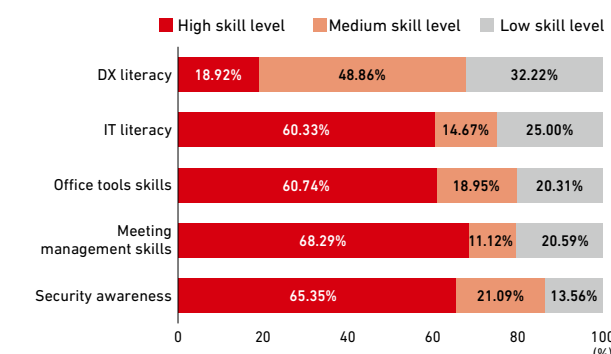
For the sales division, we are considering consolidating necessary information into a single dashboard for instant understanding. This will allow employees to discuss issues and next steps while viewing the same information in real-time. It will also eliminate the need for sales representatives to prepare reports and free up time for sales activities.

## Cultivating DX human resources to accelerate change

To cultivate human resources suited to the Company, we asked all employees to take a DX/IT skills inventory survey before we formulated a training plan. This allowed us to understand the Company's strengths and weaknesses. We also discovered that there were skill imbalances and characteristics depending on job levels and divisions.

Based on these findings, this fiscal year we will plan training to intensively develop targeted employees, which will be separate from the overall company-wide training. Concurrently, we will study and implement skill improvement programs tailored to individual roles to foster a culture that embraces reforms based on DX/IT literacy.

### DX human resources skills inventory survey (excerpt)



## For Offensive DX that leverages our strengths

As part of our pursuit of Offensive DX, we are working on developing data-driven services and products.

• **Revaluation and rebranding of fish consumption**  
We will aspire to revalue and rebrand fish consumption by overcoming the weaknesses of fish, such as difficult to prepare and unsuited for long-term storage, to create a future where everyone can consume delicious fish hassle free.

• **Personalized superfood**  
We will aspire to develop complete health food tailored to each individual based on people's movement data and health and preferential needs.



## Launch of a ChatGPT research project to contribute to business

Since last year, a research team of young employees formed through an internal open recruitment process has been conducting research on the effective use of ChatGPT. The team repeatedly discussed, studied, and evaluated how to apply the chatbot to their own tasks, and swiftly developed a ChatGPT for the Company. Feeding a vast amount of operation data into the model directly led to improving operational efficiency.

Additionally, members of different divisions

selected by internal open recruitment shared challenges facing other businesses, which had the secondary effect of making them realize that operational efficiency may be improved from individual optimization to company-wide optimization.

This fiscal year, we will implement activities that encourage all employees to utilize this tool, so that each employee can contribute to business while at the same time finding enjoyment in using it.

# Managing Risks of Intellectual Property and Utilizing/Strengthening Intangible Assets

## Message from representative

Intellectual capital, including intellectual property and intangible assets such as technology, know-how, brands, and trust created through our open innovation and branding activities, are the source of our competitiveness. We must grow these intellectual capital for the Group's value creation management, which requires a strong system that integrates these factors into the business and management.

Awareness of intellectual property and intangible assets has increased at each business site as a result of the intellectual property divisions' collaboration with business divisions and R&D divisions. In FY2023, we newly applied for a Japan Patent Office study. Together with our business divisions, we have begun reviewing business strategies that take into account non-financial aspects (intellectual property and intangible assets) based on future value. Our business strategies have tended to focus on short-term results due to the priority given to financials. By considering non-financials, the study has revealed pathways to medium- to long-term success that were previously overlooked. We will expand the target business areas and, in the future, aim to incorporate these insights into our corporate strategy to further contribute to our value creation management.



**Yasuo Hatsugai**  
Manager of Intellectual Property Group,  
Corporate Planning Department

The Maruha Nichiro Group's Medium-term Management Plan "For the ocean, for life MNV 2024" commits to strengthening intra-group cooperation and making a group-wide effort to manage intellectual property risks and utilize and enhance intangible assets. To this end, the Group is taking intellectual property initiatives by

formulating an intellectual property strategy that includes "promoting appropriate IP filing strategies," "establishing a framework for brand and trademark protection," "company-wide education and awareness-raising," and "assigning and developing intellectual property talent."

## Promoting appropriate IP filing strategies

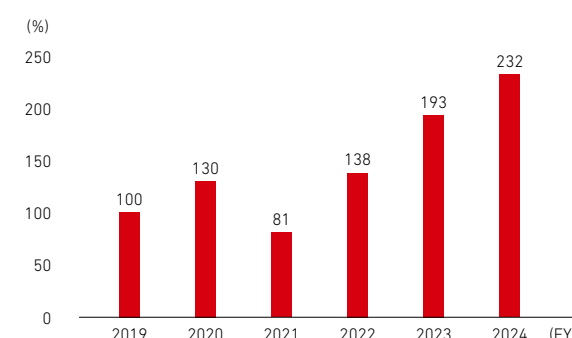
To conduct intellectual property initiatives linked with our corporate strategy, we have identified core areas and are promoting patent filings through a triad approach that integrates business, R&D, and intellectual property.

Members are selected from business areas and R&D divisions. Together with intellectual property divisions, the necessary activity themes are decided, and meetings are held regularly. Depending on the situation, discussions are held

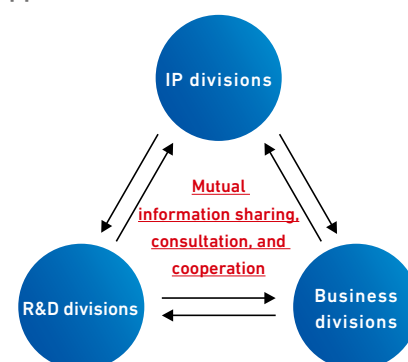
not only among the selected members but also with representatives from other divisions and outside experts.

As an outcome of these activities, rewards granted to inventors based on the sales of products using patents and the degree of protection provided by intellectual property have continued to increase compared to FY2019 levels, indicating increasing protection for our products and businesses.

## Rewards (compared to FY2019 levels)



## Triad approach (IP, R&D, business)



## Establishing a framework for brand and trademark protection

In addition to patent rights and know-how, we promote protection by trademark rights necessary for brand development in conjunction with our brand strengthening efforts.

The use of "MARUHA NICHIRO GROUP," which constitutes the Group's identity, is encouraged across Group companies. By creating user guidelines to ensure consistent communication, we seek to strengthen the Group brand and support business activities.

When ten years passed since the management integration in 2007, the Group launched a branding project. We established the brand statement, "For the ocean, for life," and proceeded with trademark filings and registrations in countries where protection was needed.

In addition, we promote a mixture of intellectual property rights that goes beyond patent rights. Products, such as the "Countoto" AI fish counting system, are protected by patents, and their names are trademarks. As such, the intellectual property mix integrates a branding perspective, including strategic acquisition of trademarks.

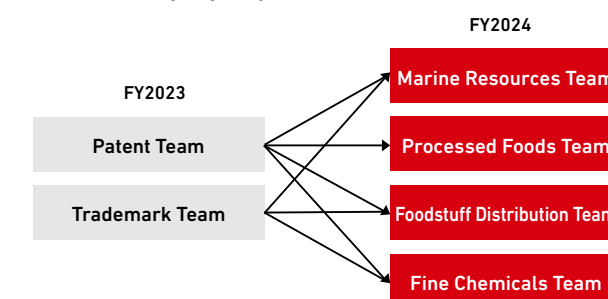


## Assigning intellectual property talent

Until FY2023, a team was assigned for the patent and trademark intellectual property areas, respectively. From FY2024, a team will be assigned for each business area.

The change was made to promote intellectual property initiatives centered around our business operations. Moving forward, our intellectual property divisions will provide guidance-type business support by engaging in each phase, from planning to executing business strategies.

## Intellectual property divisions



## Future priority initiatives

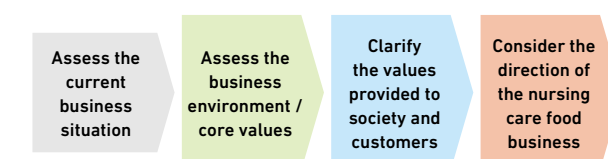
### Intellectual property initiatives based on future value (collaboration with the Medical Care & Contract Foods Sales Department)

The accumulation of intellectual property and intangible assets is essential for business growth. As an activity of the intellectual property divisions, we believe it is necessary to identify the future value of each business and consider medium- to long-term business strategies that take into account non-financial aspects (intellectual property and intangible assets). Accordingly, in FY2023, we applied for and conducted the Japan Patent Office's "study on the practice and disclosure of intellectual property management based on future value."

Together with our nursing care food business divisions, we identified the value that the nursing care food business could offer to society and customers in the future. We also set forth a clear

vision for the future and assessed the current situation of the nursing care food business.

While we were unable to articulate detailed execution strategies and goals in FY2023, we plan to develop and scale up this initiative in FY2024 by including additional divisions. This will enhance the likelihood of achieving our medium- to long-term value creation and contribute to the dramatic growth of our business.





# Strengthen Corporate Brand Communication

## Message from representative

With a history of 144 years rooted in the sea, Maruha Nichiro has explored new possibilities of food that provide vitality to people's lives under its brand statement, "For the ocean, for life." Through corporate commercials and sports sponsorships, we actively communicate our ambitions and uniqueness to stakeholders inside and outside the Company. Notably, our sports sponsorship called "SAKANA X SPORTS," raises the awareness of sports fans of wide-ranging age groups about the healthy value of fish and other activities to promote fish consumption, as well as on sustainable practices to protect the sea, including our egg-to-harvest bluefin tuna project. As a trusted company that creates social value, we will continue to send out consistent corporate brand messages at all touchpoints.



**Miho Kobayashi**  
Manager of Brand Communication & Public Relations Group,  
Corporate Planning Department

## Conveying our aspirations and commitment

With the aim of increasing the value and the further growth of the Maruha Nichiro brand, we are continuing to communicate externally through TV commercials, radio commercials, and web movies to foster a deeper, broader understanding of our brand appeal and crystallize our uniqueness and originality based on the new corporate brand strategy launched in FY2018. From 2018, we aired a TV commercial series that introduced Maruha Nichiro's value chain and sustainability based on company facts, conveying a corporate image of trust, reliability, global presence, and sustainability. Since May 2024, we have been airing the "Life is a continuation of encounters" series themed on familiarity, unexpectedness, and approachability, aimed at creating an all-new corporate image. The commercial begins with ordinary moments from daily life and highlights the presence and social contribution of Maruha Nichiro, which supports society for various people in all aspects of everyday life.



Corporate commercial "Life is a continuation of encounters" series



Corporate commercial "May the future be bright. Sustainability" version

Details of our commercials and filming behind the scenes can be found at this QR code (Japanese only)



## "SAKANA X (Sakana Cross)" actions for fish across the future

For 144 years, Maruha Nichiro has been finding new ways to make the joy of eating fish more accessible, ethical, and delicious for everyone. We believe fish has the power to enrich lives. We're taking new steps to make it happen since 2022 and are sharing information on our owned media.

Through "SAKANA X," we will multiply fish's value by crossing it with new perspectives that interest, motivate, and drive people.



## Crystallizing "SAKANA X" with ongoing sponsorship activities and internal calls for ideas

As one of the "SAKANA X" actions, we are promoting "SAKANA X SPORTS." We became an official partner of DeNA Sports, and in addition to our previous sponsorship of the YOKOHAMA DeNA BAYSTARS, a professional baseball team, we are a sponsor of the KAWASAKI BRAVE THUNDERS, a professional basketball team, and S.C. SAGAMIHARA, a professional soccer team.

We support athletes through supplying foods, such as fish sausages, and distribute canned seafood to children attending exercise lessons. We are engaged in such efforts and more to popularize

and promote fish consumption by communicating the health value, delicious taste, and various other benefits of eating fish.

Since 2023, we have been calling for SAKANA X ideas internally, sharing the collected ideas with all employees through the internal web newsletter, while creating mechanisms to support their realization. We will make our initiatives to enhance the value of fish known to a wider range of internal and external audiences and implement proactive communication activities, thereby increasing the value provided by the Maruha Nichiro brand.



Presenting one egg-to-harvest bluefin tuna as a hero award to the YOKOHAMA DeNA BAYSTARS' MVP player of our sponsored game (©YDB)

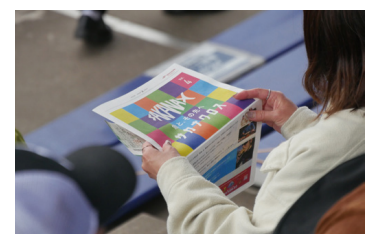


Sampling the papercraft of our product, Japanese sardine, at the S.C. SAGAMIHARA children's soccer class to promote fish consumption



Appealing egg-to-harvest bluefin tuna at our sponsored game of the KAWASAKI BRAVE THUNDERS (©KBT)

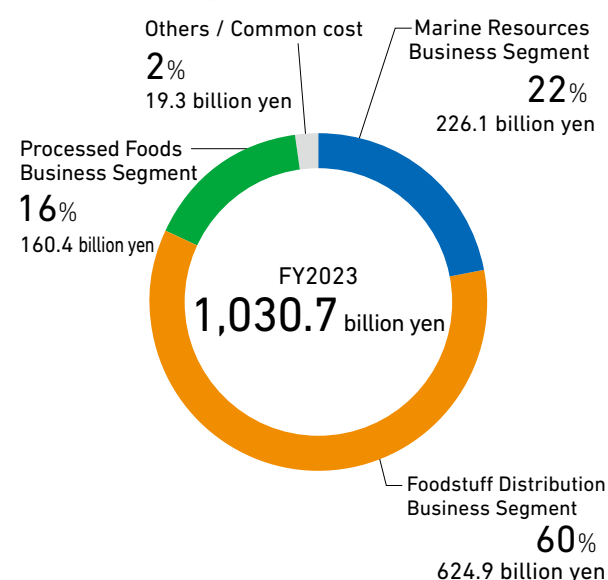
The "SAKANA X" booth at our sponsored game of the KAWASAKI BRAVE THUNDERS



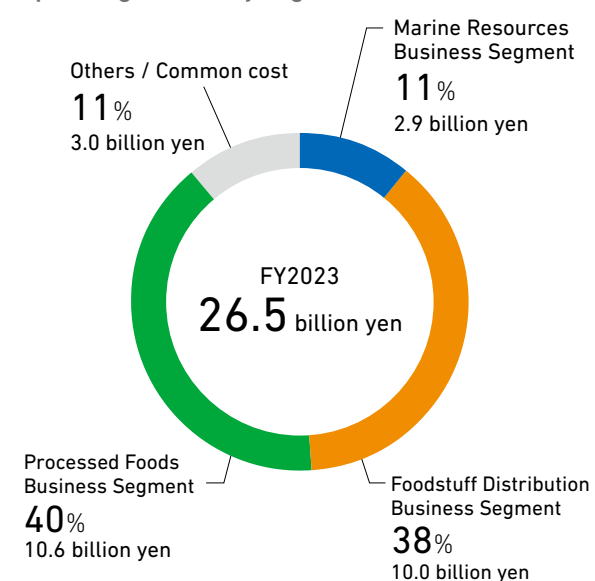
Visitors sample our products and the "SAKANA X" tabloid at our sponsored games of each team

# Results by Segment

## Net sales by segment



## Operating income by segment

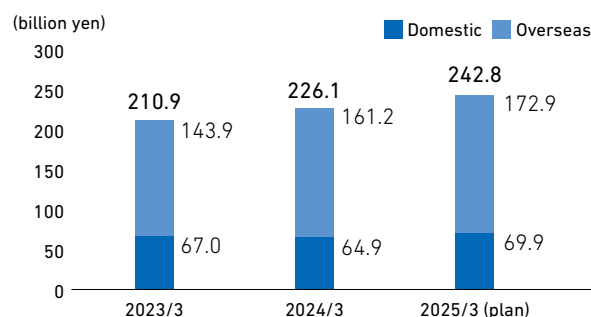


## ROIC by segment

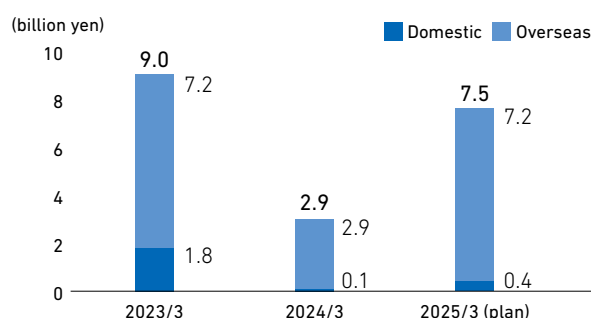
Segment	ROIC	
	FY2023	FY2024 (plan)
Marine Resources	1.9%	4.3%
Foodstuff Distribution	4.1%	3.7%
Processed Foods	7.1%	7.1%
Company-wide	4.2%	4.3%

## Marine Resources Business Segment

### Net sales



### Operating income



### Message from Segment Director

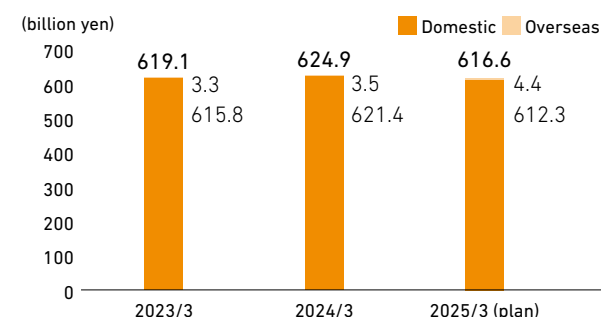
Through organizational restructuring, the Marine Resources Business Segment was launched in 2024 comprised of the Fishery Business, Aquaculture Business, and North America Operations, three units which are directly involved with marine resources. Fishery, the Company's founding business, started 144 years ago, and at its height more than 60 years ago, we began the aquaculture business and North America operations for the next generation. During this time, even as global fishery regulations undergo significant changes, we have continued to maintain world-leading access to marine resources. This is a testament to the trust built by our predecessors around the world, and has become part of the Maruha Nichiro Group's DNA. While ensuring the sustainability of limited marine resources, we will strive to create value from economic, environmental, and social perspectives and enhance MNV.



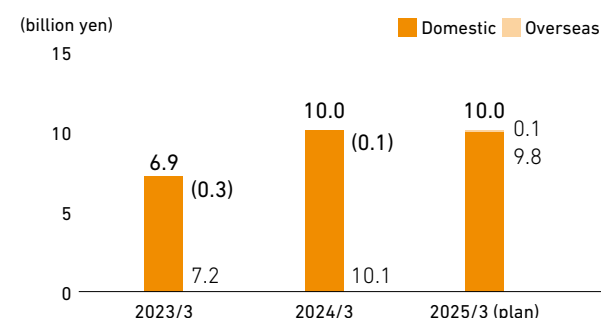
**Kenji Funaki**  
Director of Marine Resources Business Segment  
Director and Managing Executive Officer

## Foodstuff Distribution Business Segment

### Net sales



### Operating income



### Message from Segment Director

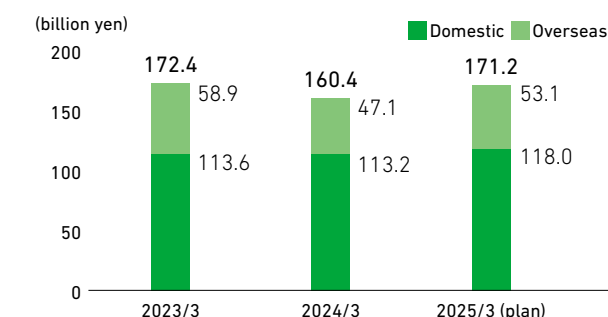
To maximize MNV, we are aspiring to create value with a customer-originated approach. We process all foodstuff, such as marine resources, agricultural foods and meat products, and frozen foods, to the optimal level for our respective customers, including food services, convenience stores, delicatessens, co-ops, and nursing care facilities. With Marine Products Trading joining in April 2024, three units including Foodstuff Distribution Business and Agricultural Foods & Meat and Products provide one-stop product delivery services for our customers. Under the Medium-term Management Plan, we aim to play a central role in building a stronger and more profitable Maruha Nichiro value chain. To this end, we are enhancing processing functions, expanding the nursing care food business, and strengthening sales of imported meat ingredients.



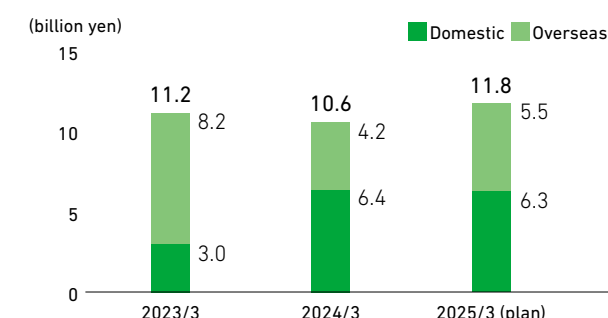
**Daisuke Yasuda**  
Director of Foodstuff Distribution Business Segment  
Managing Executive Officer

## Processed Foods Business Segment

### Net sales



### Operating income



### Message from Segment Director

We create high-value-added products using an array of raw materials, including global marine resources, and applying processing technologies cultivated over many years. About 70% of our sales come from the domestic market, with the rest from overseas markets such as Thailand, the United States, and Europe. Our segment's mission is to improve everyone's daily life by offering products that meet the diversifying needs of customers in response to societal changes, both domestically and internationally. Although the procurement areas for raw materials have changed due to climate change, we will leverage Maruha Nichiro's unique procurement capacity and accelerate our growth strategies for the development of large products and the expansion of overseas markets.



**Satoshi Kokaji**  
Director of Processed Foods Business Segment  
Managing Executive Officer



# Fishery Business Unit

## Message from Unit Director

### Promoting reforms as the unit at the core of MNV creation

Our unit is responsible for fishery, based on which the Maruha Nichiro Group provides value to customers around the world. For 144 years since our founding, the unit has contributed to fishery modernization and technological advances in response to the changing times. Our business is facing mounting challenges that are making it difficult to secure profits, including shortage of fishery technicians and engineers, rising labor costs, and soaring prices of fuel and supplies, making productivity improvement an urgent task. While global consumption of marine products is increasing every year, global fishery production, excluding aquaculture, has remained flat. It is thus important to add value to caught fish for distribution, and we will be building a value chain in collaboration with the Foodstuff Distribution Business Segment and the Processed Foods Business Segment.



**Shoji Kishi**  
Director of Fishery Business Unit  
Executive Officer

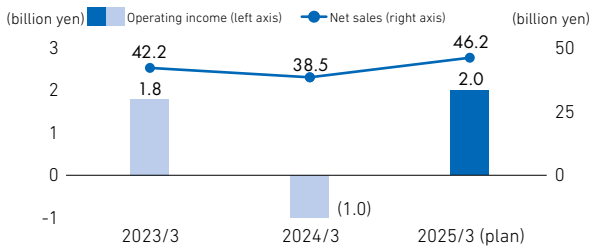
### Overview of FY2023

It was an extremely challenging year for our unit's results. While the catch volume is always highly variable and has a significant impact on our financial results, the increase in costs outpaced the selling price revision in FY2023, putting pressure on profits. There are also businesses that have profitability issues, and stabilizing profits is considered as the unit's most critical task.

### Strengths and advantages in the market

- Possess fishing rights and catch quotas for fish species in waters where marine resources are thoroughly managed
- Ability to network with regional fisheries management organizations and government agencies in each country that manage marine resources through longstanding partnership
- Ability to implement fishery business for MSC-certified fish species in light of diversifying markets

### Net sales / Operating income



### Business strategy

Our unit aims to expand resource access premised on maintaining and preserving marine resources, and is engaged in business and profit restructuring to achieve sustainable growth. As building new vessels is extremely expensive, fisheries that do not promise high returns are not sustainable. We must reassess the profitability of the fishing methods employed in various regions and consider withdrawing where necessary, and adopt new fisheries or fishing methods where profits can be expected. Additionally, it is our mission as a leading

seafood supplier to pursue next-generation fishing vessels and methods. We will adapt to the global increase in fish consumption and the diversification of needs by increasing MSC-certified products and shifting toward the fisheries of the future.

### Contribution to achieving materiality

- Austral Fisheries' participation in the Australian government's efforts to achieve carbon neutrality (purchase of emissions credits, etc.)
- Participation in various initiatives related to management of marine resources
- Responsible supply of MSC-certified fish species through the supply chain
- Elimination of IUU fishing

### Topics

**TAIYO A&F CO., LTD. obtains MSC fishery certification for skipjack and yellowfin tuna purse-seine fishing**

On February 26, 2024, TAIYO A&F CO., LTD. obtained MSC fishery certification for its skipjack and yellowfin tuna purse-seine fishing. This certification applies to three purse-seine fishing vessels for skipjack and tuna, which are owned by Taiyo Micronesia Corporation, a joint venture between TAIYO A&F and the Federated States of Micronesia, and operated in the central Pacific Ocean. Fishing is an essential industry for supplying food into the future and is an important business of our Group, whose mission is to provide a stable supply of sustainable marine products. With this MSC fishery certification\*, we will pass on sustainable fishing to future generations, alongside processing and selling products made from sustainably sourced skipjack and yellowfin tuna.

\* MSC fishery certification is awarded to fisheries that meet the strict certification standards of the Marine Stewardship Council (MSC), an international non-profit organization that manages and promotes a certification system for sustainable fishing which minimizes the impact on marine resources and the environment.



# Aquaculture Business Unit

## Message from Unit Director

### Building a new aquaculture business model that enhances environmental and social values

Farmed fish is an appropriately managed marine resource. Our unit's mission is to provide the world with a stable supply of high-quality protein produced from such fish. As a leader in the aquaculture industry, we have an important role to drive technological innovation. We are advancing efforts to protect wild marine resources using full-life cycle aquaculture technology and establishing safe and secure aquaculture by reducing the use of pharmaceuticals.

Although the aquaculture industry is expanding globally, its contraction is a concern in Japan due to the aging of fishermen, among other factors. The Company will strive to develop technologies for new species or species that grow rapidly in a short period, and contribute to solving the challenges of the domestic and international aquaculture industry and revitalizing local communities.



**Satoshi Imoto**  
Director of Aquaculture Business Unit  
Executive Officer

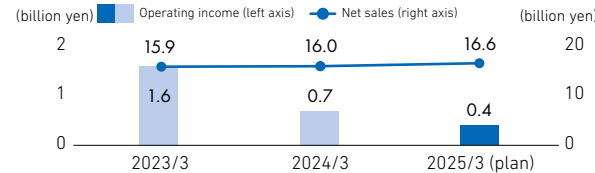
### Overview of FY2023

While there was an increase in inbound demand, our unit was impacted by China's import restrictions over the ALPS treated water issue, the price collapse of Mediterranean tuna, and other factors. Coupled with the increased supply of yellowtail causing a price decline, our sales struggled in FY2023. Furthermore, the surging costs of raw materials, including meal, fishmeal, and other feedstuff, put pressure on profits. With feedstuff shortages and high costs expected to continue, we are working on the development of low-fishmeal techniques and alternative feedstuff with urgency.

### Strengths and advantages in the market

- Aquaculture know-how that has increased the ratio of artificial juvenile accumulated since the start of the aquaculture business (1959) and the start of artificial hatching (1975)
- A sales system that can meet diverse customer needs, such as the overseas expansion of major Japanese restaurant chains
- An aquaculture research system through collaboration with the Group's technology research and development division, as well as external research institutions such as the Japan Fisheries Research and Education Agency (FRA)

### Net sales / Operating income



### Business strategy

As a member of SeaBOS, an initiative promoting the preservation of the marine environment and marine resources, Maruha Nichiro is actively promoting the reduction of antimicrobials used in aquaculture by increasing vaccination efficiency. In addition, we are establishing an external sales system for artificial juveniles with the aim of improving production efficiency at an early stage. We are also developing cost reduction schemes by actively integrating IoT and AI technologies into aquaculture, with a view to providing them to the entire aquaculture industry in the future.

Furthermore, we are working to increase profits by expanding sales channels with fixed prices and quantities, which are not easily affected by market conditions, and selling live fish to China and South Korea as well as fresh fish and processed products to Southeast Asia.

### Contribution to achieving materiality

- Effective utilization of by-products from food processing as aquaculture feed
- As part of our action against marine pollution by marine plastics, switching foam floats used in offshore aquaculture to floats made of more durable ABS resin, or HDPE (high-density polyethylene) materials, to reduce the risk of plastic leakage into the ocean
- Acquisition and maintenance of ASC certification for yellowtail, amberjack, and other species

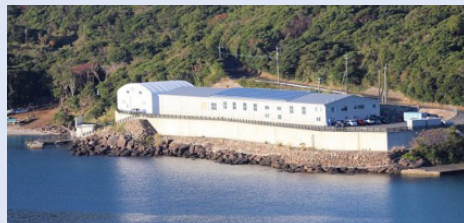
### Topics

**Maruha Nichiro Aquaculture Technology Development CO., Ltd. (R&D of breeding and farming techniques for major fish species)**

At our seedling production facility, to protect our mainstay yellowtail from fish diseases, we are working to develop SPF\* artificial seeds using seawater sterilized by a "next-generation ultraviolet water sterilization system" for all rearing water.

Furthermore, we are working on reducing the stress of juvenile fish by using an AI-based juvenile counting system and a high-speed, high-precision large-volume fish management system using fish pumps. By optimally feeding and medicating the artificial seeds in the rearing facility through counting, we are striving to improve the health of cultivated fish and create a healthy marine environment.

\* Abbreviation for specific pathogen-free. It refers to farmed fish being free from specific pathogens that could cause them harm.



# North America Operations Unit

## Message from Unit Director

### Implementing profitability enhancement measures in response to a turbulent market environment

The mission of the North America Operations Unit is to deliver safe and secure marine resources to customers worldwide, using its global sales network and leveraging its strength in access to Alaska pollock, Pacific cod, and crabs. This unit, with over 80% of its sales coming from overseas, is significantly impacted by recent global trends, such as inflation, rising labor costs, and currency fluctuations. Leveraging our values and beliefs cultivated in our over 60 years of experience, we will take optimal responses to the changes, including accurately assessing the turbulent situation, fundamentally reducing production costs, reorganizing the business structure, and making new investments, and continue to carry out a business that ensures a stable supply of high-quality protein.



**Itaru Kawada**  
Director of North America  
Operations Unit  
Executive Officer

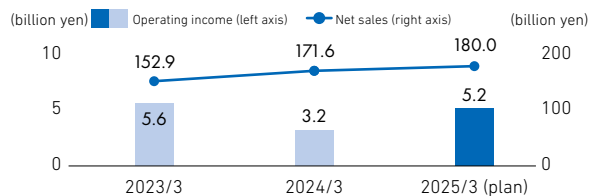
### Overview of FY2023

The market price of Alaska pollock products, which are a core business of our unit, dropped due to a global supply-demand imbalance. In addition, the costs of logistics, infrastructure, labor, and other expenses all surged. As a result, the North America business saw a significant decline in operating income, marking a sharp reversal from the strong performance in FY2022. On the other hand, in the European business, the retail business, including sushi ingredients and Asian foods, and the hotel restaurant business performed well. The domestic business also saw an increase in both net sales and operating income, although results varied by product.

### Strengths and advantages in the market

- A seamless business model that integrates "resource access," "production," and "sales," primarily for the North America business handling Alaska pollock, etc.
- A collaborative structure between the North America Operations Unit's sales sites in North America, Europe, and Japan and the Group's sites worldwide
- Globally competitive in resource access, processing technology know-how, sales network, sustainability measures, etc.

### Net sales / Operating income



### Business strategy

The biggest challenge facing the creation of economic value, which serves as our business foundation, is recovering the profitability of the Alaska pollock business. We will make efforts aiming to establish an appropriate production system and ensure reliable sales. The European business is progressing smoothly. We will further expand growing businesses and work quickly to rebuild those that are struggling. In FY2024, our efforts will be primarily focused on these measures. In the next Medium-term Management Plan, we will promote improving production efficiency as a cost-control measure, as well as further advance an exit strategy

to maximize our strength in resource access within the Group. We will strengthen our business structure by enhancing the use of the Group's functions, and by considering M&As to expand our sales capabilities, including in the secondary processing sector based on Alaskan resources and distributor functions.

### Contribution to achieving materiality

- Promotion of waste reduction and effective use of resources, such as improving the protein capture rate in wastewater during surimi production
- Conducting regular marine resources surveys and active promotion for maintaining sustainable access to resources, as exemplified by the North America business. Building a workplace environment where diverse employees around the world can work with a sense of security

### Topics Entered into a capital and business alliance agreement with Kibun Foods Inc.

On March 25, 2024, we entered into a capital and business alliance agreement with Kibun Foods Inc. ("Kibun Foods"). Kibun Foods, founded in 1938, is a manufacturer that makes and sells products such as fish paste-based products, side dishes, and marine delicacies. Adhering to the philosophy of "When in doubt, do not purchase the stock, do not produce, do not ship, and do not sell," Kibun Foods offers high customer value primarily through fish paste-based products under the Kibun brand. The North America Operations Unit will aim to enhance customer value and increase the enterprise value of both companies, such as through expanding sales in North America and Europe by leveraging both companies' commercial distribution channels and considering the development of new products that will stimulate demand from overseas consumers.



# Marine Products Trading Unit

## Message from Unit Director

### Remaining the top trader in preserving marine resources around the world

Our unit plays a central role in making the Maruha Nichiro Group the world's No. 1 seafood company. Our production sites and suppliers span over 70 countries, and we have established a robust procurement system based on long-standing trust. Backed by our credibility from having numerous fish species that have the top market share in Japan, we have developed sales channels for delivering products to a wide range of customers across the country. With this foundation, we are driving our business forward with the goal of becoming the top seller in both marine products and processed foods made from marine products.

Our sustainability strategy commits to "Food provision contributing to creating health value and sustainability." As a top marine resource trader, we are working to increase our ratio of marine products certified by MSC/ASC and other standards.



**Masayuki Kanamori**  
Director of Marine Products  
Trading Unit  
Executive Officer

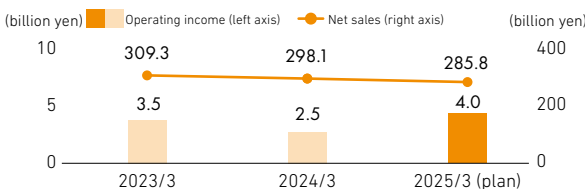
### Overview of FY2023

The stockpiles that companies had secured with some leeway due to the global supply uncertainty caused by COVID-19 were deemed excessive when the pandemic began to subside, and the prices of many products fell sharply. In addition to overall struggles in sales, the moderate yet steady depreciation of the yen from 135 yen to 150 yen to the dollar posed a major obstacle for our unit, which has a high import ratio.

### Strengths and advantages in the market

- Global procurement capabilities realized through the Group's access to marine resources and by maintaining strong relationships with mainstay global product suppliers
- Strong sales capabilities utilizing diverse sales channels in Japan and overseas

### Net sales / Operating income



### Business strategy

We have secured and maintained a certain market share through efficient procurement from our global production sites, combined with market-in-type sales. While products with a high market share have led to beneficial business opportunities, there are also products with relatively low market shares. We intend to expand our product-out-type sales, selling products that are high quality, with a stronger emphasis on origin and raw materials, and have Maruha Nichiro's high originality, while acquiring new customers both domestically and internationally. We plan to advance our business along two axes. First, we will promote close personnel exchanges within units and

segments to build favorable relationships with suppliers and customers and share business know-how.

Additionally, to further expand resource access, we will secure our own supply sites, including for overseas aquaculture marine products.

### Contribution to achieving materiality

- Establishment of a thorough quality control system during product development and procurement in collaboration with the Quality Assurance Department
- Expansion of lineup of MSC- and/or ASC-certified products
- Free of IUU

### Topics JR Walking Fureai Fish Market Festival by JR Kyushu and Kyushu Uoichi

JR Walking Fureai Fish Market Festival, an event jointly organized by JR Kyushu, Kitakyushu City, and the University of Kitakyushu, was held on March 23, 2024.

The goal of the walking route, the Kitakyushu Central Market, was bustling with approximately 1,500 visitors enjoying fresh delicious seafood rice bowls, a tuna cutting show, a children's dance show, a fishing game, and more. To further revitalize and promote the market, we will continue to inform about events that connect a wide range of generations to the market.

We will also actively appeal to the next generation of market stakeholders.





# Foodstuff Distribution Business Unit

## Message from Unit Director

### A customer-centric, channel-based organization meets diverse market needs

The Company, which formerly had a vertical organizational structure based on product categories, has made organizational changes to expand customer-centric sales and services. It is now divided into seven departments, each corresponding to a sales channel. Our strength lies in the fact that these channels can cover almost all BtoB markets. Furthermore, as our unit can hear about customer needs firsthand, we are able to swiftly reflect them in the development of new products.

The marine resources we handle are precious. As a hub in the value chain, we consider it our mission to utilize nature's blessings sustainably and efficiently and deliver them to people around the world.

Yoshinobu Kumamoto double hats as Director of the Foodstuff Distribution Business Unit and Director of the Agricultural Foods & Meat and Products Unit.

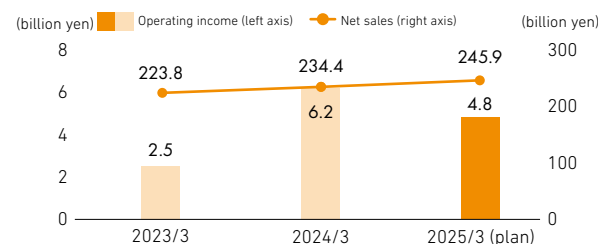
## Overview of FY2023

Boosted by the recovery of human flow and an increase in inbound demand, we were able to capture customer needs accurately, allowing all unit departments and Group companies to reach their targets. We recognize that FY2024, the final year of the current Medium-term Management Plan, will be a crucial year for finding out whether the strong performance in FY2023 owed to our capabilities or not.

## Strengths and advantages in the market

- Advanced ability to solve customer issues with diverse sales channels that allow direct interactions with customers
- Food processing sites that can meet diverse user needs such as frozen, refrigeration, and ambient temperatures
- Rising market share in the growing nursing care food market mainly in the kizami (minced), mixer (blended), and soft food categories

## Net sales / Operating income



## Business strategy

This unit currently comprises seven departments and six affiliated companies. Prior to the change, each department pursued optimization individually. Therefore, there still remain overlaps and inefficiencies in the unit in both manufacturing and sales. The immediate top priority is to resolve them and pursue overall optimization by leveraging each department's strengths. Reconstructing is troublesome, compounded with circumstances that vary by site. Nevertheless, we will work to achieve the unit's goal of expanding customer-originated sales and

services. In addition, we will accelerate expansion into overseas markets in response to domestic challenges, such as the declining birthrate, aging population, and shrinking market. We will initially focus on Southeast Asia and North America, ranging from fresh fish to highly processed products.

## Contribution to achieving materiality

- Product development using MSC-, ASC-certified raw ingredients
- Plastic use reduction and food loss reduction initiatives
- Development of products that create health value, such as nursing care and low-sodium foods

## Topics Establishment of MARUHA NICHIRO OCEAN Co., Ltd.

On April 1, 2024, Group companies Maruha Nichiro Retail Service Co., Ltd. (specializing in the production and sale of secondary processed tuna products, such as negitoro) and Marine Access Corporation (specializing in the procurement and primary processing of bigeye and yellowfin tunas, etc.) merged to form MARUHA NICHIRO OCEAN Co., Ltd.

With this merger, the Maruha Nichiro Group will integrate its tuna processing business to adapt flexibly to the drastically changing market environment. We will help find solutions to customers' various tuna-related issues, from wild and farmed, fresh and frozen, and primary processed products to secondary processed products.



# Agricultural Foods & Meat and Products Unit

## Message from Unit Director

### Building a sustainable and stable procurement system for agricultural foods and meat products

Maruha Nichiro is synonymous with procurement capacity, and so is the Agricultural Foods & Meat and Products Unit, which has established a sustainable and stable procurement system by building strong relationships with excellent shippers. We adopt a unique strategy that differs from our rival trading companies that primarily handle agricultural foods and meat products. For example, we supply processed agricultural foods and meat products to major customers, and have received positive feedback on quality. We aim to leverage the strengths within the Group to expand sales volumes, both domestically and internationally.



**Yoshinobu Kumamoto**  
Director of Foodstuff Distribution Business Unit and Agricultural Foods & Meat and Products Unit Executive Officer

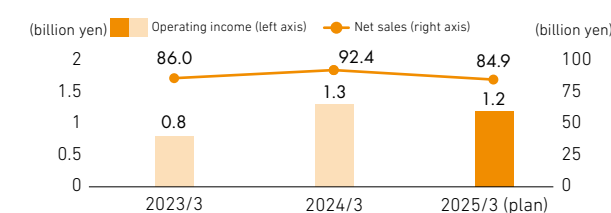
## Overview of FY2023

Meat products exceeded targets in a challenging market environment as a result of our strength in stable procurement and forward-looking strategy. Agricultural foods had a high import ratio and was significantly impacted by the weak yen in FY2023. Nevertheless, they were blessed with excellent customers and met their annual targets. The surge in prices of fresh vegetables due to poor weather also contributed to the increased sales of frozen vegetables.

## Strengths and advantages in the market

- Top-class market share in domestic cow meat and pork imports
- Cooperative capabilities within the Group that enable a stable supply of various types of meat and processed meat products from around the world for the Processed Foods Business Unit and Foodstuff Distribution Business Unit within the Group
- Strong sales capabilities utilizing diverse sales channels in Japan and overseas

## Net sales / Operating income



## Business strategy

Market demands are shifting toward foods with better time performance. In response, for meat products, we are transitioning from raw material-like products and businesses of foodstuff distribution trading companies, to businesses that are closer to the end user. We aim to make the most use of the sales channels of the Foodstuff Distribution Business Unit to provide higher-processed products. Currently, we are establishing a system that allows us to compete more effectively downstream, including the development of processing sites.

For agricultural foods, convenient products such as

easy-to-use mixed vegetables and thaw-and-serve products are seeing growth. To ensure stable supply, we will strengthen our relationships with existing suppliers and diversify our sourcing regions to disperse risks due to climate change and political changes.

## Contribution to achieving materiality

- Initiatives for zero quality-related incidents
- Contributions to people's health through a sustainable supply of high-quality animal protein
- Strong relationships with diverse suppliers and contributions to a sustainable stable supply of agricultural foods and meat

## Topics Introducing Japanese-style fried chicken into the U.S. market

Maruha Nichiro Meat and Products USA, Inc., a U.S. subsidiary, has been operating a joint venture plant with a local partner company since 2019, producing and selling Japanese-style fried chicken in the United States.

While Japanese cuisine is popular around the world, much of the Japanese food sold in the United States differs from what Japanese people would consider authentic. In this country with a strong fried chicken culture, we aim to create a market for Japanese-style fried chicken with Maruha Nichiro's quality and taste.

While the plant's establishment was immediately followed by the COVID-19 pandemic, we have now resumed exhibitions and are steadily expanding our sales channels.



# Processed Foods Business Unit

## Message from Unit Director

### Accelerating overseas expansion and optimizing production sites

This unit primarily provides products bearing the Maruha Nichiro brand mark, which are highly trusted and supported by consumers. In the categories of consumer frozen foods, grocery sales (non-frozen), and chilled foods, our competitive edge comes from proposals that leverage our high quality and comprehensive capabilities. We will continue to strengthen and streamline our sales efforts while promoting products of the Maruha Nichiro brand to consumers.

Our main challenge is further tapping into overseas markets. To address this, we will work to strengthen our organization, including securing and developing talent. Coping with Japan's labor shortage due to population decline is also a challenge. We will seek to optimize our domestic and international production sites through automation and efficiency improvements.



**Katsushi Kurume**  
Director of Processed Foods  
Business Unit  
Executive Officer

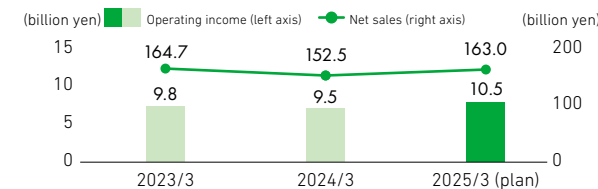
### Overview of FY2023

In the Japanese market, the downgrading of COVID-19 to category 5 stimulated the flow of people, including eating out and travel. On the other hand, consumers became more frugal due to increasing price hikes, which led to a shift toward lower-priced, larger-quantity products and a decrease in the number of items purchased. While we saw significant increases in operating income for consumer frozen foods and chilled foods for which price revisions were made, groceries, seasonings, extracts, and freeze-dried foods for which price revisions were difficult saw decreases in operating income.

### Strengths and advantages in the market

- Top domestic market share in several categories (frozen foods for bento lunch, frozen mixed vegetables, canned pelagic fish, salmon, crab, etc.)
- Manufacturing and quality control know-how cultivated throughout the Group, high value-added products using product development and technical capabilities
- Ability to propose differentiated products that meet various needs, such as stir-frying method for frozen fried rice and Risara Sausage with DHA, and products tailored to changes in lifestyle

### Net sales / Operating income



### Business strategy

Under our basic strategy to maximize the value chain across departments, we are strengthening intra-Group collaboration between the Marine Resources Business Segment and the Processed Foods Business Segment as well as customer-originated sales activities. In this context, the Processed Foods Business Unit is engaged in "developing large frozen food products," "improving profitability by optimizing production sites," and "expanding the sale of processed foods to global

markets." In FY2023, we enhanced development and expanded product lineups in the frozen food and nursing care food areas, strengthened our quality control system through the zero quality accidents project, and made efforts toward full-scale entry into the North American frozen food market.

### Contribution to achieving materiality

- Reduction of plastics usage by promoting the elimination of trays
- Initiatives for zero quality-related incidents
- Provision of products using the foods for specified health uses and foods with functional claims systems
- Provision of products with low sodium and appropriate amount of protein
- Development and production of processed foods using MSC- and ASC-certified raw ingredients

### Topics Food for specified health uses for cardiovascular disease risk Risara Sausage ω with DHA

In February 2024, we launched the Risara Sausage ω with DHA, labeled as a "food for specified health uses (FOSHU) with reduction of disease risk claims."<sup>1</sup> Containing 850 mg of DHA and 200 mg of EPA, this is the first product in Japan to be approved as a "FOSHU with reduction of disease risk claims" with ingredients that may reduce the risk of cardiovascular disease. Cardiovascular disease (a general term for diseases of the heart and blood vessels) is the second leading cause of death among Japanese people<sup>2</sup>, and the number of deaths from cardiovascular disease is on the rise in Japan<sup>3</sup>.

<sup>1</sup> FOSHU with reduction of disease risk claims refers to foods that have been approved as such by the Consumer Affairs Agency, limited to cases where the relevant ingredients' reduction of disease risk has been verified medically and nutritionally.  
<sup>2</sup> Source: Ministry of Health, Labour and Welfare, Outline of Vital Statistics (Final) for 2022  
<sup>3</sup> Source: Ministry of Health, Labour and Welfare, Vital Statistics



# Fine Chemicals Unit

## Message from Unit Director

### Become a leading manufacturer in natural functional ingredients!

As the society continues to age at an accelerating pace, health disparities are emerging as an issue alongside economic disparities. Simply living longer is meaningless if people are bedridden. To avoid this, adequate exercise and a healthy diet are essential. The marine products we specialize in contain many functional ingredients effective for maintaining and improving health. We anticipate that "preventive foods," "pre-disease foods," and "health maintenance foods," a field which lies between the medical field that treats diseases and general foods that pursue nutrition and taste, will attract ever more attention. Our unit's mission is to become a leading manufacturer that provides the necessary functional ingredients for this field and contribute to the wellbeing of everyone.



**Kimihiro Takaya**  
Director of Fine Chemicals Unit  
Executive Officer

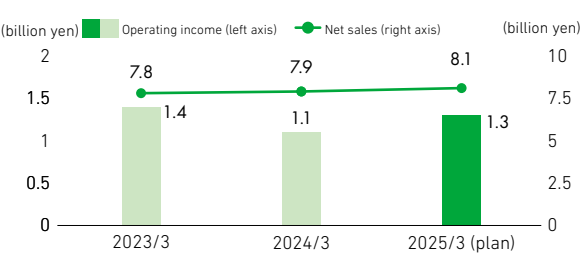
### Overview of FY2023

Our unit has continued to achieve consecutive increases in operating income since 2013. In FY2023, however, both net sales and operating income declined for the first time due to a fall in demand caused by changes in functional food labeling rules, coupled with spiraling costs of key raw materials caused by the fishing ban and poor catch of anchovies in Peru, a major fish oil-producing region in South America.

### Strengths and advantages in the market

- Brand strength as a leading seafood supplier and know-how in integrated production from raw materials to finished products
- High level of expertise in providing customers with necessary knowledge about raw materials, manufacturing, and quality control
- Sales capabilities built on trust we have cultivated over many years

### Net sales / Operating income



### Business strategy

We will establish a foothold in the "preventive foods" and "pre-disease foods" fields by adding further value to DHA (e.g., making it odorless), a genuine natural functional ingredient that has been discussed in 40,000 to 50,000 academic publications because of its various physiological properties, and by ensuring its stable supply (introduction of algae-derived DHA).

Health issues in an aging society are a concern not only in Japan; they are a common problem for countries around the world. As technological innovation and the

speed of information further improve access to countries worldwide, we will promote business development from an overseas perspective, both for production and sales.

### Contribution to achieving materiality

- Food loss reduction by effectively utilizing marine product residues (non-edible parts, unused parts)
- Sustainable supply of good fat both internally and externally and contribution to the creation of health value
- Initiatives for zero quality-related incidents

### Topics New entry into algae-derived DHA Entered into a business alliance agreement with Mara Renewables Corporation

In May 2024, we entered into a business alliance agreement with Mara Renewables Corporation (Head Office: Canada; "Mara"), a world-leading microalgae manufacturer.

We will exclusively receive supplies of algae-derived DHA produced by Mara for the Japanese market, and aim to establish the production and sales of algae-derived DHA, in addition to fish oil-derived DHA. Mara is a world-leading microalgae manufacturer holding patents for its algae-derived DHA extraction technology. Under this agreement with Mara, the Group will use algae-derived DHA and apply our proprietary odorless DHA technology to meet the demand for DHA, which continues to grow as society ages and fish consumption declines.



Algae cultivation in a laboratory



# The Logistics Unit Supports Three Segments of the Maruha Nichiro Group

## Message from Unit Director

### Systematically developing business infrastructure that contributes to value chain strengthening

Our unit is responsible for operations focused around Maruha Nichiro Logistics, Inc., mainly handling the storage of the Group's products in refrigerated warehouses. We have 31 refrigerated warehouses in Japan, primarily in major urban areas, which is the third most in the industry for cold storage logistics. Cold storage logistics is essential for the Group's business and constitutes a critical business infrastructure for the Group.

Our mission is to develop and properly manage logistics sites that contribute to the Group's growth strategy of strengthening the value chain. Given the recent surge in construction costs for refrigerated warehouses, we will enhance the sustainability of our business infrastructure by making systematic investments that contribute to overall optimization.



**Yoshitaka Koseki**  
Director of Logistics Unit  
Executive Officer

## Initiatives of the Logistics Unit

Addressing the "2024 problem" of shortened driver workhours and labor shortages poses as a significant challenge for the logistics industry. While our unit employs only a small number of drivers, supporting drivers' operations remains a major issue as a shipper. For example, we are promoting initiatives such as standardizing pallet transportation to decrease loading and unloading times and lessen the burden on drivers, as well as improving operational efficiency through the digital transformation of warehouse management. In addition, as refrigerated warehouses constantly consume large amounts of power, our major task is to reduce our environmental impact. We are working to cut social and environmental costs by upgrading to freezers and freezer equipment that emit as little CO<sub>2</sub> as possible.

In March 2025, the Kawasaki Daiichi Logistics Center, which has been undergoing an expansion with major investment, will commence operations.

This facility will further enhance the efficiency of product distribution in the Tokyo metropolitan area. Moreover, the relocation and reconstruction of the Tokyo Suisan Terminal at Oi Wharf are also set to begin soon. While this represents the largest investment planned from 2024 onward, this project adopts a scheme involving a consortium of fisheries businesses to reduce construction costs.

### Characteristics and strengths of the Logistics Unit

- Location of logistics sites mainly in metropolitan areas (8 in Kanto region, 3 in Chukyo region, 2 in Kinki region, 3 in Fukuoka, etc.)
- Approx. 600,000-ton capacity, the third largest in the cold-storage and refrigerated warehouse industry in Japan
- Ability to collect goods by maximizing the diverse and stable procurement capabilities of the Group domestically and internationally

### Securing a sustainable logistics system

## Topics Maruha Nichiro Logistics to expand freezer warehouse at Kawasaki Daiichi Logistics Center

In March 2025, Maruha Nichiro Logistics, Inc. plans to open an expanded wing (South Wing) adjacent to Kawasaki Daiichi Logistics Center's existing structure. The expanded wing will have a two-story freezer warehouse capable of storing approximately 14,000 pallets and will be a seismic isolation structure to ensure a high level of safety in the event of an earthquake. In addition, the warehouse will be automated to reduce labor and worker burden, and the freezer will utilize carbon-neutral natural refrigerants (NH<sub>3</sub>/CO<sub>2</sub>) to reduce environmental impact.

Located in the Higashi-Ogishima logistics site, Japan's largest hub of refrigerated warehouses, the Logistics Center is convenient for collection and delivery using the Metropolitan Expressway Bayshore Route and the Tokyo Bay Aqua-Line Expressway. Leveraging its location and in collaboration with nearby centers, the facility will strive to stably provide logistics services.



## Outside Directors' Roundtable Discussion



**Yoshiko Tonoike**  
Outside Director

**Kenji Funaki**  
Chair of Sustainability Committee,  
Director and Managing  
Executive Officer

**Bradley Edmister**  
Outside Director

We will continue to pursue sustainability in Maruha Nichiro's own unique way to ensure the survival of MNV for the next 100 years.

## Theme 1 Sustainability issues that Maruha Nichiro has been working on for many years

**Funaki:** The Company launched a new structure for the Sustainability Committee in FY2024, and I was newly appointed as Chair of the committee. Many members of the committee will continue to serve, and the structure of having Outside Directors as observers will remain unchanged. We would like to further streamline our activities while continuing with and adhering to the initiatives we have been implementing hitherto. I have served as Director of the Marine Resources Business Segment since April, and because I consider the sustainability of marine resources to be a theme that is close to my heart, I would like to make further efforts to address our goal of "Action for preserving biodiversity and ecosystems."

In addition, in our current Medium-term Management Plan, "For the ocean, for life MNV 2024," the question of how to connect our business strategies to social and environmental value that is closely related to sustainability is an important theme, and we will continue to firmly keep this perspective in mind.

**Tonoike:** This year, we were an award recipient at the Consumer-Oriented Management Excellent Case Awards presented by the Consumer Affairs Agency, which I believe was given in recognition of our efforts to create examples of satisfying both sustainable value and value for consumers, including the egg-to-harvest aquaculture of bluefin tuna and land-based aquaculture of Atlantic salmon. We take seriously the sustainability

challenges that we need to confront, which we have been tackling head on.

We have been working on various themes, including decarbonization, but I am particularly interested in our efforts aimed at achieving a 100% traceability rate for handled marine products by FY2030. I believe this is a magnificent initiative that will lead to the eradication of IUU fishing, as well as to food sustainability and food security by allowing for greater traceability, which will be of great value to consumers. It is not an easy task to grasp the entirety of marine products handled, but it always feels very reassuring when we receive reports from the Sustainability Committee about the extent to which we have achieved something or the means by which we could overcome certain difficulties.

**Edmister:** As the world's number one seafood company, our access to marine resources is our greatest strength. Therefore, protecting stable access to resources is critically important to us, and we have been working hard to achieve this from well before "sustainability" became a buzzword. Sustainability has long been a central issue for the Company. We have shown ourselves to be a leader in fisheries research including through R&D to advance environmentally friendly land-based aquaculture and tackle marine pollution in sea-based aquaculture. We are way ahead of companies in the United States and Europe in this regard, and I believe we should do more to convey our story to investors.

**Tonoike:** I agree. At the time the issue of the 200 nautical-mile limit emerged, there were malicious rumors that Japanese companies were destroying fishing grounds around the world, but if that had been the case, we would have been eliminated from the market long ago. The fact that we have been able to protect the resources for decades since then is proof of the importance we have placed on our relationship with stakeholders, including local companies and fishermen in various countries and fishing grounds, and of the sustainability-oriented management we have practiced.

**Funaki:** We now rely heavily on overseas fishing grounds for access to wild resources, and while the global catch volume has remained flat, the catch volume in Japan has continued to decline year after year since 1984. We have long considered Japan to be a developed country in terms of fisheries and fish consumption, but we recognize that we lag behind Alaska and Northern Europe when it comes to the management of marine resources in our surrounding waters. In addition, the adoption of certified marine products in Japan has been slower than in Europe and the United States, and we would like to analyze the reasons for this and the means by which we can help such products gain traction as in Europe and the United States.

**Edmister:** In the United States, the Alaska pollack fishery has been a model for successful collaboration between government and the fishing industry to create a regulatory framework that has resulted in long-term sustainability. While this has been a wonderful success story, this is not the case for every species. Salmon for

example suffers from large fluctuations in both catch and price levels. This in turn makes it difficult to make long-term investments in processing or other facilities, which ultimately hurts local fishing communities, as we have seen recently. Regulators and the industry need to develop strategies for each fish species and think carefully about how to pursue sustainability in each case, in order to attract investment and ensure sustainable fisheries.

**Funaki:** The salmon business in Alaska involves the use of a large number of small vessels, making it different from the Alaska pollock business that has largely transitioned to using larger fishing vessels. This makes rationalization of the former a challenge.

**Edmister:** Fishermen in both Alaska and Japan are facing similar problems. Fishing is the culture of sea towns, so it is imperative that we consider how we can create a stable system in collaboration with the community. For a large company like Maruha Nichiro, it is tremendously important that we take the lead in designing such systems by collaboration with governments, fishing cooperatives, and local communities.

**Funaki:** I agree. I think the reason we could achieve such a large market share for Alaska pollock and crab in Alaska is because we were able to do that.

**Tonoike:** It was indeed because we were able to develop a system that enhanced the value of local fisheries, which raised the income of fishermen and brought them joy. As Mr. Edmister said, I believe our efforts will resonate with even more people if we work harder on sharing our ideas and activities outside the Company going forward.

## Theme 2. Challenges to making further progress as demanded by stakeholders

**Tonoike:** Some time ago, I visited our frozen foods plant in Gunma and was surprised to see that there were many foreign employees there. I was a little concerned because the foreign technical intern trainee scheme had just undergone a review due to various problems that occurred in recent years. However, when we conducted a satisfaction survey on the working conditions at our plants, 90% of the respondents indicated that they were satisfied. It was very reassuring to see that both the employer and the employed foreign workers are satisfied with the relationship. Since the Company has many overseas sites, I hope we can continue to pay close attention to our diverse human resources from the viewpoint of human rights going forward.

In addition, it is necessary for us to promote the active participation of women. Since we have female Outside Directors, we have held lunch meetings under the banner of “meetings for supporting working women” with employees, regardless of their gender. I was hoping we would soon have a female Director appointed from within the Company, so it is

very disappointing that we did not have any female Executive Officers this year. However, the Board of Directors is also fully committed to nurturing female Directors.

As for the working environment for women, there are some who had taken childcare leave and have since returned to work, and the appropriate systems are in place to allow many women to contribute actively. I have yet to be able to identify where the bottleneck lies in terms of promoting women to management-level positions. Perhaps, people are just not used to seeing female managers or female Directors, so it may be harder for women to take on the challenge. We have thus been providing female employees with such opportunities as much as possible.

**Edmister:** A core role of Outside Directors is to support and evaluate management, so we have been checking to ensure that management is properly incentivized on sustainability issues. For instance, when setting KPIs for managers, it is important to concretely reflect key sustainability themes in the KPIs that will be used in their evaluations. Regardless how much we talk

about sustainability at the board level, if clear KPIs are not incorporated into evaluations, managers will not be incentivized to take action. We thus need to consider management performance standards around sustainability and how to implement them in practice.

More broadly, President Ikemi often encourages everyone to think about what kind of company Maruha Nichiro will be 100 years from now, or essentially, the existential issues for the Company. If we think about 100 years from now, the most fundamental issue for us as a company is that of sustainability. This is why we have been including sustainability of marine resources, as well as the combating of global warming, in our KPIs for some time already and are increasing their weighting.

**Funaki:** I agree with what Mr. Edmister just said. However, it would be insufficient if employees felt that a certain percentage of their evaluation is based on sustainability KPIs, leading them to believe they would lose points if they fail to meet those targets. I would like to create an atmosphere and a culture in which everyone will embrace the fact that sustainability KPIs will contribute to higher future economic value, albeit not immediately, and must therefore be implemented.

**Tonoike:** I agree. We have also started to work on creating health value. If we can engage in marketing, branding, digital transformation (DX), product development, certification, and various other kinds of work from the perspective of sustainability and create new businesses, we can make consumers happy and

generate profits for the Company.

**Funaki:** Yes, I want others to know that’s why we are doing it. We are committed to enhancing the trinity of environmental value, social value, and economic value, and we need to be aware of the fact that these values are all interdependent.

**Tonoike:** Actually, it feels like the seeds we have sown are gradually starting to sprout.

**Edmister:** I think our customers actually desire products with high sustainability value. If we can successfully communicate the extent of our efforts to our customers and consumers, it will translate into economic value.

Another challenge is to rationalize the use of ESG scorecards for companies. There are various evaluation systems being developed. Europe has been taking the lead on this front, which gives European companies an advantage. For example, while CO<sub>2</sub> reduction features heavily in ratings, activities to protect the sea are not as prominent in scoring systems. In other words, the extensive long-term efforts we have been undertaking in marine stewardship are not being properly weighted and recognized. We can benefit by explaining our story to international organizations and rating agencies and enhancing recognition of these types of sustainability initiatives in evaluation mechanisms.

I would like to see the Japanese government and government agencies in particular do more to be involved in the creation of global standards that properly reflect these contributions.

## Theme 3. Working at Maruha Nichiro means protecting the oceans and the planet

**Funaki:** You have both actively provided opinions from a variety of perspectives at Board of Directors meetings, and even during this short discussion today, you have offered some highly meaningful feedback. I hope you will continue to speak up proactively at Sustainability Committee meetings. Japan is a country that is both far ahead of others and lagging far behind others in various aspects of sustainability, so we hope to identify the factors that are hindering our progress in the materiality-related KPIs that we have stipulated and take urgent action to address them. The Sustainability Committee’s primary role is to allow each and every employee to realize that sustainability is important for the future of the business they are personally involved in.

**Edmister:** If the oceans are ruined, it will spell the end for the planet. Protecting the oceans is thus one of the most important things we can do to protect the planet. Because of our long-term commitment to sustainable fisheries, we can literally save the oceans just by going to work every day. If you think about it, very few companies can have such a direct positive impact on the planet.

However, we have perhaps become so used to this within the Company that we no longer perceive

it. It’s actually a pretty special feeling which we should treasure and share both inside and outside the Company. As the world’s number one seafood company, we have a massive impact on the oceans, hence the world. Just working in a sustainable way, we therefore save the world. I believe everyone at our company can take special pride in knowing that we can save the planet simply by getting up every morning, coming to work, and doing our jobs.

**Tonoike:** That is certainly true. Mr. Edmister’s words make me feel a great sense of responsibility as a member of the management team, because it is imperative that we communicate the Company’s sustainability efforts to all stakeholders, including employees, governments, industry associations, and consumers.

Also, from my point of view, everyone tends to get too caught up with their work to truly focus on the kind of work that embodies our great responsibility to society. I hope we can make an effort to increase productivity for the work that currently exists and further reduce workload. It would also be great if each and every employee can have more time to think about sustainability, and if they can hear this directly from the Board of Directors.

WEB Outside Directors’ roundtable discussion



# Directors, Audit & Supervisory Board Members, Executive Officers

(as of June 25, 2024)

## Directors



**Masaru Ikemi**  
Representative Director,  
President & CEO

**Date of birth:** December 22, 1957 (66 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 Executive Officer 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 (64 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 (62 years of age)  
**Attendance at board meetings:** 100% (13/13)

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 (62 years of age)  
**Attendance at board meetings:** 92% (12/13)

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)



**Katsue Okuda**  
Outside Director

**Date of birth:**  
December 28, 1963 (60 years of age)  
**Attendance at board meetings:**  
100% (17/17)

\*The number of board meetings attended  
by Katsue Okuda includes the board  
meetings held prior to her retirement  
as Outside Audit & Supervisory Board  
Member on June 27, 2023, and the  
board meetings held following her  
appointment on June 27, 2023.

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.  
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 Directors. Accordingly,  
the Company elected her as an Outside Director.



**Yoshiko Tonoike**  
Outside Director

**Date of birth:**  
January 26, 1971 (53 years of age)  
**Attendance at board meetings:**  
100% (13/13)

April 1997 Appointed as Prosecutor  
June 2021 Instructor of Meiji University Legal Laboratory  
June 2021 Outside Director of Daitoh Trading Co., Ltd.  
November 2021 Registered as an attorney at law  
November 2021 Joined Minaki & Kitazawa Law Office  
June 2023 Outside Director of the Company (current position)  
October 2023 Partner of Minaki & Kitazawa Law Office (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 (50 years of age)  
**Attendance at board meetings:**  
100% (13/13)

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



**Nobuhiko Takamatsu**  
Outside Director

**Date of birth:**  
June 2, 1955 (69 years of age)  
**Attendance at board meetings:**  
New appointment

April 1979 Joined Nippon Steel Corporation  
April 2008 General Manager of Intellectual Property Division  
of Nippon Steel Corporation  
April 2011 Executive Officer of Nippon Steel Corporation  
April 2012 Corporate Advisor of Nippon Steel Corporation  
April 2012 Executive Officer of Usinas Siderúrgicas de Minas  
Gerais S.A. - Usiminas  
August 2014 Vice President of Usiminas  
April 2016 Managing Executive Officer of Nippon Steel &  
Sumitomo Metal Corporation (currently, Nippon  
Steel Corporation)  
April 2016 Director of Usiminas  
April 2017 Advisor of Nippon Steel & Sumitomo Metal  
Corporation (currently, Nippon Steel Corporation)  
April 2017 Senior Managing Executive Officer and Assistant to  
President and CEO of Topy Industries, Ltd.

June 2017 Representative Director, President and CEO of Topy  
Industries, Ltd.  
June 2023 Director and Chairman of Topy Industries, Ltd.  
April 2024 Director and Counselor of Topy Industries, Ltd.  
June 2024 Outside Director of the Company (current position)

**Reason for selection:** Following his many years of experience  
in intellectual property and corporate planning at a major  
steel manufacturer, Nobuhiko Takamatsu was involved in the  
management of a steel manufacturer that operates internationally  
as Representative Director, President and CEO, attesting to his  
knowledge of global corporate management. Based on his wealth  
of experience and exceptional insight, he 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 a candidate for Outside Director.

## Audit & Supervisory Board Members



**Ryusuke Aya**  
Outside Audit & Supervisory  
Board Member

**Date of birth:** May 20, 1960 (64 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 (61 years of age)  
**Attendance at board meetings:** 100% (17/17)

April 1986 Joined The Mitsubishi Trust and Banking Corporation  
March 2009 General Manager of Loan Sales Division 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 (58 years of age)  
**Attendance at board meetings:** 100% (13/13)

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.



**Mutsumi Yamazaki**  
Audit & Supervisory Board  
Member

**Date of birth:** May 29, 1964 (60 years of age)  
**Attendance at board meetings:** New appointment

April 1988 Joined the Company  
April 2020 Acting General Manager of North America  
Operations Department No. 1 of the Company  
April 2022 Acting General Manager of North America  
Operations Department of the Company  
April 2023 Acting General Manager of Business  
Administration Department of the Company  
April 2024 Acting General Manager of Accounting Department  
of the Company  
June 2024 Audit & Supervisory Board Member of the  
Company (current position)



**Yoshito Kaneyama**  
Outside Audit & Supervisory  
Board Member

**Date of birth:** August 16, 1959 (64 years of age)  
**Attendance at board meetings:** 100% (17/17)

October 1983 Joined Aoyama Audit Corporation (currently,  
PricewaterhouseCoopers Japan 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 Officers

President & CEO

Masaru Ikemi

Executive Vice President

Sadahiko Hanzawa

Managing Executive Officer

Kenji Funaki

Managing Executive Officer

Seiichi Hiroshima

Managing Executive Officer

Satoshi Kokaji

Managing Executive Officer

Daisuke Yasuda

Executive Officer

Hidekata Yamada

Executive Officer

Masayuki Kanamori

Executive Officer

Masato Mizoguchi

Executive Officer

Yoshinobu Kumamoto

Executive Officer

Kenji Watabiki

Executive Officer

Isao Wakamatsu

Executive Officer

Kimihiko Takaya

Executive Officer

Katsuhiko Adachi

Executive Officer

Yoshitaka Koseki

Executive Officer

Shoji Kishi

Executive Officer

Itaru Kawada

Executive Officer

Masami Azuma

Executive Officer

Satoshi Imoto

Executive Officer

Katsushi Kurume

In charge of Quality Assurance Department, Consumer Relations Center, Product Development Department, Logistics Department, Regional Branches, and Extensive Area Sales Department

Director of Marine Resources Business Segment

Supervisor of Corporate Management Division and in charge of Accounting Department and Internal Auditing Department

Director of Processed Foods Business Segment and in charge of Production Management Department and directly managed plants

Director of Foodstuff Distribution Business Segment

In charge of Overseas Business Strategy Department

Director of Marine Products Trading Unit

Deputy Director of Foodstuff Distribution Business Unit, concurrently in charge of Yayoi Sunfoods

Director of Foodstuff Distribution Business Unit, Director of Agricultural Foods & Meat and Products Unit

Deputy Director of Processed Foods Business Unit

In charge of Legal Affairs & Risk Management Department, General Affairs Department, and Personnel Department

Director of Fine Chemicals Unit, Deputy Director of Agricultural Foods & Meat and Products Unit, Deputy Director of Processed Foods Business Unit

In charge of Corporate Planning Department, Marketing Department, and Finance Department

Director of Logistics Unit and in charge of Business Planning Department, Digital Transformation Department, and Central Research Institute

Director of Fishery Business Unit

Director of North America Operations Unit

General Manager of Kanto Regional Branch

Director of Aquaculture Business Unit, concurrently in charge of TAIYO A&F

Director of Processed Foods Business Unit

# Corporate Governance

## Corporate governance framework

Maruha Nichiro Corporation has adopted a corporate auditing system based on the recognition that having Audit & Supervisory Board Members supervise the execution of duties by Directors as an independent body entrusted by shareholders represents an effective means of securing the sound and sustainable growth of the Company and strengthening our high-quality corporate governance framework that can live up to the trust placed in us by society.

## Board of Directors

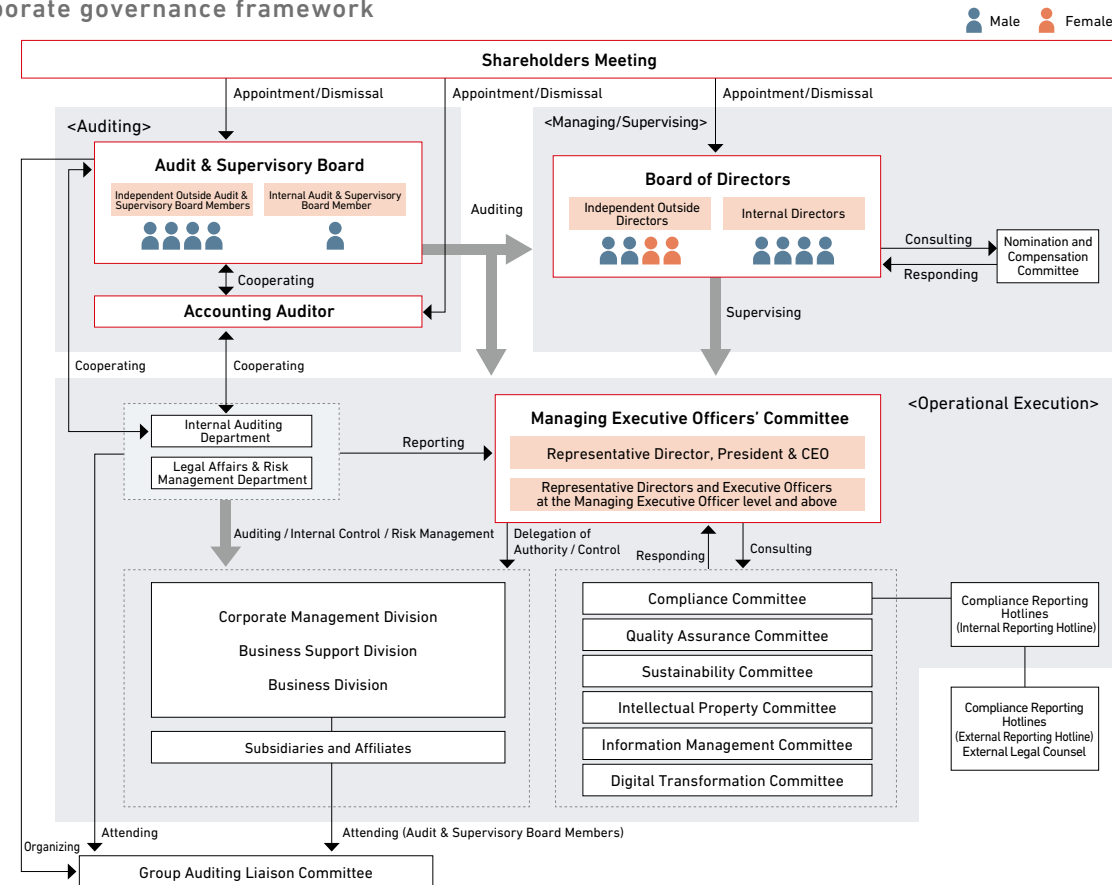
Maruha Nichiro Corporation's Board of Directors comprises eight Directors, including four Outside Directors. Our Board of Directors provides highly effective supervision from an independent and objective perspective by incorporating an executive officer system in which supervisory and executive duties 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 basic management policy, corporate strategy, Medium-term Management Plan, annual management plan,

and capital policy. Decisions on individual operational execution matters are delegated to the Managing Executive Officers' Committee. In FY2023, the Board of Directors met 17 times, including extraordinary meetings, with an average attendance rate of 98% for Directors and 100% for Audit & Supervisory Board Members.

## Managing Executive Officers' Committee

Maruha Nichiro Corporation's Managing Executive Officers' Committee comprises six members, including Representative Directors and Executive Officers at the Managing Executive Officer level and above. The Managing Executive Officers' Committee is responsible for planning and drafting corporate strategies for the entire Maruha Nichiro Group, developing a system to promote such strategies, and establishing and effectively promoting policies regarding overall corporate strategies to realize our long-term corporate vision. The Managing Executive Officers' Committee generally meets once a week and makes prompt management decisions on operational execution matters delegated by the Board of Directors, with matters of importance reported to the Board of Directors. In FY2023, the Managing Executive Officers' Committee held 46 meetings.

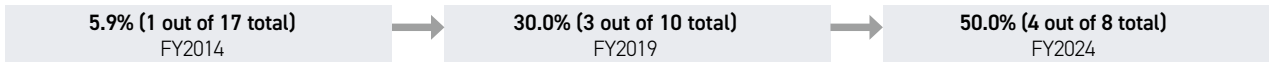
## Corporate governance framework



## History of recent governance reforms

	FY2014-FY2017	FY2018-FY2021	FY2022-FY2024
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 eight times since)		
Separation of operational execution from management/supervision	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



\*The composition of the Board of Directors for FY2024 is that as of June 25, 2024.

## Audit & Supervisory Board

Maruha Nichiro Corporation has implemented a corporate auditing system involving five Audit & Supervisory Board Members, four of whom are Outside Audit & Supervisory Board Members. Audit & Supervisory Board Members audit the operational execution of Directors by convening regularly held meetings and deciding on matters pertaining to audit policies, audit plans, audit methods, and execution of auditor duties, as well as by attending important meetings such as Board of Directors meetings, holding interviews with the Company's Directors and General Managers of departments, conducting site visits of domestic and overseas subsidiaries, receiving and reviewing the results of audits from our accounting auditor and exchanging opinions with them, and regularly holding meetings of the Group Auditing Liaison Committee. In FY2023, Audit & Supervisory Board meetings were held six times, with an average Audit & Supervisory Board Member attendance rate of 100%. Moreover, at Maruha Nichiro, four highly independent Outside Audit & Supervisory Board Members have been designated as Independent Officers, of whom three Outside Audit & Supervisory Board Members have been appointed based on their extensive experience and in-depth knowledge from their careers at financial institutions.

Additionally, this committee deliberates on the nomination and compensation system as well as the compensation levels 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 2023 to deliberate on candidates for Director and Executive Officer positions after the Ordinary Shareholders Meeting to be held in June 2023. Respecting the findings of the committee, the Board of Directors passed resolutions on the selection of Directors 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 before the Board of Directors makes a decision, but, at present, there are no applicable persons.

With regard to compensation, the Nomination and Compensation Committee met in May 2023 to deliberate on compensation for Officers for July 2023 and beyond. Respecting the findings of the committee, the Board of Directors passed a resolution on compensation for Officers during its meeting in June 2023. In FY2023, the Nomination and Compensation Committee met two times, with an average committee member attendance rate of 100%.

## Nomination and Compensation Committee

The majority of the members of the Nomination and Compensation Committee are Outside Directors, with the Chair and members of this committee appointed by the Board of Directors.

## 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 Managing Executive Officers' Committee.

## Composition of each committee

Committee name	Chair	Vice Chair	Members*	Observers
Compliance Committee	Yasuda	Hanzawa, Hiroshima	Ikemi, Tonoike, Funaki	Okuda, Takamatsu, Kimura, Yamazaki
Quality Assurance Committee	Hanzawa	—	Ikemi, Funaki, Hiroshima	Okuda, Tonoike, Takamatsu, Aya, Ono
Sustainability Committee	Funaki	Hiroshima	Ikemi, Hanzawa	Okuda, Tonoike, Takamatsu, Ono, Yamazaki, Kaneyama
Intellectual Property Committee	Hiroshima	—	Funaki	Aya, Kimura
Information Management Committee	Hiroshima	Wakamatsu	Funaki	Aya, Ono
Digital Transformation Committee	Koseki	—	Ikemi, Hanzawa, Funaki, Hiroshima	Kimura, Yamazaki

\*Only Directors are listed among the committee members.

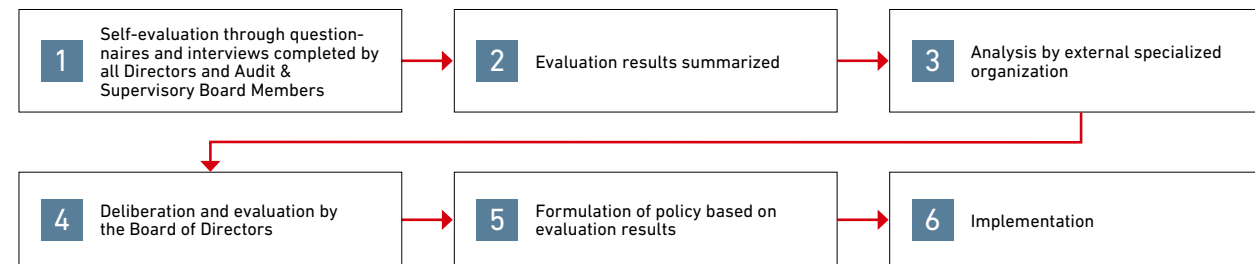


## Evaluation of Board of Directors' effectiveness

Once every year, Maruha Nichiro Corporation conducts a self-evaluation of the 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 FY2023, the Board of Directors deliberated on the results of the evaluation

conducted based on self-evaluation in the form of a questionnaire and interviews with all Directors and Audit & Supervisory Board Members from February to March. The evaluation was carried out with the support of an external specialized organization. We confirmed that the Company's Board of Directors is functioning appropriately and is generally effective.

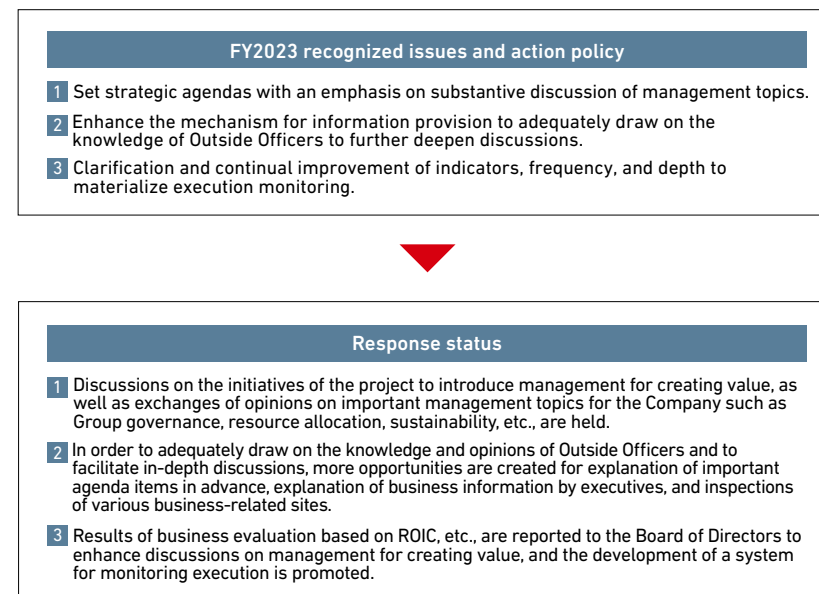
### Effectiveness evaluation process



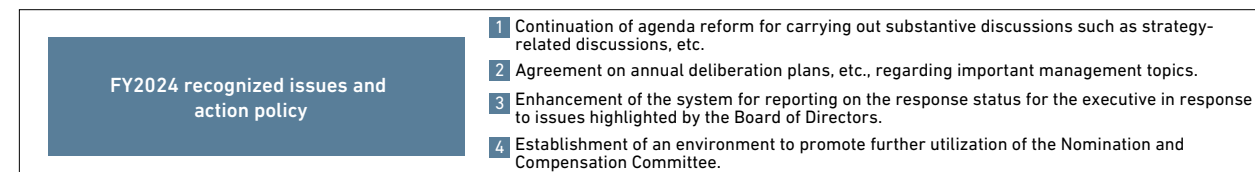
### Evaluation items

- 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 Human capital
- 11 Addressing sustainability issues
- 12 Dialogue with shareholders
- 13 Operation of the Board of Directors (establishment of an environment for substantive discussion of management topics, roles and responsibilities of the Board of Directors, safeguarding executive power based on these roles and responsibilities, appropriateness of operations and quality of deliberations, management of issues highlighted, etc.)

### Analysis and response status on Board of Directors' effectiveness



### Looking ahead



## Stimulating discussion at Board of Directors meetings

Maruha Nichiro Corporation has adopted 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 to the participation of Outside Directors in various committees that serve as advisory bodies to the Managing Executive Officers' Committee, exchanges of opinions between Outside Directors and Outside Audit & Supervisory Board Members are also held to help ensure the effectiveness of supervision.

### ● Main agenda items for FY2023

- Verification of cross-shareholdings
- Future policy for each stock discussed by executives

- Introduction of a share benefit plan for employees
- Appropriateness of performance-linked coefficients
- Policy on expanding the scope of eligible employees
- Dividend policy
- Enhancement of opportunities to return profits to shareholders

## Review of succession plans

At Maruha Nichiro Corporation, we believe it is important to nurture human resources for the next generation of management leaders and select appropriate leaders in order to achieve the sustainable growth of enterprise value. Therefore, we will proceed with a review of our succession plans, including defining and training the human resources needed to realize the Group Philosophy, which embodies the mission that the Group must fulfill for the benefit of society.

## Approach to cross-shareholdings

Maruha Nichiro Corporation's basic policy is to hold shares of its business partners as cross-shareholdings if it deems that doing so will contribute to strategic initiatives with the business partner and to the enhancement of the Group's enterprise value over the medium to long term.

Each year, the Board of Directors examines the investment value of each cross-shareholding, and if it no longer recognizes the purpose or rationality behind the Company's continued holding of a stock, it will proceed to sell or otherwise reduce its holdings in that stock based on stock prices and market trends while engaging in dialogue with the company in question.

In FY2023, the Board of Directors meeting held on September 25, 2023, conducted an examination of cross-shareholdings and reduced holdings by 1.3 billion yen across the stocks of 13 companies.

Appointment of Officers with experience and professionalism

The Board of Directors at Maruha Nichiro Corporation defines a skills matrix for Officers 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.

Skills matrix for Directors and Audit & Supervisory Board Members

Officer name	Main specialization, background							
	Corporate 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
<b>Masaru Ikemi</b> Representative Director, President & CEO	●	●	●			●		●
<b>Sadahiko Hanzawa</b> Representative Director, Executive Vice President	●						●	
<b>Kenji Funaki</b> Director, Managing Executive Officer	●	●	●					
<b>Seiichi Hiroshima</b> Director, Managing Executive Officer				●	●	●		●
<b>Katsue Okuda</b> Outside Director	●			●	●			
<b>Yoshiko Tonoike</b> Outside Director				●				
<b>Bradley Edmister</b> Outside Director	●	●	●	●				
<b>Nobuhiko Takamatsu</b> Outside Director	●	●	●				●	●
<b>Ryusuke Aya</b> Outside Audit & Supervisory Board Member	●	●		●	●			
<b>Taiichi Ono</b> Outside Audit & Supervisory Board Member	●				●			
<b>Yoshio Kimura</b> Outside Audit & Supervisory Board Member	●				●			
<b>Mutsumi Yamazaki</b> Audit & Supervisory Board Member		●			●			
<b>Yoshito Kaneyama</b> Outside Audit & Supervisory Board Member					●			

Moreover, the above does not represent all of the experience and expertise possessed by each Officer.  
\* As of the end of June 2024

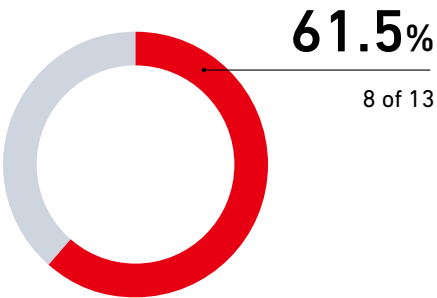
Selection criteria for skill items

Item	Reason for selection	Number of applicable persons
Corporate 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.	9
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.	6
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.	4
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.	5
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.	2
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.	3

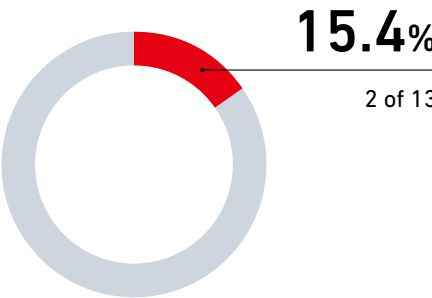
Moreover, the above does not represent all of the experience and expertise possessed by each Officer.  
\* As of the end of June 2024

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





## Compensation system 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.

### Target metrics for medium-term performance-linked stock compensation

Evaluation metrics				Target to be achieved (KGI/KPI)	Evaluation weight
Consolidated ordinary income				28.7 billion yen	50%
Consolidated ROIC				4.30%	30%
ESG indicators	Environment	Action against climate change	CO <sub>2</sub> reduction	10% or more reduction (compared to 2017)	20% (distributed evenly across all items)
		Realization of a recycling-oriented society	Plastic use	10% reduction (compared to 2020)	
		As above	Food loss (product waste)	20% reduction (compared to 2020)	
	Society	Provision of safe and secure food	Serious quality-related incidents (domestic Group)	Zero incidents	
		Building a diverse workplace environment	Percentage of female managers	7.5% or more	

(Notes) 1. Financial evaluation metrics (consolidated ordinary income and consolidated ROIC) are in line with targets set forth in the Medium-term Management Plan as of 2022.

2. Serious quality-related incidents are defined as product recalls announced in newspapers or on the Company's website due to violations of relevant regulations or voluntary codes as specified in GRI Standards 416-2 and 417-2.

### 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	255	179	52	22	11
(Outside Directors of whom are Directors)	(42)	(42)	(—)	(—)	(6)
Audit & Supervisory Board Member	94	94	—	—	6
(Outside Audit & Supervisory Board Member)	(73)	(73)	(—)	(—)	(5)
Total	350	274	52	22	17
(Outside Officer)	(116)	(116)	(—)	(—)	(11)

(Notes) 1. The above table includes three Directors (of whom, two are Outside Directors) and one Audit & Supervisory Board Member (of whom, one is an Outside Audit & Supervisory Board Member) who retired at the conclusion of the 79th Ordinary Shareholders Meeting held on June 27, 2023.

2. Amounts paid to Directors do not include the salaries of employees who concurrently serve as Directors.

3. At the Extraordinary Shareholders Meeting held on January 30, 2014, it was resolved that the compensation for Directors shall be limited to no more than 60 million yen per month (not including the salaries of employees who concurrently serve as Directors) and the compensation for Audit & Supervisory Board Members shall be limited to no more than 10 million yen per month. The number of Directors subject to this shareholders meeting resolution is 13 (of whom, two are Outside Directors), and the number of Audit & Supervisory Board Members subject to this resolution is five (of whom, four are Outside Audit & Supervisory Board Members). The Company resolved at the 78th Ordinary Shareholders Meeting held on June 28, 2022, that, in addition to monetary compensation, a performance-linked stock compensation plan, the "Board Benefit Trust (BBT)," was to be introduced for the Company's Directors (excluding Outside Directors and non-residents of Japan) and Executive Officers (excluding non-residents of Japan). Four Directors are subject to this shareholders meeting resolution.

## Corporate Governance Supporting MNV Creation

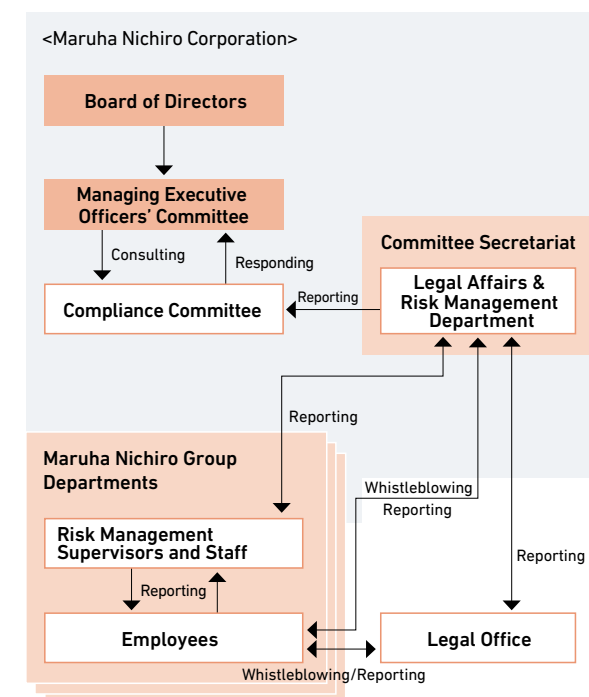
# Compliance

### 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 and regulations as well as ensuring greater compliance awareness.

The Compliance Committee, which has established a secretariat within the Legal Affairs & Risk Management Department, checks on the appropriateness of operations within the Group based on changes in the social environment, surveys of public institutions, and cases of legal violations or scandals inside and outside of the Group. It also 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. There are two internal and external points of contact for employees to submit reports. All employees working in the Maruha Nichiro Group, including seconded employees, 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. Maruha Nichiro Corporation's whistleblower response personnel (Legal Affairs & Risk

Management Department) will be contacted, without revealing the whistleblower's identity if they so request, 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 reports and prohibiting attempts to search for the whistleblower when confirming the facts of the matter. In addition, information on the compliance reporting hotlines is provided in the Philosophy Pocket 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 FY2023, there were 19 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 resonate on a more personal level with employees. The purpose of this is to provide opportunities for each employee to independently reflect on the relationship and connection between their daily work and the Group Philosophy, and to further understand the philosophy as their own.

We have progressively rolled out this philosophy training, which is conducted by Officers of Maruha Nichiro Corporation, to all employees at all business sites of Maruha Nichiro Corporation and Group companies. In FY2023, we resumed group-based training, which had been suspended due to COVID-19, while concurrently making use of online training, to conduct Group Philosophy Training for all employees, including those at Group companies.



Group Philosophy Training for new employees of the Group

# Risk Management

## Roles 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 Philosophy. We regard risk management, along with the implementation of our management strategy, as the “wheels of a car” for achieving our business objectives. We are working to increase trust among stakeholders by adopting preventive countermeasures against inherent business risks to mitigate these risks and practicing proper information disclosure at the same time.

## Management structure centered on Legal Affairs & Risk Management Department

The Group has established a system centered on the Legal Affairs & Risk Management Department in which risk management supervisors and risk management staff at departments of Maruha Nichiro Corporation and each Group company cooperate to carry out risk management operations.

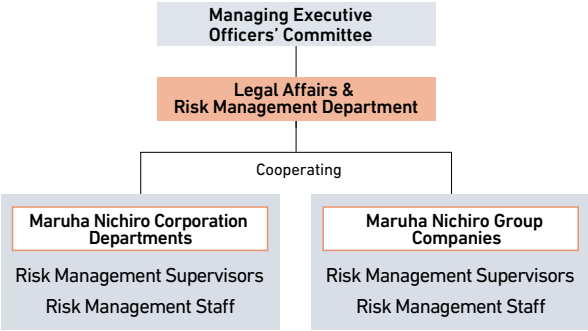
The Legal Affairs & Risk Management Department prepares a risk matrix based on the evaluation and analysis of risks identified by each department of Maruha Nichiro Corporation and each Group company. By sorting and determining the priority of risks for the Maruha Nichiro Group, the department routinely manages the various risks inherent in 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, addressing crises before they materialize, and responding to contingencies such as major accidents and incidents or large-scale natural disasters that could threaten the continuity of the Group.

## Main expected risks

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

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

Risk management framework



## Implementation of risk assessment-based PDCA cycle

The Maruha Nichiro Group regularly identifies risks that impact the Group while taking into consideration changes in the business environment. In turn, these risks are evaluated and analyzed according to their level of impact based on the impact of actual risks and predicted risks, as well as their likelihood 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 require the formulation of 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 in which the Legal Affairs & Risk Management Department provides assistance and monitors the progress of countermeasures implemented by departments of Maruha Nichiro Corporation and each Group company, thus ensuring that the organizational PDCA cycle is functioning effectively.

## 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 that arises within the Group is not only reported to the President & CEO of Maruha Nichiro Corporation via the regular organizational route, but it is also reported directly by risk management staff appointed in the departments of Maruha Nichiro Corporation and each Group company to the relevant departments of the Company’s Corporate Management Division and the Legal Affairs & Risk Management Department.

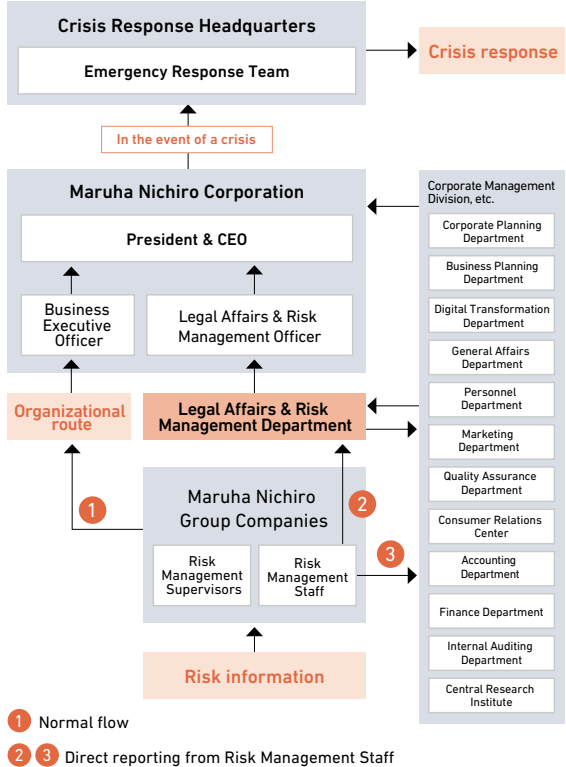
The Legal Affairs & Risk Management Department actively promotes risk communication with each department and Group company, along with education and training, with the aim of maintaining and improving this structure. Through these activities, we strive to enhance risk awareness across the entire Group, promote prompt response, and foster 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 will set up emergency response headquarters and establish a disease prevention and countermeasure manual, as well as disseminate and share updates on various response measures with the entire Group as appropriate, in an effort to minimize

## Flow of risk information



infections among employees. During the COVID-19 pandemic in 2020, we worked to prevent infections among employees while minimizing the impact 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 countermeasures against major earthquakes

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 conducting regular drills and reviews of the plan to achieve a more effective system, and are progressively implementing BCP at Group companies.

## Information management initiatives

### ● Information management framework

The Maruha Nichiro Group has established the Information Management Committee, which is chaired by the Managing Executive Officer in charge, to appropriately manage information entrusted to us by our stakeholders. The committee identifies issues through the development of various rules and regulations and PDCA activities related to information management, while considering and adopting countermeasures, with the aim of strengthening the information management systems of the Group as a whole. The committee’s secretariat comprises the Legal Affairs & Risk Management Department, General Affairs Department, and Digital Transformation Department, which promote information management activities with the support of the relevant personnel and information management staff of each company and department within the Group.

### ● Cybersecurity measures

To counter increasingly sophisticated cyber attacks, we have adopted a two-pronged approach that consists of technical measures through various security products such as firewalls and EDR\* and personnel measures through conducting e-learning on information security for all employees of the Group. In addition, we regularly conduct training that anticipates possible information management-related incidents and review our risk response policy and procedures with relevant departments.

The Maruha Nichiro Group has established internal rules and regulations based on our Personal Information Protection Policy, with efforts having been made throughout the Group to protect personal information. We also conduct e-learning training for Group employees to ensure the secure management of personal information. Moreover, each Group company regularly conducts self-inspections with respect to the management of personal information and monitors their status. We strive to ensure that personal information is well protected through efforts such as the centralized management of personal information whose storage is necessary through the use of dedicated file servers.

\*Endpoint Detection and Response: A function that monitors the status of computers and other devices and quickly detects and responds to suspicious activities



Eleven-year Data

		FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
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Consolidated Statements of Income

Net sales	Millions of yen	851,708	863,784	884,811	873,295	918,820	922,468	905,204	809,050	866,702	1,020,456	1,030,674
Operating income	Millions of yen	10,626	8,686	16,972	26,308	24,497	21,758	17,079	16,172	23,819	29,575	26,534
Operating income ratio	%	1.2	1.0	1.9	3.0	2.7	2.4	1.9	2.0	2.7	2.9	2.6
Ordinary income	Millions of yen	13,954	11,834	17,124	27,874	27,917	25,233	19,901	18,093	27,596	33,500	31,106
Profit attributable to owners of parent	Millions of yen	3,191	7,219	4,097	15,446	16,102	16,695	12,537	5,753	16,898	18,596	20,853

Consolidated Balance Sheets

Net assets	Millions of yen	90,876	109,177	105,666	122,820	140,049	150,379	158,978	166,660	187,895	212,522	245,480
Owner's equity	Millions of yen	77,106	88,893	85,197	100,664	115,459	125,353	132,628	142,497	160,174	178,312	207,128
Equity ratio	%	16.2	17.7	17.5	20.1	22.3	24.1	25.1	26.7	29.2	28.0	30.8
Total assets	Millions of yen	475,233	502,016	485,973	501,303	516,607	520,318	528,063	532,866	548,603	637,227	671,801
Balance of interest-bearing debts	Millions of yen	290,443	289,590	281,362	272,208	266,037	263,408	261,715	259,837	250,604	301,139	284,351

Consolidated Statements of Cash Flows

Cash flows from operating activities	Millions of yen	8,708	17,889	30,616	25,969	29,737	16,187	39,178	33,361	19,249	(24)	53,604
Cash flows from investing activities	Millions of yen	(12,471)	(7,087)	(20,303)	(11,097)	(14,975)	(11,854)	(22,445)	(11,996)	(10,258)	(23,860)	(18,927)
Cash flows from financing activities	Millions of yen	3,748	(10,748)	(12,127)	(13,618)	(13,314)	(7,863)	(7,132)	(10,812)	(17,200)	30,288	(32,943)
Cash and cash equivalents at end of year	Millions of yen	13,932	13,951	12,009	13,327	15,187	11,575	21,772	31,156	24,430	33,360	36,905

Major financial indicators

ROE	%	4.4	8.7	4.7	16.6	14.9	13.9	9.7	4.2	11.2	11.0	10.8
ROA	%	3.0	2.4	3.5	5.6	5.5	4.9	3.8	3.4	5.1	5.7	4.8
ROIC	%						4.1	3.2	3.0	4.3	4.8	4.2
Net D/E ratio	Times			3.2	2.6	2.2	2.0	1.8	1.6	1.4	1.5	1.2
Net assets per share	Yen	142.38	1,688.60	1,618.50	1,912.54	2,193.80	2,381.96	2,520.27	2,707.93	3,043.95	3,534.39	4,112.65
Net income per share	Yen	6.18	145.51	77.83	293.44	305.95	317.24	238.24	109.33	321.13	363.68	413.61
Market value-based equity ratio	%	17.7	17.8	22.7	35.4	34.6	40.1	22.5	25.9	23.0	18.8	22.3
Ratio of interest-bearing debts to cash flows	Years	33.4	16.2	9.2	10.5	8.9	16.3	6.7	7.8	13.0	—	5.3
Interest coverage ratio	Times	2.8	6.9	11.5	13.3	16.9	9.0	22.4	22.1	13.5	—	15.5
Capital spending	Millions of yen	15,137	16,310	21,007	19,872	17,818	20,108	25,075	25,356	15,516	30,681	18,914
Depreciation	Millions of yen	13,161	13,614	14,603	13,962	14,686	14,930	15,190	16,166	16,372	15,083	16,216

(Notes) 1. Consolidated financial results and management indicators of Maruha Nichiro Holdings, Inc., are shown for FY2013.  
2. "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) have been applied from the beginning of FY2018, and the total assets for FY2017 are the amount after the retroactive application of the accounting standard in question.

3. "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) has been applied from the beginning of the current fiscal year, and the figures from FY2020 onward are the amounts after the retroactive application of the accounting standard in question.

Employees (consolidated)	Persons	12,110	11,803	11,258	11,237	10,938	11,276	11,107	13,117	12,352	12,843	12,531
Employees (non-consolidated)	Persons	108	1,584	1,554	1,540	1,538	1,578	1,614	1,661	1,647	1,640	1,651
Male	Persons	87	1,285	1,258	1,253	1,245	1,248	1,257	1,262	1,221	1,200	1,176
Female	Persons	21	299	296	287	293	330	357	399	426	440	475
% of women	%	19	19	19	19	19	21	22	24	26	27	29

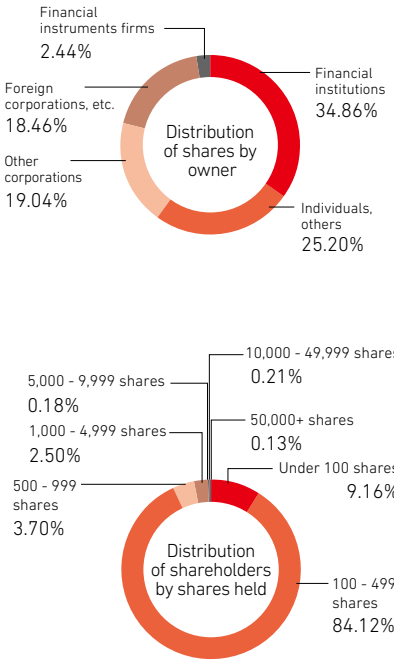
# Stock Information (as of March 31, 2024)

Traded on	Tokyo Stock Exchange
Total authorized shares	118,957,000 shares
Total shares issued	50,578,837 shares (including 39,612 shares of treasury stock)
Shareholders	67,489

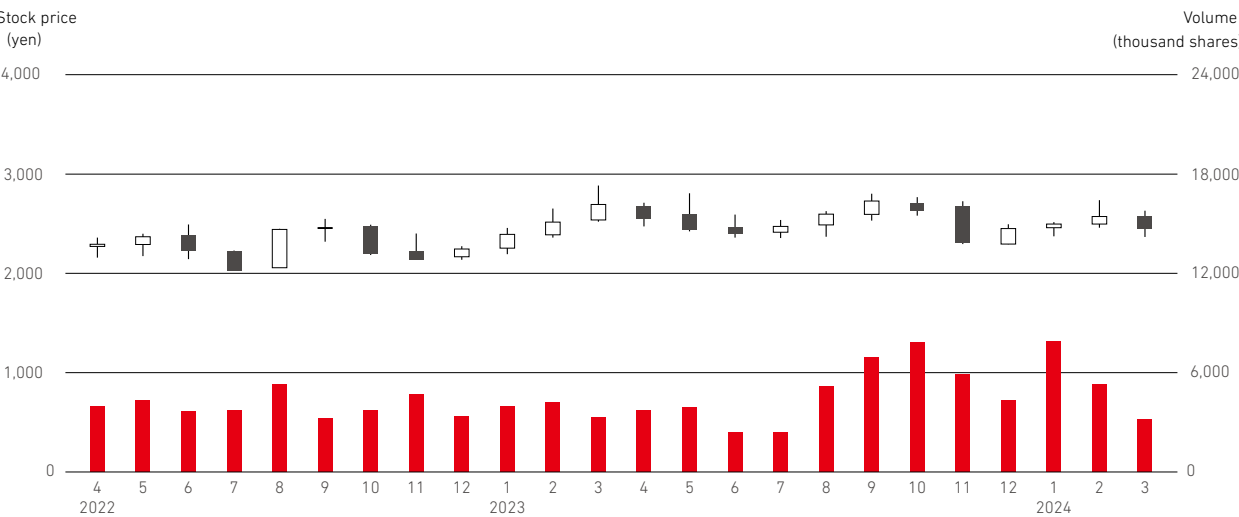
## Major shareholders

Shareholder name	Shares held (thousands)	% of shares held
The Master Trust Bank of Japan, Ltd. (Trust Account)	6,729	13.32
Daitoh Trading Co., Ltd.	4,931	9.76
Custody Bank of Japan, Ltd. (Trust Account)	2,485	4.92
The Norinchukin Bank	1,864	3.69
Mizuho Bank, Ltd.	1,598	3.16
OUG Holdings Inc.	846	1.67
Tokio Marine & Nichido Fire Insurance Co., Ltd.	753	1.49
Nippon Life Insurance Company	739	1.46
DFA INTL SMALL CAP VALUE PORTFOLIO	637	1.26
The Yamaguchi Bank, Ltd.	635	1.26

(Notes) 1. Shares held are rounded down to the nearest thousand.  
2. The percentage of shares held is calculated after subtracting the 39,612 treasury shares from the total shares issued. Furthermore, treasury shares do not include the 174,076 shares held by the Board Benefit Trust (BBT).



## Stock price and trading volume trends



# Company Information (as of March 31, 2024)

Company name	Maruha Nichiro Corporation	Group companies	152 (70 in Japan, 82 overseas)
Established	March 1943		• 81 consolidated subsidiaries
Head office	2-20, 3-chome, Toyosu, Koto-city, Tokyo, Japan		• 18 non-consolidated subsidiaries (including two non-consolidated subsidiaries accounted for using the equity method)
Capital	20.0 billion yen		• 53 affiliated companies (including 24 affiliated companies accounted for using the equity method)
Number of employees	Non-consolidated: 1,651 Consolidated: 12,531		

## Major subsidiaries

Company name		Capital (millions of yen)	contribution ratio by the company (%)	Main business
■ TAIYO A&F CO., LTD.		709	100.0	Marine resources business (Fishery Business Unit)
■ Austral Fisheries Pty Limited	1,000 AUD	31,035	50.0	Marine resources business (Fishery Business Unit)
■ Daito Gyorui Co., Ltd.		2,628	100.0	Marine resources business (Marine Products Trading Unit)
■ Shinko Gyorui Ltd.		100	100.0	Marine resources business (Marine Products Trading Unit)
■ Daitoh Gyorui Co., Ltd.		100	90.2	Marine resources business (Marine Products Trading Unit)
■ Maruha Kyushu Uoichi Holdings Co., Ltd.		97	100.0	Marine resources business (Marine Products Trading Unit)
■ Kyushu Chuo Uoichi Co., Ltd.		90	* 83.6	Marine resources business (Marine Products Trading Unit)
■ Kingfisher Holdings Limited	1 million THB	119	* 50.6	Marine resources business (Overseas Business Unit)
■ Southeast Asian Packaging and Canning Limited	1 million THB	90	* 99.9	Marine resources business (Overseas Business Unit)
■ KF Foods Limited	1 million THB	300	* 99.9	Marine resources business (Overseas Business Unit)
■ Premier Pacific Seafoods, Inc.	1,000 USD	1	* 100.0	Marine resources business (Overseas Business Unit)
■ Westward Seafoods, Inc.	1,000 USD	29,800	* 100.0	Marine resources business (Overseas Business Unit)
■ Alyeska Seafoods, Inc.	1,000 USD	940	* 100.0	Marine resources business (Overseas Business Unit)
■ Maruha Capital Investment, Inc.	1,000 USD	66,943	100.0	Marine resources business (Overseas Business Unit)
■ Seafood Connection Holding B.V.	1,000 EUR	18	* 70.0	Marine resources business (Overseas Business Unit)
■ Maruha Nichiro Europe Holding B.V.	1,000 EUR	100	100.0	Marine resources business (Overseas Business Unit)
■ AIXIA Corporation		660	100.0	Marine resources business (Overseas Business Unit)
■ Maruha Nichiro Kitanippon, Inc.		50	100.0	Processed foods business (Processed Foods Business Unit)
■ Yayoi Sunfoods Co., Ltd.		727	100.0	Foodstuff distribution business (Foodstuff Distribution Business Unit)
■ Maruha Nichiro Chikusan Co., Ltd.		400	100.0	Foodstuff distribution business (Meat and Products Business Unit)
■ Maruha Nichiro Logistics, Inc.		430	100.0	Logistics business (Logistics Unit)
■ Maruha Nichiro Asset, Inc.		100	100.0	Others

(Notes) 1. Figures marked with an asterisk include indirect shares.  
2. The boxes to the left of company names are color-coded according to the segment.  
(■ Marine resources business segment, ■ Processed foods business segment, ■ Foodstuff distribution business segment, ■ Others)  
3. Maruha Nichiro Asset, Inc., has dissolved.

