



Corporate Governance

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Overview of Corporate Governance Structure

Basic Approach

We recognize that rigorous corporate governance is essential to achieving sustainable growth and maximizing the value of our organization over the medium to long term. On this basis, we commit to building a system of corporate governance that facilitates dynamic and adaptive decision-making, rigorous monitoring, adequate disclosures, and business management that is transparent and sincere. We will continually review our approach to corporate governance and make the necessary changes.

Corporate Governance Basic Policy
<https://www.primaham.co.jp/en/ir/library/attach/pdf/CorporateGovernanceBasicPolicy.pdf>

Corporate Governance Structure

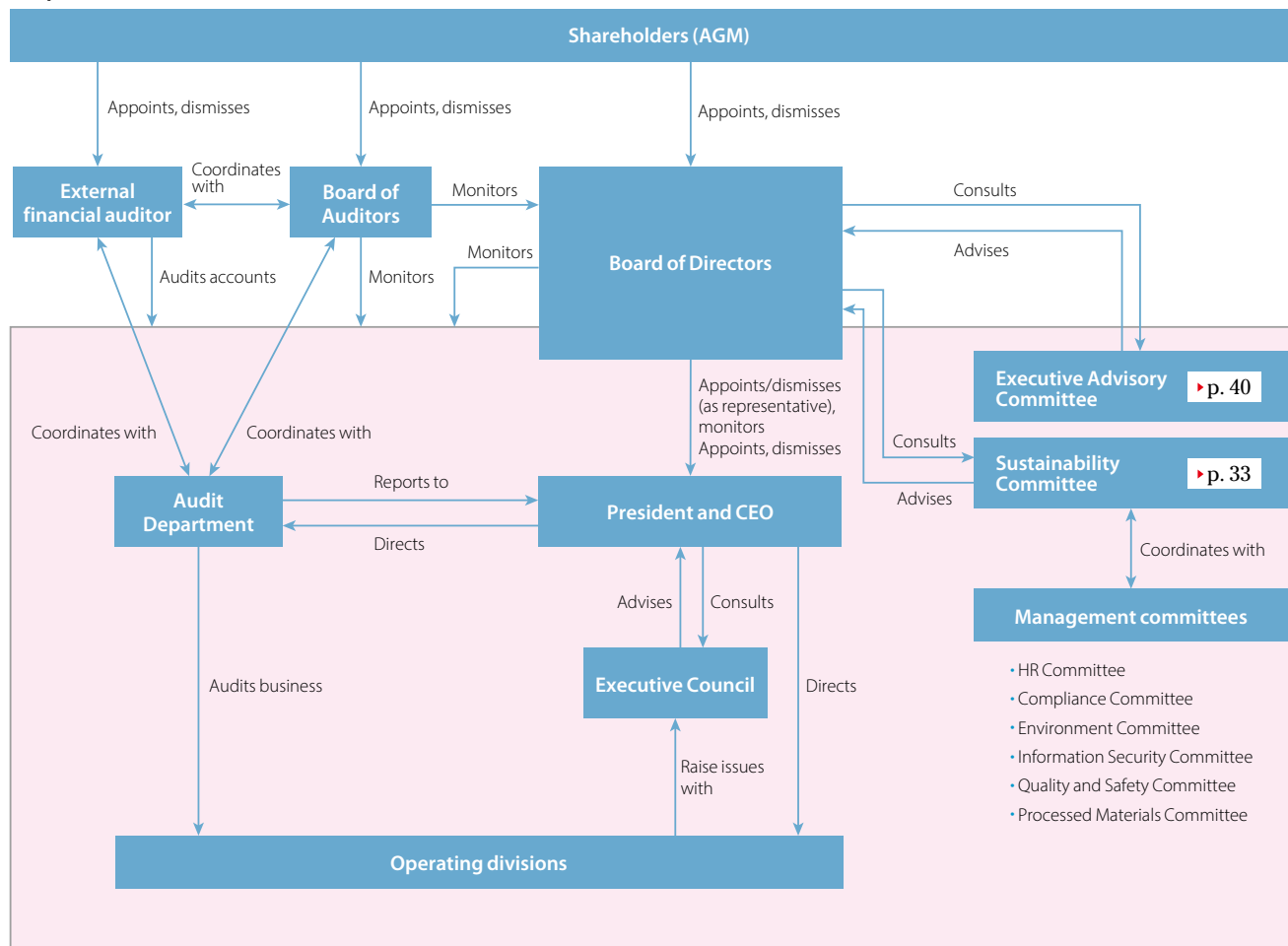
Board of Directors

The Board of Directors plays a monitoring role. Directors monitor the execution of business by verifying whether managers are acting impartially and transparently, and by exercising authority in matters of regulatory compliance and strategic direction. Board membership reflects our basic approach to corporate governance. Specifically, three of the board members are outsiders who are independent from the Company. They bring diverse and expert perspectives to the board (one has a background in law and the other two in executive leadership) **see p. 47**.

In nominating candidates for board membership, we aim for a board that can adapt to social trends and the business landscape.

We have also established the Executive Advisory Committee and the Sustainability Committee, which serve as advisory bodies to the Board of Directors (see "Executive Advisory Committee" on **p. 40**, and "Sustainability Committee" on **p. 33**).

Corporate Governance Structure



Main board agenda items in fiscal 2022

Management strategies	Governance
<ul style="list-style-type: none"> • Medium-term business plan • Reports of business execution • Sustainability matters (setting metrics and targets for material issues, preparing TCFD-compliant disclosures) 	<ul style="list-style-type: none"> • Remuneration of executive officers • Executives' performance evaluations • Evaluation of board effectiveness • Review of value in retaining shares held under cross-shareholding arrangements • Revision of status of compliance with Corporate Governance Code • Internal controls

Executive Council, management committees

To ensure that the Board of Directors can make wise and swift decisions, operational matters are delegated to the Executive Council and to the various management committees. Members of the Executive Council include directors and executive officers (managers who have executive authority without fiduciary duties). The Executive Council and the management committees meet to review important business matters. The Executive Council also receives updates on the execution of important business processes.

Board of Auditors

The Board of Auditors is independent from the Board of Directors and from the management. This independence allows the members to monitor both directors and those who execute the Company's business, ensuring transparency and accountability in management performance. The board has four members, two of whom are from outside the Company. They rigorously monitor management from an impartial perspective, attending meetings of the Board of Directors, the Executive Council, and key management committees, and requesting regular or as-and-when needed reports from directors and executive officers. They may also request reports from a Group company if necessary. Additionally, they coordinate with the Company's Audit Department and the external financial auditor.

Training and support

Directors and executive officers attend externally run training courses to refine their leadership skills and strategic thinking.

Corporate auditors attend seminars and cross-industry gatherings to gain more skills in auditing and supervising management.

Outside directors receive briefings from the relevant operating divisions regarding business projects, workflows, and issues. Well in advance of board meetings, we hold briefing meetings where outside directors are informed of the agenda for the upcoming meeting, including the items to be discussed and the motions to be proposed. Additionally, outside directors and outside corporate auditors attend gatherings to share their expert insights.

Executive Advisory Committee

The role of the Executive Advisory Committee is to ensure independence and transparency in the appointment, dismissal, and remuneration of officers. Consisting of the president and three independent outside directors, the Executive Advisory Committee advises the management on these matters and as such equates to a voluntarily established advisory committee for nominations and remuneration.

Main roles

- **Appointment and dismissal**
The Committee reviews the president's proposals for appointing or dismissing executive officers, directors, or auditors.
- **Remuneration**
The Committee reviews the remuneration for each director and executive officer and advises on a level of remuneration within the remuneration range decided by shareholders at the AGM.
- **Leadership succession planning**
- **Important matters concerning corporate governance**
- **Conflicts of interest with the controlling shareholder**

Main topics discussed during meetings of the Executive Advisory Committee

	Meeting	Agenda
Fiscal 2020	1st	Directors, auditors, substitute auditor appointments
	2nd	Related-party transactions, evaluation of executive officers' performance in fiscal 2019
	3rd	Setting remuneration for officers in fiscal 2020
	4th	Auditor appointments, executive officer appointments, executive officer reshuffle
	5th	Policy for determining remuneration for each director
Fiscal 2021	1st	Change to auditor remuneration, revision to rules for executive stock compensation, revision to policy for determining remuneration for each director, revision to in-house rules on remuneration of executive officers
	2nd	Evaluation of executive officers' performance in fiscal 2020
	3rd	Related-party transactions
	4th	Setting remuneration for officers in fiscal 2021
	5th	Implications of Corporate Governance Code revisions, report of evaluation of board performance evaluation in fiscal 2020 (responses, analysis)
	6th	Establishing the rules for appointing and dismissing senior executives, establishing a plan for leadership succession
	7th	Auditor appointments, executive officer appointments, executive officer reshuffle
Fiscal 2022	1st	Evaluation of executive officers' performance in fiscal 2021
	2nd	Amendments to the rules on director remuneration, related-party transactions
	3rd	Setting remuneration for officers in fiscal 2022
	4th	Implications of Corporate Governance Code revisions
	5th	Director appointments, auditor appointments, executive officer appointments
	6th	Executive officer reshuffle

Improvements in governance



Actions		Directors	Percentage of directors who are outside directors
2012	• First outside director appointed		17%
2015	• Company announces basic approach to corporate governance • Company announces independence criteria for outside officers		
2016	• Number of outside directors increased Purpose To make Board of Directors more transparent		25%
2017	• First board performance evaluation conducted Purpose To make Board of Directors more effective • Executive Advisory Committee established Purpose To ensure independence and transparency in appointments and remuneration		
2018	• Performance-linked pay introduced Purpose To further incentivize directors to contribute toward the building medium- to long-term success and corporate value		22%
2019	• Board membership reduced Purpose To clearly separate business execution from monitoring, thereby enabling slicker strategic decision-making and more dynamic business execution To increase the percentage of members who are outside directors, thereby strengthening the board's monitoring function and enhancing corporate governance		40%
2020	• Basic approach to corporate governance updated Purpose To safeguard the interests of stakeholders		
2021	• Basic approach to corporate governance updated Purpose To establish rules for appointing and dismissing (or proposing the appointment and dismissal of) senior managers and establish a plan for leadership succession, thereby making the nomination process for corporate officers more transparent		50%
2022	• Number of outside directors increased		
2023	• Percentage of outside directors increased (they now make up majority)		60%

Evaluating the Effectiveness of the Board of Directors

All directors and corporate auditors participate in the process of evaluating the performance of the Board of Directors. The evaluation of board performance in fiscal 2022 was conducted in April 2023, with support from an external organization. The external organization managed the questionnaire survey to maintain respondent confidentiality.

The Board of Directors and the Executive Advisory Committee convened in June to analyze and discuss the response data provided by the organization. For over 90% of the question items, the respondents (directors and corporate auditors) reported no problem. After careful consideration of the findings, the board and committee concluded that the Board of Directors generally performed effectively in fiscal 2022.

However, the responses also indicated some areas for improvement. Guided by this feedback, the board is working to further improve its performance for better corporate governance.

Issues identified in fiscal 2021 and whether they have been addressed

Verifying progress of business plan
The board now receives quarterly reports about the execution of business, and the Executive Council now reviews more thoroughly prospective investments. These changes have led to fuller discussion.

Issues identified in fiscal 2022 (latest survey) and how they will be addressed

Management of the Board of Directors

- We need to provide meeting materials far enough in advance to allow members to review the details of the upcoming meeting. To that end, we will move internal schedules forward and increase the number of secretariat staff.
- To ensure that the briefing materials cover the necessary information, we will improve the preliminary checking process at the secretariat and document preparation unit.

Board discussions

- To address the need to ensure full discussion of corporate strategy and business plans, we will provide opportunities for members to discuss corporate strategy and the business portfolio and enable rigorous analysis of business plans.
- We recognize that verifying progress of, or following up, the business plan remains an outstanding issue. We will consider a system of interim reporting of progress in the business plan with quantitative and qualitative metrics.
- For leadership succession planning, we will prepare for selecting leadership candidates internally.

Support structures for directors and auditors

- We will keep briefing directors and auditors about plant inspections and the duties of newly appointed officers. We will also keep improving the quality of these briefings.

Shareholder dialogue

- Based on the feedback we obtained in our dialogue with shareholders, we will consider providing further opportunities for communicating information with shareholders.

Cross-shareholdings

Our cross-shareholding arrangements are subject to annual review by the Board of Directors. The board considers whether the arrangements still offer value in terms of fostering transactional relations with the issuer, and whether they bring qualitative benefits.

In fiscal 2022, the board's review concluded that all current cross-shareholding arrangements continue to offer reasonable value and as such need not be disposed of for the time being. The board will review these arrangements again in fiscal 2023.

Nominating and Remunerating Officers

Process for appointing and dismissing officers (senior executives, directors, and auditors)

In appointing and dismissing senior executives, and in nominating candidates for election as directors or auditors, we consider a broad set of criteria, including whether candidates have the requisite knowledge and experience, the ability to manage risks, the ability to execute business or monitor the execution thereof, and whether the candidate pool covers the Company's organizational functions and operating divisions. The president proposes the protocols, the Executive Advisory Committee reviews the protocols, and the Board of Directors ultimately determines them.

Selecting outside director and outside corporate auditor candidates

To enhance oversight of directors and business execution in general, we now have three outside directors and two outside corporate auditors. The reasons for the latest nominations are stated on pages 47 and 48.

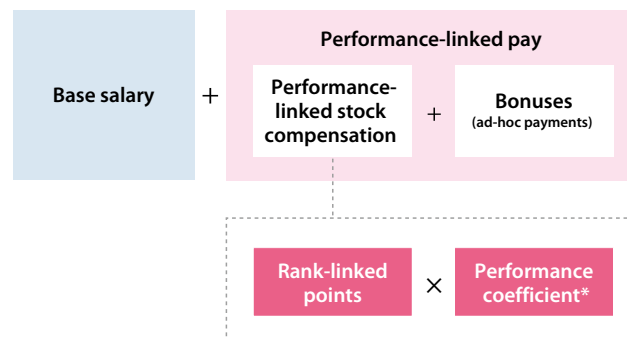
Remuneration for officers

Remuneration for inside directors (outside directors are excluded) comprises a fixed base salary and performance-linked pay.

The fixed base salary, paid monthly, reflects the person's hierarchical rank and duties. In setting the amount, we also consider salary levels in other companies, Company performance, and employee salary level.

The Board of Directors determines, within a range approved by shareholders at the AGM, the relative weight of each remuneration component and how much each recipient will receive. In determining these items, the board follows the policy mentioned below and consults the opinion of the Executive Advisory Committee, on which the president sits.

Remuneration structure



Eligible directors earn points each fiscal year and redeem the points when they retire upon the expiration of their term. The payout is 70% shares and 30% cash.

* The performance indicator is the budgeted consolidated operating profit in the Medium-term Business Plan.

The performance-linked component consists of stock compensation and bonuses. The level of stock compensation reflects the Company's medium- to long-term business performance and enterprise value. Eligible directors earn points according to how well the Company attained its yearly consolidated target for operating profit. Upon their retirement as directors, they receive remuneration commensurate with the total accumulated points. As for bonuses, we sometimes provide bonuses for short-term accomplishments in performance.



Policy Concerning the Determination of the Details of Remuneration for Individual Directors
https://www.primaham.co.jp/ir/library/attaches/pdf/prima_esgdatabook2021_b.pdf#page=20
 (Only available in Japanese)

Remuneration for officers (fiscal 2022)

Officer class	Total remuneration (¥ million)	By component (¥ million)			Eligible recipients
		Base salary	Performance-linked pay	Bonuses	
Directors (outside directors)	141 (29)	134 (29)	7 (-)	- (-)	6 (3)
Auditors (outside auditors)	49 (46)	49 (46)	- (-)	- (-)	4 (3)
Total (outside officers)	191 (75)	183 (75)	7 (-)	- (-)	10 (6)

Skills matrix for directors and auditors

Accurate as of June 28, 2023

	Diversity		General company experience					Industry specific
	Age	Gender	Senior mgmt.	Global	Finance, accounts	HR, talent dev.	Internal control, legal, compliance	Manu- facturing exp.
Naoto Chiba President and CEO	64	Male	●	●			●	●
Satoshi Nakajima Director	59	Male		●	●			
Takeshi Yamashita Outside Director (part-time)	77	Male		●			●	
Yuzo Ide Outside Director (part-time)	68	Male	●	●		●		●
Yoshino Tsujita Outside Director (part-time)	58	Female	●	●	●			●
Naofumi Sakai Corporate Auditor	59	Male	●				●	●
Hideki Shimosawa Outside Corporate Auditor	60	Male			●		●	
Kuniaki Abe Corporate Auditor (part-time)	54	Male	●	●				
Akemi Sunaga Outside Corporate Auditor (part-time)	61	Female	●		●		●	

Board attendance in fiscal 2022			
Board of Directors		Board of Auditors	
Meetings Attended	% attended	Meetings Attended	% attended
13/13	100	-	-
-	-	-	-
13/13	100	-	-
13/13	100	-	-
10/10	100	-	-
-	-	-	-
13/13	100	15/15	100
-	-	-	-
13/13	100	15/15	100

Why we chose these skills

Senior management

Senior management expertise and experience are necessary to decide on strategic-level matters and monitor the execution of business.

Global

Global expertise and experience are necessary to lead and manage one of the key strategies in the medium-term plan: invest in growth projects and expand globally.

Finance, accounts

Expertise and experience in finance and accounting are necessary to make the business foundation more sustainable.

HR, talent development

Expertise and experience in HR and talent development are necessary to make the business foundation more sustainable.

Internal control, legal, compliance

Specialized expertise and experience in internal control, legal matters, and compliance are necessary to effectively manage business risks and monitor whether business is operating in a robust manner.

Manufacturing experience

Expertise and experience in manufacturing are necessary given that manufacturing is Prima Meat Packers Group's primary business sector.

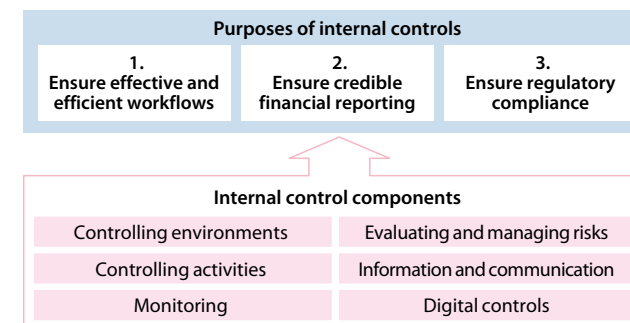
Internal Control System

Guided on the Board of Directors' basic approach to internal controls, we have developed a system of internal controls for ensuring legal and regulatory compliance, compliance with our Articles of Incorporation, and sound management in general.

The Audit Department provides guidance and support to enhance controls across the Group. For example, it evaluates the effectiveness of controls and, where issues have been detected, it

follows up on the corrective and preventive action.

For follow-up, the department conducts four kinds of audits: divisional audits (conducted in head office's operating divisions), area audits (conducted in regional branches, plants, and logistics centers), business site audits (conducted in sales offices), and Group company audits.



Risk Management

Basic Approach

To prevent or minimize the damage of business risks, we have established the Risk Management Rules, which stipulate measures for preventing risks from occurring in the first place and the optimal ways to respond to risk events once they occur.

Situational risks that emerge

1. When we commit a mistake that seriously harms our business partners or customers
2. When we are held responsible for committing a legal violation
3. When our financial disclosures lose their credibility
4. When we sustain severe damage in a natural disaster
5. When sensitive information is unduly divulged or leaked to third parties
6. When our continued operation is otherwise threatened

Risk Management

Our Risk Management Rules categorize risks according to causal factors and specify measures for preventing the risks from occurring. Such measures include establishing rules, producing manuals, and issuing directives. Prima Meat Packers has established code of conduct detailing specific routine workflows to ensure that the management philosophy is put into practice. The Company has also established a Food Safety Policy to ensure that all our business activities contribute toward the goal of delivering safe and tasty meals to the table.

When risk events occur, we follow the Risk Event Response Manual, which outlines the steps to follow in accordance with the anticipated severity of the damage. If the damage is expected to be extensive, a central task force headed by the president will coordinate the emergency responses of the affected departments.

The employee handbooks we issue each year include content on the initial steps to take if a risk event occurs during routine work operations (there are separate instructions for serious customer complaints, food poisoning incidents, work accidents, traffic accidents, and natural disasters). This information gives employees an idea of the right actions to take in an emergency.

Climate-related Risks

Climate change is a worldwide problem and one that impacts our business operations. Examples of the climate-related risks we face include higher prices for raw materials and animal feed. Recognizing climate change as a major source of business risk, we have endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and we disclosed climate-related information in accordance with the recommendations [see p. 35](#).

Business Continuity Planning

Part of our risk management strategy involves business continuity planning. We develop plans to keep our businesses operational during a natural disaster or a wave of infections. During such events, we will promptly place ourselves on an emergency footing to manage the dangers, and work to contain the damage. Mindful of our corporate social responsibility, we will work to recover normal operations and assist the recovery efforts of affected communities and government bodies. After the COVID-19 crisis arose at the end of fiscal 2019, we initiated a business continuity plan. The plan involved a range of measures, with the first priority to prevent infections among employees, their families, and other related parties.

Monitoring Risks

Every fiscal half-year, risk information is reported to the Board of Directors of Prima Meat Packers. The risk information is categorized as follows: Food safety and reliability risks, regulatory risks, occupational health and safety risks, compliance risks, information security risks, and transaction risks. For high-magnitude risks, the board is continually updated about the risk in question until the risk is resolved or no longer a concern. In this way, we work to minimize threats to our business operations.

Of the risk categories mentioned above, food safety and reliability risks are the most critical concern to us as a food manufacturer. Accordingly, we make extra efforts to communicate such risks across the Group. For example, we hold quarterly meetings to discuss customer feedback about our products,

inform each business about regulatory developments, and inform production sites about the measures they should take to ensure food safety and reliability. We also hold monthly meetings to discuss price trends in raw materials and make sure that our businesses are procuring their materials for a reasonable price.

Defending against Cyberthreats

Cyberthreats have become an all-too-familiar menace to companies. Attackers around the world are growing more sophisticated and devious by the day. Accordingly, we are bolstering our cybersecurity infrastructure. The new infrastructure will consist of multiple systems, including internet connection monitoring, endpoint detection and response (checking for suspicious activity on devices), Secure Sockets Layer virtual private network (for protecting communications between mobile devices and networks), and an authentication system for controlling access.

Human error is another concern, especially in age of diverse working patterns and digital communications. We must find opportune moments to raise employees' awareness about cybersecurity so that they understand not only how to use a device but how to keep it safe from a cyberattack. Employees must also keep the operating systems they use updated. Through measures such as these, we will keep our systems safe from cyberattacks.

Anti-infection Measures

On March 17, 2020, we initiated a business continuity plan to deal with the growing threat of COVID-19. As part of the plan, we established a taskforce headed by the president. The taskforce worked to prevent or contain infections on Company premises primarily to protect employees and other stakeholders but also to fulfill our social responsibility to maintain stable supplies of food products. Through these actions, we created value in the following ways: 1) We raised confidence among employees and other stakeholders, 2) forged new sales channels and distribution means to expand our clientele, 3) created new business opportunities and ways of working, and 4) built solid supply chains.

Risks Affecting Performance

The following table shows the main risks that could potentially affect our business and financial performance.

Category	Risk	Description	Actions	The basic policy in medium-term plan that would be affected by the risk were it to materialize
Business environment	Price fluctuations in raw materials Material risk	Because we produce and sell fresh meat, processed pork (ham and sausages), and other processed foods, our performance may be affected by price rises in the livestock market or oil market, from which we procure raw materials and goods for such products. • Price fluctuation in livestock market • Livestock disease • Safeguard action (international trade restrictions) on raw meat imports • Animal feed prices • Packaging • Fuel and electricity costs in plants • Distribution costs	<ul style="list-style-type: none"> • Procure extra supplies of raw materials • Secure alternative sources of raw materials • Use commodity futures contracts • Secure ample stocks • Adjust sales price 	Policy 2
	Exchange rate fluctuation	Because we source raw materials and goods from the U.S., Europe, China, and other overseas areas, exchange rate fluctuations may affect our performance. Additionally, because the financial results of our overseas subsidiaries are denominated in local currency, our consolidated performance may be affected by the exchange rate that applies when we translate the results into Japanese yen.	<ul style="list-style-type: none"> • To manage short-term fluctuations, use foreign exchange contracts and ensure that sales prices accurately reflect exchange rates 	Policy 2 Policy 3
Business operation	Food safety Material risk	If any of the following issues occur in the production and sale of our products, we may harm customers' health and our credibility may be affected, which may threaten our continued operation: • A serious quality issue • A prolonged quality issue • Allergen contamination	<ul style="list-style-type: none"> • Apply quality management standards (HACCP, ISO 22000, FSSC 22000) • Display accurate product information on packaging and on website • If an incident arises, notify the public immediately and take corrective and preventive action 	Policy 1 Policy 2 Policy 3
	Impairment of goodwill and fixed assets	Our performance and financial health may be adversely affected if we fail to produce the expected cash flows as a result of tangible or intangible fixed assets diverging from what was stated in the business plan. • A newly acquired subsidiary fails to perform as well as expected • Business assets diverge from figures stated in the business plan	<ul style="list-style-type: none"> • Discuss/decide purchase price at Executive Council • Establish procedures for managing recent acquisitions • Review performance of investments at Executive Council 	Policy 2
	Regulatory compliance Material risk	A Group business may be severely damaged if it commits a legal violation. • After violating the Food Sanitation Act or Food Labeling Act, a business is placed under administrative measures, resulting in reputational damage • After violating the cross-border trade laws, a business is placed under administrative measures, hurting its ability to produce and sell products • After violating the Antimonopoly Act, a business is placed under administrative measures, resulting in transaction restrictions and reputational damage • After violating labor laws, a business is placed under administrative measures, resulting in reputational damage • After violating environmental and recycling laws, a business is placed under administrative measures, harming its ability to recover and produce goods and causing reputational damage	<ul style="list-style-type: none"> • Observe quality management standards • Communicate code of conduct, use Compliance Committee to inculcate compliance culture, provide compliance training • Provide in-house rules, ensure directives are complied with, provide anti-bullying training • Ensure effective operation of environmental management system and Environment Committee 	Policy 1 Policy 2
Environment, emergencies	Natural disasters, accidents, incidents Material risk	If a natural disaster or accident harms the life, health, or property of a Group company or one of our distributors, the affected entity may be forced to suspend supplies and rearrange production, distribution, and sales networks, resulting in severe damage to performance. • Natural disasters (e.g., earthquake, typhoon, major snowfall, tornado, volcanic eruption, torrential downpour) • Accidents (e.g., fire, explosion, traffic accident) • Incidents (e.g., terrorist incident, kidnapping, blackmail) • Armed conflict (e.g., civil unrest)	<ul style="list-style-type: none"> • Secure ample stocks • Buy extra supplies of key goods • Develop business continuity plans 	Policy 1
	Infectious disease Material risk	If COVID-19 persists, we may be unable to continue business activities, resulting in severe damage to performance. • Forced to suspend non-critical workflows • Forced to suspend production lines and sale of products • Office or plant forced to suspend operations	<p>Measures to prevent infection among employees and their families</p> <ul style="list-style-type: none"> • Encourage healthy behavior • Limit meetings, restrict travel <p>Action for business continuity</p> <ul style="list-style-type: none"> • Establish central task force headed by the president • Develop business management framework for each business location • Bring in staff from other departments to help in production • Provide work-from-home and staggered-hours schemes • Use videoconferencing for board meetings 	Policy 1

Notes

1. In the Risk column, "Material risk" indicates that the risk in question is particularly dangerous.
2. See p. 14 for the three basic policies outlined in the medium-term plan.

Messages from Outside Directors

The outside directors on our board represent a broad spectrum of knowledge and experience. They contribute toward a robust system of corporate governance, underpinned by principles such as impartiality and transparency. Below, the three outside directors discuss the challenges we face, their impressions about how our organization is doing, and what they would like to see us doing in the future.



Serving as a compass to help the Company build its value

Takeshi Yamashita
Outside Director



Contributing insights from long years of experience

Yuzo Ide
Outside Director



Offering alternative perspectives for more vibrant board meetings

Yoshino Tsujita
Outside Director

Prima Meat Packers currently has an executive officer system. Under this system, the Board of Directors [see p. 39](#) functions effectively in its role of monitoring the execution of business. The board has a decent size and composition, with three outside directors and two inside directors. It functions well, as do the Executive Advisory Committee and Executive Council. I continue to advise the management about how to further strengthen transparency, board effectiveness, and other pillars of corporate governance. For example, I can offer suggestions for enhancing the board's monitoring function, including the option of the Company adopting a different governance model.

I see my role as that of a compass or warning light. To fulfill this role, I scan net media of nine Western countries on a daily basis to gain business intelligence that the management might find useful. Having compared companies around the world, I can applaud Prima Meat Packers for its authentic sustainability message. As well as focusing—as any food manufacturer should—on the quality and safety of its food (checking for allergens, for example), the Company has committed wholeheartedly to addressing socio-environmental issues.

One problem the Company needs to rectify concerns its talent [see p. 37](#). This issue will require greater attention in the years ahead. If the Company wishes to expand further overseas, it will require a workforce that is less Japan-centric and more globally minded. This is another area on which I can advise the management during board meetings. In this way, I hope to play a part in building up the long-term value of the organization.

Since the start of 2023, the board has held more in-person meetings thanks to the lifting of COVID restrictions. In-person meetings are better for exchanging views. The Company now holds preliminary briefings to inform us of the agenda for an upcoming board meeting. These briefings are helpful. As well as gaining the information we need to make decisions, we can sound out each other's views. With my long years of experience in manufacturing, I always urge the management to ensure strong brand identity across all products and Group companies. By keeping the Prima name at the forefront, Prima will become a byword for great quality, raising the value of the brand. The Company still has some way to go in this task, so I'll keep pressing the point.

I want to highlight a couple of Prima Meat Packers' material issues [see p. 34](#): reducing greenhouse gas emissions and reducing the volume of waste output. These tasks require a huge amount of investment. I therefore advise the management on long-term strategic planning and how to put the plan into action.

Another material issue is to boost job satisfaction. For this task, the Company must provide more time for managers and subordinates to share ideas about the kind of company or kind of workplace they would like to see. The same goes for corporate governance—the Company should provide more time for Group companies to communicate directly with the CEO.

I'll keep offering advice to help the Company build its value and strengthen its competitive position.

The Tokyo Stock Exchange has called on companies that are listed on the Prime market to improve their price-to-book ratio. The management must therefore commit to improving investment efficiency and capital efficiency. Prima Meat Packers has actively embraced capital expenditure to improve prospects of sustained growth. It's essential, then, that the management monitors return on invested capital as an indicator of investment efficiency and ensures an effective allocation of capital [see p. 15](#).

Market conditions continue their dramatic flux in this post-pandemic transition. Business success in this environment depends on the Company's ability to ascertain the emerging trends and then adapt as necessary to improve its competitiveness. One of the Company's new products exemplifies what the Company should be doing. The product is Meister Valley®. It was developed under the supervision of an employee who had trained in Germany, earning the title of master (Meister) butcher. I sampled the product and was astounded by the refined flavor. While the mass-market food products will remain a mainstay, the Company should also cater to consumers who are prepared to spend a little bit more for something tasty. To raise the value of the Prima brand, the Company should develop more premium products like Meister Valley®.

I try to offer input in all agenda items during board meetings. By expressing my opinions and frank feedback, I can give the management fresh insights and ideas. I'll continue actively engaging in this way to fulfill my role as an outside director.

Directors and Corporate Auditors

Directors



Naoto Chiba President and CEO

Apr. 1983 Joined ITOCHU Corporation
 Apr. 2014 Executive Officer of ITOCHU Corporation, Chief Operating Officer of Food Products Marketing & Distribution Division
 Apr. 2015 Seconded to Dole Asia Holdings Pte. Ltd. (Executive Vice President, Director)
 Apr. 2016 Managing Executive Officer assigned to Processed Foods Business Division and Fresh Meat Business Division, in charge of Audit Department of the Company
 Jun. 2018 President and Representative Director of the Company
 Jun. 2019 President and Executive Officer of the Company (current position)

Reason for nomination

Naoto Chiba is qualified to lead the Group effectively and contribute toward further growth. He has led the Company toward greater success and has extensive experience and results as a business leader. As chair of the Board of Directors, he has managed the board's business effectively.



Satoshi Nakajima Director
 Head of Corporate Strategy Div. and of Corporate Strategy Dept.

Apr. 1987 Joined ITOCHU Corporation
 May 2010 General Manager, Financial Planning Department, Finance Division of ITOCHU Corporation
 May 2013 General Manager, IR Department of ITOCHU Corporation
 May 2016 CFO, Energy & Chemicals Company of ITOCHU Corporation
 Apr. 2019 Executive Officer of ITOCHU-SHOKUJIN Co., Ltd.
 Jul. 2019 Member of the Board and Executive Officer of ITOCHU-SHOKUJIN Co., Ltd.
 Apr. 2021 Executive Officer and Assistant General Manager, Corporate Strategy Division of the Company
 Apr. 2023 Managing Executive Officer, General Manager, Corporate Strategy Division and General Manager, Corporate Strategy Department of the Company
 Jun. 2023 Director, Managing Executive Officer, General Manager, Corporate Strategy Division and General Manager, Corporate Strategy Department of the Company (current position)

Reason for nomination

Satoshi Nakajima's experience and track record qualify him to contribute toward further growth. Nakajima has extensive experience and wide-ranging knowledge in general trading, coupled with specialized knowledge of accounting and finance. At Prima Meat Packers, he has used these talents to manage corporate planning.



Takeshi Yamashita Director

Part-time Independent Outside

Apr. 1985 Professor at Hiroshima University
 Apr. 1997 Professor at Tokai University
 Jul. 1997 Registration as an attorney
 Apr. 1999 Part-time Lecturer of International Corporate Strategy at Graduate School of Hitotsubashi University
 Jun. 2003 Corporate Auditor of the Company
 Dec. 2003 Joined Hibiya Park Law Offices (current position)
 Jun. 2012 Director of the Company (current position)

Reason for nomination

Takeshi Yamashita is qualified to audit and supervise the management impartially. As a university professor and attorney, he has extensive experience and specialized knowledge.



Yuzo Ide Director

Part-time Independent Outside

Apr. 1977 Joined Wacoal Corp. (current Wacoal Holdings Corp.)
 Apr. 2006 Corporate Officer of Wacoal Corp. (operating corporation)
 Apr. 2008 Director and Senior Managing Corporate Officer of Wacoal Corp. (operating corporation)
 Apr. 2014 Director and Vice President Corporate Officer of Wacoal Corp. (operating corporation)
 Jun. 2014 Managing Director of Wacoal Holdings Corp.
 May 2020 Outside Director of Cosmo Co., Ltd. (current position)
 Jun. 2020 Director of the Company (current position)

Reason for nomination

Yuzo Ide is qualified to serve as an outside director. Having managed corporate planning for a big-name global manufacturer, he has extensive experience coupled with in-depth knowledge about global expansion and strategic planning. If elected as outside director, he will contribute toward Prima Meat Packers' strategic planning, while supervising, supporting, and advising the management from an independent standpoint.



Yoshino Tsujita Director

Part-time Independent Outside

Mar. 1987 Joined Swiss Bank Securities Corporation
 Jan. 1989 Joined Salomon Brothers Asia Securities Ltd.
 Jun. 1999 Vice President of The Chase Manhattan Bank
 Feb. 2001 Vice President of JPMorgan Securities Japan Co., Ltd.
 Mar. 2002 Joined Japan Tobacco Inc.
 Jun. 2006 General Manager, Corporate Planning Division of Japan Tobacco Inc.
 Sep. 2014 General Manager, Compliance Office of Japan Tobacco Inc.
 Apr. 2016 General Manager, Media and Investor Relations Division of Japan Tobacco Inc.
 Mar. 2020 Representative Director of Relier Inc. (current position)
 Apr. 2020 Outside Director of Yukiguni Maitake Co., Ltd. (current position)
 Jun. 2022 Director of the Company (current position)
 Sep. 2022 Director, Yukai Engineering Inc. (current position)

Reason for nomination

Yoshino Tsujita is qualified to serve as an outside director. With her extensive corporate experience in Japan and abroad, Tsujita offers insights in business management and diversity, along with in-depth knowledge of accounting and finance. If elected as outside director, she will contribute toward Prima Meat Packers' strategic planning, while supervising, supporting, and advising the management from an independent standpoint.

* The three outside directors (Takeshi Yamashita, Yuzo Ide, and Yoshino Tsujita) fulfill Prima Meat Packers' independence criteria, in that they pose no potential conflict of interest with general shareholders as defined by the TSE.

Corporate Auditors



Naofumi Sakai Corporate Auditor

Sep. 1987 Joined the Company
 Apr. 2014 General Manager, Planning & Coordination Department, Sales Division of the Company
 Apr. 2019 General Manager, Fresh Meats Business Management Department, Fresh Meats Business Division of the Company
 Apr. 2023 Assistant to General Manager, Corporate Strategy Department, Corporate Strategy Division of the Company
 Jun. 2023 Standing Corporate Auditor of the Company (current position)

Reason for nomination

Naofumi Sakai has abundant experience and specialized knowledge in the industry. He has been involved in the Company's business for many years and has extensive experience in internal control.



Hideki Shimozawa Corporate Auditor

Independent Outside

Apr. 1986 Joined The Mitsui Trust and Banking Company, Limited (current Sumitomo Mitsui Trust Bank, Limited)
 Jul. 2008 Manager, Takamatsu Branch of The Chuo Mitsui Trust and Banking Company, Limited
 Nov. 2009 General Manager, Head Office Business Division 5 of The Chuo Mitsui Trust and Banking Company, Limited
 Feb. 2011 General Manager, Credit Card and Financing Planning Department of The Chuo Mitsui Trust and Banking Company, Limited
 Jun. 2019 Standing Corporate Auditor of the Company (current position)

Reason for nomination

Hideki Shimozawa is qualified to serve as outside corporate auditor in light of his extensive experience in banking.



Kuniaki Abe Corporate Auditor

Part-time

Apr. 1991 Joined ITOCHU Corporation
 Apr. 2011 General Manager, Food Products Marketing & Distribution Strategy Department, Food Products Marketing & Distribution Division of ITOCHU Corporation
 Apr. 2013 Executive Officer of FamilyMart Co., Ltd.
 Apr. 2016 General Manager, Food Development Division of ITOCHU Corporation
 Apr. 2017 General Manager, Retail Development Division of ITOCHU Corporation
 Apr. 2019 General Manager, Planning & Administration Department, Fresh Food Division of ITOCHU Corporation
 Apr. 2022 Executive Officer of ITOCHU Corporation
 Apr. 2023 Executive Officer, Chief Operating Officer, Head of Fresh Food Division, Itochu Corporation (current position)
 Jun. 2023 Corporate Auditor at the Company (current position)

Reason for nomination

Kuniaki Abe is qualified to serve as corporate auditor in light of his extensive experience and specialized knowledge in general trading.



Akemi Sunaga Corporate Auditor

Part-time Independent Outside

Oct. 1989 Joined Auditing Department of Aoyama Audit Corporation
 Feb. 1991 Joined Auditing Department of Chuo Audit Corporation
 Aug. 1993 Registered as Certified Public Accountant
 Oct. 1994 Registered as Certified Public Tax Accountant
 Nov. 1994 Founded Sunaga CPA Firm, became its representative (current position)
 Nov. 1996 Founded Marunouchi Business Consulting Ltd., became Representative Director (current position)
 Jan. 2012 Founded Marunouchi Business Consulting Tax Co., became Senior Partner (current position)
 Jun. 2016 Outside Auditor at Matsumotokiyoshi Holdings
 Jun. 2017 Senior Partner of Marunouchi Audit Corporation
 Jun. 2020 Outside Director and Audit and Supervisory Committee Member at Ushio Inc. (both current positions)
 Jun. 2021 Outside Director and Audit and Supervisory Committee Member at Yomeishu Seizo Co., Ltd. (both current positions)
 Jun. 2021 Corporate Auditor at the Company (current position)
 Jan. 2022 Senior Partner of Marunouchi Audit Corporation (current position)
 Jun. 2022 Corporate Auditor of KYB Corporation (current position)
 Mar. 2023 Outside Auditor at Lion Corporation (current position)

Reason for nomination

Akemi Sunaga is qualified to serve as an outside corporate auditor in light of her extensive experience as a certified public accountant and certified tax accountant.

* The two outside corporate auditors (Hideki Shimozawa and Akemi Sunaga) fulfill Prima Meat Packers' independence criteria, in that they pose no potential conflict of interest with general shareholders as defined by the TSE.

Executive Officers

President and Executive Officer

Naoto Chiba

Senior Managing Executive Officers

Yuichi Niimura

Head of Corporate Strategy Div., in charge of Environmental Management Dept., Project Manager in Prima Next Project

Masahiko Yano

Head of Meat Business Div.

Takahiro Uchiyama

In charge of HR, Finance, General Affairs, PR, and Legal Dept.

Yuji Shinkawa

Head of Sales Div.

Managing Executive Officers

Toshihiro Tago

Head of Production Div.

Satoshi Nakajima

Head of Corporate Strategy Div., Head of Corporate Strategy Dept., in charge of Prima Next Project

Makoto Amino

Head of Meat Business Div. and Meat Procuring Dept.

Kenichi Tai

Head of Meat Sales Dept., Meat Business Div.

Executive Officers

Takumi Umehara

Acting Head of Production Div., in charge of processed foods
 Chairman of PRIMAHAM (THAILAND) Co., Ltd., Chairman of PRIMAHAM FOODS (THAILAND) Co., Ltd.

Shinichi Koga

Head of Financial & Accounting Dept.

Mamoru Kamada

President of PRIMAHAM FOODS (THAILAND) Co., Ltd., President of PRIMAHAM (THAILAND) Co., Ltd.

Tatsuya Kudo

Head of Quality Assurance Div.

Takayuki Kanai

Head of Human Resources Dept.

Munetoshi Niizeki

Head of West Japan Branch, Sales Div.

Keiko Sasajima

Head of Development Div.

Yasushi Miyatake

Head of IT Promotion Dept., Corporate Strategy Div. and Prima Next Project Leader

Jyunshi Hachiro

Foreperson at Mie Plant, Production Div.

Shin Sasaki

Head of East Japan Branch, Sales Div.