

Last Update: 27th June 2025

MARUDAI FOOD CO., LTD.

Yuji Sato, President and Representative Director

Contact: 072-661-2514

Securities code: 2288

<https://www.marudai.jp/>

The corporate governance of MARUDAI FOOD CO., LTD. (the “Company”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Key Information

1. Basic Views

Our basic approach to corporate governance is to maintain steadfast commitment to corporate management that earns the trust of our customers. In light of increasing customer interest regarding “food safety and reliability”, we are striving to further strengthen our quality assurance framework to ensure we can offer safer and more reliable food products. This includes establishing a hygiene management system based on the HACCP framework, ensuring the safety of our products, and providing accurate labelling in compliance with relevant laws and regulations.

In addition, in January 2004, we established the “Marudai Food Group Code of Conduct.” This serves as a foundation for legal and regulatory compliance across all our corporate activities and reflects our commitment to corporate ethics. Through this, we aim to further raise awareness of compliance among all officers and employees of the Group, and to build a company that is widely supported by our customers, shareholders, business partners, and society at large.

Reasons for Non-Compliance with the Principles of the Corporate Governance Code

The Company implements all the principles of the Corporate Governance Code.

Disclosure Based on Each Principle of the Corporate Governance Code

Principle 1.4 Cross-Shareholdings

(1) Policy on Cross-Shareholdings

The Company believes that collaboration with various companies is essential in all aspects of our operations, including research and development, manufacturing, logistics, sales, services, and financing. From this perspective, our policy is to hold cross-shareholdings only when, upon a comprehensive assessment of business relationships and strategic considerations, such holdings are deemed to contribute to our sustainable growth and the medium- to long-term enhancement of corporate value.

Furthermore, at the Board of Directors meeting held in November 2024, the Company engaged in deeper discussions regarding the rationale for retaining cross-shareholdings and resolved to move forwards with their reduction. Specifically, we aim to reduce the balance of cross-shareholdings by approximately 20% from the level as of 31st March 2024 by 31st March 2026, and to lower the ratio of cross-shareholdings to consolidated net assets to 20% or less.

(2) Verification of Cross-Shareholdings

For each individual cross-shareholding, the Company verifies the purpose and rationale of holding from the perspectives of the Company's sustainable growth, the medium- to long-term enhancement of corporate value, as well as maintaining and strengthening overall relationships with business partners. The results of this verification are reported to the Board of Directors annually, and a comprehensive review is conducted to determine the appropriateness of continuing each holding.

In verifying the rationale, we assess whether the benefits and risks associated with the shareholding are commensurate with the cost of capital.

(3) Standards for Exercising Voting Rights Pertaining to Cross-Shareholdings

When exercising voting rights, we make a comprehensive judgment as to whether the proposal contributes to the sustainable growth and the medium- to long-term enhancement of corporate value of both the Company and the investee. Based on this assessment, voting rights are exercised appropriately.

Principle 1.7 Related Party Transactions

When the Company engages in related party transactions with its Directors or major shareholders, such transactions are subject to approval by the Board of Directors in accordance with the Company's internal regulations.

Supplementary Principle 2.4.1 Ensuring Diversity

The Company considers the promotion of work style reform, the expansion of flexible working options, and the promotion of diversity as key priorities in securing a diverse workforce, especially in response to increasingly diversified hiring practices and the intensifying competition for talent. As of fiscal year 2024, women represented 5.6% (6.3% for the Group) of the Company's managerial positions. We aim to raise this ratio to at least 10% by 2032 and are actively promoting initiatives to support the advancement of women in the workplace.

We also strive to create an environment where individuals of all ages, nationalities, genders, and professional backgrounds can thrive. The number of mid-career hires has been increasing year by year, and we intend to continue this proactive hiring approach. Regarding our talent strategy aimed at enhancing corporate value over the medium- to long-term, we are strengthening educational management on human resource development that cultivates diverse values and expertise, thereby realizing organizational capabilities that provide a competitive advantage.

Principle 2.6 Roles of Corporate Pension Funds as Asset Owners

The Company appoints appropriate personnel, including Directors and Executive Officers in charge of Accounting Department and General Affairs and Human Resources Department, and has established the Asset Management Committee within the corporate pension fund. The Asset Management Committee regularly receives reports from asset management institutions on the management status of pension assets and conducts monitoring as needed.

Principle 3.1 Full Disclosure

1. The Company discloses its corporate philosophy on its website.

- Corporate Philosophy

<https://www.marudai.jp/corporate/company/standard.html> (in Japanese only)

In addition, the Company also discloses its medium- to long-term management strategies on its website.

- Medium-Term Management Plan

<https://www.marudai.jp/corporate/ir/management/plan.html> (in Japanese only)

2. The Company's basic approach to corporate governance is based on its corporate philosophy. We are committed to corporate management that earns the trust of all stakeholders, including customers, shareholders, business partners, and local communities. The basic approach to corporate governance is disclosed in the Corporate Governance Report and the Annual Securities Report.

- Annual Securities Report

<https://www.marudai.jp/corporate/ir/material/reporting.html>

3. At the 77th Ordinary General Meeting of Shareholders held on 26th June 2025, proposals regarding the "Revision of Amount of Remuneration for Directors" and "Determination of the Amount and Details of Performance-linked Share-based Remuneration, etc. for Directors" were approved. Based on this, our new policy for determining individual remuneration for Directors has been established. The policy and procedures are disclosed in the Notice of the Ordinary General Meeting of Shareholders and the Annual Securities Report.

For further details, please refer to the "Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods" under the "Director Remuneration" section of this report.

4. Based on the management philosophy of the Group, the Company nominates candidates for Directors and Statutory Auditors who possess appropriate experience and a high level of insight, contributing to effective corporate governance and the sustainable growth and medium- to long-term enhancement of corporate value of the Company. In appointing or dismissing Directors, deliberations are conducted by the Nomination and Remuneration Committee, in accordance with internal regulations, to ensure objectivity and transparency. The Board of Directors makes decisions based on the Committees' recommendations. For Statutory Auditors, appointments are made by resolution of the Board of Directors with the consent of the Board of Statutory Auditors.

5. Please refer to the career summaries in the "Directors (and other officers)" section of the 77th Annual Securities Report published on the Company's website.

- Annual Securities Report

<https://www.marudai.jp/corporate/ir/material/reporting.html>

Supplementary Principle 3.1.3 Initiatives on Sustainability

The Company is committed to thoroughly informing its officers and employees about sustainability-related issues, including social and environmental challenges, and actively addressing these matters. In December 2021, we established the Sustainability Committee and formulated our Basic Sustainability Policy. Furthermore, in April 2023, we established the Sustainability Promotion Office to further promote our sustainability initiatives. Details of the Company's initiatives are disclosed in our Integrated Report and ESG Data, available on our website.

- Integrated Report and ESG Data

<https://www.marudai.jp/corporate/sustainability/data/esg.html> (in Japanese only)

With respect to disclosure based on the TCFD or equivalent frameworks, we conducted a scenario analysis on climate change, as recommended by the TCFD, and identified climate change-related risks and opportunities for products manufactured at our in-house factories. We also assessed the financial impact of these factors. Based on this assessment, we are prioritising countermeasures for both Company-related and environmental risks and opportunities, taking into account their potential financial impact. We are also promoting countermeasures including securing the necessary budget. Information regarding our TCFD initiatives is disclosed in our Annual Securities Report.

- Annual Securities Report

<https://www.marudai.jp/corporate/ir/material/reporting.html>

Supplementary Principle 4.1.1 Decisions and Scope of Delegation of the Board of Directors

The Board of Directors makes decisions on matters stipulated by laws and regulations, the Articles of Incorporation, and other important matters defined in the internal regulations as requiring Board resolution. Prior to Board resolutions, such matters are deliberated in the Management Meeting to enable prompt and appropriate decision-making by the Board.

Principle 4.9 Independence Standards and Qualification for Independent Directors

The Company has established and disclosed its "Independence Standards for Outside Directors/Statutory Auditors", which are based on the independence criteria prescribed by financial instruments exchanges.

The Board of Directors selects candidates for Independent Outside Directors who possess extensive experience and broad insight.

Supplementary Principle 4.10.1 Optional Nomination Committee and Remuneration Committee

To enhance the transparency and objectivity of officer nomination and remuneration decisions, the Company has established a Nomination and Remuneration Committee, the majority of whose members are Independent Outside Directors. This Committee deliberates on matters such as the nomination and remuneration of Directors and reports its recommendations to the Board of Directors. Based on these recommendations, the Board determines the amount of remuneration in accordance with internal regulations.

Supplementary Principle 4.11.1 View on the Diversity and Size of the Board of Directors as a Whole and Procedures Thereof

The Board of Directors is composed of Directors with diverse expertise and experience to appropriately supervise the execution of business operations and make important decisions. To ensure prompt decision-making, the Articles of Incorporation stipulate that the number of Directors shall not exceed ten. To secure the objectivity and independence of the Board of Directors as a whole, the Company appoints two Independent Outside Directors and two Independent Outside Statutory Auditors. The Board of Directors identifies the skills required in light of the management strategy and prepares and discloses a skills matrix for Directors. Among the Independent Outside Directors are individuals with management experience at other companies.

Supplementary Principle 4.11.2 Concurrent Positions Held by Independent Outside Directors and Statutory Auditors

In consideration of their fiduciary duty, Directors and Statutory Auditors limit their concurrent positions as officers of other listed companies to a reasonable extent. The status of significant concurrent positions held by Directors and Statutory Auditors is disclosed in the "Directors (and other officers)" section of the Annual Securities Report and in the "Matters Concerning Company Officers" section of the Business Report of included in the General Meeting of Shareholders materials.

- Annual Securities Report

<https://www.marudai.jp/corporate/ir/material/reporting.html>

- General Meeting of Shareholders materials

<https://www.marudai.jp/corporate/ir/material/meeting.html>

Supplementary Principle 4.11.3 Analysis and Evaluation of the Effectiveness of the Board of Directors as a Whole

To enhance the functions of the Board of Directors and ultimately increase corporate value, the Company conducts self-assessments and analyses of the Board's effectiveness.

With the advice of an external organization, the evaluation was conducted as follows.

In April 2025, a questionnaire was distributed to all Directors and Statutory Auditors who are members of the Board. Anonymity was ensured by having responses submitted directly to the external organization. Based on the aggregated results reported by the external organization, the Board analysed, held discussions and evaluated its effectiveness at the June 2025 Board meeting. The summary of the results is as follows.

The results indicated a generally positive assessment regarding the composition and operation of the Board, and it was confirmed that the Board's overall effectiveness is being properly maintained.

At the same time, some respondents noted the importance of more thorough discussions at the Board level regarding the Company's strategic direction, including follow-up on the progress of the medium-term management plan and deliberations on business strategies based on profitability and capital efficiency. These insights revealed opportunities for further enhancing Board functions and encouraging more active discussions.

Going forward, the Board of Directors will swiftly address the issues after thorough review based on this effectiveness evaluation, and will continue to work to improve the function of the Board of Directors.

Supplementary Principle 4.14.2 Training Policy for Directors and Statutory Auditors

The Company provides and arranges training opportunities for Directors and Statutory Auditors to ensure they acquire the necessary knowledge and deepen their understanding to fulfil their roles and responsibilities. The costs associated with such training are borne by the Company.

Upon their appointment, Directors and Statutory Auditors, including Independent Outside Directors and Independent Outside Statutory Auditors, are provided with training sessions to help them acquire the necessary knowledge of the Company's business, finances, organization, and other relevant areas.

Principle 5.1 Policy for Dialogue with Shareholders

The Company engages in dialogue (including interviews) with shareholders with the aim of fostering constructive dialogue that contributes to sustainable growth and the medium- to long-term enhancement of corporate value. As a general rule, Directors and Executive Officers participate in such dialogue within a reasonable scope and method, as appropriate, depending on the subject matter.

To facilitate constructive dialogue with shareholders, the Director in charge of IR leads efforts by appropriately sharing information with relevant internal departments such as the Accounting Department, Corporate Strategy Office, and General Affairs and Human Resources Department, striving to realize organic collaboration. To promote constructive dialogue, the Company endeavours to ascertain the structure of its shareholder base and regularly hosts briefings for analysts and institutional investors. At these briefings, the President and Representative Director, together with the Director in charge of IR, provide explanations on management strategies and financial performance. Feedback from shareholders is reported to the Board of Directors.

To prevent the leakage of insider information during dialogues with shareholders, the Company appropriately manages such communication based on its "Regulations on Insider Trading Restrictions and Management of Inside Information". Furthermore, the Company has established systems to prevent the leakage of material information such as financial results and ensure fairness in information disclosure to various stakeholders including customers, shareholders, and business partners.

Actions to Implement Management That is Conscious of Cost of Capital and Stock Price (Updated: 14th May 2025)

In conjunction with the Medium-Term Management Plan announced in May 2025, the Company has disclosed its current assessment and initiatives for improvement concerning "Actions to Implement Management That is Conscious of Cost of Capital and Stock Price" on the Company website.

To achieve its long-term goal of an ROE of 8% by 2030, the Company will steadily implement the Medium-Term Management Plan, improve its earnings structure, and drive growth across Group companies, thereby enhancing its corporate value.

- Supplementary Materials for the Financial Results Briefing for the Fiscal Year Ended 31st March 2025 (77th Fiscal Year)
https://www.marudai.jp/user/image/corporate/ir/material/pdf/briefing_20250514.pdf (in Japanese only)

2. Capital Structure

Foreign Shareholding Ratio	Less than 10%
----------------------------	---------------

Status of Major Shareholders

Name or Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,431,600	9.93
Marudai Kyoei Kai	2,017,103	8.23
KANEMATSU CORPORATION	1,192,800	4.87

Komori Memorial Foundation	1,050,000	4.28
SUMITOMO LIFE INSURANCE COMPANY	860,200	3.51
Sumitomo Mitsui Banking Corporation	789,090	3.22
Sumitomo Mitsui Trust Bank, Limited	768,700	3.14
The Norinchukin Bank	642,618	2.62
Custody Bank of Japan, Ltd. (Trust Account)	390,500	1.59
SMBC Nikko Securities Inc.	337,000	1.37

Name of Controlling Shareholder, if applicable
(excluding Parent Companies)

Name of Parent Company, if applicable

Not applicable

Supplementary Explanation

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Tokyo Prime Market
Fiscal Year-End	March
Business Sector	Foods
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	¥100 billion or more but less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	10 or more but fewer than 50

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

5. Other Special Circumstances Which May have a Material Impact on Corporate Governance

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight

1. Organizational Composition and Operation

Corporate Governance System	Company with Board of Statutory Auditors*
-----------------------------	---

*Referred to as “Company with *Kansayaku* Board” in the Corporate Governance Code reference translation

Directors

Number of Directors Stipulated in Articles of Incorporation	10
Directors’ Term of Office Stipulated in Articles of Incorporation	2 years
Chairperson of the Board	President
Number of Directors	6
Election of Outside Directors	Elected
Number of Outside Directors	2
Number of Independent Directors	2

Outside Directors’ Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Masahiro Fuchizaki	From another company					△						
Yuri Nakano	From another company											

* Categories for “Relationship with the Company”

(Use “○” when the director presently falls or has recently fallen under the category; “△” when the director fell under the category in the past; “●” when a close relative of the director presently falls or has recently fallen under the category; and “▲” when a close relative of the director fell under the category in the past.)

- Person who executes business for the Company or its subsidiary
- Person who executes business for or a non-executive director of the Company’s parent company
- Person who executes business for a fellow subsidiary
- Person/entity for which the Company is a major client or a person who executes business for said person/entity
- Major client of the Company or a person who executes business for said client
- Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/statutory auditor
- Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
- Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to director him/herself only)
- Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to director him/herself only)
- Person who executes business for an entity receiving donations from the Company (applies to director him/herself only)
- Other

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Masahiro Fuchizaki	○	Notified as an Independent Officer.	Mr. Masahiro Fuchizaki has a wealth of experience and profound insight through his involvement in corporate management over the years. By providing advice on overall management of the Company, he is fulfilling his duties as an Outside Director of the Company. For these reasons, the Company judges him to be a suitable person to oversee business execution in its pursuit of sustainable growth and medium- to long-term enhancement of corporate value, and has therefore appointed him as an Outside Director. Although Mr. Fuchizaki was an executive officer at Sumitomo Mitsui Banking Corporation, the Company's main banking partner, until April 2015, a sufficient period has passed since he left the bank. Accordingly, the Company has determined that he maintains a high degree of independence, with no risk of conflict of interest with general shareholders, and has therefore appointed him as an Independent Officer.
Yuri Nakano	○	Notified as an Independent Officer.	Ms. Yuri Nakano possesses expert knowledge as a tax accountant, along with extensive experience and profound insight through her career as a management consultant and as an Outside Director of a listed company. The Company believes she is well-qualified to provide advice on overall management of the Company and to fulfil her responsibilities as an Outside Director. As she does not fall under any of the categories from a through k, the Company has determined that there is no risk of conflict of interest with general shareholders and has therefore appointed her as an Independent Officer.

Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee

Established

Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chairperson

	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	Nomination and Remuneration Committee	3	0	1	2	0	0	Inside Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Nomination and Remuneration Committee	3	0	1	2	0	0	Inside Director

Supplementary Explanation

To enhance the transparency and objectivity of the processes for determining candidates for Directors and Statutory Auditors, as well as determining remuneration for Directors, the Company has established a Nomination and Remuneration Committee, the majority of whom are Independent Outside Directors. The Committee deliberates on the following matters and submits its recommendations to the Board of Directors.

- (1) Matters related to the appointment of candidates for Directors and Statutory Auditors
- (2) Matters related to the dismissal of Directors and Statutory Auditors
- (3) Matters related to the appointment and dismissal of Representative Director
- (4) Matters related to succession planning
- (5) Matters related to the policy for determining Directors' remuneration, etc.
- (6) Matters related to the determining individual Director's remuneration, etc.

The Chair and members of the Nomination and Remuneration Committee are appointed by resolution of the Board of Directors. The Committee's secretariat is managed by the General Affairs and Human Resources Department.

Statutory Auditors*

*Referred to as “kansayaku” in Corporate Governance Code reference translation

Establishment of Board of Statutory Auditors	Established
Number of Statutory Auditors Stipulated in Articles of Incorporation	4
Number of Statutory Auditors	3

Cooperation among Statutory Auditors, Accounting Auditors and Internal Audit Departments

The Statutory Auditors maintain close coordination with the Accounting Auditor, actively exchanging information to ensure the efficient conduct of audits.

If the Accounting Auditor reports any misconduct or a material violation of laws and regulations or the Articles of Incorporation in the execution of duties by Directors, the Statutory Auditors will conduct the necessary investigations and take appropriate action, such as providing advice or making recommendations.

In addition, the Statutory Auditors work closely with the Internal Audit Office, the Company's internal audit department, receiving reports on the results of internal audits and exchanging opinions on any issues identified.

Appointment of Outside Statutory Auditors	Appointed
Number of Outside Statutory Auditors	2
Number of Independent Statutory Auditors	2

Outside Statutory Auditors' Relationship with the Company (1)

Name	Attributes			Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k	l	m
Toshiaki Azuma	From another company										△			
Motoaki Nishimura	Lawyer													

* Categories for “Relationship with the Company”.

(Use “○” when the director presently falls or has recently fallen under the category; “△” when the director fell under the category in the past; “●” when a close relative of the director presently falls or has recently fallen under the category; and “▲” when a close relative of the director fell under the category in the past.)

- a. Person who executes business for the Company or its subsidiary
- b. A non-executive director or an accounting advisor of the Company or its subsidiaries
- c. Person who executes business for or a non-executive director of the Company's parent company
- d. A statutory auditor of a parent company of the Company
- e. Person who executes business for a fellow subsidiary

- f. Person/entity for which the Company is a major client or a person who executes business for said person/entity
- g. Major client of the Company or a person who executes business for said client
- h. Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/ statutory auditor
- i. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
- j. Person who executes business for a client of the Company (excluding persons categorized as any of f, g, or h above) (applies to the auditor him/herself only)
- k. Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to the director/auditor him/herself only)
- l. Person who executes business for an entity receiving donations from the Company (applies to the person him/herself only)
- m. Other

Outside Statutory Auditors' Relationship with the Company (2)

Name	Designation as Independent Statutory Auditor	Supplementary Explanation of the Relationship	Reasons for Appointment
Toshiaki Azuma	○	Notified as an Independent Officer.	Mr. Toshiaki Azuma has many years of experience in financial institutions and considerable knowledge of finance and accounting, and is contributing to the enhancement of our audit system. For the above reasons, the Company has determined that he is indispensable to our audit system and appointed him as an Outside Statutory Auditor. Until March 2017, Mr. Azuma was an executive officer of The Norinchukin Bank, one of the Company's financial institution partners. However, the Company conducts business with multiple financial institutions, and its borrowing from The Norinchukin Bank does not represent a significant proportion. Furthermore, a sufficient period has passed since he left the bank. Accordingly, the Company has determined that he maintains a high degree of independence, with no risk of conflict of interest with general shareholders, and has therefore appointed him as an Independent Officer.
Motoaki Nishimura	○	Notified as an Independent Officer.	Mr. Motoaki Nishimura has a high level of expertise and insight as a lawyer, and performs management monitoring and supervision duties from a professional, neutral and objective perspective, contributing to the improvement of our corporate governance. For the above reasons, the Company has determined that he is indispensable to our audit system and has appointed him as an Outside Statutory Auditor. As he does not fall under any of the categories from a through m, and the Company has determined that there is no risk of conflict of interest with general shareholders and has therefore appointed him as an Independent Officer.

Matters Concerning Independent Directors and Independent Statutory Auditors

Number of Independent Directors and Independent Statutory Auditors

4

Other Matters Concerning Independent Directors and Independent Statutory Auditors

Incentives

Implementation Status of Measures related to Incentives Granted to Directors

Introduction of Performance-linked Remuneration

Supplementary Explanation for Applicable Items

At the 77th Ordinary General Meeting of Shareholders held on 26th June 2025, the introduction of performance-linked share-based remuneration for the Board of Directors was approved. Details regarding the remuneration and calculation methods are provided in the section titled “Director Remuneration” below.

Persons Eligible for Stock Options

Supplementary Explanation for Applicable Items

Director Remuneration

Status of Disclosure of Individual Director’s Remuneration

No Disclosure for any Directors

Supplementary Explanation for Applicable Items

The total amount for all Directors is disclosed in the Annual Securities Report as the means of disclosure.

Policy on Determining Remuneration Amounts and Calculation Methods

Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

1. Basic Policy on Remuneration

- (1) Remuneration for Directors shall be structured to serve as a motivation for promoting the Company's sustainable growth and enhancement of corporate value.
- (2) Remuneration content and levels shall be sound and appropriate to secure talented personnel capable of implementing the Company's corporate philosophy and driving its management.
- (3) Remuneration shall be commensurate with each Director's role and contribution to performance.

2. Remuneration Composition

The Company's remuneration for Directors (excluding Outside Directors) shall consist of fixed remuneration and performance-linked remuneration (bonuses and share-based remuneration). For Outside Directors, who function as supervisors independent from business execution, only the basic (fixed) remuneration shall be paid, given their roles and responsibilities. The remuneration composition ratio shall be determined based on the roles and responsibilities of each title, in order for Directors to fulfil their duties. It is designed to not only incentivize the achievement of annual performance targets, but also to function as a sound incentive for sustained growth and enhancement of corporate value.

Remuneration composition ratios when the standard performance targets are achieved (Unit: %)

Title	Fixed Remuneration	Performance-linked Remuneration (bonuses)	Performance-linked Share-based Remuneration
Directors (Chairman, President)	60	25	15
Directors (others)	70	20	10

The remuneration composition ratios are subject to change depending on performance and the degree of target achievement.

(1) Fixed Remuneration (Basic Remuneration)

Fixed remuneration for each Director shall be determined comprehensively by taking into account the payment criteria for each title and the Company's performance scale, while also referring to remuneration levels in data such as objective remuneration survey data provided by external organizations. Fixed remuneration shall be paid in cash on a monthly basis.

(2) Performance-linked Remuneration (Bonuses)

The amount of bonus for each Director shall be determined by multiplying a title-based standard payment amount by a payout ratio. The payout ratio is based on consolidated operating profit, which serves as the performance-linked indicator. This structure is intended to enhance the Directors' awareness and commitment to improving performance each fiscal year. Using the publicly disclosed target figure for the consolidated operating profit as the performance-linked indicator, the payout ratio shall vary between 0% and 200%, depending on the achievement rate of the target (50% to 150%). Bonuses shall be paid in cash to Directors (excluding Outside Directors) who are in office both at the end of the previous fiscal year and at the conclusion of the Ordinary General Meeting of Shareholders for the relevant fiscal year. Payment shall be made in a lump sum at a designated time following the conclusion of the Ordinary General Meeting of Shareholders for the relevant fiscal year.

(3) Performance-linked Share-based Remuneration

The purpose of performance-linked share-based remuneration for Directors is to further clarify the link between Directors' remuneration and the Company's performance and share value, and to encourage Directors to share both the benefits and risks of stock price fluctuations with shareholders. This is intended to heighten Directors' awareness of contributing to the Company's medium- to long-term performance improvement and enhancement of corporate value. As long-term performance-linked remuneration, a standard monetary amount is converted into points (with 1 point = 1 share), and a title-based standard point table is established. The performance-linked indicators are weighed as "ROE : ESG management indicators = 80% : 20%." In addition, taking into account the Company's performance scale, while also referring to remuneration levels in data such as objective remuneration survey data provided by external organizations, standard points are determined for each title. The number of performance-linked points is then calculated by multiplying these standard points by a payout ratio. Points shall be granted to each Director on the date of the Ordinary General Meeting of Shareholders that marks the end of the applicable evaluation period. The performance linked indicators (ROE and ESG management indicators) shall be the target figure determined by a resolution of the Board of Directors, based on deliberation by the Nomination and Remuneration Committee and its subsequent recommendations. The achievement rate of the target shall be calculated within the range of 70% to 130% for ROE. For the ESG management indicators, the rate shall be calculated based on the target figure and the actual figure for each of the multiple ESG targets. The payout ratio shall vary between 0% and 150% for ROE and ESG management indicators.

With respect to the acquisition of share-based remuneration, Directors shall receive the Company's Shares upon retirement, in accordance with the number of points granted. In cases of resignation, dismissal, death, disqualification as a Director, or other similar circumstances during the term of office, as well as matters related to the procedure for share delivery, the plan shall be administered in accordance with the provisions set forth in the share delivery regulations. Furthermore, if the achievement rate of the target for ROE is less than 70%, the payout ratio (ROE) shall be 0%, and if

the achievement rate of the target is 130% or higher, the payout ratio (ROE) shall be 150%. The upper limit for performance-linked points (ROE) shall be 25,600 points.

3. Remuneration Levels

Taking into account the Company's performance scale, while also referring to remuneration levels in data such as objective remuneration survey data provided by external organizations, remuneration levels shall be determined based on the roles and responsibilities of each title, in a manner that functions as a sound incentive for sustainable growth and improvement of corporate value.

4. Remuneration Determination Process

The Nomination and Remuneration Committee, majority of which is composed of Independent Outside Directors, shall deliberate on matters concerning each Director's remuneration, including the appropriateness of the remuneration system and its operation regarding fixed remuneration and performance-linked remuneration (bonuses and share-based remuneration), based on consultations from the Board of Directors and the Representative Director. Based on the committee's recommendations, the Board of Directors shall make the final decisions.

5. Policy for Determining Remuneration Amounts

The amount of remuneration for each Director shall be determined within the total remuneration limit approved at the General Meeting of Shareholders. Fixed remuneration and performance-linked remuneration (bonuses and share-based remuneration) shall be determined comprehensively, taking into account the payment criteria for each title and the Company's performance scale, while also referring to remuneration levels in data such as objective remuneration survey data provided by external organizations. Based on a consultation by the Board of Directors, the Nomination and Remuneration Committee deliberates and provides a recommendation, upon which the final decision is made by resolution of the Board of Directors.

Support System for Outside Directors (and/or Outside Statutory Auditors)

For Outside Directors and Outside Statutory Auditors, no dedicated staff members are assigned; however, support is provided by the General Affairs and Human Resources Department.

Status of Persons who have Retired as Representative Director and President, etc.

Information on Persons Holding Advisory Positions (*Sodanyaku, Komon*, etc.) after Retiring as Representative Director and President, etc.

Name	Job title/ position	Responsibilities	Terms and Conditions of Employment (Full/part time, with/without remuneration, etc.)	Date when former role as president/ CEO ended	Term
Tokuo Kudara	Honorary Chairman	Provides advice upon request from the President	Full time, with remuneration	26th June 2025	Renewed annually
Yoshiyuki Komori	Advisor	Industry association activities, etc. (Non-management involvement)	Full time, with remuneration	2nd April 2001	Renewed annually

Number of Persons Holding Advisory Positions (*Sodanyaku, Komon*, etc.)
After Retiring as Representative Director and President, etc.

2

Other Related Matters

When appointing former Presidents and Representative Directors to positions such as Chairman, Advisor, or Consultant, the matter is deliberated and decided by the Board of Directors.

2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System)

The Board of Directors of the Company consists of six Directors (two of whom are Outside Directors) and three Statutory Auditors (two of whom are Outside Statutory Auditors). The Board meets once a month in principle and as the highest decision-making body, it decides on matters stipulated by laws and regulations and the Articles of Incorporation, as well as other important matters.

Two Outside Directors have been appointed, who oversee the Company's management and contribute to strengthening corporate governance by providing advice on overall management.

The Outside Statutory Auditors monitor the execution of Directors' duties based on their extensive business experience and from specialized perspectives such as legal affairs. As members of the Board of Statutory Auditors, they maintain close coordination with the Internal Audit Office, which is the department responsible for internal audits and internal controls, and exchange information and opinions with the Accounting Auditor to ensure efficient conduct of audits.

Furthermore, the Outside Statutory Auditors have no direct conflict of interest with management and fulfil their auditing functions from a position of high independence.

(1) Board of Directors

In the fiscal year ended 31st March 2025, the Board of Directors met 14 times to make decisions on matter stipulated by laws and regulations as well as other important management matters, and to oversee the status of business execution.

(2) Executive Officer System

To enhance the efficiency of business execution, the Company has adopted an executive officer system. Executive officers carry out their assigned duties based on decisions made by the Board of Directors and under the direction of the Representative Director.

(3) Statutory Auditors

The Company has adopted a statutory auditor system. Of the three Statutory Auditors, two are Outside Statutory Auditors, thereby strengthening the Company's external oversight system.

(4) Internal Audit Department

The Company has established the Internal Audit Office as its internal audit department to conduct audits of operations within the Group. The Internal Audit Office coordinates with the Statutory Auditors as necessary.

(5) Internal Control

The Internal Audit Office, which reports directly to the President and Representative Director, is responsible for overseeing the internal control system. It evaluates and makes proposals regarding the operational status of internal controls across all departments and the Group companies.

(6) Accounting Audit

The Company has entered into an audit contract with KPMG AZSA LLC for audits under the Companies Act and the

Financial Instruments and Exchange Act. These audits are conducted fairly and appropriately.

- 1) Names of certified public accountants who executed the audit
Takahide Nakahata, Designated limited liability partner, Engagement partner
Satoru Komatsuno, Designated limited liability partner, Engagement partner
- 2) Composition of assistants involved in the accounting audit
Certified public accountants: 17
Persons who passed the CPA examination: 9
Others: 24

3. Reasons for Adoption of Current Corporate Governance System

To ensure management transparency and appropriate business operations, the Company has established the Compliance Committee and Corporate Ethics Committee. These bodies maintain a system for continuous oversight and supervision of legal and regulatory compliance. In addition, as we have determined that the supervisory functions of each Statutory Auditor and the Board of Statutory Auditors over management are being maintained, we have adopted a Company with a Board of Auditors system. Furthermore, the two Outside Directors and two Outside Statutory Auditors qualify as Independent Outside Officers under the Company's independence standards. We believe that by enhancing their oversight and supervisory functions over the Board of Directors from a fair and neutral standpoint, our corporate governance framework is further strengthened.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize General Meeting of Shareholders and Facilitate Exercise of Voting Rights

	Supplementary Explanation
Early Posting of Notice of the General Meeting of Shareholders	The Notice of the General Meeting of Shareholders is dispatched approximately seven days prior to the statutory deadline (around three weeks before the date of the General Meeting of Shareholders). In addition, prior to dispatch, the notice is published in advance on the Tokyo Stock Exchange website and the Company's website.
Electronic Exercise of Voting Rights	Exercise of voting rights via the internet is allowed.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	The Company participates in the exercise of voting rights platform for institutional investors operated by ICJ, Inc.
Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	An English translation of the Notice of the General Meeting of Shareholders is prepared and published on the Company's website.
Other	The Company is working to visually enhance the General Meeting of Shareholders to provide clearer explanations.

2. Status of IR-Related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Regular Investor Briefings held for Analysts and Institutional Investors	The Company regularly holds company briefings for analysts and institutional investors, where explanations are provided by the President and Representative Director as well as the Director in charge of IR. These briefings cover topics such as management strategies and financial conditions.	Held
Online Disclosure of IR Information	The Company posts IR materials such as Financial Results Presentation materials, Annual Securities Reports, Annual Reports, Notices of the General Meeting of Shareholders (translated into English), Corporate Governance Reports, electronic announcements, and news releases on its website. https://www.marudai.jp/corporate/	
Establishment of Department and/or Placement of a Manager in Charge of IR	The Director, General Manager of the Accounting Department, is in charge of IR.	

3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	The “Marudai Food Group’s Code of Conduct” clearly states the Group’s responsibilities to stakeholders.
Implementation of Environmental Preservation Activities and CSR Activities, etc.	<p>The Marudai Group recognizes issues concerning the global environment and society as common concerns for all of humanity. Inspired by our desire for children to “grow up strong, even if they’re a little rambunctious”, we aim to contribute to the development of a sustainable society through business activities that are considerate of society and the environment. Specific activities are available on our website and in our integrated report.</p> <ul style="list-style-type: none"> • Company Website https://www.marudai.jp/ (in Japanese only) • Integrated Report https://www.marudai.jp/corporate/sustainability/data/esg.html (in Japanese only) <p>In terms of CSR activities, we promote food education through our website and community events. For our employees, we also actively work to promote women’s participation in the workforce, establishing various systems including “childcare support” and obtaining certification under the Act on Advancement of Measures to Support Raising Next-Generation Children.</p>

IV. Matters Concerning the Internal Control System

1. Basic Views on Internal Control System and Status of Development

- (1) Systems to Ensure Compliance with Laws and Regulations and the Articles of Incorporation in the Execution of Duties by Directors and Employees
 - 1) The Directors and employees of the Company and its subsidiaries shall execute their duties in accordance with the “Marudai Food Group’s Code of Conduct,” which stipulates compliance with laws and regulations, the Articles of Incorporation, internal rules and social ethics.
 - 2) The “Compliance Committee,” chaired by an Independent Outside Director, shall oversee and promote compliance throughout the Marudai Group
- (2) Systems for the Storage and Management of Information Related to Directors’ Execution of Duties
Minutes of Board of Directors meetings and relevant documents, as well as other material information related to Directors’ execution of duties shall be appropriately stored and managed in accordance with the “Document Management Regulations.”
- (3) Regulations and Other Systems for Managing the Risk of Loss
 - 1) The Company and its subsidiaries shall establish the “Marudai Food Group Risk Management Regulations” to ensure “food safety and reliability” and to build and develop a system for swift response to serious accidents or natural disasters as a food business group.
 - 2) The Company and its subsidiaries shall, in the event of an actual or potential crisis, convene the “Risk Management Committee” to swiftly gather and relay information and ensure timely decision-making and instructions.
- (4) Systems to Ensure Directors’ Efficient Execution of Duties
 - 1) The Company shall conduct pre-reviews of management matters at Management Meetings and shall make swift and appropriate decisions at regularly held Board of Directors meetings, in accordance with the “Board of Directors Regulations” and the “Board of Directors Operation Guidelines”.
 - 2) The Company and its subsidiaries shall establish the “Regulations on Division of Organizational Duties and Authority” to clarify roles, command structures, and other organizational standards, thereby ensuring the efficient execution of duties by directors and employees.
- (5) Systems to Ensure Appropriate Business Operations within the Corporate Group Consisting of the Company and its Subsidiaries
 - 1) The Internal Audit Office, independent of the business execution departments shall audit the operating status of business operations across the Group and shall report regularly to the Board of Directors and the Board of Statutory Auditors on the status of compliance system development and operations to enhance audit functions and internal controls.
 - 2) The Company has established a system where, when any subsidiary of the Company makes a decision on managerially material matters, such subsidiary shall seek prior approval for, and report on, such material matters, etc. from/to the Company, based on the “Regulations on Division of Organizational Duties and Authority.”
- (6) Matters Related to Reporting to the Company on the Execution of Duties by Directors, etc. of Subsidiaries
 - 1) The Company shall hold regular Group Meetings attended by Directors of the Company and its major subsidiaries, during which subsidiaries shall regularly report on business performance, financial status, and other key matters.
 - 2) The Company shall establish a system under which its subsidiaries shall promptly report to the Company any material matters that may have a significant impact on the Company’s operations, including facts that may cause substantial damage to the Company or violations of laws, regulations, or the articles of incorporation.
- (7) Matters Concerning Personnel Assigned to Assist Statutory Auditors in Performing Their Duties, Their Independence from Directors, and the Effectiveness of Their Instructions
 - 1) In the event that Statutory Auditors request the assignment of personnel to assist them in performing their duties, the Directors shall consult with the Statutory Auditors and appropriately assign such personnel.
 - 2) Decisions regarding the appointment, transfer, evaluation, and other personnel matters of employees assigned to assist the Statutory Auditors shall be subject to the prior consent of the Board of Statutory Auditor. The said employees shall be subject to the direction and supervision of the Statutory Auditors.
- (8) Systems for Directors and Employees of the Company and Its Subsidiaries to Report to Statutory Auditors, Other Reporting Systems to Statutory Auditors, and Systems to Ensure that Reporting Persons Shall Not Be Treated Disadvantageously Due to Such Reporting
 - 1) The Company and its subsidiaries shall establish a system under which Directors and employees shall promptly report to the Statutory Auditors in the event that they become aware of any facts that may cause significant damage to the Company or its subsidiaries, any violations of laws, regulations, or the Articles of Incorporation, or any such information received through internal reporting channels.
 - 2) The Internal Audit Office and the Quality Assurance Department of the Company shall report the results of their audits to the Statutory Auditors on a regular basis and as necessary.

- 3) The Company and its subsidiaries shall stipulate in their internal rules that no disadvantageous treatment shall be given to any person who makes a report to the Statutory Auditors, and shall ensure thorough awareness of these rules among all Directors and employees.
- (9) Other Systems to Ensure That Statutory Auditors' Audit is Effectively Conducted
 - 1) The Board of Statutory Auditors shall hold a regular meeting to exchange views with Representative Director and Directors including Outside Directors and work closely with the Accounting Auditor and the internal auditing departments, including the Internal Audit Office and the Quality Assurance Department.
 - 2) If Statutory Auditors request prepayment or reimbursement of the expenses incurred when Statutory Auditors execute duties, the Company shall promptly deal with such expenses or obligations.

2. Basic Views on Measures for Eliminating Anti-Social Forces and Status of Development

- (1) Basic Policy for Eliminating Anti-Social Forces
The Company shall act in accordance with the "Guidelines for Enterprises to Prevent Damage Caused by Antisocial Forces" (Agreement at a Meeting of Cabinet Ministers Responsible for Anti-Crime Measures as of 19th June 2007) and also in conformity with the "Basic Principle" resolved at the meeting of the Board of Directors held on 28th January 2008.
- (2) Status of Establishment of Measures to Eliminate Anti-Social Forces
 - 1) We work on an initiative to eliminate anti-social forces as a corporate body, with the General Affairs Section of the General Affairs and Human Resources Department. serving as the secretariat for such an initiative.
 - 2) We work together with outside specialist bodies: police stations throughout Japan, Osaka Centre for Removal of Criminal Organizations, and Osaka Corporate Defense Countermeasures Federation.
 - 3) We have no relationship with any anti-social forces, including any business relationship.
 - 4) Should we face any civil or criminal case against anti-social forces, we shall act in accordance with instructions from our corporate lawyer.
 - 5) Not only to ban doing any behind-the-scenes deal with anti-social forces and supplying funds to them, have we been putting all our energies into our corporate-wide efforts to make the Three No Campaign to Eliminate Antisocial Forces, "No fears, no money, and no use," fully understood throughout our corporate operations.

V. Other

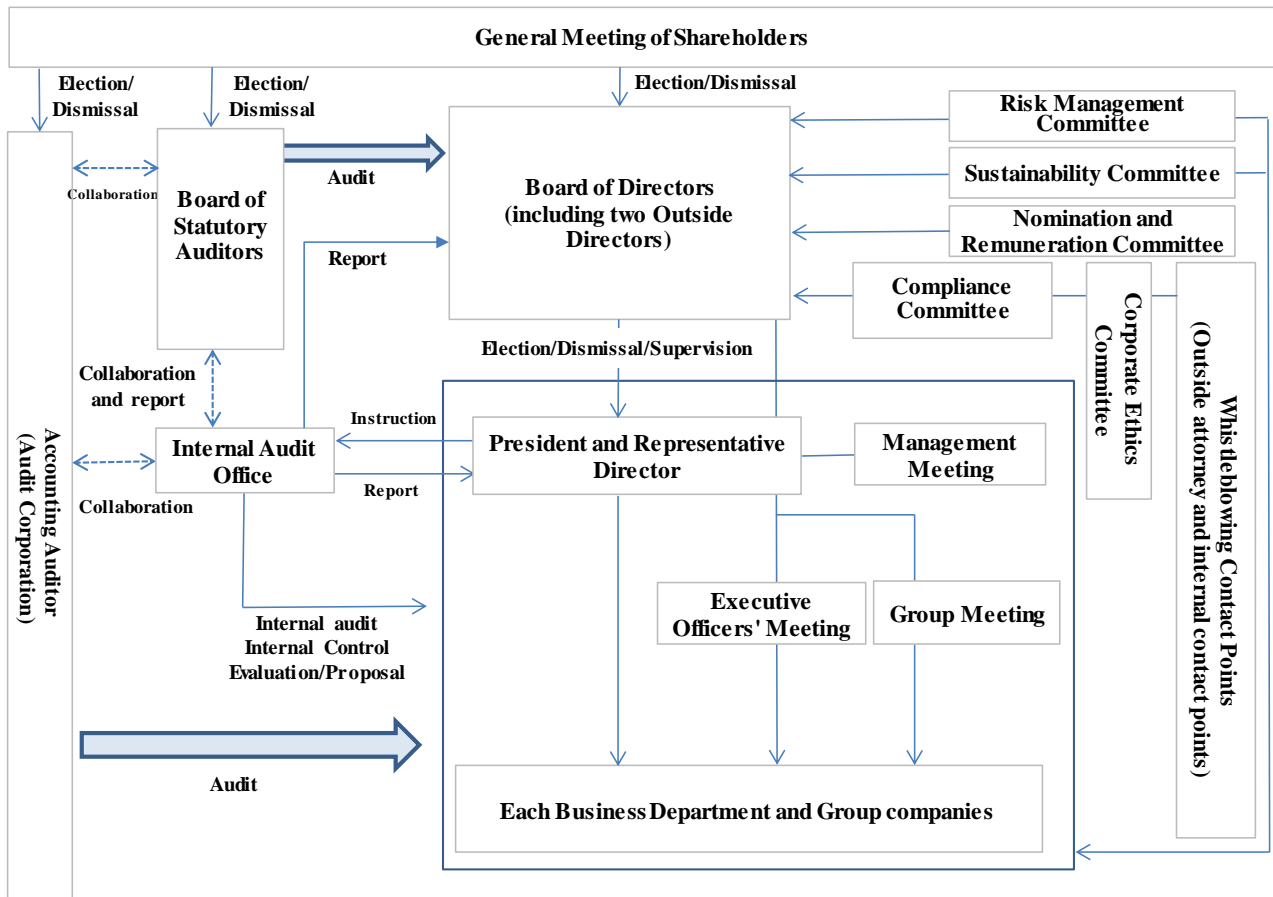
1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
Supplementary Explanation for Applicable Items	
—	

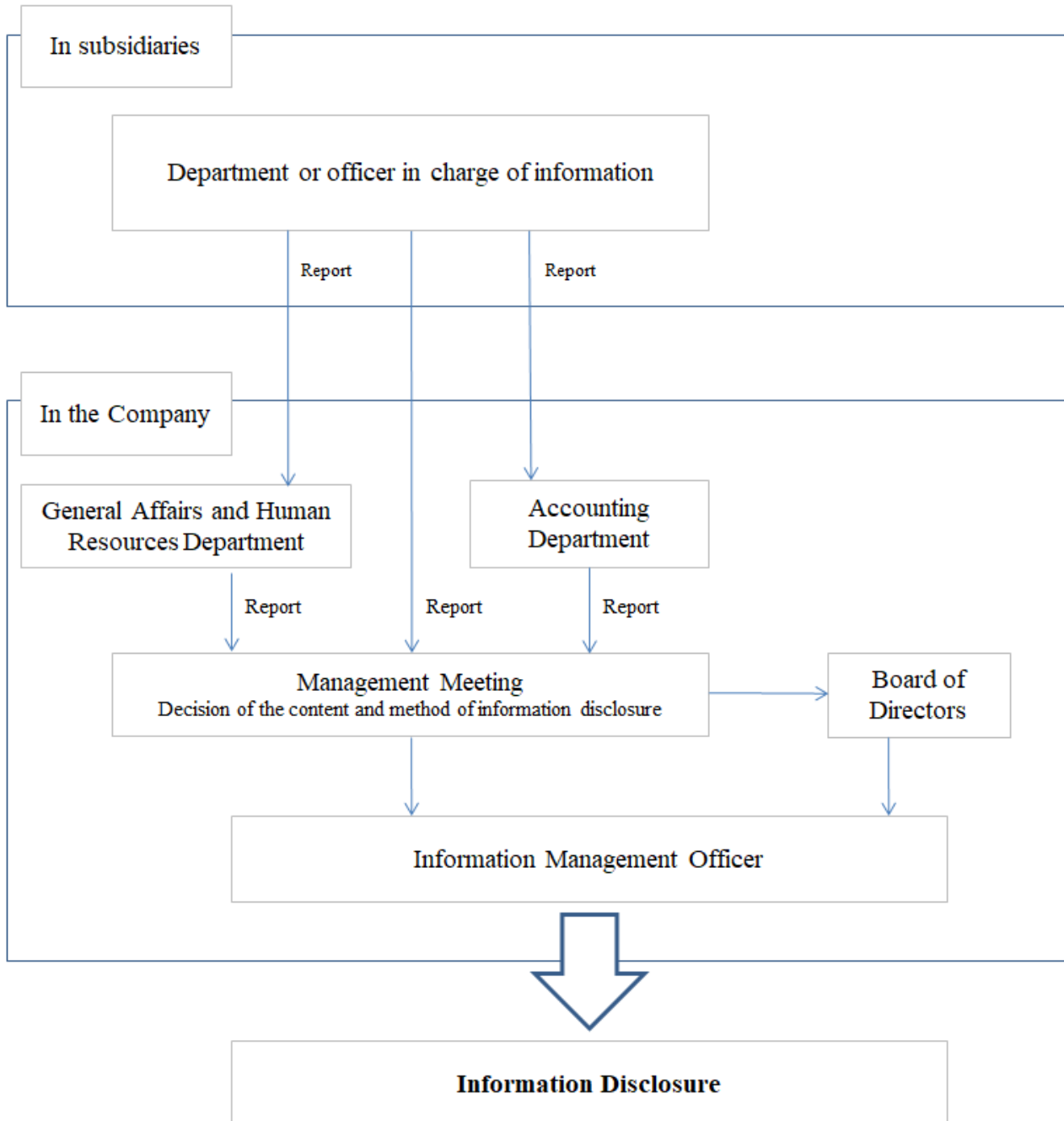
2. Other Matters Concerning the Corporate Governance System

END

Schematic Diagram of Corporate Governance Structure



Overview of Timely Disclosure Rules (Diagram)



Independence Standards for Outside Directors/Statutory Auditors

If any of the following attributes applies to an Outside Director/Statutory Auditor of the Company, the Company judges that such Outside Director/Statutory Auditor is not fully independent from the Company.

- (1) An executive person*1 of the Company or consolidated subsidiaries of the Company (hereinafter referred to as the “Marudai Food Group”)
- (2) A party to whom any of 1) to 9) below applied in the past three years
 - 1) A party whose principal business partner is the Marudai Food Group*2 or its executive person
 - 2) A principal business partner of the Marudai Food Group*3 or its executive person
 - 3) A principal lender to the Marudai Food Group*4 or its executive person
 - 4) A major shareholder (directly or indirectly holding 10% or more of the total voting rights) of the Company or its executive person
 - 5) A party of which the Marudai Food Group is a major shareholder (directly or indirectly holding 10% or more of the total voting rights) or its executive person
 - 6) A party affiliated with an Audit Corporation that is the Accounting Auditor of the Marudai Food Group
 - 7) A party who received remuneration exceeding 10 million yen a year excluding the Directors’ or Auditors’ remuneration from the Marudai Food Group
 - 8) A party who received donations exceeding a certain limit*5 from the Marudai Food Group or its executive person
 - 9) An executive person of an entity for which an executive person of the Marudai Food Group serves as a Director/Statutory Auditor
- (3) The spouse or relative in the second degree of kinship of a party to whom (1) or (2) above applies and who holds an important position*6

(Notes)

1. An “executive person” means an executive director, an executive officer, a general manager, a party in a similar position, and an employee of an organization such as a corporation.
2. A “party whose principal business partner is the Marudai Food Group” means a party who received payment from the Marudai Food Group equal to 2% or more of the party’s consolidated annual sales at the end of the most recent fiscal year.
3. A “principal business partner of the Marudai Food Group” means a party whose payment to the Company was equal to 2% or more of the Company’s consolidated annual sales at the end of the most recent fiscal year.
4. A “principal lender to the Marudai Food Group” is a lender from which the Marudai Food Group borrows an amount equal to 2% or more of consolidated total assets.
5. “Donations exceeding a certain limit” means donations to an organization such as a corporation that amount to 10 million yen a year or more or that are equal to 2% or more of net sales or total revenues of such organization, whichever the larger.
6. A “party who holds an important position” means a director, an executive, an executive officer, or a party who executes important business and holds the position of general manager or higher.