

The Nissui Group upholds preservation of biodiversity for its Environmental Code. The cover design shows ocean world and creatures dwelling there that are the foundation of the Nissui Group's operations. It expresses our determination to maintain a bountiful and sustainable ocean, and bequeath to future generations.

# Sustainability

---

# Report / 2020

# Overview of the Nissui Group

## Company Overview (As of March 31, 2020)

**Company Name** Nippon Suisan Kaisha, Ltd.

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

**Founded** 1911

**Established** 1943

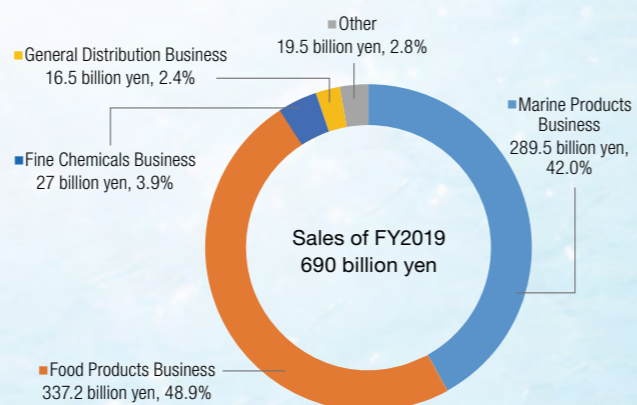
**Capital** 30,685 million yen

**Main Businesses**  
**Marine Products Business:** Fishery, aquaculture, purchasing, processing and sales of marine products (fresh fish, frozen fish, fish oil and fish meal)  
**Food Products Business:** Development, manufacture and sales of frozen foods, shelf-stable foods, and other processed foods (fish sausage, surimi-based products, chilled foods and seasonings)  
**Fine Chemicals Business:** Manufacture and sales of general pharmaceuticals, pharmaceutical ingredients and health foods  
**General Distribution Business:** Frozen and refrigerated storage, transport of frozen and refrigerated freight

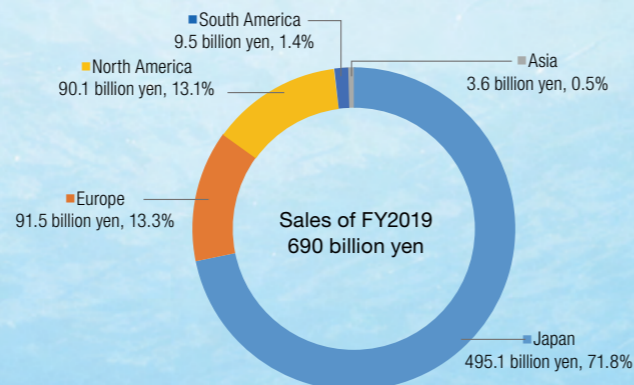
**Employees** 9,247 (consolidated)  
1,233 (non-consolidated)

## The Nissui Group Businesses

### Sales by Businesses



### Sales by Region



### Nissui Global Supply Chain



## Contents

1	Overview of the Nissui Group Company Overview/The Nissui Group Businesses/ Editorial Policy	11	Key Issues Contribute to a healthy lifestyle with food safety and security
3	Message from the President	15	Key Issues Aim to be a company where diverse human resources play an important role to address the social agenda
5	The Nissui Group's Sustainability	19	Contributions to the Environment and Society
7	The Nissui Group's Key Issues	21	Initiatives to Strengthen Corporate Governance
7	Key Issues Preserve the bountiful sea and promote the sustainable utilization of marine resources and their procurement		

## Editorial Policy

This report is published to provide information on the CSR initiatives of the Nissui Group to its stakeholders.

**Report Period**  
This report mainly covers activities conducted from April 1, 2019, to March 31, 2020. However, when appropriate, there may be exceptions to this general rule, as when citing past circumstances and data or recent examples.

**Report Boundary**  
This report covers Nippon Suisan Kaisha, Ltd. (Nissui), and its group companies in Japan and outside Japan. The environmental data in Japan represents the totals of Nippon Suisan Kaisha, Ltd. (Nissui) and its group companies in Japan (including five unconsolidated affiliate companies in Japan), which is the scope of the report of the activities to reduce environmental impact. The environmental data outside Japan represents the totals of the major nine group companies outside Japan. Personnel data reports only on Nippon Suisan Kaisha, Ltd.

**Referenced Guidelines**  
Global Reporting Initiative (GRI) Sustainability Reporting Standards 2016; Ministry of the Environment Environmental Reporting Guidelines (2018)

**Contact Information for the Organization Publishing This Report**  
CSR Section, CSR Department, Nippon Suisan Kaisha, Ltd.  
Nishi-Shimbashi Square, 1-3-1, Nishi-Shimbashi, Minato-ku, Tokyo, 105-8676 Japan  
Fax: +81-3-6206-7080 Email: csr@nissui.co.jp

The Nissui Sustainability Report 2020 is also available on Nissui's website.  
Japanese page: <https://nissui.disclosure.site/ja/themes/121>  
English page: <https://nissui.disclosure.site/en/themes/121>

Message from the President

Together with its stakeholders, the Nissui Group will endeavor to find solutions to social issues and work toward building a sustainable society.



**Akiyo Matono**  
Representative Board Member,  
President & CEO  
Nippon Suisan Kaisha, Ltd.

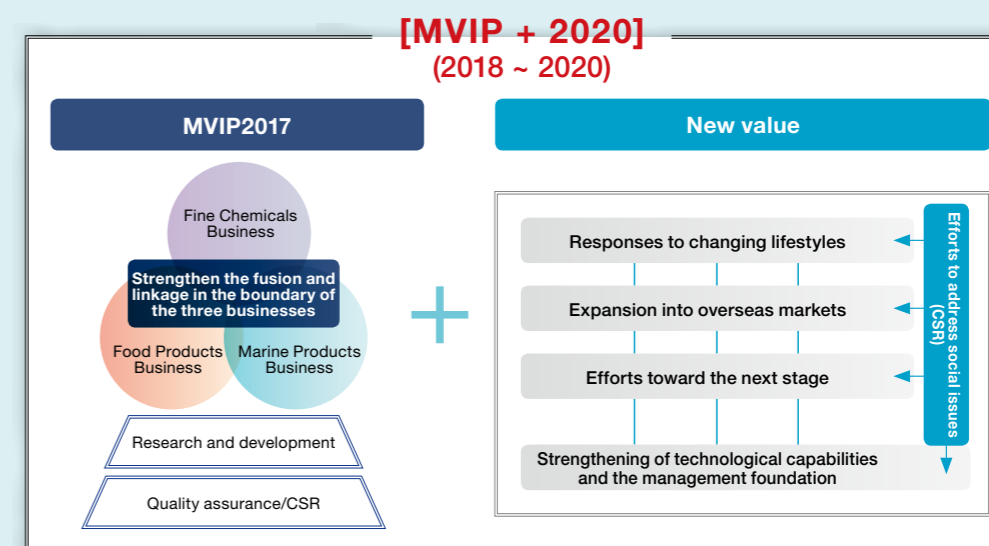
Mid-Term Business Plan MVIP + (Plus) 2020

The Nissui Group's Mid-Term Business Plan will achieve its targets in fiscal 2020. By leveraging our unique technologies, we will help people across the world to stay healthy through the utilization of sustainable marine resources.

**Make Value through Innovative Plan**      **Most Valuable Impressive Player**

The Key Strategies of MVIP + (Plus) 2020

The Mid-Term Business Plan MVIP + (Plus) 2020 is founded on the principles in MVIP 2017. Under the Plan, we strive to achieve growth and increase corporate value by helping to resolve social issues through our business activities and at the same time to achieve our revenue and income goals.



In recent years, we have seen natural disasters on a global scale that we have not experienced in the past. In addition, the COVID-19 pandemic has transformed our everyday environment, impacting the lives of people around the world. Facing numerous social issues in addition to climate change and the coronavirus disease, businesses today are being compelled to address each of the issues in earnest and move forward toward resolving them so that they can coexist with the surrounding environment.

The Basic Management Policy of the Nissui Group is to “champion the sustainable utilization of marine resources and the preservation of the earth environment, continue to create diverse values from resources, including marine resources, and provide individual consumers with safe and high-quality products thus helping them to maintain a fit and healthy lifestyle.” This policy commits us to working to resolve social issues through our business activities.

**Sustainable Utilization of Marine Resources**

Nissui is currently working toward this goal as a member of the Seafood Business for Ocean Stewardship (SeaBOS)

initiative participated in by global companies involved in the seafood business. We have announced our support for the principles of SeaBOS, which adopts a scientific approach to the preservation and sustainable utilization of the marine environment and its resources. In view of the diverse issues that need to be addressed, I am convinced that cooperation between scientists and businesses in various countries based on scientific evidence, rather than on past experience or intuition, will ultimately lead to resolving these issues.

**Action on the Global Plastic Problem**

Concern over the global plastic problem has grown as indicated by the introduction of a charge for plastic shopping bags in Japan. The Nissui Group established its Basic Policy to Address the Problem of Plastics in February 2020, declaring that it will cooperate with its stakeholders to conserve marine resources. We are working to resolve the marine plastic problem and other problems in the global environment through our business activities by changing our use of containers and packaging and by preventing fishing equipment from being discarded in the oceans.

**Employee Health and New Working Styles**

In March 2020, the Nissui Group was selected for the second consecutive year under the “Health & Productivity Stock Selection 2020” program in recognition of its activities focusing on EPA and fish, which are the mainstay of the company’s operations, and its efforts to promote better employee health and to optimize working hours. We recognize that our employees are our greatest assets and are working to manage employee health as a way to improve quality of life for both our employees and their families and to enable them to demonstrate their abilities effectively. The COVID-19 pandemic has reaffirmed our belief that the health of each and every employee is at the foundation of our business activities. At the same time, it offers a great opportunity for the company to re-examine our established approach to work. We are taking action to create a work environment and working schemes in which all employees can work with enthusiasm and expertise, without restrictions on their workplaces or working hours, because we believe that it will foster innovation and create new value.

**Toward a Sustainable Future**

As a company delivering food products derived from marine resources to our customers, I believe that the Nissui Group’s mission is not only to ensure the safety, security and enjoyment of our products but also to develop products and services that contribute to solving social issues in areas such as health and the environment. We plan to continue working with our stakeholders to resolve social issues, work for the health of people around the world and build a sustainable society.

Representative Board Member,  
President & CEO

# The Nissui Group's Sustainability

Since its establishment, the Nissui Group has been involved in a business that utilizes a wide variety of natural resources. The sustainable business activities set out in Our Founding Principles and our Basic Management Policies embody our mission as a business.

## Our Founding Principles

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

## Basic Management Policy

We will champion the sustainable utilization of marine resources and the preservation of the earth environment, continue to create diverse values from resources, including marine resources, and provide individual consumers with safe and high-quality products thus helping them to maintain a fit and healthy lifestyle.

## Materiality (Key Issues)

The Nissui Group conducted an analysis of the importance of various social issues from the perspectives of the Group's stakeholders and its business operations and identified materiality in three key issues in 2016. Based on our Declaration on Action of CSR, we plan to work on the key issues in cooperation with our stakeholders and resolve social issues through our business activities.

Preserve the bountiful sea and promote the sustainable utilization of marine resources and their procurement

Stakeholders: Customers/Business Partners/Environment/Society

- Marine Environment • Marine Plastics • Sustainability of Marine Resources
- Biodiversity Preservation • CSR Procurement
- Environmental Management • Reducing Environmental Impact



Contribute to a healthy lifestyle with food safety and security

Stakeholders: Customers/Business Partners/Environment/Society

- Research and Development to Enrich Lives
- Approach and Systems to Ensure Safety and Security
- Initiatives to Ensure Safety and Security • Food Loss and Waste



Aim to be a company where diverse human resources play an important role to address the social agenda

Stakeholders: Employees/Society

- Diversity • Work Style Reform • Women's Empowerment
- Employment of Seniors, People with Disabilities, and Foreign Nationals
- Training and Development • Labor Safety • Employee Health



## Declaration on Action of CSR

Established: March 22, 2016

The Nissui Group will appreciate the earth and the sea, and create diverse values from five genes (mission, innovation, hands-on approach, global, and value the customers) inherited since its foundation and try to solve social issues through business activities.

## Nissui's Genes

### Innovation

Embrace the vision of entrepreneurs and engage in various innovations.

### Global

Create a global value network of resources including marine resources.

### Mission

Utilize the resources of the earth and the sea in a sustainable and effective way and respect the environment.

### Hands-on Approach

Focus on R&D and marketing, and aim to create value and functions from the viewpoint of ordinary citizens.

### Customer-Oriented

Fulfill our corporate social responsibility and enhance our brand value.

### For the customers

- We provide safe and secure high-quality products which are valuable for the customers.
- We utilize bounty of the sea and provide the delights of foods and the rich and healthy lives through the innovation.

### For the employees

- We act in accordance with the norms of the society with sound ethics and aim to build a socially trusted company.
- We respect diverse values and individualities, and achieve growth through teamwork by learning from others.

### For the business partners

- We maintain fair and clean business relationship with all of our business partners.
- We try to build mutual trusting relationship with business partners and seek a sustainable society with them.

### For the environment

- We work hard to reduce environmental burdens and preserve the natural environment and biodiversity.
- We recognize that our business is relied on the bounty of the earth and the sea, and work hard to utilize resources in a sustainable manner.

### For the shareholders

- We operate in a transparent manner and improve disclosure of information.
- We try to enhance corporate value and continue a proper distribution of profit to the shareholders through stable business growth.

### For society

- We work hard to develop local society and cultivate the next generation through the knowledge and the technology of the Nissui Group.
- We respect diverse cultures and customs in the world and try to contribute to keeping the local society alive with the development of our business.

## Nissui Businesses

Fine Chemicals Business

Food Products Business

Marine Products Business

## The Nissui Group's Key Issues

# Preserve the bountiful sea and promote the sustainable utilization of marine resources and their procurement

### Our Challenges Sustainable Procurement Focusing on the Environment and Human Rights

Under SDG 14, global efforts to protect the ocean and its resources and to foster sustainable utilization have started. There are fears that marine resources will become depleted as a result of climate change and illegal, unreported and unregulated (IUU) fishing. As a corporate group procuring its resources from the ocean, preservation of marine resources and sustainable use are matters of great urgency. It is vital that we develop ways to confirm the status of the resources from which we procure our marine products, develop aquaculture technologies with less environmental impact and build a business framework that is sustainable in the long term. We hope to deliver a stable supply of seafood and other products to as many customers as is possible by addressing a broad range of issues related to the marine environment, such as ASC, MSC, MEL and other marine eco-label certifications and by reducing marine plastic waste.

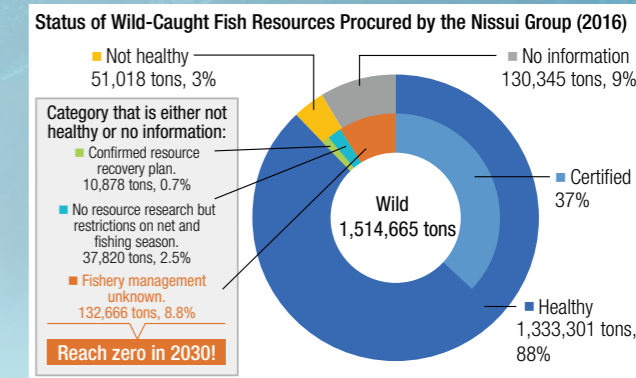
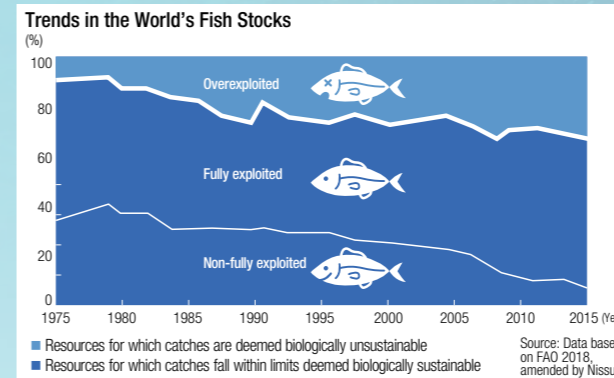


**Teru Tanaka**  
Executive Officer, In charge of Aquaculture Business Promotion Department

In manufacturing products for our customers, we are responsible for all aspects of raw material procurement. The products should not only be safe but also free from human rights and environmental issues at all levels of our supply chain. It is for this reason that the Nissui Group Basic Procurement Policy was established. Starting in 2018, activities have been organized in cooperation with our suppliers. Although efforts are still in their infancy, we plan to introduce procurement practices that are based on this policy for the entire Group, including its overseas operations, by the year 2030.



**Kazuhiro Matsushima**  
Executive Officer, Deputy Food Products Business Operating Officer and General Manager of Food Service Products Department, In charge of Supply Chain Management Department



### Challenge 1 Continuing Surveys on Marine Resources



With the advancing depletion of marine resources around the world, the UN Food and Agriculture Organization (FAO) reports that 33% of marine resources are being caught at biologically unsustainable levels. To assess the business risks and opportunities in the medium to long term, we believe it is important to assess the state of marine resources. For this purpose, Group companies (28 in Japan and 16 outside Japan) conducted surveys of the resources for natural fish procured in 2016. The findings showed that 88% of resources procured by the Group did not present any problems, and 37% carried seafood eco-label certification. We have decided not to increase the volume of procurement for marine resources that are at risk. For resources for which the procurement status remains unclear, discussions have been held regarding surveys with NGOs and research institutes. However, agreement has yet to be reached, and studies are expected to continue into the future. We do not procure resources that are evidently not being controlled, resources whose status continues to be unknown and resources that are very likely to be the result of illegal, unreported or unregulated (IUU) fishing or forced labor.

Surveys on the resource status will be conducted regularly into the future, to study the risks and opportunities involved, and to achieve "confirmed sustainability for the marine resources procured by the Nissui Group by 2030." At present, we are conducting the second survey and analysis on the resource status for the January-December 2019 period. Also, we plan to increase the number and volume of marine products that obtain marine eco-label certification, which was at 37% in the previous survey.



Stakeholder dialogue regarding surveys on marine resources



### Vision Targeted in 2030

#### Sustainability of Marine Resources

Sustainability will be established for all marine products procured by the Nissui Group.

**Milestone** The second survey results are to be disclosed in 2021, and the survey is to be conducted every three years so that we can take action on resources that are at risk.

#### CSR Procurement

Procurement in the Nissui Group will be based on the CSR Basic Procurement Policy.

**Milestone** Checks on primary suppliers to be completed by 2025.

#### Reducing Environmental Impact



### Voice of the Responsible Person

I have been involved in research into the sustainability of marine resources for the past ten years and am deeply involved in our efforts to pursue sustainability. I remember that when the decision was made to conduct periodic surveys of marine food handling, I was convinced that this would serve as the core of the Nissui Group's initiatives to improve its sustainability. As the

person in charge of the area, the greatest sense of accomplishment comes when a solution is found to issues that have surfaced in the study and when the problem actually results in cooperation between the related parties. As a solution is found for each issue, I feel that we are taking one step forward to realizing CSR procurement in the area of sustainability by the year 2030.



**Ichiro Nagano**  
Aquaculture Fundamental Research Group, Central Research Laboratory

Challenge 2

Promoting CSR Procurement

We plan to be able to confirm the sustainability of the marine products procured by the Nissui Group by 2030. In the procurement of raw materials, sustainability of resources and protection of human rights for workers have become issues to be resolved. Through collaboration with all our suppliers, sustainable procurement will move forward with the focus on the environment and human rights.

The Nissui Group Basic Procurement Policy was established for this purpose in 2017. The Policy consists of: (1) procurement policy; (2) compliance, procurement ethics; (3) awareness of environmental preservation; (4) respect for human rights; and (5) collaboration with business partners.

Starting in 2018, three check sheets are being used to examine environmental and human rights risks in the supply chain and to assess current conditions. If a risk should be found, we will make improvements in cooperation with the companies involved. For suppliers who answer the Nissui CSR Procurement Self-Check Sheet for the first time, we hold lectures by outside speakers and briefings to give them a clearer understanding of the Nissui Group's policy.



Sustainable Procurement Seminar held in February 2019

The Three Check Sheets

- Self-Check Sheet of Nissui CSR Purchasing Initiatives**  
 This check sheet is for suppliers with close relationships with the Nissui Group, such as business relationships with a high degree of dependence and large business transaction amounts.
- Check Sheet of CSR Purchasing Initiatives for New Suppliers**  
 This form is for suppliers starting business with Nissui.
- Simplified Check Sheet**  
 For all existing suppliers.

Scan this for other initiatives related to procurement. >>

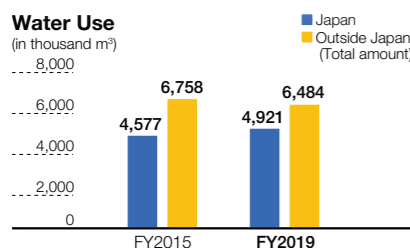


Challenge 3

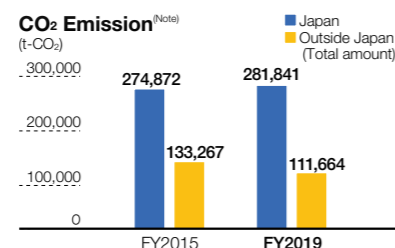
Reducing Environmental Impact



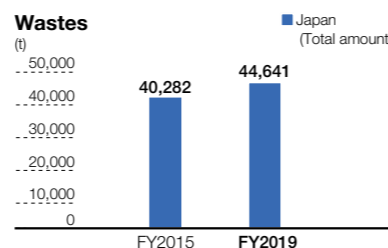
Water, CO<sub>2</sub> and waste have been designated our three important benchmarks that define the medium- to long-term targets for Japan in reducing environmental impact. We are contributing to various visions to achieve sustainability, including the SDGs, Paris Agreement and the movement to a sound material-cycle society.



FY2019 results in Japan (compare to FY2015) 89.3% (per unit)



FY2019 results in Japan (compare to FY2015) 86.0% (per unit)



FY2019 results in Japan (compare to FY2015) 92.2% (per unit)

(Note): CO<sub>2</sub> emissions from electric power consumption in Japan calculated with the CO<sub>2</sub> emission coefficients of the power suppliers. For operations outside Japan, calculations employ the average of the CO<sub>2</sub> emission coefficients for the relevant nations published by the International Energy Agency (IEA).

We received external expert assessments of the activities and recommendations regarding future challenges with the Nissui Group's key issues of sustainability of marine resources and CSR procurement.



Dr. Aiko Yamauchi

Senior Chief, Seafood Legacy Co., Ltd.  
 Member of the Special Committee of Stock Management of Fisheries Policy Council, External Reviewer, SH"U"N Project, the National Research and Development Agency, Japan Fisheries Research and Education Agency, Lecturer, Faculty of Agriculture, Iwate University, Lecturer, Graduate School of Public Policy and Social Governance, Hosei University

Expert Recommendations

To move forward toward the CSR procurement target by 2030 in cooperation with the stakeholders

For CSR procurement, the understanding and cooperation of the suppliers are indispensable. The promotional organization involved in the process for upgrading the accuracy of supplier communication and information gathering is evaluated highly. However, regarding the target of the Nissui Group Basic Procurement Policy of "sustainable procurement focusing on both marine resources and human rights," the position of issues related to the environment and to human rights is unclear and policies that focus on the respective issues should be developed, along with a concrete action plan.

Setting a target date of 2030 for confirmation of the sustainability of the marine products procured by the Nissui Group is praiseworthy. I am also impressed by the unique approach of a comprehensive surveys

and analysis to develop objective indicators for evaluation. In addition, transparency in information disclosure is an important step forward in building longer-term coordination with stakeholders. I look forward to further developments through uninterrupted surveys and development of processes that allow improvements in methodology.

Lastly, regarding stakeholder dialogues, I was invited to the dialogues from the start and witnessed them improving over time. I believe the time is approaching for the Nissui Group to make changes to the content and method of holding such events. To achieve the target by 2030, organic partnerships must be built with NGOs, NPOs and other stakeholders for joint execution of the plans.

[Profile]

Following research into resource-controlled fishery and joint management cases in Japanese coastal fisheries, Dr. Yamauchi joined the WWF Japan Conservation Team in 2008 as a fisheries officer. She is involved in activities regarding marine resources and ocean conservation for the promotion of sustainable fisheries and marine products, in cooperation with administrative authorities as well as researchers and corporate representatives in Japan and other countries. She joined Seafood Legacy Co., Ltd., in 2019. She is also coordinator for Anti-IUU Forum in Japan.

Toward Further Progress: Response to Expert Recommendations

The Nissui Group intends to confirm the sustainability of all the marine products it handles and focus on the environment and human rights for all raw materials used. For this purpose, we are currently working on developing our human rights policy and implementing human rights due diligence. Furthermore, we are strengthening the CSR procurement promotion system to comprehensively cover and meet these targets for all our businesses. In the 2019 marine resources survey currently underway, we are in dialogue with our stakeholders and are working to resolve issues through an organized and concrete action plan.

Voice of the Responsible Person



Kimihito Tsushima  
 Responsible for Procurement,  
 Frozen Foods Plant,  
 Hachioji General Plant

CSR procurement is one of the key issues that involves our greatest initiatives. Because the issue is linked to the purchase of the raw materials from which our products are made, I feel a strong sense of responsibility as the person responsible for procurement.

We are working on a system that will trace the path raw materials take up to delivery to the plant and will thus benefit both Nissui and its suppliers. Although we do not expect to find

the best method immediately, we are receiving cooperation and constructive proposals from our suppliers on an ongoing study into the best approach to developing the system.

We think that CSR procurement not only covers the flow of goods but also the human connections that are founded on trust. By sharing ideas and knowledge, we plan to tackle issues that cannot be resolved by one company alone and move forward in our drive to achieve a sustainable future.



« The Nissui Group's Key Issues

# Contribute to a healthy lifestyle with food safety and security

## Our Challenges Healthier Lifestyles with Sodium-Reduction Technology and Marine Functional Components

One of the main health issues to address in terms of Japanese people's eating habits is the high intake of sodium. Excessive sodium intake can increase the risks of certain diseases, such as stroke and stomach cancer, and this is why the trend of sodium reduction in foods is becoming widespread across the world. Our sodium intake tends to come mainly from processed food, rather than seasoning. Processed marine products are commonly thought to contain particularly high levels of sodium and this encouraged us to start basic research into aroma and taste in general.

We are working vigorously to develop technology to boost the taste of salt and food production methods that retain tastiness while reducing sodium levels.

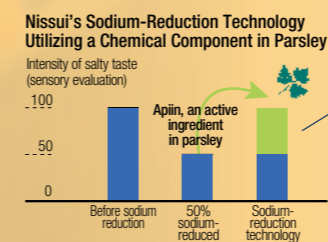
**Shinya Yamashita**  
Executive Officer  
In charge of Technology Development Department, Product Research & Development Department, Central Research Laboratory, Food Safety Research Department

We are focusing on how we can prevent sarcopenia and frailty<sup>(Note)</sup> as a challenge to address in this aging society. In our study of the fast muscle protein of Alaska pollock, we verified a seemingly bizarre hypothesis that eating fast muscle fiber increases the fast muscle fiber of the eater. The research results led to the development of our product *Osakana Minchi*. We hope that this product will contribute to people's Quality of Life (QOL), as well as help to hold down social security costs. Our EPA research commenced more than 40 years ago, together with Chiba University, triggered by a series of epidemiological studies of the Inuit people, leading to the joint development of EPA-based medicines with Mochida Pharmaceutical Co., Ltd. In this way, we have been contributing to the treatment and prevention of circulatory system diseases since that time. The Foods for Specified Health Use (FOSHU) that we have developed based on a refined technology to stabilize EPA which is easy to be oxidized, contribute to controlling neutral fat levels in the blood.

(Note): Frailty refers to physical and mental vulnerability caused by aging. Sarcopenia is the medical terms for loss of muscle mass and function due to aging or illness.



**Yoichi Sekiguchi**  
Board Member, Managing Executive Officer  
Fine Chemicals Business Operating Officer



Gen-en 50% Sake Arahogushi utilizing our sodium-reduction technology



Developing the flavor-enhancing technology which utilized the umami taste with rich flavor element in *Wagaya no Men Jiman: Champon* (a frozen prepared food for retail)

### Challenge 1

Taste Research Sodium-reduction Technology

Scan this for details on sodium-reduction technology.



Demand for sodium reduction in food is rising due to population aging and the rise in people's health awareness. The difficulty is that reducing salt in processed food production or its seasoning can negatively affect the overall taste.

Nissui is engaged in taste research focusing on components that could enhance umami and saltiness at the same time, and mask bitterness and acidity. One of our research results was the discovery of a parsley extract that can alleviate the disadvantage of a salt substitute—the bitterness of potassium chloride. This discovery was applied to our sodium-reduction technology (Patent No. 5952832) that can still deliver a salty taste in food. The technology is being utilized in marine products, such as salted salmon and processed foods, such as chikuwa, fish sausage, and bottled salmon flakes. It has also led to the development of *Bimi Gen-en*, a multi-purpose seasoning sauce that enables easy salt reduction in home cooking. We are continuing to increase our range of sodium-reduced products. In addition to this sodium-reduction technology, our other new technologies include a flavor-enhancing technology (Patent No. 6530543) that can be applied to a variety of food products.

### Challenge 2

Research into Functional Components and Materials Muscle Augmentation Effects of Alaska Pollock's Fast Muscle Protein



Muscle deterioration due to aging or inactive lifestyles is a health issue that modern Japan faces. Against this backdrop, muscle maintenance has come into social attention and this is boosting demand for increased protein intake. Nissui commenced research on the benefits of Alaska pollock's fast muscle protein in 2009, and it has now grown into a project that involves 15 other laboratories.

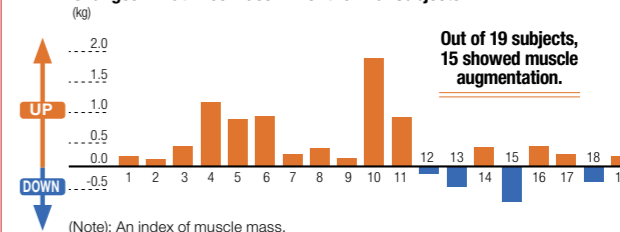
#### High Quality Protein

Protein builds muscle and other body tissues. We evaluated the quality (net protein utilization (NPU)) of the fast muscle protein of Alaska pollock, comparing it to other proteins. We found that its quality is equivalent or better than that of egg protein—94% of which is utilized in the body (wheat is 40%). The research indicated that the NPU of the fast muscle protein is approximately 97%.

#### Fast Muscle Augmentation Effects

Our basic research discovered that eating fast muscle protein activates the muscles in the same way as taking exercise, and that it particularly augments fast muscle, which controls explosive power. In an experiment with elderly women, who usually experience muscle loss of 1% per year, they continued to eat 4.5 g of fast muscle protein over a period of three months. The results showed an average of 0.9% increase in muscle mass, and also indicated an increase in the fast muscle.

Changes in Fat-Free Mass<sup>(Note)</sup> of the Trial Subjects (kg)



(Note): An index of muscle mass.

### Voice of the Responsible Person



**Kanako Tsuchiya**  
Fisheries Products Foods Research Group, Central Research Laboratory

Reducing salt in foods can affect the overall taste, sometimes ruining the balance of flavoring among saltiness, sweetness, and umami. To solve this issue, we sought for a new taste component that can effectively deliver the taste of salt, and eventually identified an element that can play this role in parsley. We gathered a variety of food materials and compared their tastes one by one, repeating the analyses many times. This eventually led to the discovery of a component capable of creating a reduced-sodium food product but retaining

a full-bodied taste. We were delighted that we could apply this component to various products and the entire process of this research became a very rewarding experience. Our current research focuses on retronasal aroma<sup>(Note)</sup>, which is one of the latest research topics in olfactory studies, and analyzing the changes in real-time olfaction during eating. We would like to make further progress with our studies employing the most advanced taste and olfactory research techniques to produce tasty and healthy products.

(Note): Aroma is released from food and drink when as it is consumed inside the mouth. Retronasal aroma is smell perceived from the throat to the nose during consumption.

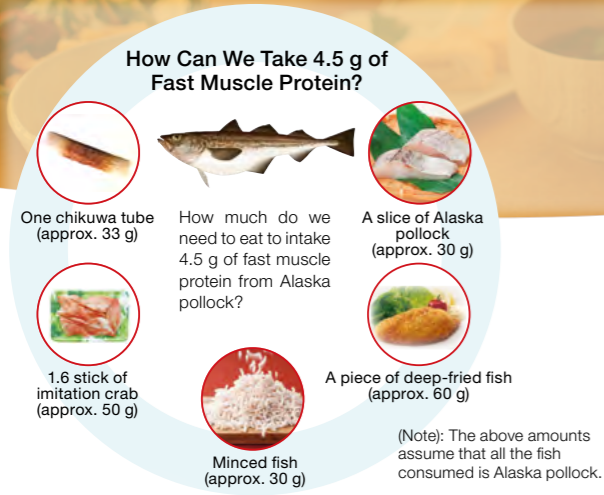
### Voice of the Responsible Person



**Takeshi Uchida**  
Functional Ingredient Research Section, Food Function Research Center

“Eating the fast muscle protein of Alaska pollock augments the fast muscle”—everybody thought it was like a joke at the beginning of our research. However, our long-term basic research and a human clinical trial confirmed the actual augmentation in the muscle (particularly fast muscle), and the research's level of evidence has now reached the stage where internal and external parties are assessing its validity. Currently, the departments of Marine Products, Food Products,

and Fine Chemicals jointly publish research information about fast muscle protein to increase the value of Alaska pollock. Backed up by recent protein-taking trends, our research results have been widely cited in the media and are gaining visibility among the general public. We are continuing this promotion to increase the number of people who are enjoying eating Alaska pollock to increase their muscle mass.



**Challenge 3**

**Research into Functional Components and Materials Eicosapentaenoic Acid (EPA)**

As a result of our long-term research—since the Company’s foundation—on valuable components in marine products, we offer new value by utilizing functional components richly found in seafoods. One such component is EPA (Note 1) which is widely used in pharmaceuticals, health foods, and food materials, along with application research into prevention of circulatory system diseases, anti-allergic effects, carcinogenesis inhibition, and anti-inflammatories.

**As Pharmaceuticals**

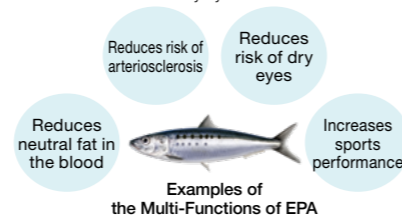
- Nissui supplies EPA as a pharmaceutical material.
- 1979: Nissui started EPA research jointly with the School of Medicine, Chiba University, aiming at pharmaceutical use.
- 1990: Approved to produce “EPA-E NISSUI” as an active pharmaceutical ingredient for arteriosclerosis obliterans medications.
- 1994: Approved for application expansion of “EPA-E NISSUI” to be used in hyperlipidemia (Note 2) medications.

**As Food**

Utilizing our own food processing technology, we develop and distribute health foods, fish sausage, etc. that contain fish-derived functional components, such as EPA. We are promoting awareness and usage of the EPA/AA ratio (Note 3) as an indicator of blood condition. We also promote the use of EPA in sports as an example of one of the multifaceted benefits that EPA can offer.

Although demand for EPA is likely to expand thanks to its many uses, the marine resources that supply EPA are limited. The key is how we can utilize such resources efficiently and without waste. In parallel with research on the functionality of EPA and other marine products, we are striving to improve materials processing technology in order to apply it to food production.

- (Note 1): An essential type of n-3 polyunsaturated fatty acid (PUFA) sourced in fish oil that cannot be sufficiently generated in the body.
- (Note 2): A medical condition characterized by an increase in triglycerides and cholesterol, etc. in the blood.
- (Note 3): The ratio between EPA and arachidonic acid (AA, a n-6 PUFA). The higher this value, the lower the chance of circulatory system diseases. Research on this ratio as a health indicator is advancing.



Kashima Plant of the Fine Chemicals General Plant, where EPA is extracted and refined

Scan this for details on EPA. >>



We received external expert assessments of the initiatives and recommendations regarding future challenges with the Nissui Group’s key issues of research and development to enrich lives.



**Dr. Aizan Hirai**

Doctor of Medicine; Endocrinology & Metabolism Specialist Registered in the Japan Endocrine Society; Representative Director of the Japanese Multidisciplinary Academy of the Prevention (JMAP)

**Expert Recommendations**

**Seek Effective Marketing Linked with National Healthcare Policy**

**Sodium-Reduction Technology**

Bringing sodium-reduction into our eating habits is effective to prevent lifestyle diseases, particularly deterioration of diabetic nephropathy to avoid dialysis treatment. However, achieving this solely through nutritional guidance by a medical institution is insufficient. The market supply of reduced-sodium food products by manufacturers would greatly support such efforts. It is praiseworthy that Nissui is developing and supplying reduced-sodium food products to the market by identifying the components that deliver tastiness and umami—the foundation of enjoying food—utilizing advanced technologies.

**Muscle Augmentation Effects of Alaska Pollock’s Fast Muscle Protein**

Prevention of sarcopenia and frailty (Note 1) became a main focus of the healthcare policy of aging Japan. The major prevention approach includes maintaining muscle strength and muscle mass, and nutrition (intake of protein) (Note 2). Nissui’s discovery that Alaska pollock’s fast muscle can augment the muscle mass and strength is therefore highly significant. It is pioneering research that could lead to the development of new functional foods.

**EPA**

In 1979, ahead of others, Nissui and Chiba University started their basic research into EPA’s preventative effects on thrombosis and arteriosclerosis, and later established an analytical assessment method that became the foundation for clinical appraisal of EPA. Also, Nissui established a stable

supply system of highly purified EPA for pharmaceutical purposes, which enabled clinical research both inside and outside Japan. As a result of this achievement, in 2019, the US Food and Drug Administration (FDA) approved the prescription of EPA to reduce the risk of cardiovascular events. The wide application of EPA is highly anticipated as a major nature-derived medication that can replace stent insertion (Note 3), a common coronary treatment.

**Future Challenges**

Although Nissui’s research foundations, viewpoint, and developmental capability are robust and highly valuable, their weakness is a lack of integration and coordination with national healthcare policy. Correctly understanding the demands of the times, the Company should develop products making the best use of its advanced technologies, and undertake more strategic marketing and publicity. Also, in terms of EPA, Nissui should visibly highlight an issue concerning today’s diets, which is insufficient intake of EPA, utilizing their accumulated expertise. Following this they should develop a series of highly-functional food products and effectively introduce them into the market as a solution for the issue.

- (Note 1): See the note on page 11.
- (Note 2): The government publishes a recommended daily intake of protein for Japanese people. The catch phrase is “Less salt, more protein. Salt 2 g, protein 20 g per meal.”
- (Note 3): A type of surgery used to ensure blood flow in a blood vessel narrowed due to arteriosclerosis etc. by inserting a metal tube called a stent to expand the vessel.

**[Profile]**

Graduated from the School of Medicine, Chiba University, in 1975. Practiced at Chiba University Hospital, National Kashiwa Hospital, etc. Appointed training course director of Internal Medicine, School of Medicine, Chiba University in 1996. Director of Chiba Prefectural Togane Hospital between 1998 and 2014. Administrator of Chiba Prefectural Hospital Management Office and Administrator of Chiba Cerebral and Cardiovascular Center between 2014 and 2015. Since 2013, Representative Director of the Japanese Multidisciplinary Academy of the Prevention. Honored with the Order of the Sacred Treasure, Gold Rays with Rosette, in spring 2020.

**Toward Further Progress: Response to Expert Recommendations**

Proactive initiatives from food manufacturers are essential to deliver the optimum intake of salt and protein through food. Nissui plans to offer a wide-ranging and high-quality product lineup that can be created only by us using our unique technologies. In the verification process of the benefits of Alaska pollock’s fast muscle protein, we are now at the stage of identifying the individual components and their respective functions. At the same time, we are publishing the accumulated research results to promote usage of our products utilized Alaska pollock’s fast muscle protein through various media. Regarding EPA, we expect international market expansion as pharmaceutical ingredients thanks to positive results of large-scale trials conducted in the US. We plan the further development of highly purified EPA. As a domestic strategy, we continue our product promotion to a wider range of markets inside Japan, including the sports nutrition market based on the evidence gained through our own research.

**Voice of the Responsible Person**



**Hiroko Sakamoto**  
Manager, Products and Technology Development Section, Food Function Research Center

Functional foods are becoming more varied to suit the diverse lifestyles of modern people. Despite this trend, EPA intake is still insufficient. This is why we have been keen to develop new technologies that enable people to take EPA regularly in their daily life. Fish oil that contains EPA can easily oxidize and has a specific fishy smell. It requires advanced technology to mix a large amount of EPA into foods, and the types of

food in which it can be mixed are limited. Our aim is to naturally blend EPA and its flavor into food products that can be taken at meal times or as a sports supplement, as a part of people’s day-to-day activities. We also would like to deliver “tasty EPA products that can be eaten regularly” not only to customers in Japan but also across the world in the future.



# The Nissui Group's Key Issues

## Aim to be a company where diverse human resources play an important role to address the social agenda

### Our Challenges Mindset Reform to Create Workplace Culture that Maximize the Potential of Every Employee



Tetsuhiro Kuroda  
Executive Officer, General Manager of Human Resources Department

The Nissui Group believes that diversifying human resources invigorates our organizations, leading to innovative creation and business development. The first step to such diversification is promoting female participation. Breaking off the conventional practice in Japanese society and industries, as well as in our own company, we will work to reform the mindset of both women themselves and their colleagues.

We believe that developing a corporate culture that fosters the active involvement of female employees through utilizing various systems will form the foundation of a workplace with diversity. Employees are the most valuable asset for the Company. Announcing the Employee Health Declaration in 2017, Nissui provides a number of working systems to support the mental and physical health of our employees, including our own health support utilizing EPA, introduction of teleworking for better working efficiency, and efforts to reduce long working hours. Taking diverse viewpoints while also eliminating biases, we are striving to create a better working environment that incorporates employees' diversity and promotes their health.

**Vision Targeted in 2030**

<ul style="list-style-type: none"> <li><b>Employee Health</b></li> </ul>	Aiming for all employees to be able to fully demonstrate their abilities with their mental and physical health condition, and supporting employees and their families to improve their quality of life	<b>Milestone: Targets (FY2020)</b>	
		Decline in smoking rate <span style="font-size: 24pt; font-weight: bold;">24% or less</span>	Improvement of obesity rate (male) <span style="font-size: 24pt; font-weight: bold;">32% or less</span>
		Improvement of obesity rate (female) <span style="font-size: 24pt; font-weight: bold;">20% or less</span>	Improvement of the EPA/AA ratio <span style="font-size: 24pt; font-weight: bold;">0.4 or higher</span>
		<b>Milestone: Targets (FY2020)</b>	
<ul style="list-style-type: none"> <li><b>Diversity</b></li> </ul>	Generating innovation that will lead to value creation by utilizing diverse human capital and providing opportunities for such human capital to demonstrate the fullest potential	Ratio of female managers <span style="font-size: 24pt; font-weight: bold;">6.7% or more</span>	Ratio of female regular employees hired by new graduates <span style="font-size: 24pt; font-weight: bold;">30% or more</span>

### Challenge 1 Diversity & Inclusion

Scan this for the Message from the President on Diversity.



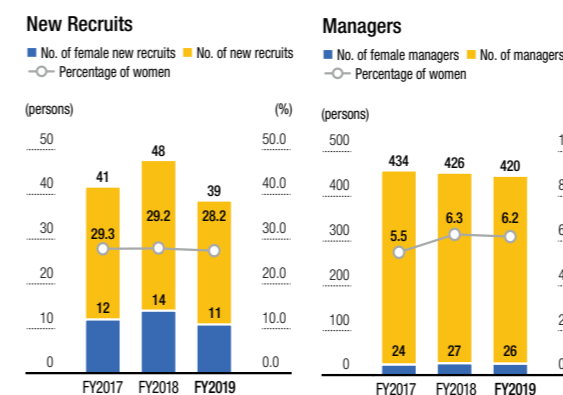
The Nissui Group recognizes diversity as an important management issue and this led the president to announce his own message on diversity in 2018.

To be "a great company where people from various backgrounds can be actively involved," we place a top priority on female participation.

### To create workplace culture where female employees can take an active part

**The Action Plan of Nippon Suisan Kaisha, Ltd.**  
 Plan period: April 1, 2019 to March 31, 2022  
 Base year: FY2018

- Target:** Increase the number of women working in the sales and production divisions by 20% or more.
- Target:** Women will account for 30% or more of new recruits.
- Target:** Increase female managers by 15% or more.



**+2017 Gender diversity awareness survey**  
 The survey was conducted for all employees. The results identified gender gaps, career orientation, and gaps in awareness between managers and employees, thereby helping to clarify the issues to address.

**+2018 Diversity opinion exchanges between the executives and NPO**  
 Exchanged opinions about working conditions and potential issues: the necessity of attitude reform among male managers was pointed out.

**+2018 Female employee career development seminar**  
 Male managers learned the management skills to assist their female subordinates while identifying issues they need to improve themselves.

**+ July and September 2019 Female sales staff workshop**  
 Attended by female sales staff and their superiors across Japan. The workshop created recommendations for corporate goals and challenges.



Female sales staff workshop

**+ November 2019 Career design seminar**  
 Conducted a seminar for young female employees on career development, including a lecture by a role model in the same industry.



Career design seminar

**+ March 2020 Introduction of return-to-work career interviews**  
 Utilize the "Interview Sheets for Employees Returning to Work from Maternity and Childcare Leave" followed by an interview with superiors to facilitate the process of employees returning to their careers.

### Voice of the Responsible Person



Yumiko Muraoka  
 Responsible for Female Participation Promotion, Personnel Affairs Section, Human Resources Department

In the course of promoting female participation in the workplace, we increasingly receive consultations from women returning to work from maternity and childcare leave about their future careers. We feel that promoting male participation in childcare is a key to the further women's empowerment. To help this situation, we started promoting usage of childcare leave by all male employees in fiscal 2020. We also found that it is necessary to change day-to-day working

practices, such as shortening working hours, in addition to allowing childcare leave, in order to encourage men to make a long-term commitment to childcare. We hope that our activities will eventually create a working environment where our employees can engage in their jobs with satisfaction, exerting their full potential at any time regardless of whether they have childcare duties or not.



Challenge 2

EPA-Based Health Promotion Measures

In the belief that the mental and physical health of employees is the basis of the quality of work and life, we announced the Employee Health Declaration in February 2017, followed by implementation of various health measures.

One of the health initiatives unique to Nissui is the utilization of Eicosapentaenoic Acid (EPA), a health-promoting component of fish, which is the core of our Fine Chemicals business. In fiscal 2016, we incorporated an EPA/AA ratio check (Note) into the regular physical examinations of all our employees. We have also been encouraging eating more fish and the effective use of our own supplements. The target of the EPA/AA ratio in fiscal 2019 was set to 0.4 as the company-wide average, and the result was 0.35. Recognition of such efforts utilizing our own business resulted in our being listed under the 2019 Health & Productivity Stock Selection program, a first for a company in the fisheries, agriculture, and forestry industry. This success was repeated in 2020.

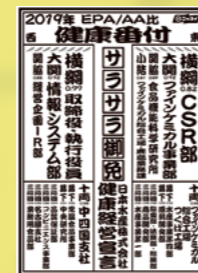
(Note): The ratio between EPA and arachidonic acid (AA) in the body. A study showed that some cardiovascular events are more frequently observed when the ratio is 0.4 or less. Also, other studies indicate that a lower ratio is associated with obesity and high visceral fat. See page 13 for details of EPA.



Award plaque of the 2020 Health & Productivity Stock Selection



Scan this for the relationship between EPA and health. (Only in Japanese)



The EPA/AA ratio results are calculated per department and displayed as a ranking



EPA-rich menu offered in the cafeteria in Hachioji General Plant



High-ranking departments win the company's original health rank badge

Challenge 3

Pleasant Working Environment

We are improving the working environment through working style reform to build a pleasant and rewarding workplace.

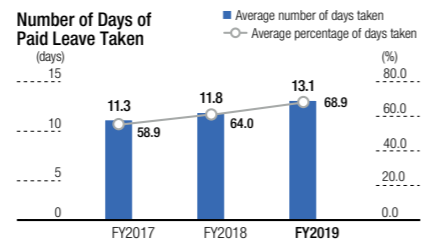
We introduced a teleworking system in fiscal 2019 to liberate employees from the limitations of geographical location and working hours. The use of the system was encouraged through conducting simultaneous teleworking throughout our head office.

During the COVID-19 state of emergency in Japan in spring 2020, most employees were requested to work from home and this shift was relatively smooth.

We continue facilitating employees to take holidays in a planned manner and reduce excess working hours. We are also committed to building a new way of working that brings more efficient productivity and job satisfaction to individual employees.



Head office during simultaneous teleworking



Voice of the Responsible Person



Yusuke Nakabayashi  
Responsible for Employee Health, Safety & Health Planning Section, Human Resources Department

In any industry, the driving force is the employees, and employees' health is the foundation of the business. We believe that the strength of a corporation lies in a healthy and pleasant working environment where employees with different backgrounds, as well as different careers and expertise, are working in harmony through diverse approaches and ideas. We promote the Employee Health initiatives with this aim in mind. Our food products deliver health, happiness, and satisfaction to customers, but at the

same time, these products may be used in an unhealthy manner, such as through overeating or unbalanced nutrition. Some employees may feel that they want to eat as much as they like or have sense of criticism toward a company trying to interfere in one's personal health. However, as an employee of a company that is committed to people's nourishment, we will continue to support our employees' wellbeing and raising their health awareness.

We received external expert assessments of the initiatives and recommendations regarding future challenges with the Nissui Group's key issues of diversity (female participation) and employee health.



Ms. Kaori Sasaki

CEO of ewoman, Inc.  
CEO of UNICUL International, Inc.  
Chair of International Conference for Women in Business

Expert Recommendations

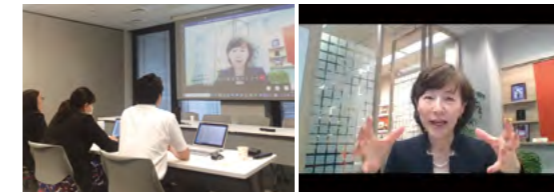
Diversity and Employee Health are the Keystones of a Business Management Strategy

To promote workplace diversity, the CEO's commitment is very important. The President of Nissui has put out his clear message on diversity and this conveys the commitment of the Company.

Diversity does not simply mean that there are people with different genders, nationalities, ages, etc. in the organization. Diversity is dynamics generated by different viewpoints from various people, which leads to innovative creation. It is an element indispensable to enhance corporate value. And companies are founded upon the mental and physical health of their employees. It is a brilliant idea to

run the Employee Health program utilizing marine products, your core business. Although the EPA/AA ratio in the Company has not yet reached the target, I hope Nissui will achieve it by uniting company-wide initiatives and by demonstrating the effects of your products to society. As mentioned earlier, diversity is the keystone of a business strategy as it produces better results through having increased perspectives within an organization.

The promotion of diversity in a company like Nissui, which offers consumer products, will bring positive effects in product development, business reform, news releases, and advertising. It will also strengthen corporate governance and thereby attract ESG investment leading to an increase in corporate value. The next step will be to deepen the current efforts of diversification toward producing more concrete results, such as by setting clear objectives and KPIs, and establishing a department dedicated to promoting diversity.



Opinions exchanged via web conference on June 30, 2020

[Profile]

Established a translation and interpretation company, UNICUL International, Inc. in 1987. She has been leading the International Conference for Women in Business, the biggest event of its kind in Japan, since 1996. Established ewoman, Inc., a diversity consultation service company in 2000. Created the "Diversity Index" and started its operation in November 2018. A leading diversity expert, she also playing a variety of roles, including as a commissioned director of a listed company, a government panel member, and a TV commentator.

Toward Further Progress: Response to Expert Recommendations

The Nissui Group urgently needs to create a working environment where diverse human resources can actively work and raise the awareness of the entire company for its sustainable growth in the future. Through reinforcing recognition of the importance of diversity, we aim to be a company that not only promotes female participation, but also enables diverse human resources to play active roles, regardless of their attributes.

In terms of Employee Health program, we continue to monitor the EPA/AA ratio of staff to improve the figure. Furthermore, we promote the health effects of EPA in an easy-to-understand manner to society and contribute to the health of a wide range of people, including our employees, their families, and our customers. We will build an environment and frameworks where people can work actively and maintain a healthy mental and physical condition.



# Contributions to the Environment and Society

The Nissui Group has promoted environmental preservation and social contribution activities around the world. In fiscal 2019, there were **383** activities in total for the entire Group.

**1** Tottori

### The Forest that Protects Spring Water, Nurturing Fish and the Sea



The forest shelters the springs that form rivers, collecting nutrients and flowing into the ocean. Recognizing this connection between the forest, rivers and the sea, since 2018 we have been involved in protecting forests around Mt. Senjozn in Kotoura Town, Tottori Prefecture. In September 2019, 104 participants from the Nissui Group and prefectural organizations planted tree and cleared underbrush. On April 7, 2020, this program was certified as a project linked to the Japan Committee for the United Nations Decade on Biodiversity <sup>(Note)</sup>.

<sup>(Note)</sup>: Committee established to achieve the Aichi Targets, a new global goal for the preservation of biodiversity adopted at the 10th Conference of the Parties to the Convention on Biological Diversity (COP10).

#### Comments from Employees

- I was able to experience the connection between the forest, rivers and the sea.
- I was able to build closer ties with other member of the Group and local citizens.



**The Marine Environment and Plastics Subcommittee was set up to promote initiatives related to the plastics problem**

**Munehiro Ise**  
Executive Officer, in charge of CSR Department

I believe the marine plastics problem that is drawing great attention in recent years is a social issue deeply linked to the Nissui Group's key issues of how to preserve the bountiful sea and promote the sustainable utilization of marine resources and their procurement. This led to the establishment of the Marine Environment and Plastics Subcommittee in fiscal 2019 to implement action in this area. The principal activities consist of (1) control of plastics flowing into the ocean; (2) reduction of plastics discharge from manufacturing sites; (3) reduction and recycling of plastic packaging generated at product consumption; and (4) switch to environmentally-friendly plastics (biodegradable plastic, biomass plastic, etc.), among others. To tackle this key issue, the Nissui Group organizes cleanup activities in various business locations and environmental seminars on the Arakawa River each year. In 2020, we have established our basic policy to address the problem of plastics to take further action.



Scan this for details on initiatives related to plastics. >>

**2** Tokyo

### Food Drive at Nissui Head Office



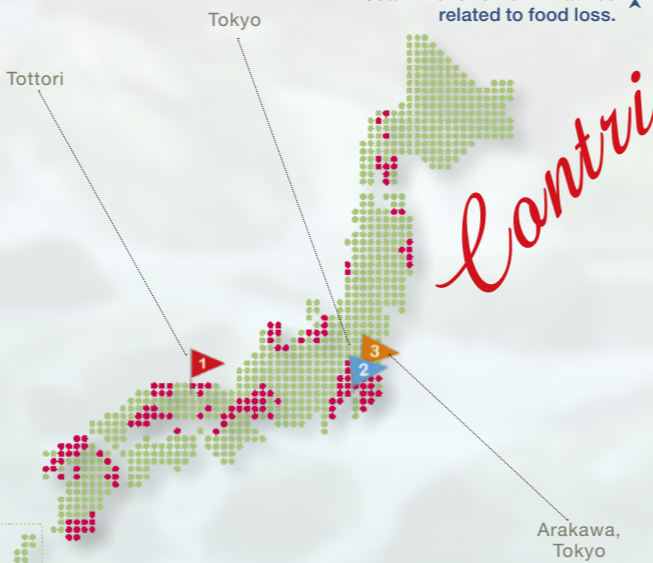
In a food drive, surplus foodstuffs are collected from homes and stored at schools and workplaces for donation to local welfare groups or food banks. A five-day food drive was held at Nissui Head Office in February-March 2020. Fifty-three cartons of foodstuffs, as well as surplus gift items and merchandise, were collected and donated to Second Harvest Japan, an authorized nonprofit organization.

#### Comments from Employees

- It was a great opportunity to gain awareness of food loss and poverty.
- I would like to make donations personally in the future.




Scan this for other initiatives related to food loss. >



**3** Arakawa, Tokyo

### Arakawa Environmental Seminar Spotlights the Marine Plastics Problem



With the cooperation of the NPO Arakawa River Clean-aid Forum, we organize regular seminars aimed at environmental education on the Arakawa River and the marine plastics problem and waste collection on the banks of the river. Seminars were held a total of four times in FY2019.

Month	Description	Number of participants
April (twice)	FY2019 new employee training program	39
May	CSR promotion Team Member <sup>(Note)</sup> training	24
September	Event for employees & their families	20

<sup>(Note)</sup>: One employee is assigned from each department at Head Office to promote CSR activities.

#### Comments from Employees

- I was shocked to see the overwhelming quantity of waste.
- It gave me the opportunity to understand actual conditions and to think how waste issues can be resolved.

**4** Chile


### Support of Chile's Indigenous Peoples (Salmones Antártica S.A.)



The Trapa Trapa region in the State of Bio-Bio, Chile, is located close to the Andes Mountain Range and is home to many indigenous people. In particular, Ralco Village made up of over 70 households becomes isolated for several months during the winter season. To support the lives of the indigenous community, Salmones Antártica S.A. donates food and other goods to these households.

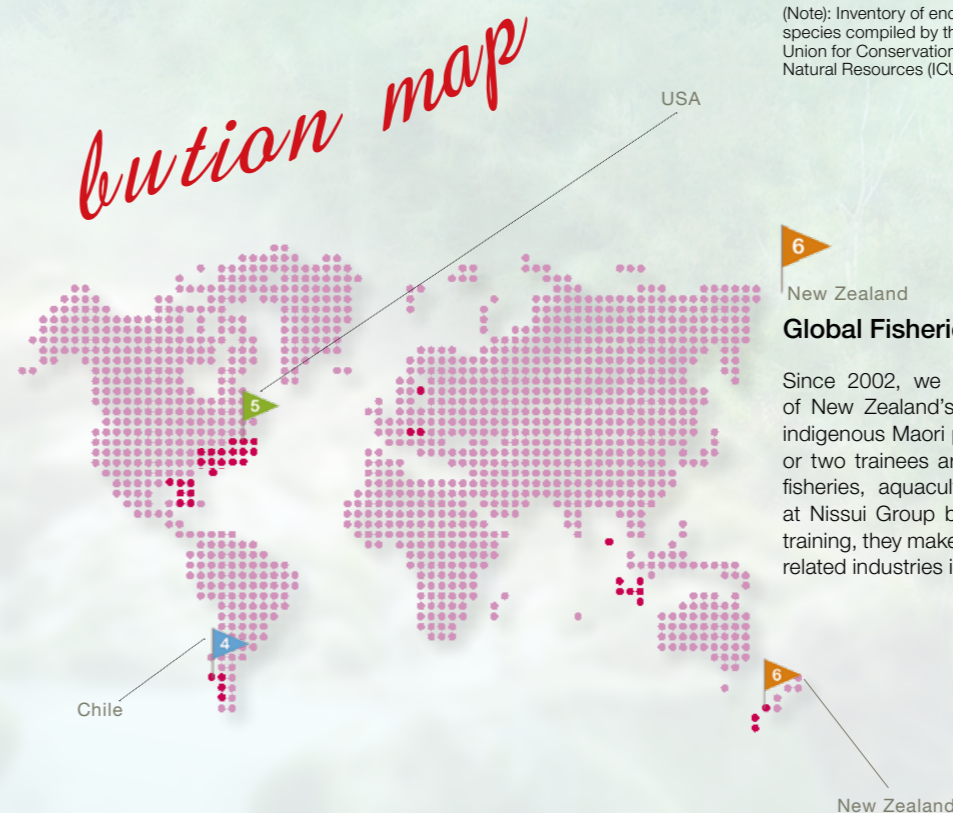
**5** USA

### Protection of the Piping Plover, a Near Threatened Species (Gorton's Inc.)




This bird species is classified as Near Threatened (NT) in the ICUN Red List <sup>(Note)</sup>. Gorton's Inc. is involved in a volunteer program to protect the piping plover on Good Harbor Beach, in cooperation with the government of Gloucester, Massachusetts, and other organizations. In the regular patrols of the beach in June-July 2019, volunteers were able to protect chicks immediately after hatching from humans and dogs, protecting three out of four chicks.

<sup>(Note)</sup>: Inventory of endangered species compiled by the International Union for Conservation of Nature and Natural Resources (ICUN).



**6** New Zealand

### Global Fisheries Scholarship Program



Since 2002, we have been contributing to the development of New Zealand's fishery industry by inviting youths from the indigenous Maori population to in-house trainings in Japan. One or two trainees are received each year for one-year training in fisheries, aquaculture, processing, marketing and distribution at Nissui Group business locations in Japan. After completing training, they make use of what they learned in fisheries and other related industries in New Zealand.

#### Comments from Participants Who Completed the Global Fisheries Scholarship Program



My year as the Global Fisheries Scholar with Nissui was exceptionally rewarding both professionally as well as for personal growth and fulfillment. I learnt about a wide range of aspects of the seafood industry. I was able to be completely immersed in Japanese life, culture, and language. I credit this experience to begin my career in Fisheries back home in New Zealand. I am now working as a Senior Māori

Fisheries Adviser with the Ministry for Primary Industries/Fisheries New Zealand. I am grateful to this program for allowing me to learn so much. I can bring that knowledge and experience back home to help whanaū, hapū, and iwi Māori as well as New Zealand Fisheries.

Samantha Collings, 14th year program participant

### Teaching the Importance of the Ocean and Its Creatures

#### Sponsorship of "the Umi & Sakana (Ocean and Fish)" Children's Research and Artwork Competition

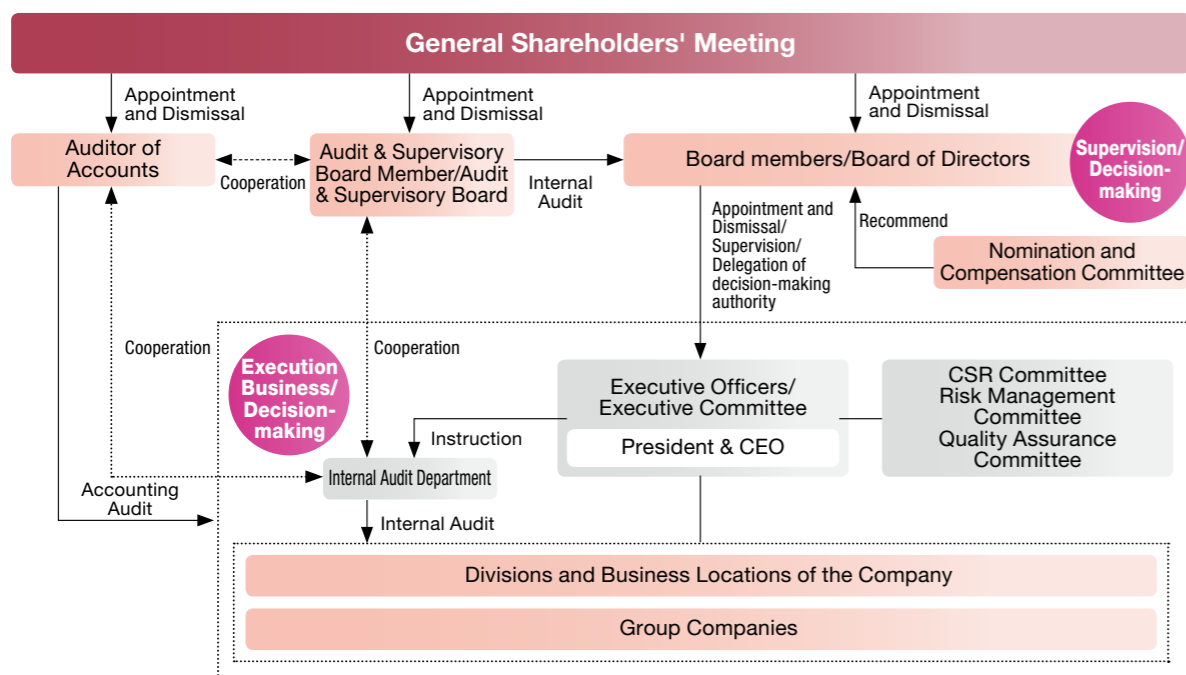
"The Umi & Sakana" Children's Research and Artwork Competition invites elementary school students to enter their study projects and creative works on the theme of "The Oceans, Fish and Us," to stimulate the interest of children in the sea and fish. We have sponsored the contest since it started in 1982. As part of the drive to encourage participation, we have held class lectures and hands-on learning at schools nationwide and assist interested children in searching for project themes. The 38th contest held in 2019 received 26,608 entries.



Scan this for other initiatives for popularizing fish consumption.

# Initiatives to Strengthen Corporate Governance

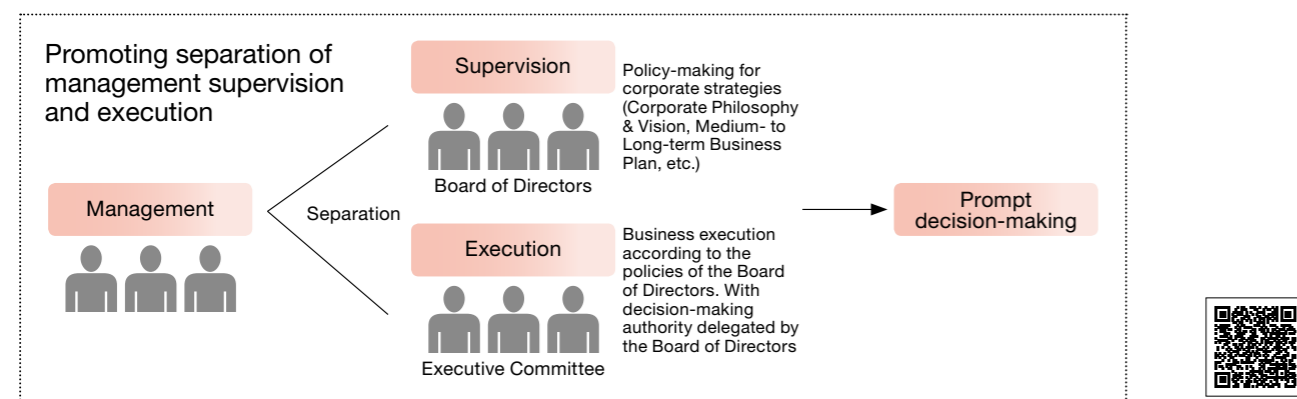
## System of Corporate Governance



## Basic Approach to Corporate Governance

For greater improvements in the revenue-earning capability, capital efficiency and other aspects of business performance of Nissui and the Nissui Group, as well as for greater social responsibility and to realize sustainable growth and enhance long-term corporate value, the Board of Directors is placing greater importance on its supervisory

function, in addition to its decision-making function of setting the general direction on corporate strategies, etc. The decision-making function will be delegated more to the Executive Committee to speed up decisions and separate supervision and business execution.



Scan this for details on corporate governance.

## Two New Outside Board Members Appointed. Outside Board Members Now Make Up a Third of the Board of Directors

Nissui expects the outside board members to provide advice on overseeing business performance by the Board Members and assure propriety in decision-making, from a standpoint independent of our management. Mr. Mikito Nagai and Ms. Yuko Yasuda have been appointed as new

outside board members in 2020, increasing the number to three. Also, Ms. Yasuda is the first female Board Member of the company, aiding in the promotion of greater diversity at the Group.

## Messages

### Messages from the New Outside Board Members

#### Supporting Active Risk-Taking and Precise Risk Management

As outside board members, I hope to provide objective management consulting from the medium- to long-term perspectives regarding the goals to be achieved in the future and social responsibilities to be fulfilled by the Nissui Group.

I am hoping to make use of the awareness I acquired of the importance of coexistence with society and creation of new values through my experiences in sharing and working on management and business strategies of various businesses and my experience as property developer during my career in banking.

Amid the falling birth rate and aging Japanese society, changes in diet and health consciousness are becoming increasingly important. On the other

hand, advancing globalization has raised the scarcity of marine resource, expanding the scale of the role the Nissui Group must fulfill.

To respond to these dramatic changes with speed, I plan to support both active risk-taking and precise risk management, which are both equally important in business management. Also, the ultimate key to success in any business challenge is the ability of the employees to take action. I plan to provide solid support in encouraging free discussion and communication between the employees and top management, creating work environments that are rewarding and healthy for every employee and in developing human resources.



**Mikito Nagai**

[Profile]  
Born in 1955. Joined the Industrial Bank of Japan (current Mizuho Corporate Bank) and served in the posts of manager of the bank's head office sales department, managing executive director and vice president. He became vice president of Nippon Steel Kowa Real Estate Co., Ltd. in 2013 and later was appointed president and subsequently advisor (current position). From 2019, he is serving as member of the Okasan Securities Group Directors/the Audit and Supervisory Committee Members.

#### Promoting New Leadership and Diversity

It is a great honor for me to be appointed an outside board member. I am impressed by the Nissui Group's global business operations and its broad-ranging cooperation and collaboration with numerous companies in Japan. I also recognize that the company's business is founded on the fishery industry, which supports our lifestyle closely, and its great mission of maintaining sustainable marine resources, as well as the many social issues it must address in modern society.

I personally have been assisting many business corporations in executive management training and in improving boards of directors' efficiency. In face of the uncertainties that lie ahead, building the next generation of leaders has become increasingly important for all

businesses. I hope to work and be able to make my contribution to the company by gaining a greater understanding of our business operations, our mission and aspirations and the Company's history. I also understand that the role of outside board members is to play as a supervisory role of top management and provide backup support for the Nissui Group in realizing sound and sustainable growth. The Board of Directors engage in very lively deliberations based on practical issues. I would like to start my participation by studying the Company's long-term strategy and issues.

Lastly, I have an interest in promoting greater diversity in the company and look forward to dialogues with female leaders in the Group.



**Yuko Yasuda**

[Profile]  
Born in 1961. She joined IBM Japan Ltd. in 1985. In 1993, she joined Russell Reynolds Associates Japan, Inc. She served as managing director, Japan branch office representative and member of the executive committee at Russell Reynolds Associates head office. Presently, she is senior partner at Board Advisors Japan, Inc., and has been and is outside advisor for SCSK Corporation, Showa Shell Sekiyu K.K., Murata Manufacturing Co., Ltd. (current), Idemitsu Kosan Co., Ltd. (current) and others.