

The Nissui Group's Compass

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

With this compass in mind, Nissui Group employees spoke in their own words about the challenges they would like to take on through their work.

Cultivating Many Overseas Business Seeds

My goal is to cultivate more business opportunities outside Japan, while also sparking interest in Nissui's overseas businesses among people in Japan.

International Business Development Department
Nissui Corporation

S.A.



Contributing to People's Health through the Nutrients in Fish

As the consumption of blue-backed fish becomes less common, we want to provide health benefits to customers by developing products in a variety of forms that allow them to easily incorporate EPA and DHA into their diets.

Fine Chemicals Business Group
Nissui Corporation

H.O.



Unforgettably Delicious Japanese Amberjack

I want to help raise Korose Buri (Japanese amberjack) that livens up any dish and creates unforgettable dining experiences, leaving our customers smiling whenever they think about its delicious flavor.

Marine Department 1
Kurose Suisan Co., Ltd.

K.N.



A Healthy Mind, Body and Planet

I want to research technologies that contribute to health and create delicious food, and also explore environmentally responsible food that aligns with customer sensibilities.

Central Research Laboratory
Nissui Corporation

M.K.



Kaitiakitanga* Food for the World!

We will diligently protect resources for the benefit of future generations. I want people all over the world to understand Nissui's passion through the sustainable food that we provide. I would therefore like to start by communicating information about Nissui Group fishery activities.

* A Māori term that expresses the concept of guardianship and care for the environment and is closely aligned with sustainability

Export Sales
Sealord Group Ltd.

S.I.



Developing and Sharing a Deeper Understanding of European Food Culture

Europe is home to many countries where diverse languages and cultures coexist. I will draw on the experience and knowledge gained by learning about the characteristics and differences of each country's food culture to share insights that will inspire innovative food solutions.

Fresh Fish Department
Nordic Seafood A/S

T.N.



Creating an Environment and Culture That Makes the Most of Our Strengths

I want to explore what I can do to help all employees rediscover the Nissui Group's appeal and value, as well as create an environment and culture in which we can make the most of our strengths and take action to move to the next stage for the next generation.

Human Resources Producing Department
Nippon Marine Enterprises, Ltd.

R.A.



Lighten the Load of Housework and Childcare with Food!

Raising three children, I have had to deal frequently with making lunch boxes, balancing nutrition, catering to likes and dislikes, and managing the situation when they play with their food. I want to solve these and other issues for those currently bringing up kids.

Strategic Products
Development Department
Nissui Corporation

T.M.



Taking Our North American Business to the Next Level

I am involved in all processes in North America from primary processing to delivery to customers. I want to support my colleagues at Nissui Global Links who are working hard in the vast American market, and create new business opportunities that will accelerate growth.

Nissui USA, Inc.

K.M.



Stable Supply of Agricultural Products

The supply of agricultural products is unstable due to factors such as aging of farmers and adverse weather conditions. Therefore, I would like to develop a system that can provide agricultural products all year round, in the same way as indoor cultivation and fish farming.

Food Service Products
Department
Nissui Corporation

H.O.



Inspiring the Team

As part of a team of branches and related departments, I want to inspire our team and create a positive atmosphere by closing the distance between us, and showing initiative in work and communication—seamlessly receiving the ball and passing it onward.

Chubu Branch
Nissui Corporation

K.Y.



The Legacy of Food Culture

We want to help preserve intangible assets such as local cuisines by introducing them to the world as Nissui products and by suggesting new ways to enjoy food.

Kansai Branch
Nissui Corporation

T.D.



A Conduit for Ideas from Producers and Customers

We use data to convey the feedback and ideas of producers and customers to a broad array of people. I believe the insights gleaned from such data will lead to innovative food solutions.

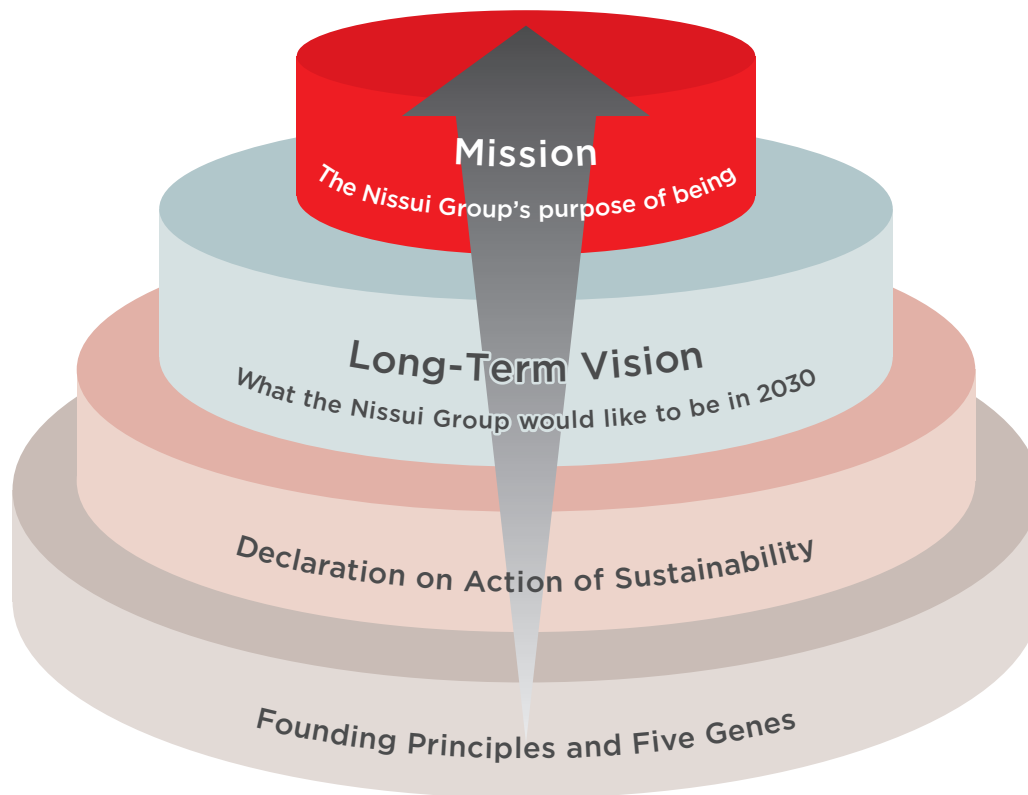
ICT Department
Nissui Corporation

K.U.



Business Philosophy Framework

In 2022, the Nissui Group redefined its mission (purpose of being). Addressing societal issues by exploring new possibilities for food in line with the changing times and environment is the Nissui Group's primary responsibility and purpose of being. Our mission is based on the foundations provided by Nissui's Founding Principles and Five Genes and on our Declaration on Action of Sustainability, which outlines our commitment to stakeholders. With the embodiment of this mission, we aim to realize our long-term vision, "Good Foods 2030," [▶ Page 37](#) and achieve sustainable growth.



Nissui's history begins in 1911, 113 years ago, with the construction of its first fishing boat and the start of its trawl fishing operations.

Two enduring legacies passed down from that time are the belief that "the fishing industry is the key to solving the problem of overpopulation and food shortages" (as expressed in Kosuke Kunishi's collection of essays) and our Founding Principles.

Over time, we have developed businesses that maximize the value of marine resources through various innovations. Today, these businesses include processed food products, which make it easier for people to make fish a part of their diet, and a range of health category and pharmaceutical products based on fish oil.

In addition to the commitment we have maintained since our founding to contribute to healthy, enriched lives by creating multifaceted value from nature's bounty and to deliver it to people globally, we, along with our partners and colleagues worldwide, will strive to address various societal issues through food.

■ Mission (Purpose of Being)

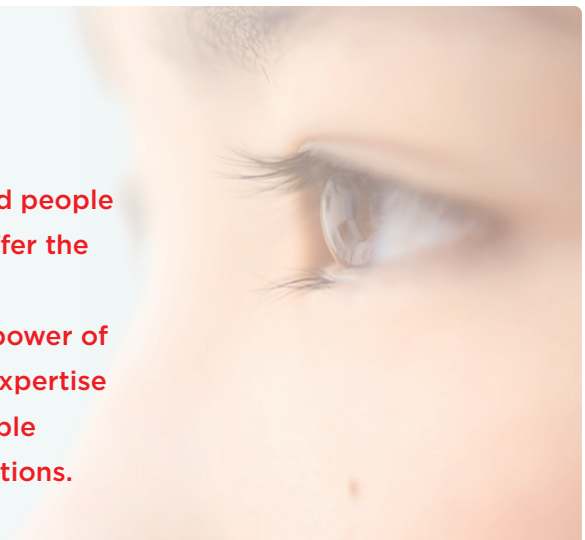
Thoughts Behind the Mission

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

Mission

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

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



■ Founding Principles and Five Genes

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

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



Founder
Ichiro Tamura



Person of merit
Kosuke Kunishi



■ Declaration on Action of Sustainability



Declaration on Action of Sustainability

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

The Nissui Group will appreciate the earth and the sea, and create diverse values from Five Genes (Mission, Innovation, Hands-on approach, Global, Value the customer) inherited since its foundation, and try to solve social issues through its business activities.

For Customers

For Employees

For Business Partners

For the Environment

For Shareholders and Investors

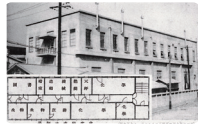

For Society

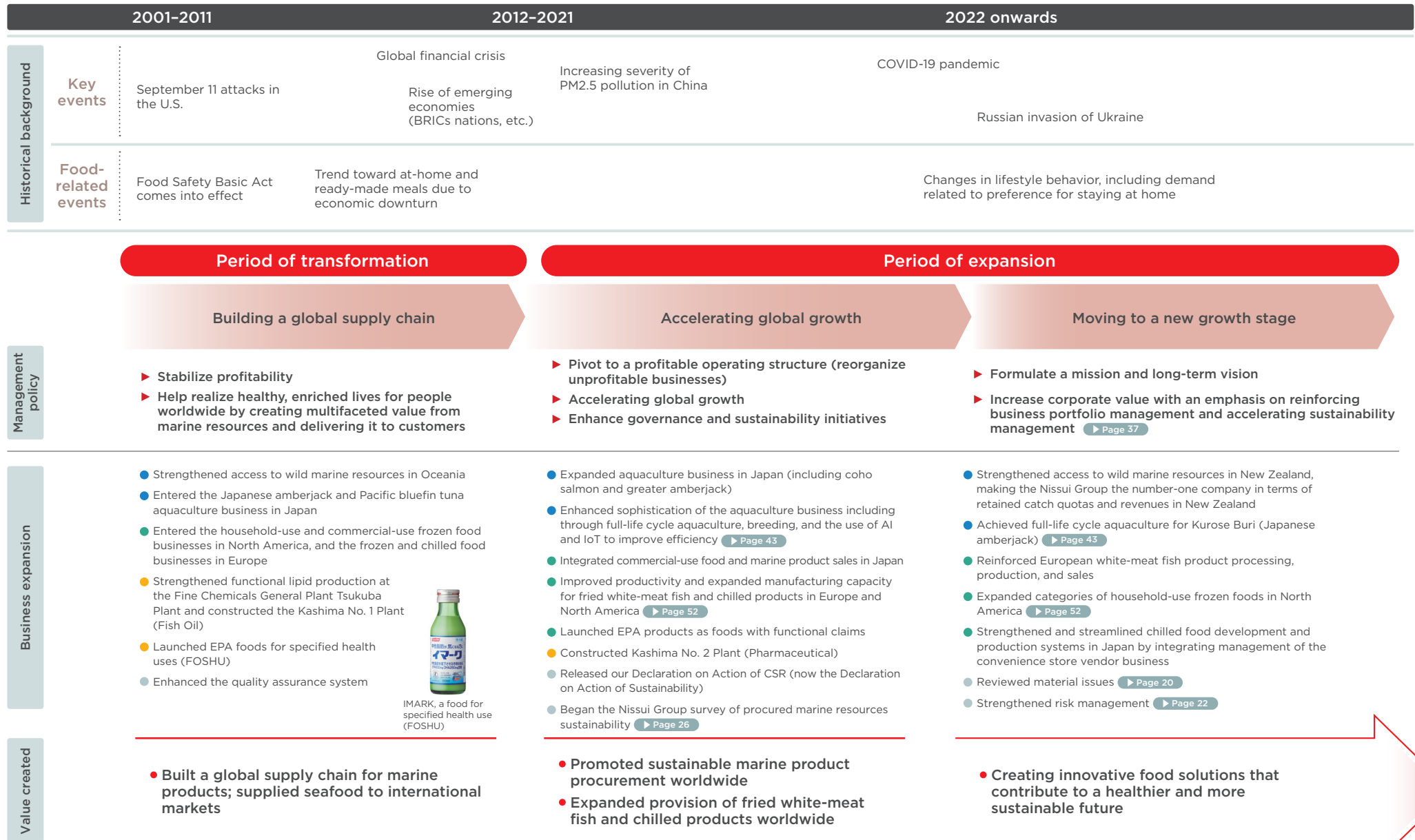
Nissui Group's History of Value Creation

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

	1911-1944	1945-1976	1977-2000
Historical background	Key events First World War Great Depression Second World War	Global tightening of fisheries regulations Japan's period of high economic growth	Adoption of the 200 nautical mile Exclusive Economic Zone (EEZ) by the U.S. and the U.S.S.R. Contraction of the deep-sea fishing industry The enactment of the Equal Employment Opportunity Law in Japan accelerates the trend toward greater participation by women in society Emergence and collapse of the Bubble Economy in Japan
	Food-related events Food shortages in Japan due to population growth	Food crisis	Rapid growth of the food processing industry Increase in the number of general merchandise stores Category expansion and growth in the frozen foods market Expansion of the restaurant and ready-made meal markets

	Early years	Recovery and period of high growth	Period of stagnation and rediscovery
Management policy	In addition to the deep-sea trawler fishery business, entered related businesses such as processing, ice-making, freezing, storage, and research and development	Post-war recovery and expansion of the fishery and food processing businesses	Exploring and building new businesses as alternatives to the fishery business, and establishing marine resource procurement bases outside Japan
	<ul style="list-style-type: none"> ▶ Industrialization of the fishing industry (e.g., research and development, standardization of technology, and export of products) ▶ Complete and effective utilization of marine products 	<ul style="list-style-type: none"> ▶ Expansion of import and purchasing of marine products ▶ Expansion of the food processing business 	<ul style="list-style-type: none"> ▶ Goal of being a leading comprehensive food company with a focus on the fishery business ▶ Contraction of corporate value ends as the result of selection and concentration among businesses, products, and operations

	1911-1944	1945-1976	1977-2000
Business expansion	<ul style="list-style-type: none"> ● Established the Hayatomo Fishery Research Institute, Japan's first private-sector fisheries research institute ● Relocated base of operations from Shimonoseki to Tobata and structured an organization for establishing a marine product supply chain ● Enhanced the sophistication of trawl fishing through R&D (use of fishing radios, diesel engines, and rapid freezing equipment in fishing boats) ● Established and structured storage, processing, distribution, and sales functions for caught fish ● Commercial production of fish cakes began  <p>Hayatomo Fishery Research Institute</p>	<ul style="list-style-type: none"> ● Major investments in onshore factories and large trawlers in Japan to strengthen production systems (Hachioji General Plant and elsewhere) ● Expanded the range of deep-sea fishing operations ● Began full-scale production of fish sausage ● Entered the household-use frozen foods business ● Developed and began off-shore production of frozen surimi (paste-based foods) ● Rolled out nationwide production and sale of fish cakes  <p>Tuna Sausage, made using tuna as the main raw material</p>	<ul style="list-style-type: none"> ● Strengthened access to wild marine resources in North America ● Established marine product procurement sites in South America, Europe, and other regions ● Launched salmon aquaculture business in South America ● Began handling frozen foods in addition to marine products at refrigerated and freezer warehouses ● Created new categories of household-use frozen foods, including frozen "Champon" noodles with broth and ingredients included, frozen "Yaki Onigiri" rice balls, and frozen foods that thaw at room temperature ● Launched vendor business targeting convenience stores ● Began EPA research and obtained the world's first approval for manufacturing high-purity EPA as a pharmaceutical raw material
Value created	<ul style="list-style-type: none"> ● More sophisticated trawl fishing ● Structured integrated system for freezing, storage, processing, distribution, and sales of marine products 	<ul style="list-style-type: none"> ● Established a fishing, purchasing, and production system to supply marine products ● Developed and provided food at a wide range of temperatures, including room temperature, refrigerated, and frozen 	<ul style="list-style-type: none"> ● Established locations outside Japan to procure marine resources ● Developed and began providing high-value-added products that address changes in society and lifestyles



Nissui Group's Value Creation Process

KPIs for FY2030

▶ Page 48

Inputs

Material Issues

▶ Page 20

Outputs

Value Chain Strengths
Global Links & Local Links

▶ Page 10

Financial Value

Capital strength to compete on the world stage

- Net sales: **1 trillion yen**
Operating profit: **50 billion yen**
- ROIC: **≥ 7.0%**
- International net sales ratio: **50%**

Social Value

Resolving health issues

- Sales of health category products:
Expand by: **200%**

Responsible procurement (human rights)

- Assessment of key Tier 1 suppliers:
100%

Value in Human Capital

Diverse human capital playing an important role

- Employee engagement score³:
Improved by **20%**
- Ratio of female managers³: **20%**

Environmental Value

Sustainability of marine resources

- Sustainable procurement rate: **100%**
- Actions aimed at addressing climate change and protecting marine environments
- CO₂ emissions (Scope 1, 2):
Reduced by **30%**
- Achieve carbon neutrality by 2050
- Usage of plastics³: Reduced by **30%**

3. Scope: Nissui Corporation

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

- ### ▶ Financial Capital
- Total assets: **606.3 billion yen**
 - Shareholder's equity: **249.1 billion yen**
 - Equity ratio: **41.1%**

▶ Manufacturing Capital

- Aquaculture sites: **72**
- GFSI²-certified business locations: **32**

▶ Intellectual Capital

- R&D expenses: **4.3 billion yen**
- R&D personnel: **147**
- Tokyo Innovation Center, Oita Marine Biological Technology Center

▶ Human Capital

- Number of employees (consolidated): **10,104**

▶ Social Capital

- Trust in Nissui and our brand, built over more than **110** years of history

▶ Natural Capital

- Sustainable procurement rate of marine resources: **75%**
- Global supply chain (procurement of marine resources from over **48** countries)

Driving the mainstreaming of marine biodiversity

Contributing to a decarbonized and circular economy

Structuring a sustainable supply chain

Resolving health issues

Developing human capital and empowering diverse personnel

Securing a stable workforce and improving productivity

Embracing our mission and establishing our brand

Innovating through digital transformation

Accelerating global operations

Generating innovations related to food

Paste-based foods (surimi)

Fillet fish

Fresh fish

Fish oil, fish meal

White-meat processed fish products (fried white-meat fish, surimi products)

Frozen foods

Chilled foods (bento, deli foods)

Alternative proteins

Health category products (fast-twitch skeletal muscle protein, etc.)

Functional foods

Functional lipids (EPA, DHA)

Governance

Declaration on Action of Sustainability

Founding Principles and Five Genes

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

Nissui Group's Strength: Our Value Chain

The Nissui Group procures marine products from all over the world, and provides high-value-added products to customers of all ages around the world through R&D, processing, production, and quality assurance that bring out the potential of raw materials. We aim to realize our long-term vision by maximizing the potential of the value chain that is our strength—white-meat fish, fish meal, and fish oil—and through the growth drivers of international growth, the aquaculture business, and international sales of pharmaceutical raw materials.

Global Links & Local Links (Countries with Group companies: 26*)

Access to resources



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

Sustainable access to marine resources
(Sustainable procurement of marine resources: 75%)

Global procurement capabilities
(Procurement of raw materials: From over 48 countries)

Alaska pollock (white-meat fish)

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

Peruvian anchovy

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

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

R&D
Open innovation

Processing and production

Aquaculture sites

Quality assurance

Three growth drivers

Accelerate international growth
▶ Page 41

Fried white-meat fish and other products

Enhance aquaculture business
▶ Page 43

Farmed salmon and other products

Strengthen international sales of pharmaceutical raw materials
▶ Page 45

High-purity EPA

Wholesale and retail

Food manufacturers

Restaurants

Feed manufacturers

E-commerce and home delivery

Pharmaceutical manufacturers

Customers of all ages around the world

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

Nissui Group at a Glance

FY2023 Results

Number of Countries with Group Companies

26

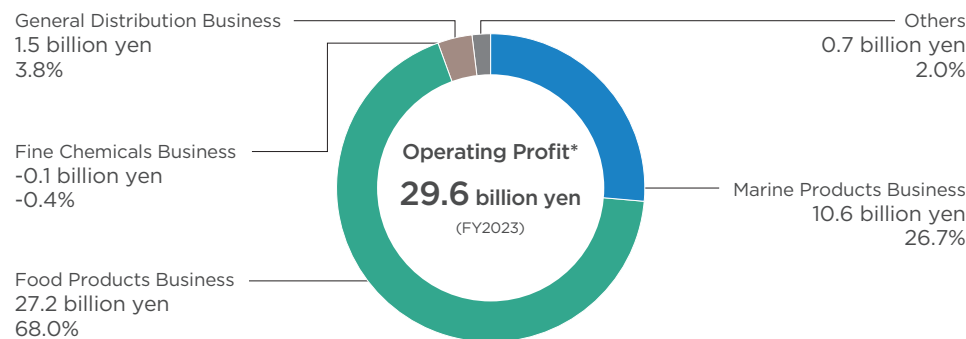
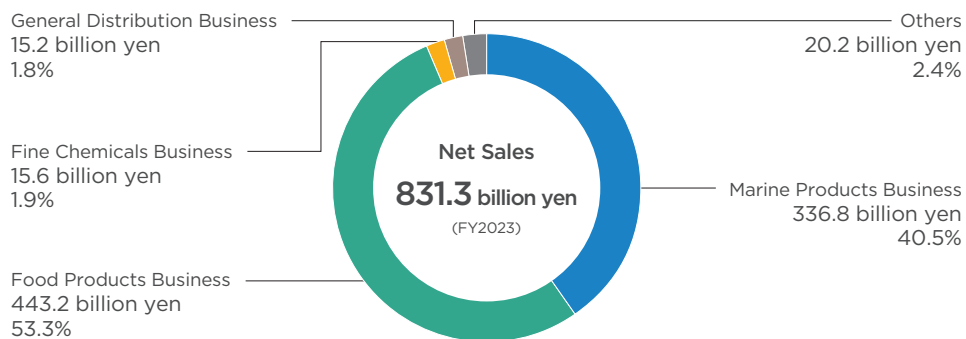
Number of Employees (Consolidated)

10,104

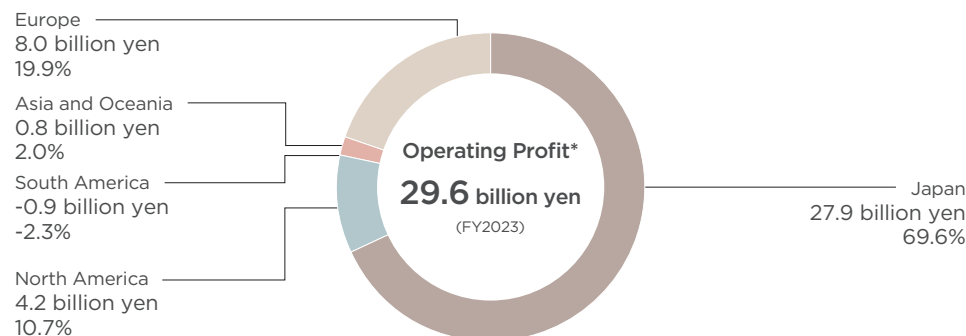
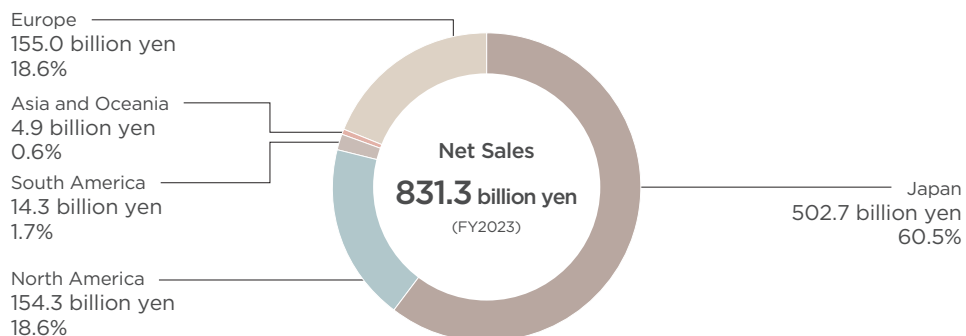
International Net Sales Ratio

39.5%

Net Sales and Operating Profit Margin by Business



Net Sales and Operating Profit Margin by Region



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

The Nissui Group has built competitive advantages in its three core businesses of Marine Products, Food Products, and Fine Chemicals. We are able to provide differentiated, high-value-added products by combining the strengths of each business.

Marine Products Business

Access to global white-meat fish resources

South America



Group fishing companies in South America procure hake, blue grenadier, and other species

North America

UniSea, Inc. procures and processes Alaska pollock



Advances in full-life cycle aquaculture and breeding technology

Japan



Farmed Japanese amberjack

Harvest volume (FY2023)
Approx. **9,500** MT

Market share in Japan (FY2023)
No. 1 Approx. **11%**¹

South America

Salmon trout

Harvest volume (FY2023)
Approx. **31,000** MT

Market share in Chile (FY2023)
No. 1 Approx. **40%**¹



Fine Chemicals Business

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

World



World-first

Obtained approval in 1990 to manufacture high-purity EPA as a pharmaceutical raw material

Marine Products Business

×

Food Products Business

×

Fine Chemicals Business

Foods that utilize the functional properties of marine products

Foods with functional claims



Fish sausage containing a combined total of 1,050 mg of EPA and DHA per portion

Japan



Food for specified health uses (FOSHU)

Health-oriented food Triglyceride level improvement category

No. 1 market share in the DHA and EPA category¹

Developing functional foods using odorless EPA and DHA fish oil refining technologies and odor masking processing technologies

Food Products Business

Well-loved brands

Japan



Frozen grilled rice ball brand

No. 1 worldwide in sales

Launched in 1989

Certified by Guinness World Records™ as the largest frozen grilled rice ball brand (Applicable period: January to December 2023)

Marine Products Business

×

Food Products Business

Products that combine the marine product raw materials we procure with our food processing technologies and recognized brand

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

No. 1 worldwide in net sales¹



World

Frozen marine foods for household use

No. 1 market share in the U.S.²



Gorton's frozen fried white-meat fish

Japan



No. 1 market share in the chikuwa (fish cake) category³

North America

Chilled fried white-meat fish for household use

No. 1 market share in France¹



Cité Marine S.A.S.'s chilled fried white-meat fish

Europe

Chilled fried white-meat fish for household use

No. 1 market share in France¹



Cité Marine S.A.S.'s chilled fried white-meat fish

1. Nissui research 2. Market Share of Household Prepared and Frozen Seafood Market (Monetary Basis), December 2023, Nielsen 3. Household Fish Cake Monetary Market Share, August 2023 to August 2024, SRI+, Intage Inc.

NISSUI GROUP INTEGRATED REPORT 2024 | 12

Message from the President



Improving Corporate Value by Working to Resolve Food-Related Issues

S. Hamada

Shingo Hamada

Representative Director, President
Chief Executive Officer (CEO)

Aiming to Become One of the World's Top 50 Food Companies by 2030

FY2024 will be the final year of our Mid-Term Business Plan “Good Foods Recipe1,” which started in April 2022. Looking back at our most recent business results, net sales for FY2023 increased 8.2% compared with the previous fiscal year to 831.3 billion yen, and operating profit increased 21.1% to 29.6 billion yen, both record highs, while profit attributable to owners of parent increased 12.3% to 23.8 billion yen, which is a record high for the third consecutive year. Once again, I would like to thank all employees of the Nissui Group for their hard work, as well as all our stakeholders for their support. The current Mid-Term Business Plan was formulated by backcasting from our long-term vision set for 2030, and its goal is to achieve a transformation

for moving up toward a higher level. We now believe that the targets of the Mid-Term Business Plan are within reach, but there is still some way to go to achieve the plan's goals, so we will work to achieve greater heights without allowing ourselves to be satisfied with our current state.

To effectively implement the Nissui Group's mission to “create a healthier, more sustainable future through innovative food solutions,” every Group employee must embody the mission with the aim of resolving food-related issues. As the world's population grows, so does demand for food, including marine products. However, the environment relating to food is facing potentially critical constraints such as the depletion of food resources and changes in harvest yields and production regions caused by climate change, making it essential to address food-related issues in order to achieve sustainable growth. In addition, society's expectations with regard to food are increasing year by year, and it is no longer enough for food to simply be tasty, convenient, and healthy. Indeed, I believe that we have already

entered an age in which society is turning away from food that does not help to resolve various societal issues by, for example, reducing impact on the environment and ensuring respect for human rights in the supply chain.

Consequently, in our long-term vision “Good Foods 2030,” we aim to create and enhance four types of value (financial value, social value, value in human capital, and environmental value) by reinforcing business portfolio management and accelerating sustainability management. In terms of financial value, our KPIs for 2030 are net sales of 1 trillion yen and operating profit of 50 billion yen, which will put us in the world’s top 50 companies in the food industry. Joining this echelon will raise recognition of the Nissui Group worldwide, giving us a greater voice and influence in society. Of course, this will also come with greater responsibility, but I believe that as a leading company we must tackle food-related societal issues and balance social value, value in human capital and environmental value with financial value in order to embody our mission and to realize our long-term vision. Looking ahead to 2030 and beyond, my hope is that we will become a leading corporate group able to meet all needs relating to food, and I want our employees to take pride in working for a company that is able to take on this long-term vision.

The “One Table Meetings” that I started with the aim of instilling this mission among the management and employees of Group companies in Japan are now in their second year. These meetings afford me the opportunity to visit individual business locations and workplaces to talk face-to-face with employees and convey my thoughts and intentions regarding our rebranding and transformation. Employees have responded positively, and are now voicing their opinions more proactively. For Group companies outside Japan, we hold the Nissui Global Links Conference (NGLC) twice a year to deepen information sharing and collaboration among companies. Through this program I share our mission and long-term vision, and communicate my thoughts. Each meeting of the conference further strengthens Group unity. I sense increasing awareness of the need to enhance corporate value, with many presidents of overseas Group companies telling me they check Nissui’s stock price every morning. Each is particularly enthusiastic about leveraging the benefits of the Group to expand the businesses they oversee, and we have been discussing how this process can drive the growth of the Group as a whole. Spreading this kind of awareness further throughout the Group will unite us in embodying our mission, realizing our long-term vision, and maximizing corporate value.

The International, Aquaculture, and Fine Chemicals Businesses as Our Growth Drivers

We have positioned our international business, aquaculture business, and pharmaceutical raw materials for the international market in our Fine Chemicals Business as growth drivers for realizing the long-term vision. All three are fields where the Group can demonstrate the strengths of its Global Links & Local Links, and where we will achieve steady growth while appropriately managing risks and opportunities. We use the phrase “Global Links & Local Links” to refer to the Group’s value chain, through which we are able to access various resources, including marine products, both in and outside Japan, and then process and sell these resources with added value generated through the fruits of our R&D (i.e., our capabilities in research and development, production technology, and quality assurance). A unique feature of the Nissui Group and the core of its competitive advantages is the ability to maximize the value of resources by linking and combining the various functions of Group companies worldwide. Expanding our business with a target international net sales ratio of 50% by 2030 will further strengthen this value chain as it will increase our resilience to exchange rate fluctuations.

■ International Business

Overseas markets have much more room for business expansion than Japan, with particularly strong demand for seafood in North America and Europe, both of which are strategic regions for the Group. Although various geopolitical risks have arisen in recent years that could destabilize supply chains, the Nissui Group has been able to continue leveraging its strengths through its access to global resources and through its own marine product supply chain. For instance, we are the global leader in sales of fried marine products, and we intend to increase market share by augmenting production capacity for frozen fried marine products in North America. In Europe, in addition to increasing our production capacity for chilled fried marine products and expanding our sales areas within the region, we will also increase and add value to our fresh fish business using North Sea resources, as well as create synergies with our domestic marine products business by adding scallop and Japanese amberjack exports from Japan. While we are just beginning in China and the rest of Asia, these markets hold tremendous potential, and we will continue to focus on breaking new ground in the food service sector.

Message from the President

■ Aquaculture Business

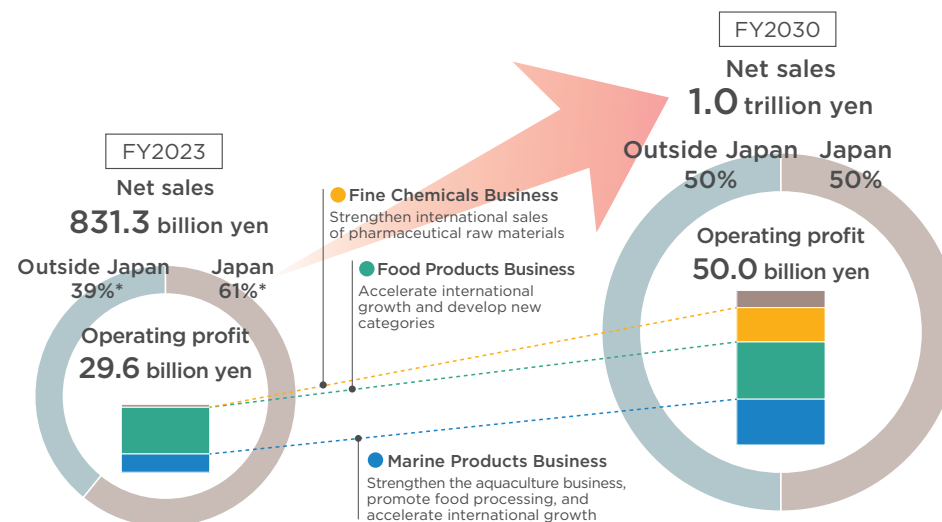
Global demand for marine products is expected to continue to increase and society has high hopes for the aquaculture business as a means of securing access to sustainable resources. Meanwhile, risks in the aquaculture business include the rising temperature of seawater due to climate change and the resulting issues in finding suitable locations for aquaculture projects, as well as soaring feed costs. However, we are focusing on R&D and are confident in our breeding and aquaculture techniques. In addition to our access to marine resources, our ability to produce feed using fish meal gives us a competitive advantage in terms of feed costs. A typical example of this is our full-life cycle aquaculture of Kurose Buri (Japanese amberjack) where we use breeding to select high-quality strains, technology to control roe harvesting periods, automatic systems to deliver appropriate feed amounts, improved feed to prevent post-processing discoloration of the dark muscle, and other means to make us highly competitive. Looking to the future, we will be able to reduce breeding costs and achieve stable, eco-friendly aquaculture by establishing land-based aquaculture and new off-shore farming technologies, deploying our R&D expertise to rapidly grow large, healthy fish among species that are suited to the aquaculture environment, and by developing vaccines and expanding the use of submergible fish cages that reduce the risk from natural disasters such as red tides and typhoons.

Furthermore, we will continue to increase the precision of aquaculture operations by using AI and IoT to deploy fish counters and introduce electronic records of fish diseases, as well as analyze environmental and breeding data to construct models of optimal breeding conditions, thereby promoting the efficient cultivation of farmed fish as we move forward. We will also take a multifaceted approach to ensure a reliable supply of marine products and mitigate business earnings volatility—an approach that will involve cooperating with external parties, including in technology development.

■ Fine Chemicals Business

The incidence of cardiovascular disease is expected to rise, particularly in Europe, the U.S. and other developed economies. EPA pharmaceutical raw materials are a unique opportunity for Nissui to create value that can contribute to addressing this health issue. In 2021, our Japan plant received approval from the U.S. Food and Drug Administration (FDA) and we are currently working on regulatory approval applications in Europe. We are establishing a system for supplying high-purity EPA to the global pharmaceutical market, but are facing challenges such as slower-than-expected expansion overseas, including in Europe, due to strict technical requirements in the application process. Even from a global viewpoint, we have advantages in terms of the quality of our EPA and our technical expertise, and moving forward we will be seeking sales opportunities not only for pharmaceutical raw materials, but also for intermediates,* while also aiming to improve sales and operating profit through a multi-channel approach.

* EPA ethyl ester of a certain raised concentration for pharmaceutical use. A product in the intermediate stage of high-purity EPA.



* Calculated based on figures prior to consolidation adjustments



Maximizing the Value of Marine Resources through Business Portfolio Management

Under the current Mid-Term Business Plan, we have introduced business portfolio management and set a target for ROIC of 7.0% or higher by 2030. Since FY2023, we break down the cost of capital, which was previously calculated for the Group as a whole, by business and region to better analyze and evaluate the characteristics of each business. Moreover, we have switched to a method whereby we calculate ROIC spreads then use a four-quadrant analysis based on two axes (net sales growth rate and ROIC spread) to evaluate businesses.

Calculating the ROIC spread for each business has enabled us improve performance. For example, in the domestic Food Products Business we did so through extensive measures to increase profitability, including through implementing revenue and expenditure controls, on an item-by-item basis, as well as inventory management. In recent years the Marine Products Business and the Food Products Business have built a complementary relationship, enabling their combined performance to offset fluctuations in each other's results, while steadily increasing their respective profit levels. For example, during a downturn in the marine products market, declining fish prices negatively impact profit in the Marine Products Business due to lower sales prices. However, the reduced cost of ingredients benefits the Food Products Business, which uses marine products as raw materials, positively affecting its profit. Another example of linkage between businesses is the fish oil handled by the

Marine Products Business, which provides the Fine Chemicals Business with access to high-quality fish oil. This gives us an advantage in being able to create products (such as EPA and DHA) with high added value from marine resources using fish oil refining technology.

This kind of organic collaboration between core businesses, under which each is also able to fine-tune its own operations, is one of the Nissui Group's strengths. I believe such Group characteristics make it hard to assess businesses using only the ROIC spread and net sales growth rate. Naturally, we will continue to emphasize improving the ROIC spread of each business on a standalone basis, but we also need to actively identify the functions required to maximize the value created by the Group as a whole. We will do our best to explain this business portfolio management to our investors in as much detail as possible.

Governance to Support Growth

In FY2023 we reviewed our existing material issues for sustainability. As a preliminary step in formulating our next Mid-Term Business Plan "Good Foods Recipe2," which will start in FY2025, we re-evaluated the management challenges that should be prioritized and newly specified 10 material issues. Due to the fact that the Nissui Group's businesses are highly dependent on natural capital, we have specified "driving the mainstreaming of marine biodiversity" and "contributing to a decarbonized and circular economy" as material issues. Although we have yet to set specific KPIs for the new material issues, by doing so in parallel with the formulation of Recipe2 we will further expound on risks and opportunities in the next Mid-Term Business Plan and steadily advance sustainability management.

To allow us to respond to the various risks and opportunities arising from changes in natural capital, we have been disclosing information based on the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) since FY2023. This has enabled us to better understand our dependence on nature and its impact, and also to evaluate associated risks and opportunities. We were among the first in the marine products industry to disclose nature-related information based on the TNFD recommendations. However, the environmental issues identified are not challenges that the Nissui Group can solve alone. Indeed, they are linked to our material issue of "structuring a sustainable supply chain" that involves external business partners, who we are actively engaging with as we address this issue. We believe that adopting a proactive approach to all our material issues will help us to embody our mission, reduce various risks and our cost of capital, maximize cash flows, and ultimately enhance profitability and corporate value.

Message from the President

For the Company to grow, it is important not only to reduce risk overall, but also to identify appropriate opportunities (in the context of taking on risks). To this end, it is vital for us to enhance our risk management and governance systems. Given the aim of expanding our business activities internationally, we have significantly reorganized our risk management systems to take account of the increasing diversity and complexity of the impact of environmental change and the risks that we must prepare for.

The Nissui Group has experienced painful failures in overseas investments in the past, but this has taught us the importance of risk assessment and analysis. It has also reaffirmed that our strengths lie in an integrated value chain that includes both production and sales. That is why we now evaluate and analyze various global risks for investment projects as standard practice, and discuss them with all those concerned from diverse perspectives.

The acquisition of Independent Fisheries Limited by Group company Sealord Group Ltd. in FY2023 was the outcome of risk taken on under effective governance and after consideration by all officers of the Company, including those responsible for business execution. Some questioned the business's ability to generate a good return and its stability, but the project was approved based on researchers' opinions on the state of marine resources and the decision that it would be beneficial to build a new value chain through the



A fishing vessel owned by Independent Fisheries Limited, which was acquired by Sealord Group Ltd. We are working to maximize the value of New Zealand's marine resources and increase our ability to meet rising global demand.

acquisition and to secure new access to resources. In order to further strengthen our value chain, or our "Global Links & Local Links," I believe we need to ensure appropriate management decision-making and implement investments necessary for growth.

In FY2024, we added one Outside Director, bringing the total number to four, thereby satisfying our Mid-Term Business Plan target and further strengthening corporate governance. Each Outside Director possesses not only specialist expertise, but also knowledge and experience in our core business areas, along with the flexibility and creativity to promote integration between our businesses. They bring a diverse range of perspectives, including gender diversity, to Nissui's management.

In terms of Group governance, we plan to strengthen management, increase the effectiveness of each Group company's board of directors, tighten investment controls, and enhance overseas audits, among other matters. So far, the Group's growth in North America and Europe has been driven by acquiring companies with both production and sales functions, while also building trust by respecting the entrepreneurial abilities and management policies of managers who are deeply familiar with each region. We will accelerate our international growth by not only enhancing management systems, but also by sharing our mission and increasing the number of colleagues with the same aspirations.

Drawing Out the Potential of Our Human Capital to Create Innovative Food Solutions

The source of the Nissui Group's value is its human capital. No matter how much we mechanize or automate our production lines and business operations, ultimately it is the human resources involved who control the quality of our products. In our long-term vision, we place great emphasis on creating value in human capital. In our mission, we use the phrase "innovative food solutions" to refer to foods (or related goods/services) that take into consideration current problems and future needs. Our innovative solutions, which are undoubtedly the fruit of our exceptional human capital, go beyond dining options and products to help resolve a variety of societal issues.

In March 2024, we partnered with the French company Amethis to invest in a private equity fund for Africa and began research into this vast market. This is the first such initiative for Nissui. I believe that this shows the benefits of encouraging freedom of thought, even if the idea may be outside the box for us. Our Group's people are highly diligent and of exceptional quality. They carry out assignments and tasks properly and demonstrate

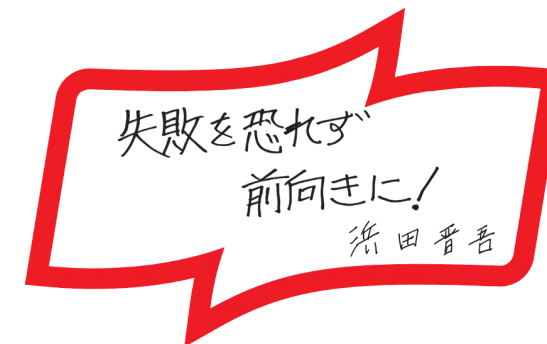
outstanding skill. Meanwhile, to realize our long-term vision, what we really need is a sense of entrepreneurship and the attitude to accept challenges to change the status quo. I would like to see our employees think outside the box and always be willing to take on the challenge of new initiatives. At the moment, we still need more of such people. However, this does not mean that entrepreneurship has disappeared from the Company, nor that it needs to be created from scratch. Indeed, it is something that has been there in our genes since the Company was founded, and it is my wish to draw out the skills and potential of our personnel. Consequently, we are currently emphasizing employee engagement and, as a matter of priority, we are training personnel who are able to independently identify problems and take the initiative.

I also believe that to realize our long-term vision, it is vital that we create an organization full of diversity—an organization that respects not only diversity of gender, but also diversity of thought, knowledge, experience, and other attributes. Respecting each other's diversity creates synergies that lead to improvements in business results and ultimately have a positive impact on the growth of individuals. This human capital is the key to achieving the Group's various management strategies in the future. In addition, given the link between management strategies and human capital strategies, we have also been discussing succession planning from a medium- to long-term perspective. For management, the ability to plan, strategize, and execute is essential, as is the skill to manage risk and personnel. We need to train personnel with a broad vision who understand the details of our business and who can supervise the actions of the people involved in that business, while also being able to guide our future business path and identify current problems. Furthermore, I think it is important that we construct succession mechanisms that include the on-site transfer of skills between employees on our production lines and in other workplaces.

Toward Our Next Mid-Term Business Plan, “Good Foods Recipe2”

As we carry out initiatives for the final year of Good Foods Recipe1, we are also preparing our next Mid-Term Business Plan, “Good Foods Recipe2,” which will start in FY2025. Recipe2 is being formulated based on our mission and long-term vision, as well as our new material issues. There are many difficult challenges ahead, but with your understanding and support, we will tackle them with tenacity. By reinforcing our business portfolio management and accelerating sustainability management, we aim to create and enhance financial, social, human capital, and environmental value, and improve our corporate value. And, with each and every employee embodying our mission and taking on new challenges, we will supply innovative food solutions around the world—food solutions that enrich the heart and the body, and solve social issues. This is precisely the future that we are aiming for at the Nissui Group.

President and CEO Shingo Hamada's aspiration to embody the Nissui Group's mission



Forward without fear of failure!

Shingo Hamada

Governance Linking Risks and Opportunities with Value Creation

Basic Approach to Corporate Governance

Risk Management [▶ Page 22](#)

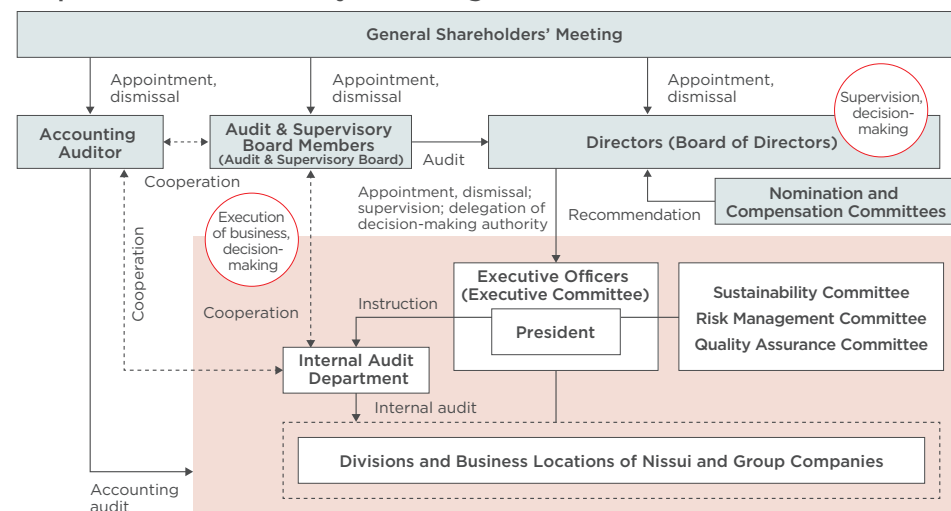
Corporate Governance [▶ Page 60](#)

The Nissui Group considers corporate governance an important part of the management foundation for achieving sustainable growth and improving corporate value, and continuously enhances its governance system.

The Group's business environment is changing and becoming more diverse and complex, exemplified by accelerating global business expansion and changes in natural capital such as marine resources. Identifying risks comprehensively rather than individually is increasingly important, as is quickly identifying and addressing opportunities as well as risks. We have therefore been enhancing the diversity and effectiveness of the Board of Directors and strengthening Group governance, especially since FY2018. With regard to the Board of Directors, members express opinions from multiple viewpoints at meetings and engage in energetic discussions of medium- to long-term themes, such as creating a resilient business portfolio in light of global environmental changes, investment projects such as M&A, and human capital. This results in a system that enables us to supervise management and address risks, and also to adopt an appropriate risk appetite.

In FY2023, we reviewed the Group's material issues and reorganized its risk management systems, and we have established a system to incorporate sustainability and other medium- to long-term risks and opportunities into our management strategies. We will use our material issues as a starting point to implement risk management that takes a wide-ranging view of the entire Group, and incorporate our observations into the next Mid-Term Business Plan now being formulated. The Board of Directors will regularly review material issues, risks, and opportunities, and oversee strategies and key performance indicators (KPI) as part of our governance system.

Corporate Governance System Diagram (As of June 26, 2024)



Timeline of Measures to Strengthen Corporate Governance

	To 2017	2018	2019	2020	2021	2022	2023	2024	From 2025
Toward a governance system that supports the embodiment of our mission by incorporating risks and opportunities arising from changes in the business environment and feedback from stakeholders into management									
Organizational design	• Introduced executive officer system (2009) • Began evaluating the effectiveness of the Board of Directors (2016)		• Completely revised the Board of Directors regulations						
Group governance	• Initiated NGLC (2002)	• Established Nomination and Compensation Committees (chaired by an Outside Director)	• Completely revised governance regulations for subsidiaries		• Established an International Business Department; appointed an executive responsible for overall international operations • Strengthened supervision of Group companies outside Japan			• Restructure the nomination and compensation system for Group companies	
Executive compensation system	• Abolished retirement benefit system (2007)	• Introduced performance-linked compensation system				• Incorporated sustainability into business performance goals		• Increased the ratio of stock-based variable compensation from 5% to 20%	
Sustainability and other matters	• Identified material issues (2016) • Established Sustainability Department (2016)					• Redefined mission		• Reviewed material issues • Reorganized risk management systems • Began succession planning	
Stakeholder communication			• Enhanced IR outside Japan			• Established Corporate Communication Department • Published integrated report for the first time			

Material Issues for the Nissui Group

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

In the review, we positioned material issues as the issues that management should focus on addressing in order to enhance the Nissui Group's sustainable growth and its corporate value over the medium to long term, in line with embodying its mission and realizing its long-term vision.

In the process of reviewing material issues, we determined and analyzed the opportunities and risks associated with each material issue, identified priority risks that could have a significant impact on the Group's medium- to long-term priority issues and business strategies, and reorganized risk management systems.

To realize our long-term vision, "Good Foods 2030," we will formulate strategies and set KPIs in the next Mid-Term Business Plan based on the material issues.



Process for Identifying Material Issues



STEP 1 Identification and organization of societal issues

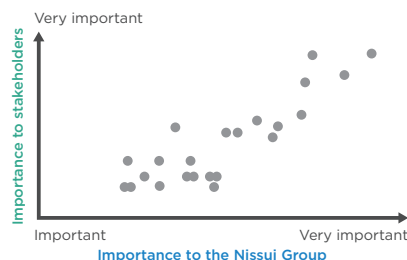
To meet diverse social needs and demands, societal issues were identified from sources such as the SDGs and sustainability disclosure guidelines, ESG evaluation criteria, regulatory and administrative requirements, and the content of stakeholder engagement. The Group listed potential material issues based on risk and opportunity analyses conducted in all departments, as well as the results of executive workshops.

STEP 2 Review by the Sustainability Committee

A meeting of the Sustainability Committee was held to discuss the sustainability of the Group's business model, and to review the list of material issue candidates to ensure that no items were missing.

STEP 3 Evaluation of importance by stakeholders

Surveys were conducted among various internal and external stakeholders (employees, labor unions, overseas Group companies, NPOs/NGOs, academics, investors (shareholders), international organizations, government agencies, industry groups, business partners, and young people) on the material issue candidates reviewed by the Sustainability Committee. The importance of these issues was assessed from two perspectives—their importance to stakeholders and their importance to the Group.



STEP 4 Executive workshop and review by Outside Directors

Based on the results of the importance evaluation, an executive workshop was held to finalize the material issue matrix and identify specific material issue candidates. In addition, Outside Directors conducted a review of the matrix and the material issue candidates.



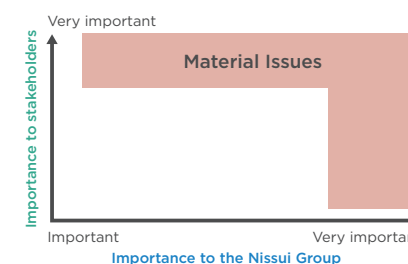
STEP 5 Validity evaluation by external experts

External experts* provided a validity evaluation of the material issue identification process and the final proposal.

* Setsuko Yano of Asset Management One Co., Ltd., Satoshi Maekawa of World Wildlife Fund for Nature (WWF) Japan, Aiko Yamauchi of Seafood Legacy Co., Ltd., and Keiko Akuto of Sumitomo Mitsui DS Asset Management, Limited

STEP 6 Resolution by the Board of Directors following re-deliberation by executives

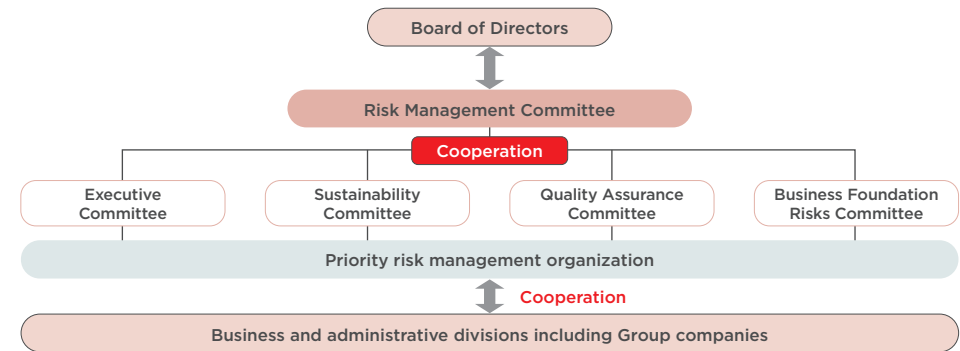
Taking into account the opinions of external experts, the Sustainability Committee and the Executive Committee held several discussions, with the final material issue proposal deliberated at a meeting of the Sustainability Committee. Subsequently, the material issues to be addressed by the Nissui Group were determined by a resolution of the Board of Directors.



Reorganization of Risk Management Systems

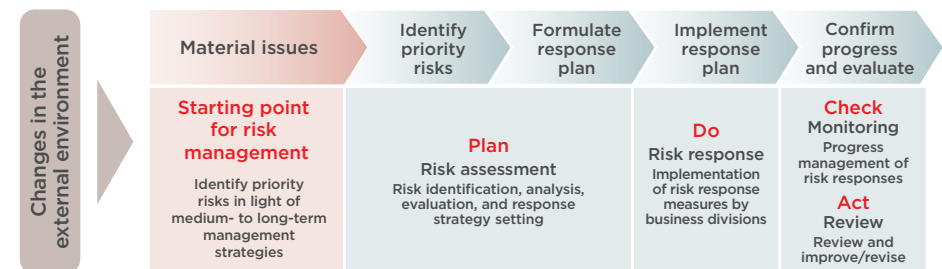
We began reorganizing Group-wide risk management systems in FY2023, and carried out a review of governance and risk management, including the details of risks, to cover not only preventive aspects, which we had done previously, but also proactive aspects. Our previous risk management system, in which issue themes were discussed by their respective committees, has been revised to create a new framework capable of accurately identifying Group-wide risks whenever necessary. More specifically, we have transitioned to a framework where the secretariats of the Business Foundation Risks Committee, Sustainability Committee, Quality Assurance Committee and Executive Committee cooperate, and priority risk responses are centrally managed by the Risk Management Committee from a Group-wide perspective. This enables us to prioritize risk responses, integrate them into management strategies, and work for sustainable growth and enhancement of corporate value through accurate management of future growth opportunities and risks.

Risk Management Promotion System



Risk and Opportunity Management Process

In conjunction with the reorganization of risk management systems, we also revised the risk management process. We have identified priority risks in light of our medium- to long-term management strategies, positioning material issues, which we redefined due to changes in the external environment, as the starting point for risk management. We will implement risk management strategies by following an annual PDCA cycle. In addition, we plan to periodically review priority risks when we update our material issues.

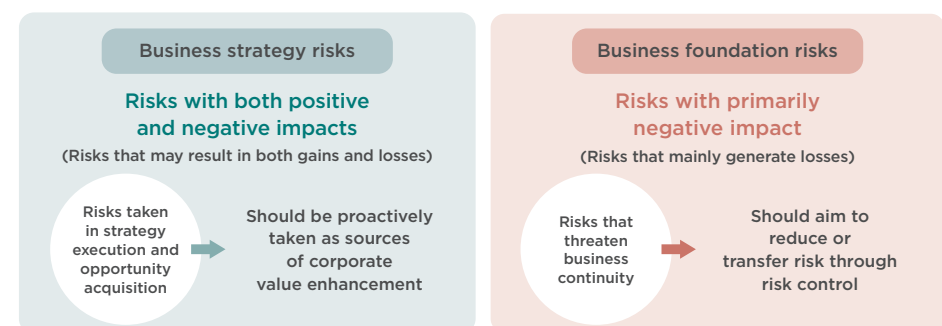


Process for Identifying Priority Risks

We believe that in order to maintain and enhance corporate value over the medium- to long-term, it is important to respond strategically to risks and opportunities arising from changes in the external environment. The Group reviewed its material issues in light of changes in the external environment. In this process, we extracted and analyzed risks and opportunities related to material issues, and identified risk items that are perceived to have a significant impact on business strategies and key issues in the medium to long term as priority risks.

Additionally, as we transition to risk management systems that integrate management of risks with both positive and negative impacts and risks primarily with negative impacts, we have categorized the former as business strategy risks and the latter as business foundation risks.

Identified Priority Risks [▶ Page 23](#)



Reorganization of Risk Management Systems

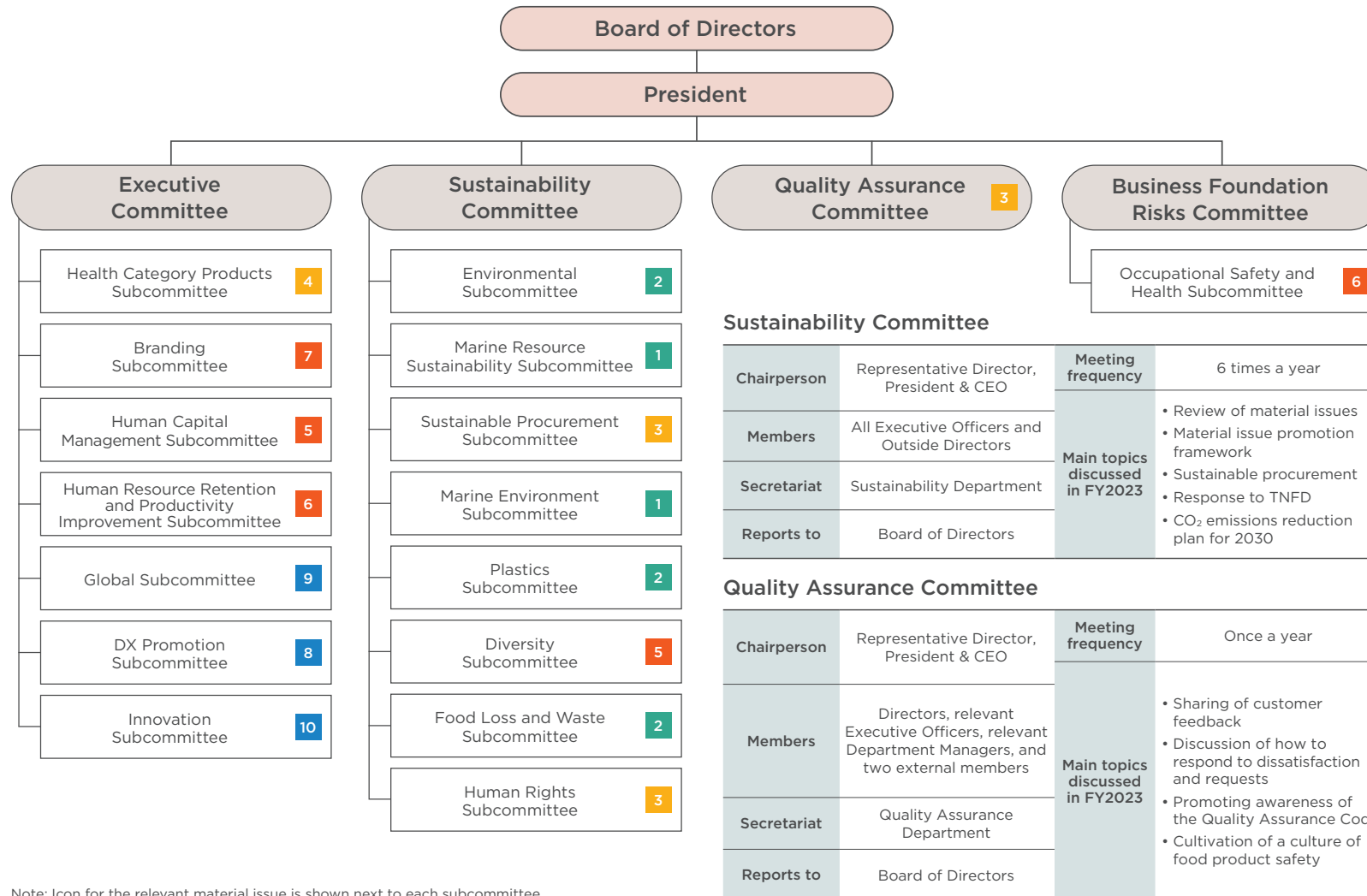
Main Risks and Opportunities from Identified Priority Risks

We extracted and analyzed risk related to our material issues, and organized them by their attributes. As a result, we identified 17 items. We then evaluated the impacts that those items could have on our key issues in the medium to long term and business strategies, determined that 11 items were critically important, and identified them as our priority risks.

Classification	Priority risks	Relevant material issues	Main risks	Main opportunities
Business strategy risks	Risks concerning climate change response ▶ Page 27	Contributing to a decarbonized and circular economy	<ul style="list-style-type: none"> Decrease in catch of wild-caught fish and farmed fish and increase in procurement costs due to extreme weather and changes in the marine environment Loss of business opportunities and increase in costs due to reduced availability of water resources and suspension of business caused by drought Increase in cost of responding to the introduction of carbon pricing 	<ul style="list-style-type: none"> Productivity improvements and cost reductions through energy-saving measures and the introduction of high-efficiency equipment Expansion of sales opportunities for marine products to meet rising demand for sustainable, low-carbon products
	Risks concerning biodiversity response ▶ Page 28	Driving the mainstreaming of marine biodiversity	<ul style="list-style-type: none"> Depletion of marine resources Tightening of catch limits in the fishing industry and environmental regulations in aquaculture Farmed fish mortality due to fish disease 	<ul style="list-style-type: none"> Stabilization of supply chains through sustainable procurement of marine products Strengthening resilience and establishing competitive superiority of business through sustainable aquaculture technology development
	Risks concerning human capital response	Developing human capital and empowering diverse personnel Securing a stable workforce and improving productivity Embracing our mission and establishing our brand	<ul style="list-style-type: none"> Stagnation of productivity and delay of business expansion due to shortage of professional talent Increasing difficulty of securing human resources due to decrease in employee engagement Delay of new business expansion and inability to respond to customer needs due to labor shortage 	<ul style="list-style-type: none"> Contribution to business expansion and productivity improvement by securing and cultivating professional talent Improvement of productivity by securing frontline workers
	Risks concerning international business expansion	Accelerating global operations	<ul style="list-style-type: none"> Directional shift due to political decisions in various countries on tax systems, catch quotas, wages, regulations, etc. Impact of rapid swings in exchange rates on performance of overseas subsidiaries 	<ul style="list-style-type: none"> Expansion of sales channels and market development A more resilient supply chain through enhanced access to resources
	Risks concerning the environment and human rights in the supply chain	Structuring a sustainable supply chain	<ul style="list-style-type: none"> Increase in cost of responding to mandatory environmental and human rights due diligence Increase in procurement costs and destabilization of procurement due to changes in supply chains 	<ul style="list-style-type: none"> Achievement of stable procurement, production, and supply, improvement of competitiveness, and enhancement of global brand value by promoting response measures
	Risks concerning geopolitical issues	Structuring a sustainable supply chain	<ul style="list-style-type: none"> Loss of business opportunities associated with delays or disruption/suspension in supplying products and providing services due to political, military, and social circumstances affecting the supply chain 	<ul style="list-style-type: none"> Strengthening of the supply chain through enhanced resilience by promoting response measures
Business foundation risks	Risks concerning product safety, security, and quality	Structuring a sustainable supply chain	<ul style="list-style-type: none"> Decrease in customer trust (damage to brand value) due to quality-related accidents and problems Expansion of quality risks in new businesses and expanding businesses (health-oriented products, etc.) 	—
	Risks concerning information security	—	<ul style="list-style-type: none"> External threats (targeted attacks, hacking, etc.), internal errors (unauthorized access, system failure, etc.), and malicious internal threats (fraudulent operation, data theft, etc.) 	—
	Risks concerning compliance	—	<ul style="list-style-type: none"> Negative impact on operations and suspension of business due to employee or executive misconduct or legal/regulatory violations Economic losses, social sanctions, and stock price decline due to criminal penalties, damage claims, or other legal liability 	—
	Risks concerning large-scale natural disasters and accidents	—	<ul style="list-style-type: none"> Loss of business opportunities resulting from delay, disruption, or suspension of product supply and service provision due to natural disasters (earthquake, volcano, tsunamis, wind damage, flood disaster, etc.), fire or explosion, or other disasters 	—
	Risks concerning occupational safety and health	—	<ul style="list-style-type: none"> Increase in occupational injuries (including occupational injuries associated with aging or due to inadequate skill development of junior employees) Negative impact on productivity and mental health due to deterioration of the work environment or workplace conditions 	—

Material Issue Promotion Framework and Specific Initiatives

The Nissui Group promotes the practice of sustainability management in order to achieve sustainable growth and enhancement of corporate value. To that end, we have established a Sustainability Committee, chaired by the President and comprising all Executive Officers and Outside Directors. We have set up promotional units to respond to each of the Group's material issues, which were reviewed in FY2023. These units, led by managers at the executive officer level or above, will accelerate sustainability management that creates value for a sustainable society by addressing material issues across organizational lines from a management perspective.



Material Issues for the Nissui Group

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

Note: Icon for the relevant material issue is shown next to each subcommittee.

Material Issue Promotion Framework and Specific Initiatives

 **Recipe for Growth**

Accelerating Global Operations

The Nissui Group has positioned acceleration of international growth as one of its growth drivers, and intends to generate 50% of its net sales from markets other than Japan in 2030. In the Marine Products and Food Products businesses, we will strengthen access to resources, the starting point of Global Links & Local Links, to provide products with high added value, and will accelerate growth by expanding our sales areas and categories. We will also expand the Fine Chemicals Business by strengthening sales of pharmaceutical raw materials in international markets.

▶ Page 41 ▶ Page 45

Generating Innovations related to Food

Establishment of the Business Development Department

The Business Development Department headed by the President was established in 2021 to formulate new business strategies and develop new businesses. The department is looking beyond current businesses in search of new businesses that will become future pillars. As one example, Nissui concluded a business partnership agreement with Seascope Restorations Australia (trade name: Immersion Group, "IG") for land-based aquaculture of *Asparagopsis*, a type of red seaweed that is attracting attention for its ability to suppress the generation of methane gas by ruminants, which makes it a potentially valuable tool for reducing greenhouse-gas emissions in the livestock industry.



Asparagopsis

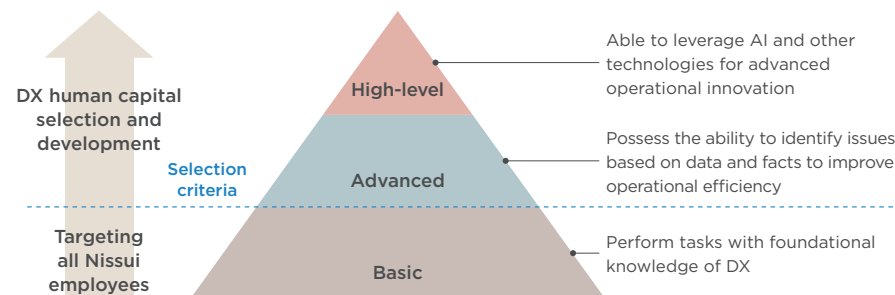
Gathering Ideas Internally for New Business Ventures

Every year, we invite employees to submit ideas for new business ventures, and in FY2023 we received 69 submissions. The plan that received an excellence award in FY2021 under this program, led to an investment in a private equity fund focused on Africa, and other employee ideas are also leading to the creation of new businesses. In FY2024, the goals of the program are to connect business ideas that we consider viable based on future predictions for 2030 and 2050, and on risks and opportunities for the Company, and to foster a culture of embracing new challenges.

Innovating through Digital Transformation

DX and Digital Human Capital Development

The work that companies do to respond to the rapidly changing market environment is increasing and becoming more complicated. Besides operational efficiency and productivity improvements to alleviate growing workloads on employees, we are transferring skills by incorporating business systems in growth fields, and developing DX and digital human capital capable of translating that into stronger competitiveness. In FY2023, we conducted assessments for all Nissui employees to measure their current innovative and digital skills. We are also using e-learning to raise the DX-related skill level of all employees to the "basic" standard by FY2024. Going forward, we will define the roles and skills required of DX human capital, and select and develop top performers from the assessments.



Utilizing Generative AI

In June 2023, we published internal guidelines on the use of AI. We also conducted an AI trial and training on a voluntary basis for 69 employees to better understand how we can utilize generative AI in our business operations and evaluate its effectiveness. As a result, we determined that generative AI can be used in a variety of work in each department, and that generative AI is effective in improving operational efficiency. We have therefore created an environment in which all employees can utilize generative AI. In FY2024, we began providing licenses for external generative AI services on an opt-in basis. A total of 426 employees have taken advantage of this opportunity and are raising their performance using generative AI.

Recipe for the Planet

Driving the Mainstreaming of Marine Biodiversity

Reducing Impact on the Marine Environment

In the aquaculture business, one of the Nissui Group's growth areas, there are concerns about adverse impacts on nature, including the occurrence of antimicrobial resistance resulting from the use of antimicrobial agents to treat fish diseases, negative impacts on ecosystems due to fish escaping from fish farms, and deterioration of the water quality of fish farms and surrounding areas due to feeding. The Group has set targets for each of these issues to help avoid and reduce negative impacts on the marine environment across the Group.

Moreover, with the emergence of global standards based on the establishment of legal frameworks relating to animal welfare in various countries, we also recognize the importance of consideration for animal welfare in our aquaculture business. We support the Five Freedoms defined by the World Organisation for Animal Health (WOAH), and established our Animal Welfare Policy in Aquaculture in FY2023.

Promoting Aquaculture
 ▶ <https://nissui.disclosure.site/en/themes/144>

Third Survey of Procured Marine Resources Sustainability

▶ Page 48

In FY2023, the Nissui Group conducted its third Survey of Procured Marine Resources Sustainability. The results of an analysis by an external organization, Sustainable Fisheries Partnership (SFP),* showed that approximately 75% of the Group's procured marine resources were being properly maintained and managed. However, the results also indicated that 8% of resources require improvement in fishery management, and approximately 17% of resources could not be assessed due to missing scores, and we have positioned these as issues to address as we move forward.

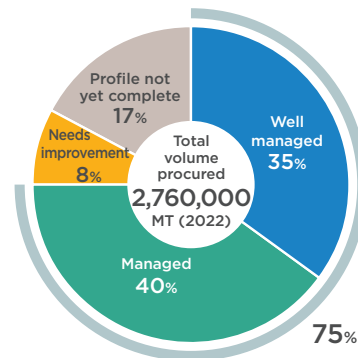
In this survey, the state of the resources procured by the fisheries of Group companies was generally good, but many issues were revealed in externally sourced resources, particularly with regard to the fish species that are used as raw materials for processing.

Going forward, based on the survey results we will select fish species for which there are issues, discuss them with Nissui's procurement departments and Group companies, and develop concrete measures to address them.

* A US-based NGO that seeks to improve fisheries through supply chains

Results of the Third Survey of Procured Marine Resources Sustainability
 ▶ https://nissui.disclosure.site/assets/pdf/212/2022_3rd_survey_en.pdf

Sustainable Use of Natural Marine Resources
 ▶ <https://nissui.disclosure.site/en/themes/212>



Contributing to a Decarbonized and Circular Economy

Reduction of CO₂ Emissions

▶ Page 48

In our climate change scenario analysis based on the TCFD recommendations, we identified various risks and opportunities. To reduce financial impact, which was identified as a risk, we formulated CO₂ emissions reduction targets. We are taking steps to reduce greenhouse gas emissions across the Group, including the use of renewable energy (through the installation of solar power generation equipment) and upgrading to equipment with high energy efficiency. Furthermore, to support the decarbonization of fishing boats, for which emissions reductions had been considered difficult, we are participating in a project to develop and test an aquaculture feed boat that uses hydrogen fuel cells.

Initiatives for TCFD Recommendations
 ▶ <https://nissui.disclosure.site/en/themes/223>

Reduction of CO₂ Emissions
 ▶ <https://nissui.disclosure.site/en/themes/245>

Reduction of Food Loss and Waste

The Nissui Group believes that reducing food loss and waste is a responsibility of all companies that deal with food, and is taking action across the supply chain, such as by reducing food loss and waste in the production, distribution, and consumption stages at domestic business sites, raising awareness among employees, and conducting educational campaigns aimed at consumers. The Group is also conducting initiatives through product development, including the development and sale of canned products that effectively utilize the tail meat of Kurose Buri (Japanese amberjack), which previously had been used in animal feed.



* Food bank: An organization connecting food products that have no quality problems but are unsuitable for sale, with people in need of food assistance.
 ▶ <https://nissui.disclosure.site/en/themes/140>

Reduction of Plastics

▶ Page 48

Marine plastic waste and microplastics have attracted significant attention as problems that impact not just marine environments, but also ecosystems. We have formulated the Nissui Group Basic Policy Regarding the Problem of Plastics, and are working to reduce plastic waste in our business activities, prevent outflow into the ocean by replacing fishing floats and strengthening management of fishing gear, and reduce the use of plastics in containers and packaging.

Plastic Problems
 ▶ <https://nissui.disclosure.site/en/themes/156>

Material Issue Promotion Framework and Specific Initiatives



Enhancing the Sustainability of Natural Capital

The Nissui Group’s business depends on natural capital. As the beneficiary of a variety of ecosystem services, the Group recognizes the significant risk of the potential loss of sustainability of natural capital. Climate change in particular entails a wide range of risks that can affect the Group. Moreover, the interaction between biodiversity and climate change has a significant impact on risks such as raw materials procurement. For these reasons, environmental issues require comprehensive approaches. Addressing those risks is a vital task for enhancing the Group’s resilience and a key to growth opportunities.

Climate Change Initiatives (Disclosure Based on TCFD Recommendations)

Governance

To address the problem of climate change, in FY2021 we launched the TCFD Compliance Project (a cross-functional project) with the Chief Financial Officer as the project owner. We also analyzed risks and opportunities, and studied climate change countermeasures. The study results are discussed in the Sustainability Committee and reported to the Board of Directors, and reflect the opinions and advice of the Board of Directors. In addition, the Environmental Subcommittee under the Sustainability Committee is implementing Group-wide climate change mitigation measures, including reduction of CO₂ emissions.

We updated the executive compensation structure in FY2022 with a view to achieving our long-term vision and the Mid-Term Business Plan, adding the achievement level of sustainability targets to the evaluation metrics of variable compensation paid to Inside Directors.

Strategy

We performed a climate change scenario analysis comparing two scenarios based on the TCFD recommendations for the marine products, food products, and fine chemicals businesses, which account for more than 95% of the Group’s consolidated net sales. We identified climate change risks and opportunities, assessed their financial impact, and considered measures to respond to them. By taking measures in response to the significant risks and opportunities identified, we will reduce risks and steadily seize opportunities in our aim of being resilient to climate change.

Overview of Scenario Analysis in Strategy

- 1.5°C/2°C Scenario
We found that operating costs attributable to the introduction of a carbon tax would impact business growth, but efforts to proactively reduce greenhouse gas emissions and improve the efficiency of production activities and the acquisition of new customer demand could translate into business growth.
- 4°C Scenario
We found that the physical risks associated with the increasing severity of natural disasters would impact business growth, giving rise to the need to minimize the impact on earnings by dealing with such risks through initiatives to increase the sophistication of the aquaculture business.

Initiatives for TCFD Recommendations
▶ <https://nissui.disclosure.site/en/themes/223>

Overview (Only Risks and Opportunities with Large Financial Impact)

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

Risk Management

Analysis and response measures with regard to risks and opportunities relating to natural capital, are reviewed by the relevant subcommittee, and then discussed at meetings of the Sustainability Committee. These are then comprehensively managed along with other risks from a Group-wide perspective by the Risk Management Committee, which reports on a regular basis to the Board of Directors, from which opinions and advice are reflected in specific measures.

Metrics and Targets

Under our long-term vision, we have stated our goals of reducing total CO₂ emissions (Scope 1, 2) by 30% in 2030 compared with the FY2018 level, and realizing carbon neutrality by 2050. To fulfill the target on a Group-wide, global scale, we will formulate and proactively implement a CO₂ emissions reduction plan at each business location.

We calculated Scope 3 emissions by dividing them into 15 categories, as outlined in the guidelines issued by Japan’s Ministry of the Environment, which are consistent with the Greenhouse Gas Protocol. Going forward, we will pursue greater data accuracy, look into ways to reduce Category 1 emissions—which are relatively large in volume—and make other such efforts to further promote the reduction of CO₂ emissions across the Nissui Group.

Biodiversity Initiatives (Disclosure Based on TNFD Recommendations)

The Nissui Group joined the Task Force on Nature-related Financial Disclosures (TNFD) Forum in September 2023, and discloses information based on the TNFD recommendations.

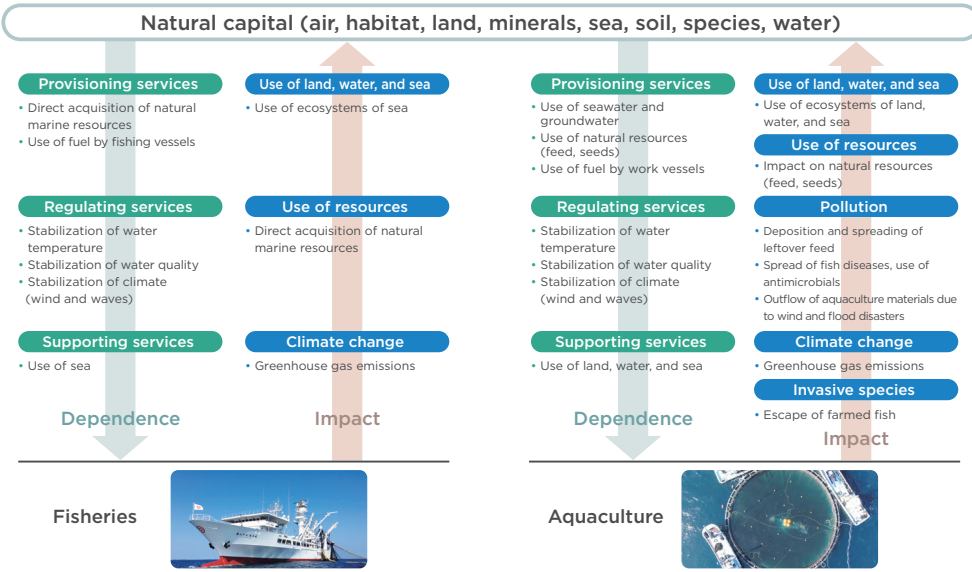
Governance

Efforts related to natural capital and biodiversity are primarily handled by six subcommittees: the Marine Resource Sustainability Subcommittee, the Sustainable Procurement Subcommittee, the Marine Environment Subcommittee, the Plastics Subcommittee, the Environmental Subcommittee, and the Human Rights Subcommittee. Each subcommittee develops and implements policies and strategies, and reports to the Sustainability Committee.

Strategy

To clarify the relationship between the Nissui Group's dependence on nature and the impact of its operations, we conducted a diagnosis of "Dependencies and Impacts" and an evaluation of "Risks and Opportunities" in line with the LEAP Approach,¹ and organized the results as follows. This evaluation focused on "fisheries" and "aquaculture," which represent the upstream points of contact with nature in our value chain. An initial evaluation was performed using the third-party tool ENCORE,² followed by a secondary (qualitative) evaluation aligned with the realities of the Nissui Group's operations.

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



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

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

Main Risks and Opportunities Expected

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

Management of Risks and Opportunities

▶ Page 22

Analysis and response measures with regard to risks and opportunities relating to natural capital, are reviewed by the relevant subcommittee, and then discussed at meetings of the Sustainability Committee. These are then comprehensively managed along with other risks from a Group-wide perspective by the Risk Management Committee, which reports on a regular basis to the Board of Directors, from which opinions and advice are reflected in specific measures.

Metrics and Targets

The Nissui Group positions the sustainability of marine resources and the conservation of the marine environment as key management issues. We manage nature-related dependencies, impacts, risks, and opportunities using the following metrics and targets.

Area	Metrics	Targets	Method of measurement
Fisheries Aquaculture	Procurement of sustainable marine resources	Procurement of sustainable marine resources: 100%	Using the ODP ¹ evaluation method (based on FishSource scores 1-5), a score of 8 or higher for all "Well Managed" and 6 or higher for "Managed" is considered sustainable.
	Procurement of endangered (marine) species	For marine resources in severe danger of extinction, the Group will suspend the procurement of those resources if tangible and scientific measures are not taken to recover stocks by 2030.	Scientific and practical measures for resource recovery (i) Fishery products certified by the Marine Stewardship Council (MSC) or other certification bodies (equivalent to GSSI ² certification), or Fishery Improvement Project (FIP) products (ii) Scientific fishery management by international resource management organizations such as Regional Fisheries Management Organizations (RFMO) ³ (iii) Rated "Managed" or above based on criteria established by the ODP ¹ (iv) Any other specific measures being taken to achieve i to iii above
	CO ₂ emissions	FY2030: Reduced by 30% (Scope 1, 2; base year: FY2018)	CO ₂ emissions (Scope 1, 2; base year: FY2018)
Aquaculture	Degree of replacement of polystyrene foam floats in nylon covers	FY2024: Complete 100% replacement	Replacement with floats that have a low risk of outflow into the ocean as plastic waste: 100%
	Escape of farmed fish	Reduce escaped fish to zero	Results for escaped fish (Identify, record and count all incidents of escaped fish, regardless of the scale of the escape)

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

Material Issue Promotion Framework and Specific Initiatives



Recipe for Teammates

Developing Human Capital and Empowering Diverse Personnel

Personnel Development

Our long-term vision is to generate social, human capital, and environmental value and link it to financial value, with value in human capital positioned as the key element. As one part of “what the Nissui Group would like to be in 2030,” we have set the goal of being a company with “diverse human capital playing an important role,” which focuses on fostering an organizational culture that encourages new challenges beyond conventional boundaries.

Definition of “diverse human capital playing an important role”

A work environment where people with various values perform their duties proactively and independently, demonstrating strong potential in their respective fields of expertise.

We believe that the knowledge and experience of employees with diverse values will lead to innovation and the creation of innovative food solutions. Therefore, we strive to secure and develop human capital who have backcasting capabilities, the ability to work independently and autonomously, and the ability to accept diverse values, regardless of attributes such as gender, nationality, or educational background.

Furthermore, while we have been implementing measures to raise awareness of and address shortages in human capital, from FY2023 we have been deepening our discussion of the talents and capabilities that we need from a medium- to long-term perspective in terms of human capital, and have begun discussing human capital strategies linked to management strategy and our business portfolio.



Training and Development
▶ <https://nissui.disclosure.site/en/themes/103>

Diversity, Equity & Inclusion

▶ Page 48

As a goal for 2030, the Group aims drive innovation and create value by leveraging diverse talent and offering opportunities for employees to realize their full potential. We consider diversity of knowledge and experience to be valuable assets, and are proactively promoting women’s empowerment, the employment of people with disabilities, and the development of global human capital, centered on the operation of a personnel system and the cultivation of an organizational culture in which each individual can play an active role.

In addition, in 2021 we joined 30% Club Japan and now promote activities to increase the participation of women in management.



Diversity, Equity & Inclusion
▶ <https://nissui.disclosure.site/en/themes/148>

Securing a Stable Workforce and Improving Productivity

Securing Human Capital

We must secure and develop human capital who can manage frontline operations and who can appropriately utilize and impart knowledge of technology and skills to ensure the sustainability of our business. We urgently need to secure human capital to support our core businesses, beyond growth fields such as our aquaculture and fine chemicals businesses. We are therefore working to secure human capital with the expertise to support frontline operations. An example initiative is conducting joint recruiting information sessions together with Group companies since 2023. We also need to secure highly specialized human capital capable of addressing changes in the external environment, so we have been adding specialist talent such as by hiring mid-career professionals.

Work Style Reform

Nissui has established systems to support diverse working styles, including flextime and teleworking systems, and fosters a corporate culture in which employees can use these systems with peace of mind. In so doing, we are working to improve the productivity of each employee and create a comfortable and rewarding workplace.



Teleworking day at Nissui Head Office

Embracing Our Mission and Establishing Our Brand

In-house Activities to Share the Mission (Brand Promise)

We instill our mission (brand promise) throughout the Group by providing tools such as brand booklets and information magazines, as well as through our Good Foods Talk program, which encourages all employees to think about and share ideas for innovative food solutions. In FY2024, we distributed the *Our Story* brand storybook simultaneously to 52 Group companies in seven languages—Japanese, English, Chinese, Thai, Vietnamese, French, and Spanish—so that employees, regardless of differences in language and culture, can connect with and embrace the Nissui Group’s strengths and compass.





Recipe for Teammates

Message from Executive Officer in Charge of Human Resources



We will strive to realize our long-term vision with sustainable growth and strong organizational development through creation of value in human capital.

Hiroshi Inoue

Executive Officer
In Charge of Human Resources

For the Nissui Group, our people are the key element driving the creation of social, human capital, and environmental value, which lead to financial value. My duty as part of the management team is to cultivate talent who can realize innovation related to food and value creation by tackling new challenges while embodying our mission.

Our intent since the Company was founded has been to resolve issues relating to food—a commitment that is also seen in the Founding Principles and Five Genes—an approach that has also taken root among our employees. A recent example of creating financial value by leveraging value in human capital is our spring rolls, a frozen food product. Spring rolls may seem like a simple product consisting of a pastry wrap and filling ingredients, however, employees at R&D departments repeatedly conducted trial production to improve the crispiness of the wrap and the type and flavor of the fillings in order to differentiate our spring rolls from those of competitors. At the same time, we were able to improve productivity as a result of the efforts of production department and plant employees. Our people are also behind the production of various other forms of financial value—for example, the efforts of many of our sales representatives to highlight new product value in business talks with customers have driven the expansion of our market share. We define “increasing value in human capital” not as simply developing the ability to wait for and follow instructions from a supervisor or to complete tasks without issue, but as taking on challenges in cutting-edge fields with a spirit of independence. By working to attract, retain, and develop human capital who can continue to explore and create value on their own, we want to generate social, human capital, and environmental value, and translate that into financial value.

With the increasing complexity and uncertainty of the business landscape, fueled by factors such as climate change and geopolitical risks, balancing solutions to societal issues with economic growth is not easy. The Nissui Group employs more than 19,000 people (including temporary employees) worldwide. It is the knowledge and experience of such employees, each of whom has their own diverse values, that generates innovation, leading to the creation of innovative food solutions. We hope to make that a driving force for sustainable growth. To that end, although later than ideal, we began discussions of how to link human capital strategy to management strategy at meetings of the Board of Directors and Executive Committee in FY2023, and from FY2024 began formulating a human capital strategy that aligns with our management strategy and our business portfolio leading into the next Mid-Term Business Plan. By increasing the linkage between our mission and management strategy and our human capital strategy, and prioritizing assignment of people to the most important tasks, we will produce a positive cycle of creating greater financial, social, human capital, and environmental value.

In addition, although we previously defined personnel requirements for organizational leaders at the section manager level and higher, and implemented related measures, there was not sufficient discussion of consistent management succession. To address that issue, we have pinpointed the talents required in management from a long-term perspective, analyzed the gap between those talents and our current situation, and in FY2024 established the Human Capital Development Committee. This committee is tasked with implementing and monitoring concrete measures to attract, retain, and develop the human capital we currently lack. The Human Capital Development Committee is chaired by the President, and is composed of eight members—Internal Directors, the Executive Officer in charge of corporate planning, and myself—and has started discussions of ways to ensure consistent executive succession, including executives of Group companies. Each year this committee will also liaise with the Nomination Committee (composed of the President and four Outside Directors), which discusses candidates for Director, in order to systematically discuss succession plans, including for the position of President.

Furthermore, with our policies on human capital now clearly defined, the Company will move past simply outlining expectations of employees, to introduce specific human capital measures demonstrating what the Company will do for employees. Along with diversity of human capital, an organizational culture of high psychological safety in which employees can exchange and discuss their ideas freely and openly, is also an important element of enhancing corporate value. That is why I would like to establish an organizational culture that builds empathy with our mission (brand promise) and supports employees in taking on challenges. Even as work styles and values continue to diversify, we aim to realize our long-term vision with a strong organization in which all employees envision what they want to be, do their jobs independently on their own initiative, and continue to pursue self-improvement.


Material Issue Promotion Framework and Specific Initiatives

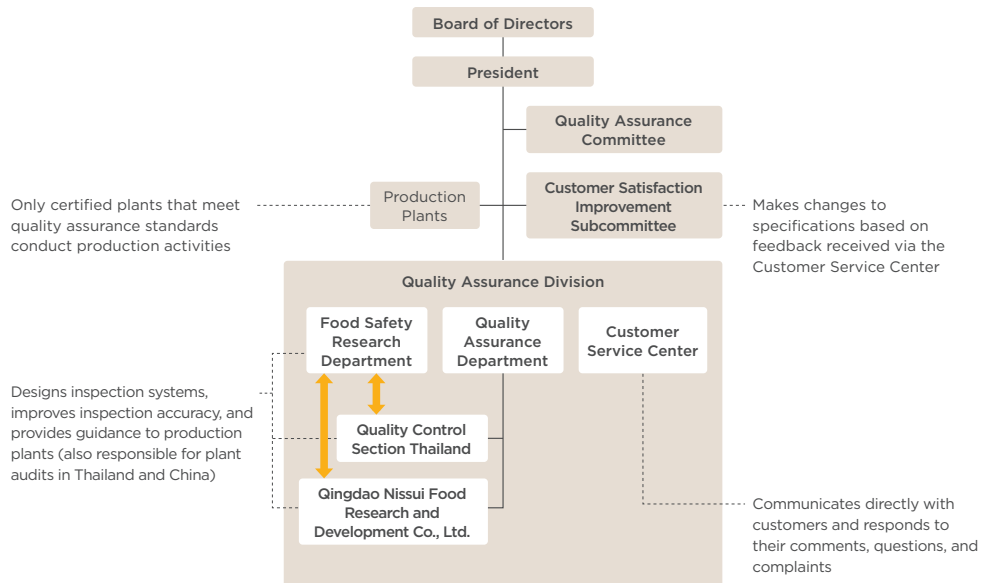
 **Recipe for Society**


Structuring a Sustainable Supply Chain

Food Safety and Security

We established our Quality Assurance Code in 2002. To align all employees toward a common goal, we have also established our Quality Policy and Code of Conduct, based on our Quality Assurance Philosophy, and these serve as the foundation for various standards related to quality assurance. We have positioned the Customer Service Center, Quality Assurance Department and Food Safety Research Department as part of the Quality Assurance Division, and cooperation among production plants and business departments has empowered the establishment of a quality assurance system to create safe and secure products. This ensures quality at global standards in all of our businesses, including marine products, food products, and fine chemicals.

 **Approach to and Systems to Ensure Safety and Security**
 ▶ <https://nissui.disclosure.site/en/themes/97>



 **Initiatives to Ensure Safety and Security**
 ▶ <https://nissui.disclosure.site/en/themes/98>


Human Rights

The Nissui Group's long-term vision is to be "a leading company that delivers friendly foods for people and the earth." We believe an indispensable condition for achieving this vision is respect for human rights throughout the value chain. In accordance with the Nissui Group Human Rights Policy, we conducted a human rights risk assessment to identify latent and actual human rights risks in our business activities. We identified three major risks as priority issues, and are implementing initiatives to assess current realities and reduce these risks.

Identified human rights risks

- 1) Forced labor and child labor relating to raw materials of marine products (from procurement of raw materials to production)
- 2) Work environment of foreign technical intern trainees in Japan (production)
- 3) Occupational safety and health (fisheries and aquaculture)

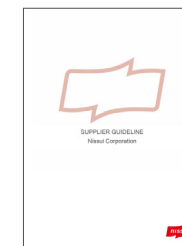
Furthermore, based on the UN Guiding Principles on Business and Human Rights, the Nissui Group has established grievance mechanisms and ensured access to remedy. In addition to the existing whistleblowing system for making reports through either internal or external contact points, in FY2023 we newly established an external contact point for a wide range of other stakeholders, including foreign workers.

 **Human Rights**
 ▶ <https://nissui.disclosure.site/en/themes/204>

Sustainable Procurement

▶ Page 48

The Group's goal is to confirm the sustainability of all goods it procures by 2030. In order to ensure sustainable procurement, we need to work more closely with business partners. We have therefore formulated the *Supplier Guideline*. We have distributed this guideline (along with explanatory video content) to all Tier 1 suppliers and asked them to sign confirmation forms. As of the end of FY2023, we have secured signatures from 98% of our suppliers. Furthermore, in FY2023 we introduced a supplier engagement platform and structured a mechanism that enables communication with all of our registered Tier 1 suppliers. Aiming to reduce human rights and environmental risks in the supply chain, we are requesting self-assessments through this mechanism in promoting human rights and environmental due diligence among our suppliers.



Supplier Guideline

 **Sustainable Procurement**
 ▶ <https://nissui.disclosure.site/en/themes/107>

Resolving Health Issues

Expanding Health Category Products

▶ Page 48

Leveraging strengths such as access to marine resources and R&D that we have developed since our founding, we are developing health category products (see definition below), and are targeting a 200% increase in sales of these products by 2030.

Definition of “health category products”

Products that promote “broader perspectives of health”* as defined by the Nissui Group, and support customers’ healthy lifestyles through innovative food solutions verified by either government agencies, academia, or the Group.

* Broader perspectives of health: A health concept aligned with either (1) Target items set forth in “Healthy Japan 21” by the Ministry of Health, Labour and Welfare, or (2) “Recommendations for Extending Healthy Life Expectancy Based on Cross-Disease Evidence” by the Japan Health Research Promotion Bureau

Examples of Health Category Products

EPA

We began researching EPA in 1979. Focusing on the diverse effects of EPA, we produce and supply it as a pharmaceutical raw material and as a functional raw material, and also use it in health foods such as foods for specified health uses (FOSHU), foods with function claims, and supplements.

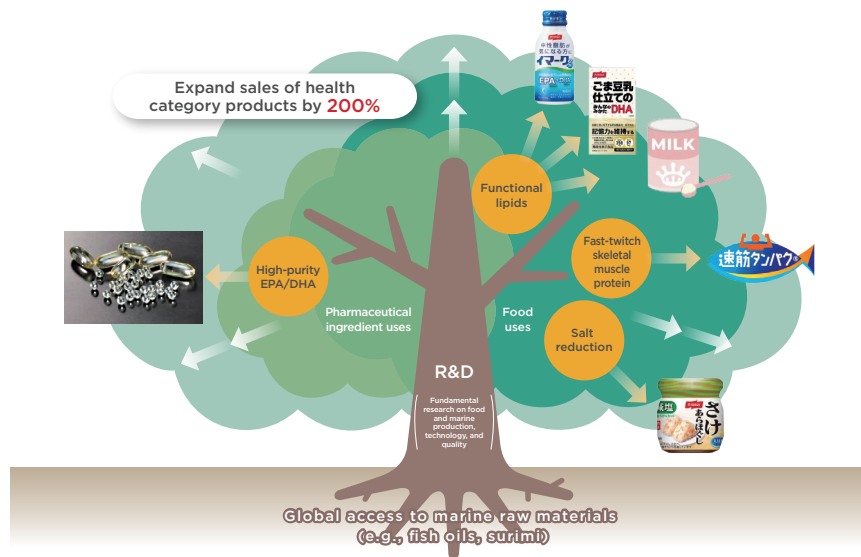
Fast-Twitch Skeletal Muscle Protein

Nissui is participating in research that has revealed that protein from the fast-twitch skeletal muscles of Alaska pollock (responsible for the explosive power behind this species’ agile movements) has a muscle increase effect and is a high-quality protein that is efficiently absorbed by the human body.

Salt Reduction

Nissui conducts basic research into aroma and taste, which encompasses work on developing and commercializing ingredients that give the impression of a stronger sense of saltiness and manufacturing methods that reduce salt content without compromising flavor.

Innovative Food Solutions



Health and Nutrition Initiatives
▶ <https://nissui.disclosure.site/en/themes/218>

HIGHLIGHT

Nissui’s Unique Sodium-Reduction Technology

Salt substitutes such as potassium chloride are one way to reduce sodium intake, but potassium chloride has the drawback of having a bitter and distinctly acrid taste alongside its salty flavor. Therefore, we have been conducting exploratory research into ingredients that can reduce the bitterness of potassium chloride. We discovered that apiin, an active compound found in parsley, is highly effective at suppressing this bitterness.

Based on these results, we developed a parsley extract formulation that contains a high concentration of apiin, and created sodium-reduction technology that allows a pronounced

salty taste without the sensation of bitterness, despite the significant amount of potassium chloride used (Patent No. 5952832).

