

A message from the chairperson of the Board of Directors

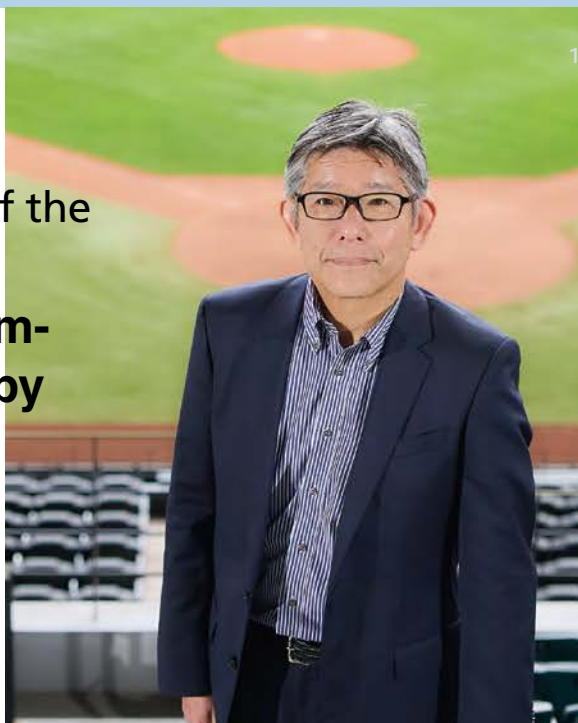
We are aiming to raise medium- to long-term corporate value by improving the effectiveness of the Board of Directors.

Please share your review of the past year and your thoughts about the evaluation of the Board of Directors' effectiveness.

The overall score of the evaluation of the effectiveness of the Board of Directors in fiscal 2023 was positive, rising by 4.6 percentage points, which shows that improvements are being made. In particular, we received high scores for corporate ethics and risk management for a third consecutive year. On the other hand, the scores for management strategy and business strategy were low, and within this, I think it is clear that we must make improvements concerning the separation of oversight and execution of duties, and the total optimization of management resource allocation in a way that is conscious of capital cost.

I was appointed as chairperson of the Board of Directors in April 2023. Although I am an inside director, I have carried out activities over the past year with a focus on managing Board operations from a perspective that is neutral toward both the executive and oversight sides.

Before my appointment, five objectives were set in regard to the operation of the Board of Directors. The first is to improve the setting of agendas for Board meetings. It was assessed that these meetings were generally running a little long compared to other companies, so we have worked to



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streamline meetings and make the content more appropriate by being more selective regarding agenda items and streamlining reporting items.

The second objective is to make discussion of management strategy more dynamic. The fiscal 2023 evaluation has flagged that discussion of management strategy feels inadequate.

The third is to ensure the quantity and quality of information provided. We have requested that people responsible for giving reports make these reports compact in terms of both format and content. In the past, quarterly reports on the activities of each business division were sometimes dozens of pages long, but now we are asking that they become more compact, containing just the necessary information. I feel that there has been improvement on this point since the third quarter.

The fourth objective is to strengthen communication between the executive and oversight functions. We have

worked to create opportunities for communication between inside and outside directors not only at Board meetings, but also within everyday business operations.

The fifth is to monitor and supervise the progress being made on management strategies. We are putting a particular focus on progress being made in terms of the total optimization of management resource allocation in a way that is conscious of capital cost, which was a concern highlighted in the evaluation of the effectiveness of the Board of Directors.

What are your plans for raising corporate value going forward?

If we are to make discussion at Board of Directors meetings more dynamic, I think it is important to approach discussions and decision-making from a wide range of angles to encourage realizations and cross-checking. I want both inside and outside directors to participate in discussions and decision-making to make use of diversity and their respective knowledge.

Also, the Group's business is grounded in agriculture and livestock farming, so it is closely linked to primary industry, and we are Japan's largest provider of animal-derived protein. I think ensuring our employees have a firm understanding of our significance to society is important for realizing our Vision2030 "Unleash new potentials for protein." The key to achieving this will be to raise the job satisfaction and loyalty of employees, facilitating the fostering of an organizational culture focused on new challenges.

Also, to improve corporate value, we need to make decisions that consider the interests of all stakeholders, including consumers and communities, and not just shareholders and employees. I recognize that my role in achieving this will be to build bridges, and I will strive to make further improvements to the effectiveness of the Board of Directors.

