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## DIALOGUE

Roundtable Talk of  
External Directors

# Further Elucidating the Path Kagome Must Take to Become a “Strong Company Capable of Sustainable Growth.”

Kagome aims to become a “strong company capable of sustainable growth.” Various perspectives are indispensable in order to make the path toward this vision clearer and incorporate it into concrete actions. External directors with diverse expertise and experience sat down to discuss the challenges that Kagome must tackle in order to achieve sustainable growth from an external perspective.

**Q. As an External Director, what do you think Kagome needs to do to become a “strong company capable of sustainable growth”?**

■ **Yamagami** Kagome is a very good company that promotes vegetable consumption and aims to contribute to longer, healthier lives, and the business itself is directly linked to the resolution of social issues listed in the Company’s

materiality, and it also takes into account the work comfort and job satisfaction of employees. On the other hand, as an External Director, I need to monitor the management of Kagome not only for being a good company, but also from the perspective of return on investment in Kagome and point out any shortcomings in returns. This is because profit growth is a major premise behind the Company’s ability to continue to provide value to society.

■ **Sato** When with the Company for a long time, we often get the idea of protecting the work that is an extension of what we have been doing. Therefore, as an External Director, it is a very important role to propose and support discontinuous and completely different perspectives.

■ **Arakane** I feel that Kagome wants to foster further awareness of the cost of capital and capital efficiency. It may be related to the fact that

Kagome engages in business in the indispensable field of food and it has products with the top market share in Japan. I feel that there is an underlying awareness that if Kagome sincerely works on what is needed and useful to society, it can survive as a company. However, the environment surrounding Kagome is changing drastically, and since food and health are also major social issues, many companies are developing their businesses using various approaches. In order to become a “strong company capable of sustainable growth,” Kagome will need to develop a business strategy that leverages its strengths, and in order to do so, each business division must raise awareness of capital efficiency, including where to invest and how much revenue to generate that will lead to growth. In order to concretely incorporate the goal of becoming “a strong company capable of

sustainable growth” into a business strategy that enhances profitability over the medium to long term, I believe that it is our responsibility as External Directors to convey a multi-faceted perspective, and make recommendations to management.

**Q. In FY2023, Kagome’s performance was at record highs thanks to growth in the International Business. As External Director, what are your thoughts on the future growth potential and challenges faced by Kagome’s International Business?**

■ **Endo** In November 2023, I had the opportunity to visit Kagome Food India Pvt. Ltd. (KFI). KFI is involved in the value chain beginning from the cultivation of processing tomatoes, and it sells the pizza sauce it

produces to major pizza franchises, building a value chain similar to Kagome’s successful one. Having the chance to directly observe Kagome’s business in India, which is expected to grow in the future, I gained a first-hand understanding of the growth potential of the Company’s International Business.

■ **Sato** Different countries and regions have different food cultures and face different issues. In India, the color tone of processing tomatoes poses an issue, so through United Genetics India Pvt Ltd., which engages in the seed business, Kagome is improving tomato varieties to ensure they have the standard red color no matter where they may be grown around the world. I believe there is ample room for growth of the International Business by providing solutions tailored to the diet or issues of each individual region.



Roundtable Talk of External Directors

■ **Arakane** Each country and regions has its own market characteristics and challenges. As such, there are situations where subsidiaries can provide value on their own, and still many others where value can be realized by utilizing the knowledge and resources of the Kagome Group. In October 2023, the International Business Division was reorganized into Kagome Foods International Company. **By making it an in-house company, the Company is promoting the delegation of authority and accelerating global strategy.** Also, by working closely together within this new in-house company, we hope that the global business strategy of the entire Kagome Group will further progress, rather than on an individual company basis.

■ **Yamagami** Through visits to overseas bases, I had the opportunity to hear firsthand about how the International Business has grown to what it is today, as well as the knowledge we have cultivated as a result. Within the Kagome Group, it seems that the sharing of such knowledge has not always been adequate. The knowledge of Kagome Food International Company is valuable information for mutual growth in cooperation with domestic businesses, and for the Kagome Group to

consider strategies with an eye on overseas markets. From this perspective, it is also important for Kagome Food International Company to be open to the Group in terms of the exchange of human resources and knowledge, so that the Kagome Group as a whole is motivated by the knowledge of global business strategy cultivated there, while taking advantage of its independence.

**Q. Kagome has cited “foster a culture for tackling challenges” as a way of strengthening the Group’s foundation. How do you view Kagome in terms of organization and people?**

■ **Endo** Since President Yamaguchi was appointed, Kagome has been working to reform its organizational culture with a sense of urgency that the Company must transform our organization into one that ensures psychological safety and allows people to speak openly, and I have experienced that the effects of these efforts are steadily emerging. I think **this is because the President continues to send the message that innovation cannot occur unless the Company breaks down rigid organizations and hierarchical relationships and makes the most of each individual’s abilities toward a common goal throughout the Company.**

■ **Sato** I have the impression that Kagome is a flat organization with a high level of cooperation among employees. Within the Company, a culture of calling people by Mr. or Ms. rather than their job titles, has developed. It is necessary to understand the meaning of psychological safety correctly, and I believe that President Yamaguchi’s focus on instilling psychological safety is **fostering an**

**organizational culture in which anything can be proposed, and even if a plan fails, it can be used as a source of inspiration.**



■ **Yamagami** I also feel that the awareness of psychological safety is beginning to permeate among employees. By ensuring psychological safety, the Company will foster a culture in which each employee takes advantage of their diverse ideas and experiences to take on challenges. In order to lead to the creation of innovation, it is important to continue to **provide opportunities for raising awareness, especially among managerial positions, while incorporating external knowledge, so that they can understand the purpose of ensuring psychological safety and change their behavior to achieve it. Looking ahead, I think it will be important to incorporate the creation of an organizational culture into an element of evaluation.**

■ **Endo** I think that developing human resources in line with the promotion of management strategies and building an evaluation system that can incorporate the progress of company-wide strategies into the evaluation of individual employees is a very time-consuming and difficult topic. **Kagome’s human resources**

**strategy still faces many challenges, but I think the Company is on the right track and making steady progress.**

■ **Arakane** Kagome’s employees engaging in existing businesses in Japan have acquired management skills while honing their expertise, and I feel that their frontline capabilities are high. On the other hand, as the social environment changes drastically, the Company will have to think about a new form of Kagome in Japan. **It is essential not only to develop and expand existing businesses, but also for Kagome to think about the direction in which the world is headed, and to change the behavior of every employee to take on challenges that have never been done before, and to create innovations that promote business model reform along with portfolio modifications.**

■ **Endo** In order to accelerate the growth of the International Business in the future, Kagome will need appropriate skills and leadership in both management and frontline operations. Since there is a big difference from the domestic market and in the skills required in different countries and regions, Kagome will need to continue discussing what kind of human resources are in short supply, how to develop them, and how to produce results.



**Q. Kagome’s vision is to transform from a “tomato company” to a “vegetable company.” What expectations do you have for Kagome as it evolves into a vegetable company? What challenges does it face?**

■ **Sato** Prior to 2016, when Kagome set forth its long-term vision of transforming from a “tomato company” to a “vegetable company” by 2025, Kagome had an image of its business domain centered on tomatoes, such as tomato ketchup and tomato juice, but now that it is becoming a “vegetable company,” the scope of its business domains has expanded. **I believe that a good combination of the ever-expanding business domains and Kagome’s characteristics (which includes not only product development, but also all processes from upstream to downstream, from breeding and developing plant varieties to cultivation, processing, and activities to convey the value of vegetables) will lead to future growth.**

■ **Endo** Kagome aims to be a company that contributes to longer, healthier lives. While a daily vegetable consumption of 350 g is recommended, the current average intake of people living in Japan is less than 300g. In order to contribute to this, Kagome continues to raise awareness broadly among consumers about how consuming vegetables can help improve health through the Let’s Eat Vegetables campaign and VegeCheck®. In the course of these activities, **the Company is trying to create clear evaluation criteria for “vegetable companies” as a standard-bearer to deepen the public’s understanding of vegetable consumption. At the moment, I have the impression that these activities are still confined to Japan, but I feel that**



**the entire Group can lead itself to growth by playing a role in promoting vegetable consumption overseas after identifying the characteristics of each country and region.**

■ **Arakane** I understand that Kagome’s vision of becoming a “vegetable company” is an expression of its intention to grow in larger markets and provide more value. However, I feel that the Company has not been able to draw up a growth strategy that leverages Kagome’s strengths, and incorporate this into business. **The Company is currently at the stage where it is searching for a direction of growth through repeated trial and error. By concretely drawing up and realizing a convincing business portfolio as a “vegetable company,” Kagome will evolve into a “vegetable company” that achieves growth. In addition, as there is a need to resolve global issues such as climate change and food issues caused by population problems, I believe that the role that Kagome, as an expert in vegetables, can play will continue to grow.**



Kagome’s Management

Basic Policy of Corporate Governance

In accordance with its corporate philosophy of “appreciation,” “nature” and “corporate openness,” we aim to achieve sustainable growth and improve the mid- to long-term value of the Company. We acknowledge corporate governance to be a critical management issue toward these objectives.

Kagome considers further strengthening of “autonomy” complemented by “heteronomy” to be the fundamentals of our corporate governance. This will ensure objectivity and transparency, forming a

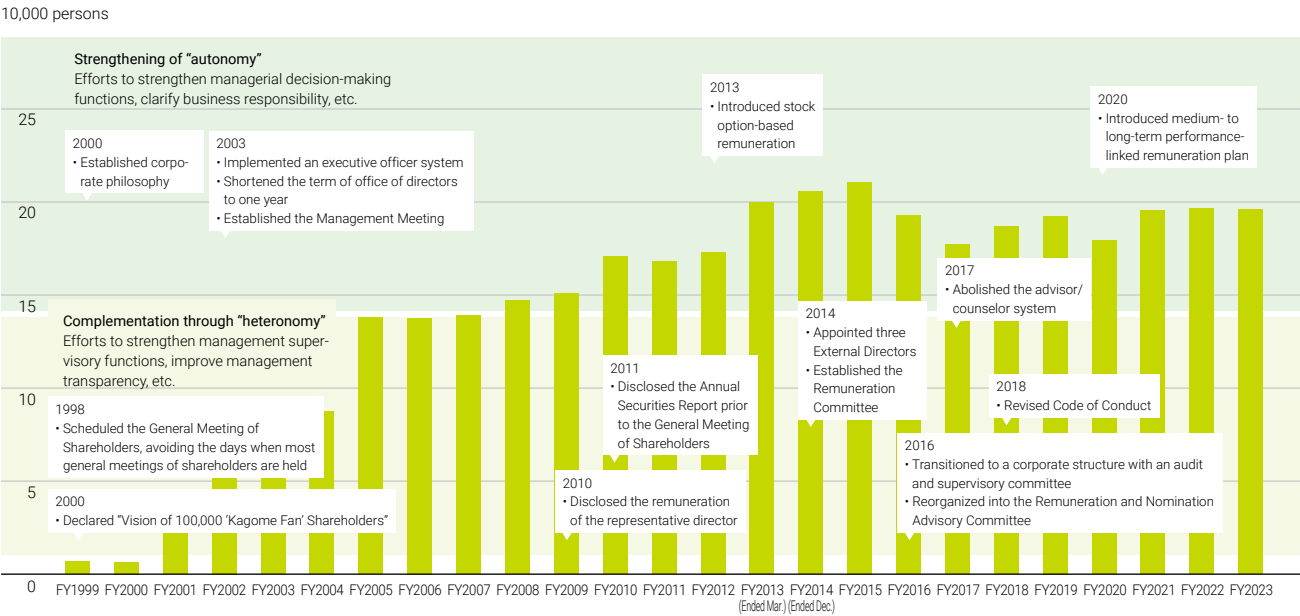
basis by designing its own concept of corporate governance adapted to the present day, while incorporating diverse outside viewpoints by working to attract more “Kagome Fan Shareholders” and leveraging the function of external directors among other things.

We aim to deliver a high degree of accountability and achieve “corporate openness” in interactions with stakeholders, while employing unique attributes and originality.

History of Corporate Governance and Historical Trends in the Number of Shareholders

The history of our corporate governance is a culmination of our efforts to achieve “corporate openness” as part of our corporate philosophy that can be traced back to the aspirations of our company's founder. We have been continuously evolving up until the present through the public offering of our shares and the separation of capital from management, etc. in the past.

Number of shareholders:



Corporate Governance System

Since transitioning to a corporate structure with an audit and supervisory committee in 2016, we have separated executive functions from supervisory functions to accelerate managerial decision-making and help clarify business responsibility. The Company has specified that the Board’s primary duties are determining the Company’s management strategies and policies and monitoring the implementation of such strategies and policies. The Board enhances the advisory and supervisory functions and increases the effectiveness of such functions by electing one third or more external directors, who satisfy the Standards for Judging the Independence of Independent External Directors, as the members of the Board.

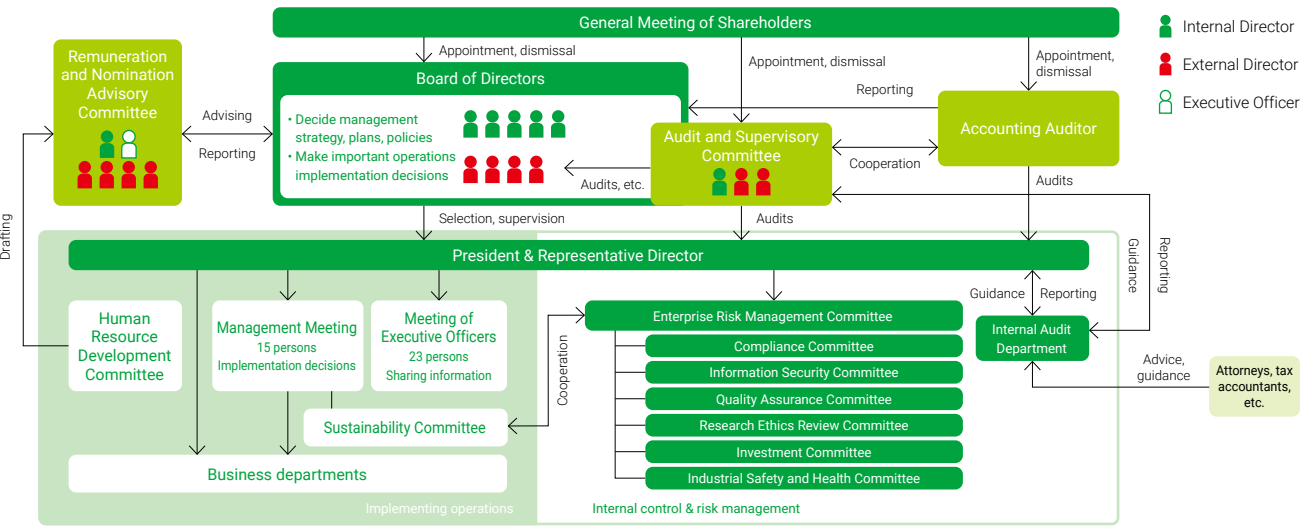
The Audit and Supervisory Committee has set a policy of having one or more standing Audit and Supervisory Committee members, and uses internal control systems to audit the legality and appropriateness of the operations implemented by the directors.

The nomination and remuneration of directors are deliberated by the Remuneration and Nomination Advisory Committee; more

than half of whose members are independent external directors. The results of the deliberations are advised to the Board of Directors, which then determines the nomination and remuneration of the directors, thereby enhancing fairness and appropriateness.

Under our executive officer system, we are using set criteria to delegate implementation responsibilities and authority to our departments regarding the execution of business. In addition, we have established the Meeting of Executive Officers in order to convey and make known Board resolutions and reported matters as well as to facilitate communication and coordination among the executive officers. Furthermore, the Management Meeting has been established under the leadership of the president to ensure that business is executed in an agile manner and through mutual coordination. Deliberations at the Management Meeting enable appropriate risk taking and also produce clear allocations of responsibilities, while enabling us to make decisions in an expedited manner.

Corporate Governance Organizational Chart



Kagome’s policy on appointing directors

We consider a size that is appropriate for holding high quality discussions, while ensuring diversity and balance in terms of knowledge, abilities and experience in the composition of the Board. Such a size achieves a medium- to long-term increase in corporate value by maximizing the advisory and monitoring functions of the Board of Directors. Additionally, the Board selects candidates, taking into account the internal and external compositions, independence, specific experiences, areas of expertise, genders, nationalities, etc. according to the business environment, after deliberations of the Remuneration and Nomination Advisory Committee. One third or more of the members of the Board of Directors elected are independent external directors.

The Board of Directors currently consists of nine members, including six directors (excluding directors who are Audit and Supervisory Committee members) and three directors who are Audit and Supervisory Committee members, of which four are independent external directors. Our external directors come from a variety of backgrounds and have extensive experience and knowledge that contribute to the diversity management and business globalization included in our medium- to long-term vision and the achievement of longer, healthier lives through food. As a long-term vision, we have set the goal of increasing the percentage of women in the workforce, including executives, to 50% by around 2040, and we will aim to achieve the same for the Board of Directors at an early stage.

Board of Directors Skill Matrix

Name	Attributes	Management skills for advancing corporate management					Functions and skills to advance Kagome's business and Mid-Term Management Plan and enhance performance					
		Corporate management	Finance, accounting	Legal and risk management	Human resource development and diversity	Sustainability management	Agriculture, food and nutrition	Research and technology	Marketing and brand management	Production, procurement and quality	Sales and supply chain management	Global business
Satoshi Yamaguchi President & Representative Director		○		○	○	○	○	○			○	
Hirohisa Kobayashi Director & Managing Executive Officer		○			○				○		○	○
Yoshihisa Hairo Director & Executive Officer		○								○		○
Harunobu Okuya Director & Executive Officer		○				○						○
Hidemi Sato External Director	External Independent						○	○				
Kumi Arakane External Director	External Independent	○		○		○		○	○	○		
Hitoshi Takano Directors (Audit and Supervisory Committee Member)		○							○		○	○
Tatsuya Endo External Director (Audit and Supervisory Committee Member)	External Independent		○	○								○
Asako Yamagami External Director (Audit and Supervisory Committee Member)	External Independent			○	○							○

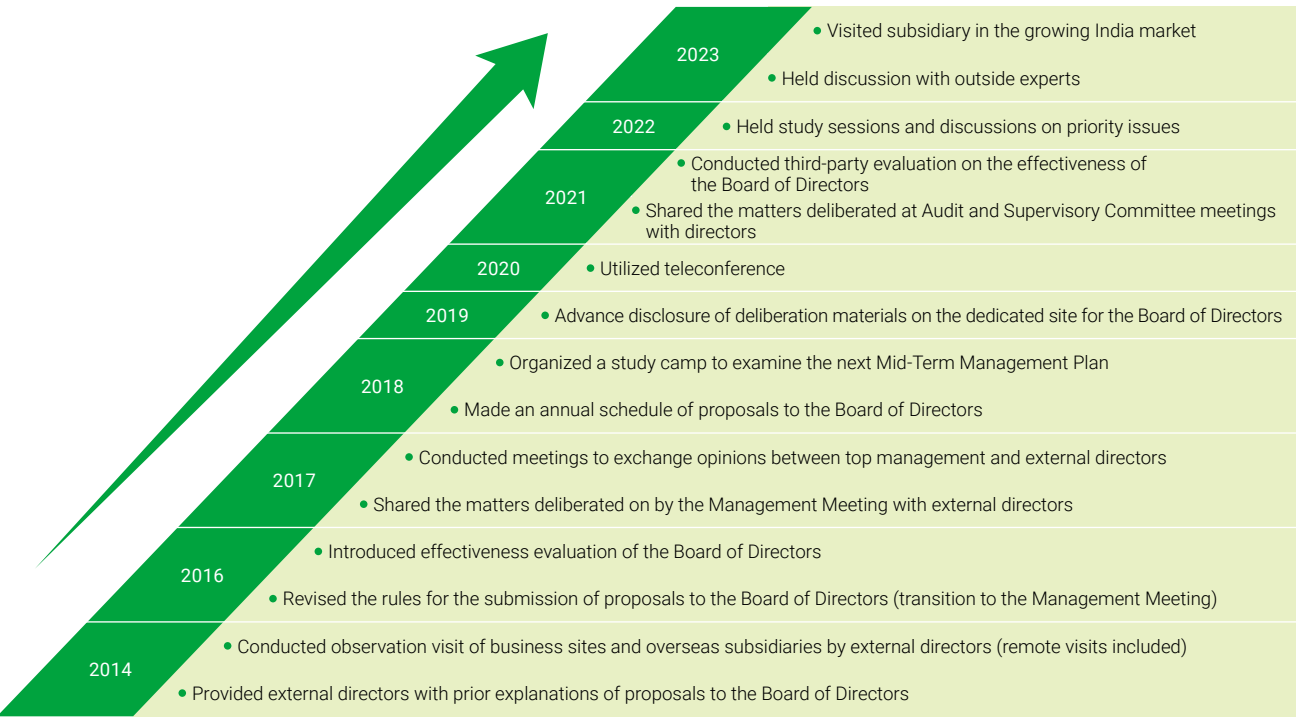
For more details on the standards for judging the independence of external officers and the categories, items and definitions of director's skills, please refer to our website.  
<https://www.kagome.co.jp/english/company/ir/data/others/>



Evaluation of the Effectiveness of the Board of Directors

Continuous efforts to enhance the Board of Directors (fiscal year when initiatives commenced)



Kagome has been continuously working to revitalize the Board of Directors.



Results of evaluation of the effectiveness of the Board of Directors

The Company has evaluated the effectiveness of the Board of Directors annually since FY2016. An overview of the results in FY2023 is described below.

1 Methods of evaluation

 Conducted questionnaire	We conducted a questionnaire targeting all directors and analyzed the results. <ul style="list-style-type: none"><li>• Questionnaire for Directors Design, operation, proposals, and quality of discussions of the Board of Directors, corporate governance system, comprehensive evaluation, individual themes (strategy, business portfolio, Group governance, ESG, SDGs, etc.)</li><li>• Questionnaire for the Remuneration and Nomination Advisory Committee</li><li>• Questionnaire for the Audit and Supervisory Committee</li><li>• Questionnaire for the Enterprise Risk Management Committee</li></ul>
 Deliberations by the Board of Directors taking the above into account	With reference to the summary of survey and interview results, we set up opportunities for deliberation and opinion exchange involving all directors to conduct evaluation on effectiveness of the Board of Directors, identification of issues, assignment of priority for each issue, and discussion of countermeasures.

2 Evaluation results

Based on the above, the Board of Directors also deemed that it has properly met all evaluation items, and agreed that the effectiveness is sufficiently ensured.

3 Topics to consider for further improvement in effectiveness

In previous effectiveness evaluations, “consideration of enhancing corporate value from a long-term perspective” has been recognized as an issue. The Board of Directors has promoted the exchange of opinions from a medium- to long-term perspective in the agenda items related to sustainability and International Business, and outside of the Board of Directors meetings, lectures from outside experts on agriculture and demographics were held along with related discussions. As a result of sharing knowledge and information as a basis for discussion and considering future business directions, the International Business Division was converted into a company in October 2023. Along with this, a new global organization was established to unify agriculture-related business and agriculture-related technology exploration and development. Specific strategies and business activities with a medium- to long-term perspective will continue to be discussed, and the Board of Directors will continue to appropriately monitor and supervise the quick and reliable implementation of strategies and the strengthening of differentiation and uniqueness of business activities.

Regarding the Remuneration and Nomination Advisory Committee, there was an opinion that further improvement of the medium- to long-term succession plan including overseas Group companies and a diverse human resources strategy are urgently needed. Regarding the Audit and Supervisory Committee, there was an opinion that the group governance system including overseas offices should be strengthened and its authority should be more actively and aggressively exercised. The Board of Directors recognizes these issues and will proceed with initiatives to address them.

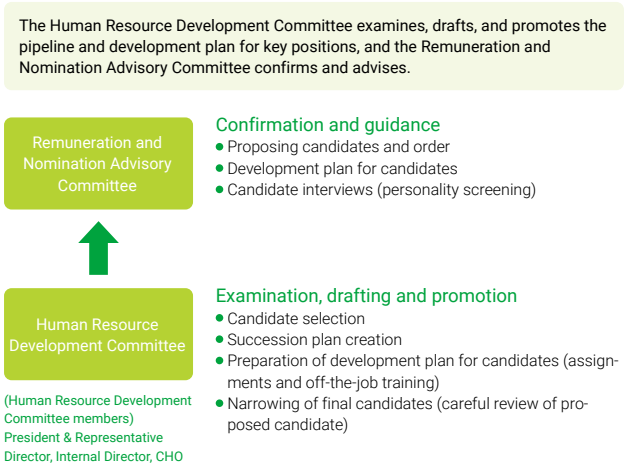
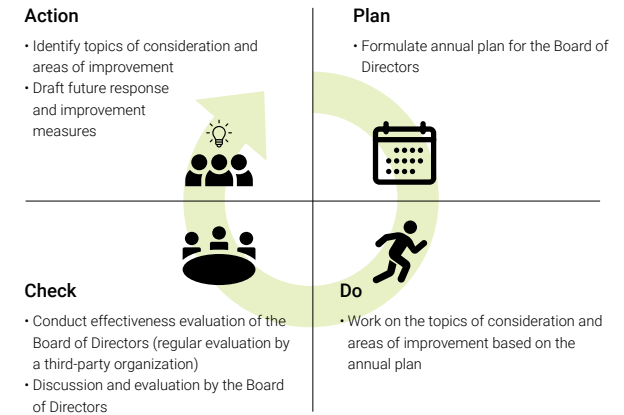
We will seek to further improve effectiveness in light of the results of the latest evaluation.

Succession Plan

The development of management personnel and the realization of highly transparent appointments are important matters required by Japan's Corporate Governance Code. Recognizing that the development of next-generation executive candidates is an important management issue for sustainable value creation through growth, we have established and are promoting a selection and training process.

In the development of management and executive candidates, we use a combination of “education” (off-the-job training and on-the-job training) and “selection” to measure actions to be demonstrated in a hierarchical manner for executives and general managers.

The Human Resource Development Committee, which is an internal decision-making body, conducts the selection, development plan, and review of candidates, while the Remuneration and Nomination Advisory Committee discusses and reviews appointment of officers and management before submitting them to the Board of Directors, thereby enhancing transparency and objectivity.



Directors’ Remuneration

The Company's directors’ remuneration plan is designed and managed according to the basic policy that it be a remuneration plan suited to a global corporation aimed at the realization of the mid-term management plan and that the results provided to the company and roles expected through the job duties of individual directors are important and that they are evaluated appropriately. Specifically, remuneration comprises basic remuneration and performance-linked remuneration. The proportions of each of the above are determined based on the positions of the directors.

Main Deliberations and Reporting of the Remuneration and Nomination Advisory Committee

	Main deliberations and reporting
First meeting of 2023	<b>Deliberation:</b> consideration of executive bonuses for FY2022, Executive Officer succession plan, committee structure, Board of Directors’ skills matrix <b>Reporting:</b> finalization of BIP trust for FY2020 portion
Second meeting of 2023	<b>Deliberation:</b> FY2023 directors’ remuneration, overseas CEO remuneration, director succession plan, election of directors who are audit and supervisory committee members
Third meeting of 2023	<b>Deliberation:</b> personnel reshuffle of directors of October 2023, director succession plan
Fourth meeting of 2023	<b>Deliberation:</b> director succession plan, grade rating and remuneration following the personnel reshuffle of directors of October 2023
Fifth meeting of 2023	<b>Deliberation:</b> director succession plan
Sixth meeting of 2023	<b>Deliberation:</b> director succession plan, Board of Directors’ skills matrix, special implementation of executive officer terms
Seventh meeting of 2023	<b>Deliberation:</b> personnel reshuffle of directors, Board of Directors’ skills matrix, revision of directors’ remuneration table, Remuneration and Nomination Advisory Committee schedule for 2024 <b>Reporting:</b> FY2022 market survey of remuneration
First meeting of 2024	<b>Deliberation:</b> consideration of executive bonuses for FY2023, grade ratings for new directors, committee structure <b>Reporting:</b> finalization of BIP trust for FY2021 portion
Second meeting of 2024	<b>Reporting:</b> reshuffle of executive officers and outlook for executive bonuses in FY2024
Third meeting of 2024	<b>Deliberation:</b> directors’ remuneration and overseas CEO remuneration for FY2024

Directors’ Remuneration

Directors’ Remuneration

Category of directors	Total amount of remuneration, etc. (million yen)	Total amount of remuneration, etc. by type (million yen)				Number of eligible directors (persons)
		Basic remuneration	Bonus	Stock options	Share-based remuneration	
Directors (excluding Audit and Supervisory Committee members)	257	134	97	—	25	7
External Director	24	24	—	—	—	3
Directors (Audit and Supervisory Committee mem- bers, etc.)	52	52	—	—	—	3
External Director	22	22	—	—	—	2

Total amount of remuneration, etc. of individual directors\*

Category of directors	Total amount of remuneration, etc. (million yen)	Total amount of remuneration, etc. by type (million yen)			
		Basic remuneration	Bonus	Stock options	Share-based remuneration
Satoshi Yamaguchi, President & Representative Director	110	43	52	—	14

\* Only remuneration, etc. of persons whose total amount of remuneration, etc. is 100 million yen or more is stated.

Breakdown of remuneration by position

Position	Fixed-amount remuneration	Performance-linked remuneration		Total	Distribution of evaluation	
		Short-term cash bonus	Share-based remuneration		Company-wide business performance	Individual performance
President & Representative Director	50%	33%	17%	100%	100%	0%
Director & Senior Managing Executive Officer	60%	28%	12%	100%	80%	20%
Director & Managing Executive Officer	65%	25%	10%	100%	80%	20%
Director & Audit and Supervisory Committee member	100%	0%	0%	100%	—	—
External Director	100%	0%	0%	100%	—	—

Amount of fixed remuneration by position (excluding Director & Audit and Supervisory Committee member and External Director)

Position	Fixed-amount remuneration (million yen)
President & Representative Director	43
Director & Senior Managing Executive Officer (set according to job grade)	30 to 32
Director & Managing Executive Officer (set according to job grade)	24 to 26

Calculation method of performance-linked remuneration

The performance-linked remuneration of each director is calculated using the formula shown below:

■ Standard bonus amount = Total basic remuneration of each position/job grade × Total percentage of performance-linked remuneration

■ Total amount of performance-linked remuneration = Standard bonus amount × (Company performance pay coefficient 1\*1 [core operating income vs. budget] × Position weighting + Company performance pay coefficient 2\*1 [year-on-year consolidated revenue] × Position weighting + Company performance pay coefficient 3\*1 [net income attributable to shareholders of parent vs. budget] × Position weighting + Individual performance pay coefficient\*2 x Position weighting)

\*1 The "Company performance pay coefficient" is determined through a "company performance evaluation" which evaluates the rate of achievement of company performance indicators. The Company has set three indicators as company performance indicators: (1) "Amount of core operating income vs. budget;" (2) "Amount of year-on-year consolidated revenue;" and (3) "Amount of net income attributable to shareholders of parent vs. budget."

(1) Amount of core operating income vs. budget  
Following our voluntary adoption of International Financial Reporting Standards in FY2019, we have set "feasibility of core operating income" (degree of achievement) compared to the initial budget as one of the Company's performance indicators, which serves as an important measure of consolidated management related to company performance evaluation. Specifically, the achievement rate of the results versus the initial budget is set as the coefficient. The achievement rate of the results versus the budget for FY2023 was 263%.

(2) Amount of year-on-year consolidated revenue  
We have chosen year-on-year consolidated revenue amount as the second management indicator, which serves as a measure for evaluation in achieving the sustainable growth we aim for. Specifically, the achievement rate of the results versus previous fiscal year's actual results is set as the coefficient. The achievement rate of the results versus previous year's actual results was 109% for FY2023.

(3) Amount of net income attributable to shareholders of parent vs. budget  
We set "Net income attributable to shareholders of parent," the ultimate bottom line, as a third management indicator so that we can continually create value for shareholders and achieve a higher level of contributions. Specifically, the achievement rate of the results versus the initial budget is set as the coefficient. The achievement rate of the results versus the budget for FY2023 was 254%.

\*2 The "individual performance pay coefficient" is determined through an "individual performance evaluation" which evaluates achievement and contribution against the individual performance indicators of each director. Individual performance indicators measure degree of contribution to solving company-wide issues and departmental issues and are set for each director in the form of Key Performance Indicators (KPIs).  
The contents and progress of KPIs are disclosed and disseminated throughout the Company in a way that enhances their transparency and receptivity.

Short-term performance-linked remuneration: Cash bonus

The cash bonus for a single fiscal year, which is short-term performance-linked remuneration, is calculated using the formula shown below:

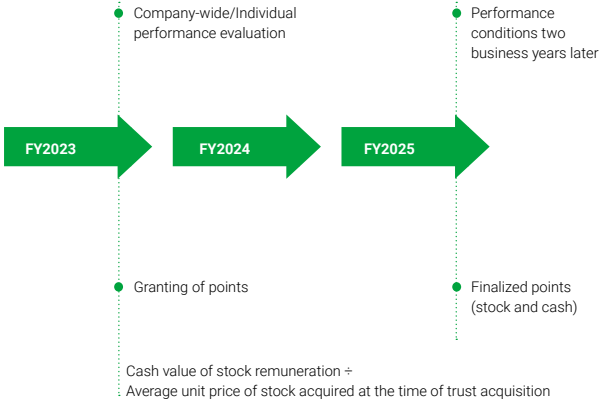
■ Cash bonus = Total amount of performance-linked remuneration for single fiscal year × Percentage of total amount of performance-linked remuneration accounted for by cash bonus

Medium- to long-term performance-linked remuneration: BIP trust

Furthermore, we introduced a BIP trust in FY2020 as a medium- to long-term performance-linked remuneration that is highly transparent and highly correlated to shareholder value. In the BIP trust, points are allocated by applying the average unit price of share acquisition at the time of trust acquisition to the cash amount equivalent to stock remuneration determined based on the performance evaluation in a single fiscal year. This mechanism involves granting stock and providing cash decided according to the degree of achievement of the company-wide performance indicator (ratio of consolidated core operating income to consolidated revenue) in two years’ time where one point is converted to one share. Since stocks, instead of rights, will be granted directly to directors in the BIP trust, this will increase directors’ motivation to create value for shareholders. We also expect the plan and its implementation to be easy to understand and transparent.

The cash value of the stock remuneration is calculated using the formula shown below:

■ Cash value of stock remuneration = Total amount of performance-linked remuneration for single fiscal year × Percentage of stock remuneration in total amount of performance-linked remuneration



Approach to repayment of directors’ remuneration

On April 1, 2022, we instituted a Clawback & Malus clause that enables the Company to require all or a portion of the cash bonus and stock options to be repaid, and stop payment of stock options before they are paid out, in the event of a serious accounting error or fraud, serious breach against the delegation contract, or an act that significantly violates the psychological safety that the Company emphasizes. The targets are cash bonuses and share-based remuneration (performance-linked bonuses) of Directors and Executive Officers (persons who have the role and treatment as "directors" responsible for the management of the Company).  
The details of the disposal shall be deliberated by the Remuneration and Nomination Advisory Committee on a case-by-case basis followed by reporting to the Board of Directors.  
In principle, remuneration paid in the fiscal year in which the applicable event was discovered plus remuneration that trace back to three business years prior are subject to repayment. When requesting repayment, the repayment will be made from cash bonus and stock options for fiscal years starting from FY2022.


Strengthening group governance

In order to enhance the Group's finance and accounting governance, we established a Group-wide accounting, tax and financial management policy in 2019. We are dispatching finance and accounting personnel directly from the head office to major Group companies in order to ensure compliance with these policies.

Domain	Name	Main points
Accounting	Kagome Group Financial Reporting Standards (K-FRS)	● Conformity with IFRS
Tax	Kagome Group Tax Policy	● Compliance with laws and regulations of each country and each region ● Prohibition of tax evasion and excessive tax avoidance
Finance	Kagome Financial Management Basic Policy	● Reduction of risk assets and maximization of capital and asset efficiency ● Risk management and prohibition of speculative financial transactions
	Kagome (Subsidiaries) Financial Management Basic Policy	● Same as above ● No holdings of financial products such as derivatives, in principle

Cross-shareholdings

Our basic policy is to dispose of or reduce, as promptly as possible, the holding of shares considered insignificant. Each year, our company reviews the significance, economic rationality and other factors of cross-shareholding and determines whether or not to continue each holding and the number of shares to be held. The examination of economic rationality sets the value for each holding as of the end of the most recent fiscal year as the standard to calculate the percentage at which the holding contributed to the profit of the Company in such fiscal year. When such percentage is below a figure equivalent to approximately twice the average ROA of the Company for the past five years on a non-consolidated basis, such shares are subject to review for sale. Also reviewed are shares whose market price has declined 30% or more from the book value and shares of a company with whom the Company has transactions amounting to less than 100 million yen per year. Each year, the Board of Directors meet to deliberate on whether or not to sell shares of suppliers and clients that fall below these standards, determine the shares for sale, and sell some of its cross-shareholdings.

 For details on our response to the Corporate Governance Code, please refer to our website.  
<https://www.kagome.co.jp/english/company/ir/data/others/>

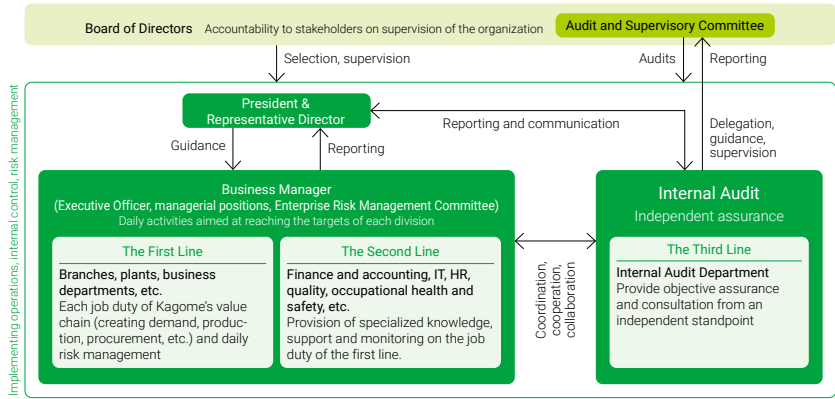
Internal Control

Initiatives based on the Three Lines Model

The Kagome Group conducts measures across the entire Group following the Three Lines Model as a global standard for internal control aimed at expanding its businesses in Japan and overseas to realize its Mid-Term

Management Plan. This initiative aims to utilize a mutual check within the organization by separating and allocating functions appropriately to individual departments without overlap and enable optimal response for the entire company by clarifying the responsibility of each job function.

Three Lines Model



The First Line is responsible for creating demand, production, procurement, primary processing, cultivation, research and development, and developing plant varieties, etc. in Kagome's value chain, namely the frontline of the field. The First Line conducts risk management in daily business activities by assessing the various risks in the execution of job duties at each business site, and implementing an appropriate controlling mechanism for these activities (segregation of duties, rules, documentation, etc.). It also incorporates necessary management systems, such as FSSC 22000 for quality and ISO 14001 for environment, for daily implementation on the first line at each business site.

The Second Line is a specialized organization that oversees finance and accounting, IT, HR, quality, occupational health and safety, etc. and provides daily support while monitoring the duties of the First Line. The Finance & Accounting Department, Information Systems Department, Human Resources Department, Quality Assurance Department, etc. have been established as the departments in charge of the Second Line. Additionally, the Enterprise Risk Management Supervisory Committee implements systematic risk management for the entire company.

The Third Line comprises of the Internal Audit Department, which provides objective assurance (organizational diagnosis through audits) and consulting services from a standpoint that is independent of the First and Second Lines. The Internal Audit Department serves as an organization that adds value to the achievement of Kagome's organizational targets, and needs to have an

organizational independence. As such, it has a double reporting line to the president and the Audit and Supervisory Committee. It promotes improvements within the Group by providing audit reports that present various points of improvements within the organization to the departments under audit, the management, and Audit and Supervisory Committee. The assurance includes internal audits conducted in response to internal risks and activities under the Internal Control Report System stipulated by the Financial Instruments and Exchange Act (J-SOX). In addition, it provides consulting services based on its specialized knowledge upon request from the First or Second Line. It provides advice and training in response to inquiries and requests from dozens of business managers annually.

Internal Control of the Kagome Group as a whole not only depends on the top management, but also requires practice of ethical behaviors from each and every employee in all three lines on a regular basis. For this reason, the Internal Audit Department disseminates information for promoting the internal awareness of all employees throughout the year, as well as annual internal control self-assessment targeting all employees in monitoring changes in awareness and behavior of Kagome's employees. The results of this check are also used in the audit plan for the same fiscal year.

For details on our compliance and internal control, refer to our website. <https://www.kagome.co.jp/english/csr/management/>

Our Responsibility to Shareholders and Investors

Information disclosure

Kagome discloses information to shareholders and investors in a fair, simple and timely manner. We attach great importance to opportunities for two-way communication with shareholders and investors through IR events such as the General Meeting of Shareholders, financial results briefing, Talks with the President, and production plant tours, among others.

General Meeting of Shareholders

We encourage all shareholders to participate in its General Meeting of Shareholders. This is achieved by disclosing on the Company's website and sending out as early as possible the content of the convocation notice and documents accompanying the convocation notice. On the actual day of the meeting, we provide visual presentations of the Chair's explanations and videos in an effort to make the reports easy to understand. Furthermore, we stream the meeting live online so that shareholders who are unable to

attend may listen in. After the meeting, we promptly disclose details on Q&A sessions and results of questionnaires. In this manner, we are working to enhance and expand communication with shareholders.

Management oversight

Kagome recognizes that management oversight is enhanced through feedback on corporate activities and business performance from the perspective of numerous shareholders. As such, in 2001, we began working to attract 100,000 Kagome Fan shareholders. This initiative drove shareholder numbers past the 100,000 mark on September 30, 2005. Today, the number of shareholders stands at around 200,000. We will continue to appropriately reflect the valuable opinions and needs of our shareholders in all our corporate activities.

Compliance

Revision of Code of Conduct

In recent years, the world is seeing more severe issues in all aspects of society while Japan has been experiencing a continuous super aged society and frequent natural disasters. In light of these, we revised our Code of Conduct with a view to realizing a sustainable society for Kagome's survival, looking to the environment that requires a "mutual support" spirit and framework.

The new Code of Conduct consists of three pillars: "mutual support," "respect for human rights" and "fairness," and it is considered pivotal for the daily activities of Kagome Group employees, indicating how they should behave as corporate citizens as Kagome set its sights on becoming a "strong company capable of sustainable growth, using food as a means of resolving social issues" by 2025. We will seek to raise awareness of the revised Code of Conduct and maintain high ethical standards as we fulfill our social responsibilities in compliance with laws, regulations, international rules and the spirit of our Code of Conduct.

Compliance promotion system

The Kagome Group has established a Compliance Committee, under the supervision of the Enterprise Risk Management Committee chaired by Kagome's President. The Compliance Committee, which is chaired by the Executive Officer with responsibility for overseeing compliance, undertakes the verification of compliance promotion and monitoring status. The results of the Compliance Committee's deliberations are reported to the members of the Management Meeting via the Enterprise Risk Management Committee. The Legal Department, which functions as the committee's secretariat, plays the central role in day-to-day compliance operations. Kagome established the Kagome Compliance Hotline at an outside law firm, which is accessible to all domestic Group employees, and through which reports can be made and guidance given with regard to illegal or suspicious activities (including harassment and corruptions such as bribery) in the workplace.

Kagome takes steps to protect the privacy of employees who make reports to ensure that these employees do not suffer any adverse consequences. We quickly conduct investigations based on the information received and take appropriate countermeasures. In such cases, respecting the principle that whistleblowers and other related parties cannot be identified, we share information internally so as to prevent similar incidents from occurring in the future. In FY2023, the Kagome Compliance Hotline was used 25 times, and each case was resolved.

Kagome fully recognizes the importance of compliance in relation to Group companies located overseas. An overseas internal reporting system was introduced, and the scope of this system has been gradually expanded to include the Group companies located in the U.S. and Australia.

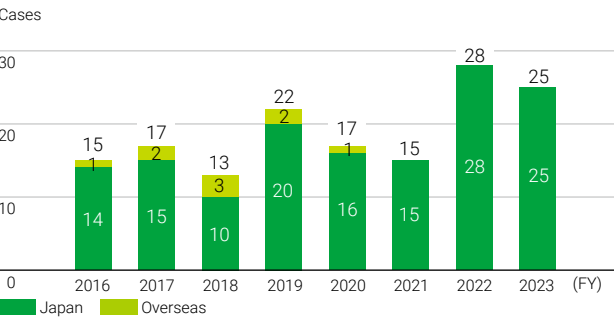
We will continue to strive to prevent and rapidly identify infringements through the appropriate operation of these systems.

In the event of compliance-violation, we will endeavor to accurately gather the facts and investigate the root cause, and take the facts seriously and carry out strict actions to thoroughly prevent recurrence as well as appropriately discipline the employees involved in the violation.

In FY2023, there was no case leading to legal measures, such as bribery or corruption.

Kagome Compliance Hotline

Number of Consultations and Reports Received



Initiatives to maintain rigorous compliance

Having formulated the Kagome Group Compliance Implementation Rules, the Kagome Group in Japan implements thorough compliance throughout the Group. At domestic Group companies, the Legal Department, which serves as the secretariat of the aforementioned Compliance Committee, leads these efforts. Compliance implementation activities involve not only the preliminary checks in compliance-related cases and the dissemination of compliance-related information, including bribery prevention and consideration of human rights, but also in-house compliance training conducted on an ongoing basis using group training and e-learning for new employees and new managers that incorporate awareness raising, case studies, and group discussions.

In recent years, as an initiative for anti-corruption, which has become an important worldwide issue as indicated in the SDGs, we evaluated the bribery risks of overseas subsidiaries, and formulated the Kagome Group Corruption Prevention Policy to complement the Code of Conduct. In addition, in response to the expansion of business areas such as smart agriculture, we are conducting reviews on the export control system in order to achieve an appropriate import & export control from a security perspective in terms of international peace and security maintenance. We strive to prevent corruption by conducting regular audits on the status of compliance and operation, with the monitoring results reported to the Board of Directors.

Tax compliance

In all the countries and regions where it conducts its business operations, the Kagome Group observes and adheres to tax laws, maintains good relationships with tax authorities, and contributes to society by paying the appropriate taxes. We also respond in a timely and appropriate manner with regard to annual revisions to taxation systems and changes in international taxation rules, including tax treaties, conventions and OECD guidelines. Internally, we carry out regular e-learning and other training with regard to tax compliance, in order to heighten employees' awareness regarding observance of tax laws. With regard to transfer pricing taxation, we have established transfer pricing management regulations. For international transactions between companies belonging to the Group, we analyze the functions, assets and risks associated with each party in the transaction based on the arm's length price principle, and calculate appropriate profit allocations and transfer prices based on their respective contributions.



Basic Policy on Risk Management

Kagome aims to become a “strong company capable of sustainable growth, using food as a means of resolving social issues” and a company that can fulfill the expectations of all stakeholders. Toward this end, we believe it is important for each and every person who works at Kagome to not only abide by laws and regulations, but also fulfill their social responsibilities with a high level of ethical values. In addition to acting ethically based on our Corporate Philosophy and Code of Conduct, it is important for employees to respond appropriately to various risks surrounding the Company based on our Corporate Philosophy and Code of Conduct.

Specifically, strategy risks, social and environmental risks, and operational risks involving the execution of important business operations are assessed and examined by the management institutions such as the Management Meeting and Board of Directors. Operational risks involving the execution of other business operations are addressed by each organization following the Kagome Group Risk Management Policy. Furthermore, the Regulations on Official Authority require that all levels of managerial positions implement and supervise risk management within the scope of operations of their own respective departments. The Company defines risk as “uncertainties that negatively affect business operations.”

Kagome Group Risk Management Policy

We stand committed to fulfilling our social responsibilities by becoming “strong company capable of sustainable growth, using food as a means of resolving social issues,” under our vision of “transforming from a tomato company into a vegetable company.” Toward this end, we identify and assess various risks that could occur in the constantly changing external environment or in our own operations, and respond accordingly.

Additionally, we are working to enhance our ability to deal with risks, having established a system that enables us to prevent damages from spreading as well as minimize damages and losses in the event that a serious incident were to occur.

Risk Management Structure

Kagome has established a risk management system based on the approach of the Three Lines Model.

i) Enterprise Risk Management Committee

The Enterprise Risk Management Committee, chaired by the President, oversees risk management activities for the Group as a whole with the CRO serving as director of the committee’s administrative office. The committee, which is in charge of the First and Second Lines, monitors the initiatives of each line to implement the PDCA cycle for companywide risk management activities, using integrated perspectives based on management strategies.

ii) First and Second Lines

The First Line entails identifying and assessing risks related to one’s own work and creating action plans to define the response. At Kagome, persons in charge of specific operations at our plants, branches, domestic and overseas subsidiaries, and the departments therein form the First Line.

The Second Line involves creation of basic policy and procedures for risk management activities related to risk domains it is responsible for. It also checks that risk management activities of the First Line are carried out appropriately through monitoring of and advice provided to the First Line. At Kagome, departments responsible for sales and production, such as the Sales Promotion Department and Production Department, and corporate head office departments, such as the Finance & Accounting Department, form the Second Line. Additionally, the CRO is responsible for overseeing the entire Second Line.

Risks identified and assessed by the First Line are organized and integrated from the standpoint of Group-wide management, and reported to management institutions including the Board of Directors by the Second Line.

The First and Second Lines work together to identify and assess risks and implement the PDCA cycle of risk management activities for the Company as a whole.

iii) Third Line

The Internal Audit Department, which serves as the Third Line, provides objective assurances for the risk management activities of the First and Second Lines from an independent standing.

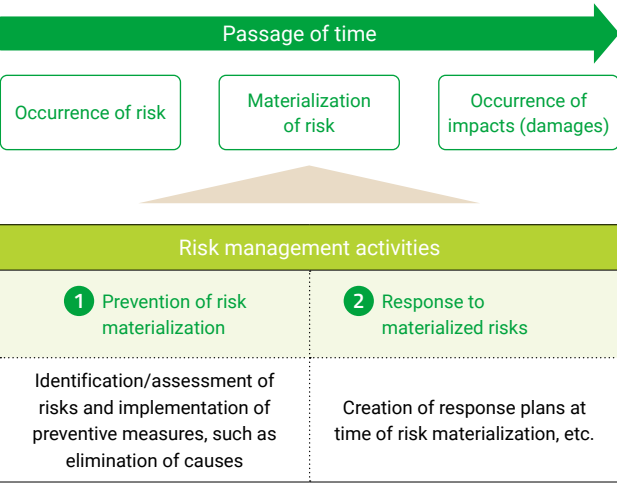
The Internal Audit Department, while maintaining its independence, conducts effective and efficient audits by cooperating mainly with the Enterprise Risk Management Committee to share management strategies and the basic policy on risk management activities carried out by the First and Second Lines based on these strategies.

In addition, findings by the Internal Audit Department are shared with the Enterprise Risk Management Committee as well as the audited departments. The Enterprise Risk Management Committee organizes the positioning of shared audit findings as issues in risk management activities for the entire Group. The Internal Audit Department adds integrated risks or revises assessments for the Group as a whole, and provides advice on improvement activities to the target departments.

For details, see our website.  
<https://www.kagome.co.jp/english/company/ir/data/others/>

Risk Management Activities

The primary focus of our risk management activities is the prevention of risk materialization and response to risks that have already materialized. In case of both our initiatives for prevention of risk materialization and response to risks that have already materialized, specific activities entail risk management based on management plans and business targets using the PDCA cycle.



1 Prevention of risk materialization

i) Basic framework

The Company organizes risks concerning corporate activities into the following three categories in order to conduct appropriate management based on the nature and content of risks.

● Strategy risks

Risks designated by the Company as being recognized to have serious impacts based on mid- to long-term management strategies

● Social and environmental risks

Risks generally recognized as force majeure if materialized among those risks caused by external factors such as socioeconomic environment or natural disasters

● Operational risks

All other risks excluding strategy risks and social and environmental risks

Based on the above three categories of risks, those risks recognized individually are separated into the following two risks depending on the impact they have on corporate management.

● Risks covered in priority risk themes of the Company

Risks from among strategy risks, social and environmental risks, and operational risks that are assessed to have a large impact on corporate management. The Management Meeting or Enterprise Risk Management Committee implements risk management activities for these risks using the PDCA cycle, and it also reports to the Board of Directors.

● Risks covered in risk themes of each organization

Risks other than priority risk themes of the Company. As risk owner, each organization implements risk management activities for these risks using the PDCA cycle.

		Plan: determine a plan and response	Do: execute	Check: monitor and evaluate progress and response status	Action: rectify and improve risk response
Priority risk themes of the Company	Strategy risks	Management Meeting: designate strategy risks and determine priority risk themes	Each organization: implement risk response	Management Meeting: check reports from each organization Each organization: report on progress to Management Meeting	Management Meeting: point out areas of improvement to each organization Each organization: reflect findings in activities
	Social and environmental risks	Each organization: determine a plan and response			
	Operational risks	Management Meeting: determine priority risk themes Each organization: determine a plan and response -> appears in the KPI target sheet of risk owners	Each organization: implement risk response	Management Meeting and Enterprise Risk Management Committee: check reports from each organization Each organization: self-evaluate themes and formulate future plans	Management meeting and Enterprise Risk Management Committee: point out areas of improvement to each organization Each organization: reflect findings in KPI target sheet
Risk themes of each organization	Operational risks	Each organization: determine a plan and response -> appears in the KPI target sheet of risk owners	Each organization: implement risk response	Each organization: manage and evaluate progress	Each organization: rectify and improve

ii) Priority risk themes for the Company in FY2024

We recognize the following risks covered in priority risk themes for the Company, which are subject to priority risk management activities. In order to achieve appropriate management based on the nature and content of risks, we classify and disclose risks into three categories: strategy risks (1 to 3), social and environmental risks (4 to 7), and operational risks (8 to 12).

Priority risk themes	Contents
1 Management strategies	<ul style="list-style-type: none"><li>● Deterioration of profits due to gap between budget and actual results</li><li>● Deterioration in performance and loss of revenue opportunities due to failures or delays in new businesses and/or M&amp;A</li><li>● Deterioration in profitability and impact on financial condition due to decline in the value of owned assets</li></ul>
2 Human resources strategy	<ul style="list-style-type: none"><li>● Shortage of human resources for growth domains, new businesses, and expansion of overseas business areas</li><li>● Shortage of human resources in specialized domains (DX, finance and accounting, etc.)</li><li>● Falling short of targets on diversity and inclusion</li></ul>
3 Establishment of appropriate governance structure	<ul style="list-style-type: none"><li>● Deficiencies in effectiveness of the Board of Directors and Audit &amp; Supervisory Committee</li><li>● Disabling of internal control caused by management</li></ul>
4 Consumers and public relations	<ul style="list-style-type: none"><li>● Litigation, boycotts, and damage to brand image due to inappropriate advertising or failure to address customer needs</li></ul>
5 Social situation and customer needs	<ul style="list-style-type: none"><li>● Economic recession or decline in demand in Japan or decline in sales due to delays in addressing consumer needs</li></ul>
6 Financial markets	<ul style="list-style-type: none"><li>● Rising capital procurement costs or deteriorating liquidity caused by fluctuations in foreign exchange rates or interest rates</li></ul>
7 Natural disasters and force majeure	<ul style="list-style-type: none"><li>● Suspension of plant operations and other business activities due to disasters such as earthquakes, infectious diseases, conflicts, etc. (BCP)</li><li>● Stalled raw materials procurement caused by extreme weather</li></ul>
8 Information management and cybersecurity	<ul style="list-style-type: none"><li>● Unauthorized server access due to cyberattack or loss of personal information or confidential information due to inappropriate management</li></ul>
9 Health and safety	<ul style="list-style-type: none"><li>● Negative health effects on employees incurred due to occupational accident in the workplace or long working hours or infectious disease, etc.</li></ul>
10 Safety of products and services	<ul style="list-style-type: none"><li>● Possibility of shipment of defective products, negative health effects, and liability costs due to foreign contaminants, labeling errors, inadequate quality inspections, contamination of different varieties of seeds, inadequate quality inspections of non-food products, etc.</li></ul>
11 Supply chain (procurement, production, transport/logistics)	<ul style="list-style-type: none"><li>● Sudden spikes in demand or shortages of seedlings or other raw materials</li><li>● Stalled production and/or shipments due to system failures at automated warehouses or in logistics</li><li>● Instability of product supply due to decreased transport capacity caused by stricter labor management in the logistics industry, etc.</li></ul>
12 Regulations and violations of laws/rules	<ul style="list-style-type: none"><li>● Serious violations of laws or rules (Companies Act, tax law, Financial Instruments and Exchange Act, Tokyo Stock Exchange rules, etc.)</li><li>● Violations of food safety related regulations, illicit activities of individuals, and scandals involving affiliated companies</li><li>● Negative evaluations from shareholders and investors because of delayed response to environmental issues (GHG emissions reduction, water resource issues, plastics issues, etc.)</li><li>● Decline in social trust due to the occurrence of human rights issues (forced labor, harassment, etc.) at the Company and/or business partners in the supply chain</li></ul>

2 Response to materialized risks

i) Basic framework

In order to respond effectively and efficiently to risk materialization events, the Company classifies these events based on the assessment of their impact and develops a business continuity plan and other response plans according to risk materialization.

ii) Business continuity plan (BCP)

The Company has prepared a business continuity plan based on the scenarios in several individual contingencies anticipated in the future.

A business continuity plan is generally prepared for each business segment. However, since the value chains of multiple business segments overlap or are approximated, the Company has created a business continuity plan for each important product and function.

Along with important products, Kagome's business continuity plan consists of four important functions: procurement, supply chain management (SCM), finance and accounting, and public relations. Procurement and supply chain management are essential functions for conducting production activities as a food manufacturer. In addition, finance and accounting is the basic function for the survival of the Company, the maintenance of the supply chain, the livelihood of employees, and the other production activities of the Company as a business. Public relations is a function considered important in light of "Corporate openness," forming part of the Company's corporate philosophy. Accountability to internal and external stakeholders is absolutely necessary, especially in emergencies, and public relations is considered an essential function for this purpose.

Through the business continuity plan, Kagome's business activities will continue even in the event of a contingency, or Kagome will promptly recover from the cessation of business operations to preserve corporate value.

iii) Other initiatives to address the materialization of risks

Currently, we are developing a plan for responding to the materialization of individual risks, including a business continuity plan, and are systematically organizing these individual response plans in accordance with the Business Continuity Guidelines published by the Cabinet Office and creating an integrated response plan. In the process of these efforts, we ensure the proactive involvement of stakeholders within the Kagome Group and obtain support from external experts as appropriate. In addition, the Company has established a PDCA cycle that regularly reviews response plans through tabletop training and simulations (dry runs) in an effort to improve our ability to respond to risks that materialize.

[Examples] initiatives to address the materialization of risks

We are preparing a business continuity plan in case a risk event materializes. In doing so, it is important to make sure that the plan is efficient and effective to ensure the plan is reasonable. To this end, we believe it is important to establish a PDCA cycle: preparing a business continuity plan → conducting training → verifying the results of the training → reflecting the results in the business continuity plan.

Based on this idea, in 2023, we carried out tabletop training using the prepared plan for the purpose of confirming the effectiveness of the business continuity plan for important products and four functions (procurement, supply chain management, finance and accounting, and public relations) created in the previous year. We also examined effective training methods.

Specifically, the training drill was conducted based on the scenario of a Nankai Trough earthquake, which is said to have a high probability of occurring and will have wide-ranging and long-lasting effects. Training drills were not limited to the initial response in the event of a disaster; they were conducted to verify whether the business continuity plan would function in each phase, assuming the situation would change in three phases: immediately after the earthquake, three days after the earthquake (when the initial response has been completed to a certain extent), and seven days after the earthquake (social infrastructure begins to recover and detailed damage information is gathered).

The results obtained through the training drill will be reflected in each business plan to improve its sophistication, and will also be utilized in future training plans, with the aim of improving our ability to respond when risks do emerge.



Tabletop training at the Tokyo Head Office



Tabletop training at the Kozakai Plant



Directors (As of March 31, 2024)



1 Satoshi Yamaguchi

(Date of birth: December 29, 1960)

President & Representative Director  
Remuneration and Nomination Advisory  
Committee Member

- 1983 Joined the Company
- 2003 General Manager, Institutional & Industrial Business Unit
- 2010 Executive Officer
- 2010 Director, Institutional & Industrial Business Division
- 2015 Director, Innovation Division
- 2018 Director, Vegetable Business Division
- 2019 Director & Managing Executive Officer
- 2020 President & Representative Director (to present)

2 Hirohisa Kobayashi

(Date of birth: July 16, 1961)

Director & Managing Executive Officer  
Domestic Processed Food Business Officer

- 1984 Joined the Company
- 2005 General Manager, Taiwan Kagome Co., Ltd.
- 2006 General Manager, Probiotics Business Unit (responsible for marketing)
- 2009 General Manager, Consumer Sales Department, Osaka Branch
- 2014 Executive Officer
- 2014 Director, Consumer Business Division
- 2015 Managing Executive Officer
- 2015 Director, Marketing Division
- 2018 Director, Sales Division
- 2019 Director & Managing Executive Officer (to present)
- 2023 Domestic Processed Food Business Officer (to present)

3 Yoshihisa Hairo

(Date of birth: October 6, 1967)

Director & Executive Officer and Director,  
Production & Purchasing Division

- 1990 Joined the Company
- 2013 Director of Kagome Australia Pty Ltd.
- 2016 General Manager, Global Quality Assurance Department, International Business Division of the Company
- 2019 General Manager, Purchasing Department, Production & Purchasing Division
- 2020 Director, Production & Purchasing Division (to present)
- 2021 Executive Officer
- 2024 Director & Executive Officer (to present)

4 Harunobu Okuya

(Date of birth: March 17, 1968)

Director & Executive Officer, General Manager,  
Corporate Planning Department, and General  
Manager, US Growth Strategy Department

- 1990 Joined the Company
- 2013 General Manager, Planning & Coordination Department, Asia Business Company
- 2014 CFO and General Manager, Planning & Coordination Department, Asia Business Company
- 2015 General Manager, Planning & Coordination Department, Global Consumer Business Department
- 2016 General Manager, Planning & Management Department, International Business Division
- 2021 General Manager, Corporate Planning Department and General Manager, US Growth Strategy Department (to present)
- 2022 Executive Officer
- 2024 Director & Executive Officer (to present)

5 Hidemi Sato

(Date of birth: February 17, 1959)

External Director  
Independent Remuneration and Nomination  
Advisory Committee Member

- 1981 Joined Mitsubishi Electric Corporation
- 1996 Completed Doctoral Program at Graduate School of Ochanomizu University, earned a doctorate (Doctor of Philosophy in Food Science)
- 1997 Part-time lecturer at Fukushima University, The Open University of Japan, Nippon Veterinary and Animal Science University (currently Nippon Veterinary and Life Science University)
- 1999 Part-time lecturer at Meiji University College
- 2015 Visiting professor at Nippon Veterinary and Life Science University (to present)
- 2017 External Director of the Company (to present)

6 Kumi Arakane

(Date of birth: July 4, 1956)

External Director  
Independent Remuneration and Nomination  
Advisory Committee Member

- 1981 Joined KOBAYASHI KOSÉ COMPANY LIMITED (currently, KOSÉ Corporation)
- 1997 Obtained a doctorate (Doctor of Pharmacy) from the University of Tokyo
- 2002 Senior Chief Researcher, R&D Headquarters Advanced Cosmetic Research Laboratories of KOSÉ Corporation
- 2004 General Manager, Product Development Dept., Marketing Headquarters of KOSÉ Corporation
- 2006 Executive Officer, Deputy Director-General of Marketing Headquarters and General Manager of Product Development Dept. of KOSÉ Corporation
- 2010 Executive Officer, General Manager, R&D Laboratories of KOSÉ Corporation
- 2011 Executive Officer, General Manager, Quality Assurance Dept. of KOSÉ Corporation
- 2011 Director, KOSÉ Corporation (in charge of Quality Assurance Dept., Customer Service Center, Purchasing Dept., and Product Designing Dept.)
- 2017 Audit & Supervisory Board Member, KOSÉ Corporation
- 2019 Outside Audit & Supervisory Board member, Kubota Corporation
- 2020 External Director of the Company (to present)
- 2020 Outside Director, Toda Corporation (to present)
- 2021 Outside Director, Kubota Corporation (to present)

7 Hitoshi Takano

(Date of birth: June 5, 1964)

Director & Audit and Supervisory Committee  
Member

- 1988 Joined the Company
- 2005 Unit Director, Vegetable Beverage Business Unit
- 2008 Executive Officer
- 2008 Unit Director, Beverage Business Unit
- 2009 General Manager, Product Planning Department, Consumer Business Division
- 2010 General Manager, Business Administration Department, Global Business Company
- 2014 Director, Direct Marketing Division
- 2016 Nagoya Branch Manager
- 2017 Director, Corporate Planning Division
- 2018 Director, SCM Division
- 2023 Assistant to President and Responsible for Special Assignment Projects
- 2024 Director, Audit and Supervisory Committee Member (to present)

8 Tatsuya Endo

(Date of birth: August 18, 1959)

External Director, Audit and Supervisory  
Committee Member  
Independent Remuneration and Nomination  
Advisory Committee Member

- 1985 Joined Arthur Andersen & Co., Tokyo Office
- 1990 Certified as tax accountant
- 1998 Partner at Arthur Andersen & Co., Tokyo Office
- 2002 Partner at Asahi KPMG Tax Corporation (currently, KPMG Tax Corporation)
- 2016 Deputy Senior Partner at KPMG Tax Corporation
- 2020 Representative of Tatsuya Endo Tax Accountant Office (to present)
- 2020 External Director, Audit and Supervisory Committee Member of the Company (to present)

9 Asako Yamagami

(Date of birth: January 1, 1970)

External Director, Audit and Supervisory  
Committee Member  
Independent Remuneration and Nomination  
Advisory Committee Member

- 1999 Registered as attorney-at-law. Joined Taiyo Law Office (currently, Paul Hastings LLP)
- 2005 Seconded to The Walt Disney Company (Japan) Ltd.
- 2006 Joined IBM Japan, Ltd.
- 2012 Contracted attorney, Office of International Affairs, Japan Federation of Bar Associations
- 2012 Joined Natori Law Office (currently, ITN Partners) as Partner (to present)
- 2015 Outside Director, Audit & Supervisory Committee Member, Musashi Seimitsu Industry Co., Ltd.
- 2016 Director, Office of International Affairs, Japan Federation of Bar Associations
- 2020 External Director, Audit and Supervisory Committee Member of the Company (to present)
- 2020 External Director, Audit and Supervisory Committee Member, Nikon Corporation (to present)
- 2021 Outside Director, NEC Capital Solutions, Limited (to present)