

IRDAY on January 12, 2021

Second Part (ESG) 14:10-15:00

Presenter:

Sadanori Miyagai, Director and Managing Executive Officer

Atsushi Iwasaki, Outside Director

### **Q1. How to Review the Materiality for the Next Medium-Term Plan?**

In preparation for the formulation of the next medium-term management Plan, we are simultaneously setting its business strategy and materiality. In the examination of materiality, in order to be able to solve social issues through business, the identification will be promoted based on the guidelines of external organizations and issues specific to the industry and the group.

### **Q2. What is the New Topics in Corporate Governance?**

Discussions at Board of Directors have been more active than in the past, with open exchanges of views between outside directors and inside directors. In the future, it is considered necessary to discuss management strategies from the viewpoint of group-wide optimization.

It also recognizes that incorporating management indicators into each business is an issue. Within each business, we would like to establish KPIs that are conscious of management indicators, so that each business can proactively promote ROIC management.

### **Q3. How to Introduce ESG Viewpoints to Officers Compensation?**

We would like to hold a thorough discussion of ESG's perspectives and incorporate them into officer compensation after setting company goals and KPIs. We will examine the case studies by referring to other companies.

### **Q4. What is the Initiatives to Reduce Greenhouse Gases?**

We are working to formulate numerical targets for greenhouse gas emissions with a target year of 2030, and the entire value chain will work to achieve both business expansion. In addition, we recognize that the problem of methane gas derived from Cattle is a serious issue, and will promote R&D to reduce methane gas.

### **Q5. What is the Concept of Animal Welfare?**

In piggeries in pig farming, freestalling at pregnancy was performed on two farms. For new farms in the future, we would like to proceed in the same direction. We have also been promoting information exchange with external organizations since last year, and we would like to address this issue as a group while incorporating such information.