

Corporate Governance Report

Last Update: January 29, 2024

KAGOME CO., LTD.

Satoshi Yamaguchi, President & CEO

Contact: Telephone: 03-5623-8503 (the main switchboard number)

IR Group, Finance & Accounting Department

Securities Code: 2811

<http://www.kagome.co.jp/>

The corporate governance of Kagome Co., Ltd. (the “Company”) is described below.

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

1. Basic Views

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

The Company considers further strengthening of “autonomy” complemented by “heteronomous” to be the fundamentals of its corporate governance. It 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.

The Company aims to deliver a high degree of accountability and achieve the “corporate openness” in its interactions with stakeholders, while employing the unique attributes and originality of Kagome.

[Reasons for Non-compliance with the Principles of the Corporate Governance Code]

The Company implements every principle of the Corporate Governance Code in its entirety. In addition, information appearing in this report is pursuant to the revised Corporate Governance Code, including details for the new “prime” market.

[Disclosure Based on the Principles of the Corporate Governance Code]

Principle 1.4 Cross-Shareholdings

(1) Policy regarding cross-shareholdings

The Company holds the shares of companies if it judges that doing so is necessary to achieve sustainable growth or enhance its social value and economic value, or to build good relations with business partners and facilitate business as part of management strategy, including business alliances and the stable procurement of raw materials. Under the basic policy of disposing or reducing, as promptly as possible, the holding of certain shares which are considered insignificant in light of the situation at the end of the immediately preceding business year, the Company examines at meetings of the Board of Directors every year 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. In the examination of economic rationality for each holding, the ratio of the amount which the issuer of the shares contributed to the profits of the Company in the immediately preceding business year to the value of the shares held by the Company at the end of the business year is calculated. When the ratio is below a figure equivalent to approximately double the average ROA of the Company for the past five years on a non-consolidated basis, such shares shall be subject to review for sale. In addition, shares whose market price has declined 30% or more from the book value thereof and shares of a company with whom the Company has transactions amounting less than 100 million yen per year are also subject to review for sale thereof. Moreover, shares of the Company’s suppliers and clients that do not meet these standards shall be subject to deliberation at meetings of the Board of Directors every year as to whether

or not to sell them and those chosen shall be sold. As a result, the Company has sold some of its cross-shareholdings.

(2) Criteria for exercise of voting rights concerning cross-shareholdings

When exercising voting rights concerning cross-shareholdings, the Company comprehensively judges the arguments for and against, taking into consideration whether or not the proposed motion will help strengthen appropriate corporate governance systems or enhance shareholders value or the proposed motion's impact on the Company, and the Company exercises voting rights appropriately.

Where necessary, the Company engages in dialogue with the issuing company over the content of a proposed motion, etc.

(3) Policy for responding to cases where the intention to sell the Company's shares concerning cross-shareholding is indicated

If a company holding the Company's shares for cross-shareholding (shareholder in cross-shareholding) indicates its intention to sell the shares, the Company will unconditionally agree to the sale. In this case, any shares of the shareholder in the cross-shareholding held by the Company shall be disposed of as promptly as possible.

Principle 1.7 Related Party Transactions

The Company monitors related party transactions through its Board of Directors by setting out in the Regulations of the Board of Directors that any related party transaction requires the prior approval of the Board of Directors and that any related party transaction that takes place must be promptly reported to the Board of Directors and by conducting operations in accordance with the Regulations. The Audit & Supervisory Committee also conducts audits in accordance with the audit & supervisory standards of the Audit & Supervisory Committee.

[Supplemental principle 2.4.1 Ensuring Diversity in the Promotion to Core Human Resources]

The Company promotes diversity as an important issue pertaining to management strategy that forms the basis and foundation for the actions of its organizations and individuals aimed at achieving its long-term vision and what Kagome strives for by 2025. The Company has established a target for the promotion of female managerial employees aimed at realization of "50% of the workforce consisting of women – from employees to executive officers" in its long-term vision and the Company discloses the progress of its efforts through its integrated report and other means. In addition, the Company has appointed a foreign national as an executive officer of Kagome Co., Ltd. and it maintains a basic policy of promoting local foreign nationals to executive management and managerial positions at its overseas Group companies. In this manner, the Company is securing diversity in conjunction with the internationalization of its business domains. The Company has widely opened its doors to mid-career hires, too. It has introduced a career registration system on its corporate website in an effort to reinforce its foundation of human resources. Going forward, the Company is committed to ensuring that mid-career hires account for between 20 and 30% of all hiring and molding them into core human resources.

In addition, the Company has established the Human Resources Development Committee as a meeting body for deliberation and decision-making led by executive management. In this manner, the Company has put into place a system for closely examining and verifying the internal environment and human resources development empowering the Company's diverse workforce.

Principle 2.6 Exercise of Functions as Asset Owner of Corporate Pension Plan

The Company introduced a defined contribution pension system for its employees' asset formation in FY2002. In FY2021, the Company introduced an additional matching contribution system. In light of the significant impact of the management of the pension plan on the employees' asset formation, the Company selects and evaluates investment products from a number of perspectives. (In October 2022, the Company turned over 19 of 35 investment products.) Additionally, the Company provides education on asset management to employees and monitors management performance related to financial products and asset management institutions on a half-yearly basis; thereby, ensuring appropriate management of the pension plan.

Principle 3.1 Full Disclosure

(1) The Company's vision (corporate philosophy, etc.) and its management strategy and medium-term management plan are disclosed on the Company's website and in financial results presentation materials, etc.

(URL: <http://www.kagome.co.jp/company/about/philosophy/>)

(2) The Company discloses its basic views on corporate governance and its Basic Policy of Corporate Governance on the Company's website and in its annual reports, corporate governance reports, integrated reports, CSR reports, etc.

(URL: <http://www.kagome.co.jp/company/csr/management/governance/>)

[Basic Policy of Corporate Governance]

In accordance with its corporate philosophy of "appreciation," "nature" and "corporate openness," the Company aims to achieve sustainable growth and improve the mid- to long-term value of the Company. The Company acknowledges corporate governance to be a critical management issue toward these objectives.

The Company considers further strengthening of "autonomy" complemented by "heteronomous" to be the fundamentals of its corporate governance. It 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.

The Company aims to deliver a high degree of accountability and achieve the "corporate openness" in its interactions with stakeholders, while employing the unique attributes and originality of Kagome.

(3) The Company discloses the policy and procedures by which the Board of Directors determines the compensation of senior management and directors in its annual reports, corporate governance reports, integrated reports, etc.

(4) When the Board of Directors appoints senior management and nominates candidates for directors and audit & supervisory board members, the Company's policy is to appoint people who will help improve the mid- to long-term value of the Company, and the procedure is that the Board of Directors approves candidates selected by the Remuneration and Nomination Advisory Committee, which is made up of a majority of independent external directors, and to put proposals on candidates for directors before the General Meeting of Shareholders. In addition, the Company implements regular reviews and checks of the appropriateness of selecting officers by assessing the officers' performance and operating the Remuneration and Nomination Advisory Committee.

(5) The appointment and removal of candidates for directors and external directors are explained in notices of convocation of general meetings of shareholders.

(Notice of the Annual General Meeting of Shareholders URL:
<http://www.kagome.co.jp/company/ir/meeting/>)

[Supplementary principle 3.1.3]

Regarding important issues related to sustainability, the Company has established the Sustainability Committee under the Management Meeting, which visualizes and promotes companywide initiatives to address risks and opportunities with a long-term view, and reflects its findings in management strategy. Additionally, it determines KPI and conducts monitoring, and advances initiatives cross-functionally companywide to resolve sustainability issues. The Kagome Group defines sustainability as the aim of its business activities, which is to become a "strong company capable of sustainable growth, using food as a means of resolving social issues."

In addition, the Company is reinforcing its human capital by working on human resources development that empowers employees to develop their careers autonomously pursuant to its human resources strategy aimed at improving the medium- to long-term value of the Company. Furthermore, the Company is reinforcing its intellectual property activities for maintaining sustainable competitiveness and its initiatives to help protect the intellectual properties of important brands and enhance their value. These efforts are disclosed using Company's integrated report and other means. Moreover, the Company discloses patented technologies accessible to third parties through the websites of independent administrative corporations and public-service foundation corporations, etc., in order to ensure that its research outcomes benefit solutions to social

issues.

Regarding risks and revenue opportunities related to climate change, the Company is addressing the TCFD recommendations. For impacts on its own business activities and revenue, etc., the Company collects and analyzes data and discloses it within its integrated report. The Company has established an emissions reduction target for 2030, which received certification from the Science Based Targets (SBT) Initiative.

[Supplementary principle 4-1-1: Scope of Delegation of Authority to the Management Team]

The Company transitioned to a corporate structure with an audit and supervisory committee. The transition separates executive functions from supervisory functions, which helps clarify business responsibility and speed up decision-making and execution of operations. The provisions of the Articles of Incorporation enable important decision-making to be left wholly or partially to directors by resolution of the Board of Directors. The Board of Directors mainly assumes the role of making decisions via deliberation on the Company's policies and management strategies and matters that will help improve the mid- to long-term value of the Company and monitoring their progress, and important matters related to business execution except for matters such as business reorganization, M&A, the transfer or receipt of transfer of significant assets, the borrowing and lending of large amounts of funds, and personnel affairs, are left to the management led by the President, in principle.

Principle 4.9 Independence Standards and Qualifications for Independent External Directors

The Company has established "Standards for Judging the Independence of External Directors" and discloses these in notices of annual general meeting of shareholders, annual reports, corporate governance reports, integrated reports, etc. At present, one of the standards for judging independence stipulates that the total term of tenure as external director must be within eight years, but in the future the Company will verify the relationship between term of tenure and independence as it sees fit and will examine an appropriate term of tenure.

[Supplementary principle 4.10.1]

The Company has established the Remuneration and Nomination Advisory Committee, a majority of whose members are independent external directors, as an advisory body to the Board of Directors in order to enhance the independence and objectivity of the functions and accountability of the Board of Directors with regard to the remuneration and nomination of directors. The Board of Directors respects the inquiries of the Committee to every extent possible and ensures the appropriateness and fairness in the remuneration and nomination of directors and executive officers. Details of the composition of the Remuneration and Nomination Advisory Committee and the main deliberated matters are disclosed in the Company's integrated report and using other means.

[Supplementary principle 4-11-1: Preconditions for Board of Directors and Audit & Supervisory Board Effectiveness]

The Company believes that, to realize improvement in the mid-to long-term value of the Company by fully demonstrating the advisory function and monitoring function of the Board of Directors, it is desirable to ensure that the Board of Directors is of an appropriate size to be able to conduct high quality deliberation, while ensuring a composition that strikes a balance with diversity in terms of age, gender, knowledge, capability and experience. The procedure for appointing director candidates is that the Board of Directors makes decisions via deliberation by the Remuneration and Nomination Advisory Committee, the majority of whose members are external directors.

The Board of Directors currently consists of 8 directors, five of whom are directors (excluding directors who are Audit and Supervisory Committee members) and three of whom are directors who are Audit and Supervisory Committee members. Four of its directors are independent external directors. The external directors have various career backgrounds including academic, tax accountant, and lawyer, and they also have vast experience and knowledge for diversity management, business globalization, and extension of healthy life expectancy through food that form part of the Company's mid- to long-term vision. The skill matrix containing the knowledge, experience and skills of each director is disclosed in the Company's securities report and integrated report. One of the goals under the Company's long-term vision is "50% of the workforce consisting of women—from employees to executive officers" by around 2040, and the Company is also aiming for early achievement of this goal with respect to its Board of Directors.

[Supplementary Principle 4-11-2: Preconditions for Board of Directors and Audit & Supervisory Board Effectiveness]

The Company stipulates in its internal regulations that the approval of management meeting must be obtained when a director excluding external director of the Company serves simultaneously as an officer of other companies, and the Company receives reports as necessary on the status of concurrent posts of external directors of the Company and confirms that they are able to fulfil their roles and responsibilities as directors of the Company, and there are no particular problem as of disclosure of this Code. The status of concurrent posts at other companies held by external directors is disclosed in notices of annual general meeting of shareholders, annual reports, corporate governance reports, etc.

[Supplementary Principle 4-11-3: Preconditions for Board of Directors and Audit & Supervisory Board Effectiveness]

The Company conducted an evaluation of the effectiveness of the Board of Directors in October 2021. A summary of the results is as follows.

1. Method of implementation of the evaluation

Implementation of survey of directors (all 7 areas, 38 criteria)

The categories of the survey are as follows:

- (1) Design of the Board of Directors (size, composition, diversity, etc.)
- (2) Operation of the Board of Directors (frequency of meetings, time [explanations and deliberations], provision of information, utilization of remote meetings, secretariat support, etc.)
- (3) Proposals of the Board of Directors (setting of themes, timing of submission of proposals, reflection in management plans, follow-up, etc.)
- (4) Quality of discussions of the Board of Directors (documents, objectivity and multi-angled nature of discussions, accountability, leadership of chair, etc.)
- (5) Corporate governance structure (appointment/dismissal and compensation decision process, dialogue with stakeholders, etc.)
- (6) Overall evaluation (progress of improvement of corporate value, swiftness and flexibility of decision making, separation of business execution and oversight, etc.)
- (7) Individual themes (strategy, business portfolio, global governance, ESG/SDGs, etc.)

Survey of the Remuneration and Nomination Advisory Committee (6 criteria)

Survey of the Audit and Supervisory Committee (8 criteria)

Survey of the Risk Management Committee (1 criteria)

2. Summary of evaluation results

The evaluation of the Company's Board of Directors following discussions based on the foregoing was that the Company's Board of Directors is generally adequate in all areas (1) - (7) and its effectiveness is fully ensured.

The issue identified during the most recent evaluation of board effectiveness was "examination of ways to enhance corporate value using a long-term perspective," which is the same as the previous year. To sustain growth despite a rapidly changing operating environment, in addition to issues identified or assumed at present, the Company established themes for important deliberations eyeing the next plan following the current three-year Mid-Term Management Plan for FY2022 to FY2025. The Company will now work throughout the year to address these themes in a systematic and concentrated manner. Additionally, the Company has established venues to meet outside of Board of Directors' meetings where information will be provided from inside and outside the Company and this information will also be exchanged among directors. In this manner, the Company will increase the quality of discussions and bury any gaps in information between directors occurring as a result of differences in term of office or roles.

In regard to the Remuneration and Nomination Advisory Committee, there was an opinion that further improvements are required for the medium- to long-term succession plan. Regarding the Audit and Supervisory Committee, there was an opinion that while audits of overseas business offices had resumed,

auditing rights should be exercised in a more agile and proactive manner. The Company's Board of Directors recognizes these opinions as issues and will now work to address them.

The Company will seek to further improve the effectiveness of the Board of Directors based on the results of the latest evaluation of the effectiveness of the Board of Directors.

[Supplementary principle 4-14-2: Training Policy for Directors and Audit & Supervisory Board Members]

The Company's policy is that Directors receive training on the roles and responsibilities of Directors on becoming Directors. The secretariat of the Board of Directors explains the management status and the corporate governance structure to external directors when they take up office, and also provides them with opportunities to visit overseas subsidiaries, plants, orchards and other business premises and to deepen their understanding of the Company's management after they take up office.

In FY2016, the Company began providing training to all officers as part of planning for the development of successors. The training focuses on the roles and responsibilities and management knowledge required of senior managers, and helpful approaches and frameworks for the formulation and execution of strategies.

The Company encourages Directors and Executive Officers to participate in outside seminars and external organizations, and the cost of this is borne by the Company in accordance with internal regulations based upon requests by Directors, Executive Officers, etc.

Principle 5.1 Policy for Constructive Dialogue with Shareholders

Based on the idea that increasing understanding of the Company's business operations through "dialogue and exchange activities" with shareholders and institutional investors will contribute to the Company's sustainable growth and improvement in its corporate value, the Company actively conducts IR activities with shareholders and institutional investors led by the Company's representatives and other senior management along with members of the Finance & Accounting Department.

The Company's IR Department is in charge of dialogue and exchange with shareholders and institutional investors, and the IR Department makes proper disclosure while examining how it responds with the President and the Director in charge in accordance with the Company's policy of "fair, simple and timely" disclosure.

The IR Department deals with interviews with shareholders and institutional investors, including interviews given by the President and the Director in charge, taking the purpose of the interview and the attributes of the interviewees into consideration.

As for the disclosure and presentation of financial results, etc., the relevant departments such as Corporate Planning, Finance & Accounting, Corporate Communications, etc. hold discussions on a regular basis with the IR Department that supports dialogue to ensure organic cooperation for proper information disclosure. In addition, the Company holds financial results presentations (half-year and full-year results) twice a year for analysts and institutional investors, and the President also holds small meetings with analysts and institutional investors to explain the Company's business operations.

For individual shareholders, the President holds dialogue and exchange meetings and the Company also organizes financial results briefings and business information sessions specifically for individual shareholders.

Furthermore, dialogue and exchanges with analysts, institutional investors and individual shareholders are being carried out over the Internet.

Information about these activities is posted on the Company's webpages as necessary.

[Response for achieving management mindful of capital costs and share price]

- Based on our corporate philosophy of "appreciation," "nature" and "corporate openness," the Company will maximize corporate value by creating social and economic value through its businesses.

- ROE is one of the most important indicators for the enhancement of corporate value. We will continue to enhance our corporate value by increasing ROE and providing stable shareholder returns, based on the pillars of improving profitability and achieving both financial soundness and capital efficiency.

- The Company's response is also disclosed in the Integrated Report.

<https://www.kagome.co.jp/english/company/ir/data/report/>

2. Capital Structure

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

[Status of Major Shareholders]

Name / Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd.	12,923,604	13.69
Dynapac Co., Ltd.	4,379,540	4.64
Custody Bank of Japan, Ltd.	2,627,300	2.78
Toshichika Kanie	1,412,700	1.49
STATE STREET BANK WEST CLIENT – TREATY 505234	1,116,000	1.18
JP MORGAN CHASE BANK 385781	1,035,774	1.09
Eikichi Kanie	982,000	1.04
Kagome Employee Stock Ownership Association	971,234	1.02
Kagome Business Association	926,100	0.98
Shinichi Sano	836,653	0.88

Controlling Shareholder (except for Parent Company)	-
Parent Company	None

Supplementary Explanation

-

(2) The percentage (%) used in the status of major shareholders indicates the percentage of each entity's owned shares compared to the total number of issued shares (excluding treasury stock).

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange, Prime Market, Nagoya Stock Exchange, Premier Market
Fiscal Year-End	December
Type of Business	Foods
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1000
Sales (consolidated) as of the End of the Previous Fiscal Year	From ¥100 billion to less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 10 to less than 50

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

-

5. Other Special Circumstances that 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 in Management

1. Organizational Composition and Operation

Organization Form	Company with Audit & Supervisory Committee
-------------------	--

[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	17
Term of Office Stipulated in Articles of Incorporation	One year
Chairperson of the Board	President
Number of Directors	8
Nomination of External Directors	Nominated
Number of External Directors	5
Number of Independent External Directors	5

External Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*											
		a	b	c	d	e	f	g	H	i	j	k	
Hidemi Sato	Academic												
Kumi Arakane	From another company												
Tatsuya Endo	Tax Accountant												
Asako Yamagami	Lawyer												

* Categories for "Relationship with the Company"

* "○" 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; "▲" when a close relative of the director fell under the category in the past

- Executive of the Company or its subsidiaries
- Non-executive director or executive of a parent company of the Company
- Executive of a fellow subsidiary company of the Company
- A party whose major client or supplier is the Company or an executive thereof
- Major client or supplier of the listed company or an executive thereof
- Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides remuneration as a director/member of the Audit & Supervisory Committee
- Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
- Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)
- Executive of a company, between which and the Company external Directors/members of the Audit & Supervisory Committee are mutually appointed (the director himself/herself only)
- Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
- Others

External Directors' Relationship with the Company (2)

Name	Membership of Audit & Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Takayuki Hashimoto		○	Mr. Takayuki Hashimoto has served as President of IBM Japan, Ltd. and as Chairman thereof and presently is Honorary Executive Advisor thereof. Business transactions between the Company and IBM Japan, Ltd. include maintenance services for network equipment. As the ratios of the transaction value in FY2021 accounted for less than 1% of the consolidated net sales of the Kagome Group and IBM Japan Group, respectively.	Mr. Takayuki Hashimoto has extensive experience and knowledge of diversity promotion as a manager of a highly diversified global company. The Company believes that he will properly perform his duties as an External Director based on the above.
Hidemi Sato		○	-	Dr. Hidemi Sato has extensive experience in food and nutrition education. The Company believes that she will properly perform her duties as an independent External Director based on the above. In addition, the Company appoints her as independent director because she satisfies the standards for an independent director set by the Tokyo Stock Exchange which require the protection of general shareholders and also meets the Standards for Judging the Independence of Independent External Directors of the Company.
Kumi Arakane	○	○	-	Dr. Kumi Arakane has extensive experience and knowledge concerning corporate management from her career experience at Kose Corporation, including as the person responsible for R&D, product development and quality assurance as a Doctor of Pharmacology and her involvement in management execution and supervision as a director. The Company believes that she will properly perform

				her duties as an independent External Director based on the above. In addition, the Company appoints her as independent director because she satisfies the standards for an independent director set by the Tokyo Stock Exchange which require the protection of general shareholders and also meets the Standards for Judging the Independence of Independent External Directors of the Company.
Tatsuya Endo	○	○	-	Mr. Tatsuya Endo has sufficient knowledge of supervising corporate management and in-depth expertise of corporate accounting and tax matters from his involving in accounting audits and M&A deals for multiple listed companies inside and outside of Japan as a tax accountant. The Company believes that he will properly perform his duties as an independent External Director based on the above. In addition, the Company appoints him as independent director because he satisfies the standards for an independent director set by the Tokyo Stock Exchange which require the protection of general shareholders and also meets the Standards for Judging the Independence of Independent External Directors of the Company.
Asako Yamagami	○	○		Ms. Asako Yamagami has sufficient knowledge of supervising corporate management and in-depth expertise of corporate law, based on her experience as an in-house corporate lawyer in addition to extensive international experience, including in the United States and China, as a lawyer. The Company believes that she will properly perform her duties as an independent External Director based on the above. In addition, the Company

				appoints her as independent director because she satisfies the standards for an independent director set by the Tokyo Stock Exchange which require the protection of general shareholders and also meets the Standards for Judging the Independence of Independent External Directors of the Company.
--	--	--	--	---

[Audit & Supervisory Committee]

Committee's Composition and Attributes of Chairperson

	All Committee Members	Full-time Members	Internal Directors	External Directors	Chairperson
Audit & Supervisory Committee	3	1	1	2	Internal Director

Appointment of Directors and/or Staff to Support the Audit & Supervisory Committee

Appointed

Matters Related to the Independence of Such Directors and/or Staff from Executive Directors

The Company has one standing Audit & Supervisory Committee member as a Director and employee to support the Audit & Supervisory Committee in its duties, and the Internal Audit Department is in charge of assisting said member. To ensure the independence of said Director and employee, the Company is required to obtain the prior consent of the Audit & Supervisory Committee when determining matters relating to authority to manage the personnel affairs of said Director and the head of the Internal Audit Department, including appointments, personnel changes and disciplinary action.

Cooperation among the Audit & Supervisory Committee, Accounting Auditors and Internal Audit Departments

The Company receives submission of an annual audit plan from PricewaterhouseCoopers Japan LLC with which it has concluded an audit agreement. Audit and Supervisory Committee Members are present at audits conducted by the audit corporation and also cooperate closely with the accounting auditor, Finance and Accounting Department, and the Internal Audit Department, exchanging information and opinions with them on a regular basis. The Company's internal audits audit whether the business activities of each office are conducted properly and efficiently in compliance with laws and regulations, rules, management policies and management plans, and they aim to contribute to the rationalization of management and improvement of business efficiency. The Internal Audit Department monitors the reliability of financial reports from a neutral perspective as a business unit under direct supervision of the President and as the secretariat of the Audit and Supervisory Committee. It also directly audits the status of business execution of each business unit in the Group on a regular basis and endeavors to strengthen group governance. Any problems identified in audits are reported in a timely manner to the Audit and Supervisory Committee and the President and necessary measures and improvements are sought.

[Voluntary Establishment of Nomination/Remuneration Committee]

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established
---	-------------

Committee's Name, Composition, and Attributes of Chairperson

	Committee Corresponding to Nomination Committee	Committee Corresponding to Remuneration Committee
Committee's Name	Remuneration and Nomination Advisory Committee	Remuneration and Nomination Advisory Committee
All Committee Members	6	6
Full-time Members	0	0
Internal Directors	1	1
External Directors	4	4
External Experts	0	0
Other	1	1
Chairperson	Internal Directors	Internal Directors

Supplementary Explanation

The Company has established the Remuneration and Nomination Advisory Committee as an advisory body to the Board of Directors to determine the compensation of directors of the Company. The Remuneration and Nomination Advisory Committee consists of at least three members, a majority of whom are independent external directors. The Remuneration and Nomination Advisory Committee deliberates matters such as a system of remuneration and level of remuneration that are appropriate to the management environment and company performance and the appropriateness of individual remuneration according to individual performance, from an objective and fair perspective.

[Independent Directors]

Number of Independent Directors	4
---------------------------------	---

Matters relating to Independent Directors

The Company established Standards for Judging the Independence of Independent External Directors of the Company as follows, **and nominates as independent directors external directors who meet these standards and are deemed to** pose no risk of a conflict of interest with general shareholders.

Standards for Judging the Independence of Independent External Directors of the Company
 The Company deems an External Director to have sufficient independence in the event that he/she meets the Standards for Judging Independence as described below:

1. A person who is not or was not in the past a Director, corporate auditor (excluding outside officer), Executive Officer or employee of the Kagome Group.
2. A person who is not or has not been a major shareholder of the Kagome Group in the past five business years (pertains to a shareholder who holds 10% or more of the total voting rights of the shares of the Kagome Group), or a person who is not Director, corporate auditor, Executive, Executive Officer or employee of an entity for which the Kagome Group is a major shareholder
3. A person who is **not Director, corporate auditor (excluding outside officer), Executive, Executive Officer or employee of** a major business partner of the Kagome Group (pertains to a business partner

<p>whose amount of transactions with the Kagome Group is 2% or more of the consolidated revenue of the Kagome Group in any of the past three business years)</p> <p>4. A person who is not Director, corporate auditor (excluding outside officer), Executive, Executive Officer or employee of an entity for which the Kagome Group is a major business partner (pertains to a business partner whose amount of transactions with the Kagome Group accounts for 2% or more of the consolidated revenue of the business partner in any of the past three business years)</p> <p>5. A person who is not officer or employee of corporations or organizations that receive a large amount of donations* from the Kagome Group</p> <p>* An average of 10 million yen or more annually in the past three business years, or an amount that is 2% or more of revenue or total revenue of the recipient</p> <p>6. A person who is not Director, corporate auditor (excluding outside officer), Executive, Executive Officer or employee of a corporation which mutually exchanges Directors, corporate auditors or Executive Officers with the Kagome Group</p> <p>7. A person who has not been representative partner, partner or employee of the accounting auditor of the Kagome Group in any of the past five years</p> <p>8. A person who is not an attorney-at-law, a certified public accountant, a certified tax accountant, consultant or other professional who receives a large amount of remuneration* from the Kagome Group, other than compensation as an officer</p> <p>* On the average in the past three business years, 10 million yen or more in the case of an individual and 2% or more of consolidated revenue in the case of a corporation</p> <p>9. A person who is not the spouse, a relative within the second degree of kinship or a relative living together of any person described in 1) through 8) above</p> <p>10. A person whose total term of tenure as External Director is within eight years</p> <p>Note: The Kagome Group refers to Kagome Co., Ltd. and its subsidiaries.</p>
--

[Incentives]

Incentive Policies for Directors	Performance-linked Remuneration and Others
----------------------------------	--

Supplementary Explanation

The Directors' remuneration from the Company consists of basic remuneration as well as cash bonuses linked to performance, and share remuneration. Basic remuneration is a fixed amount of remuneration determined by the extent of the roles and duties of each title, which is within the total amount approved by the general meeting of shareholders. The composition ratios are determined for each title.

Cash bonuses and share remuneration are determined based on the core operating income ratio and net income as company-wide business performance indicators and the contribution level of each individual director and officer. From FY2020, the Company introduced a director and officer remuneration Board Incentive Plan ("BIP") trust as new form of share remuneration with greater transparency and linkages with providing value to shareholders. Furthermore, the Company established the Remuneration Committee in FY2014 as an advisory body to the Board of Directors in order to increase transparency and objectivity of decisions pertaining to director and officer remuneration. From FY2016, the Company added the roles and functions for the nomination of directors to this committee, which in turn was renamed the Remuneration and Nomination Advisory Committee, with independent external directors comprising a majority of its members.

Recipients of Stock Options	-
-----------------------------	---

Supplementary Explanation

-

[Directors' Remuneration]

Disclosure of Individual Directors' Remuneration	Selected Directors
--	--------------------

Supplementary Explanation

The Company discloses individual directors' remuneration for the representative director in the disclosure of the total amount for all directors

(Unit: Million yen)

President and Representative Director Satoshi Yamaguchi: Basic remuneration 43 Bonus 29 Stock options 0
Bord Incentive Plan 13 Total payment 86

Policy on Determining Remuneration Amounts and Calculation Methods	Established
--	-------------

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

As for Directors' remuneration, the participants at the 72nd Annual General Meeting of Shareholders held on March 25, 2016 passed a resolution to separate the Directors (excluding members of the Audit and Supervisory Committee) and Directors who are members of the Audit and Supervisory Committee and set the total amounts to no more than 500 million yen for Directors (excluding members of the Audit and Supervisory Committee) and no more than 100 million yen for Directors who are members of the Audit and Supervisory Committee.

The decision-making body and the procedures for Directors' remuneration are specified as indicated below in the Company's Rules on Remuneration for Directors and Executive Officers.

- The remuneration for Directors (excluding members of the Audit and Supervisory Committee) is determined by the Board of Directors upon deliberations of the Remuneration and Nomination Advisory Committee, using the average level of the results of remuneration surveys participated in by large companies in Japan as the benchmark and taking into account other factors such as each Director's social and relative position and level of contribution to the Company, in order to ensure the Company's market competitiveness.
- The remuneration for Directors who are members of the Audit and Supervisory Committee is determined through discussions of the Audit and Supervisory Committee.

For such decision-making, the Remuneration and Nomination Advisory Committee, which is an advisory body of the Board of Directors, deliberates on the establishment and revision of Directors' remuneration and evaluation systems and the appropriateness of evaluation results, fixed amounts of remuneration, and performance-linked compensation.

[Supporting System for External Directors]

The Corporate Planning Department which is the secretariat of the Board of Directors explains and distributes reference materials for meetings of the Board of Directors, etc. to External Directors before meetings where necessary.

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

The Company has a corporate structure with an Audit and Supervisory Committee. The Company defines the main role of the Board of Directors as to decide management strategy and management policies and monitor their implementation, and the Company seeks to enhance the advisory function and strengthen the supervisory function of the Board of Directors and to increase its effectiveness by appointing three or more External Directors who satisfy the Standards for Judging the Independence of Independent External Directors of the Company. The Audit and Supervisory Committee sets 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.

Nomination and remuneration of Directors are deliberated by the Remuneration and Nomination Advisory Committee, in which Independent External Directors account for one half or more of its members. The results of the deliberation are advised to the Board of Directors which then determines the nomination and remuneration of Directors, thereby enhancing fairness and appropriateness.

Under its executive officer system, the Company uses set criteria to delegate implementation responsibilities and authority to its departments. The Company has established the Meeting of Executive Officers in order to convey and make known the Board of Directors' resolutions and reported matters as well as to facilitate communication and coordination among executive officers. Moreover, the Management Meetings have been established under the leadership of the President to ensure business is executed agilely and through mutual coordination. Deliberations in the Management Meetings enable appropriate risk taking and also produce clear allocations of responsibilities, while enabling the Company to make decisions in an expedient manner.

3. Reasons for Adoption of Current Corporate Governance System

The Company chose a corporate structure with an Audit and Supervisory Committee to further separate business executive functions from supervisory functions, increasing the speed and flexibility of decisions on the business execution side while at the same time strengthening the business execution supervisory functions. The Company adopted the current system to increase the accountability of the Board of Directors and realize sustainable growth and improvement in corporate value over the medium and long term.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of General Shareholder Meeting	The Notice of the 79 th Annual General Meeting of Shareholders was sent on March 6, 2023. On February 17, 2023, before the date of sending, the Company also made early internet disclosure of the meeting on its website.
Allowing Electronic Exercise of Voting Rights	The Company began allowing exercise of voting rights via the Internet in 2004.
Participation in Electronic Voting Platform and other Measures for Improving Environment for Exercise of Voting Rights by Institutional Investors	The Company first used the electronic voting platform in 2013.
Provision of the notice (summary) in English	An English version of the notice (summary) for each General Meeting of Shareholders is submitted to the Tokyo Stock Exchange as well as posted on the company's web site.
Other	To help activate general meetings of shareholders and improve communication with shareholders, the Company uses a shareholder email magazine service and its website to notify shareholders that it is sending notices of shareholder meetings, ask them to exercise their voting rights, disclose individual results of the exercise of voting rights and report general meetings of shareholders using video, etc. The Company also asks shareholders who come to the shareholders meeting on the day to answer a questionnaire survey and uses this to activate shareholders meetings in subsequent years.

2. IR Activities

	Supplementary Explanations	Explanations by Representative
Preparation and Publication of Disclosure Policy	The Company publishes details of its disclosure policy such as the Standards and Policy for Information Disclosure on its website.	
Regular Investor Briefings for Analysts and Institutional Investors	The Company holds financial results briefings for analysts and institutional investors twice a year on the day following the announcement of its financial results (for the first half and the full year).	No
Posting of IR Materials on Website	Annual reports, financial summary reports, convocation notices, financial results briefings, and other reports and scenes from general meetings of shareholders	Yes
Establishment of Department and/or Manager in Charge of IR	The IR Group of the Finance & Accounting Department is in charge of IR.	
Other	The Company is constantly engaged in direct and indirect dialogue and exchange activities with shareholders, holding visits to facilities and meetings between the President and individual shareholders, and conducting questionnaire surveys, to increase understanding of the Company's	

	corporate activities among individual shareholders and institutional investors.	
--	---	--

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	<p>With regard to proper collaboration with stakeholders and respect for their interests and ethical business activities, the Company has established a Code of Conduct that must be upheld by all officers and employees of the Group based on its corporate philosophy and brand statement.</p> <p><Corporate philosophy> “Appreciation” “Nature” “Corporate Openness” Established in 2000 as an inherited management spirit that pervades through changing times</p> <p><Brand statements> True to nature, the flavor of KAGOME Established in 2003 as a promise to customers</p> <p>The Company’s Compliance Policy and Code of Conduct are published on the Company’s website. Code of Conduct: http://www.kagome.co.jp/company/about/code.html Compliance Promotion System: https://www.kagome.co.jp/company/sustainability/management.html</p>
Implementation of Environmental Activities, CSR Activities etc.	<p>The Kagome Group contributes to extending people’s healthy life expectancy by creating products derived from the wealth of nature's bounty, including tomatoes and other fruits and vegetables, and delivering them to consumers, while at the same time contributing to the sustainability of agriculture and the global environment through its involvement in the whole process starting from agriculture to maintain and develop this business. By implementing this cycle and creating a structure that provides both “social value” and “economic value” through the creation of demand, the Group aims to achieve sustainable growth. To realize this, the Company appreciates the global environment that supports people’s lives and in order to maintain corporate activities that are in harmony with the global environment, it formulates a “Quality and Environmental Policy” and a “Medium-Term Environmental Plan” and operates and continuously improves its Environmental Management System (EMS). The Company posts information about its social and environmental initiatives on its website and updates them each year. (URL:http://www.kagome.co.jp/company/kankyo/report/index.html)</p>
Development of Policies on Information Provision to Stakeholders	<p>The Company includes “Corporate Openness” in its corporate philosophy and strives for proper disclosure, including not only information disclosure required by laws and regulations but also disclosure of other information. The Company actively discloses non-financial information in its integrated report and on its website, etc.</p>

IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and the Progress of System Development

Basic Policy on Internal Control Systems

1. System to ensure that the execution of duties by directors and employees is in conformity with the laws and regulations and Articles of Incorporation

- The Company conducts business activities in line with its corporate philosophy of “Appreciation” “Nature” and “Corporate Openness,” which it sees as an inherited management spirit that pervades through changing times.
- The Company establishes a Code of Conduct to enable its Directors and Executive Officer (hereinafter “officers”) and employees to comply with laws and regulations and the Articles of Incorporation and realize “Corporate Openness” which is part of its corporate philosophy.
- The Company develops internal reporting systems, and strives for the early discovery and correction of violations of laws and regulations, Articles of Incorporation, rules, social norms and corporate ethics (hereinafter “violations of laws and regulations”) or the risk thereof.
- The Company provides training and education on compliance to its officers and employees on an ongoing basis.
- The Company develops and applies internal control over financial reporting in accordance with the Financial Instruments and Exchange Act and other relevant laws and regulations to ensure the reliability of financial reports.
- The Company has absolutely no involvement with anti-social forces and takes a resolute stance against anti-social forces’ unjust demands by collaborating with police and lawyers.
- The Company has an Internal Audit Department which conducts audits to check that business activities at every place of business are conducted properly and efficiently in compliance with laws and regulations, the Articles of Incorporation, company regulations and management policies and plans and which proposes countermeasures and improvement measures where necessary.

2. Regulations and other systems concerning management of loss risk

- The Company has a Risk Management Committee as a body to oversee risk management in the Group comprising the Company and its subsidiaries (hereinafter the “Group”) and this meeting examines risk policy and issues in addressing major risks and expedites decision-making.
- The Company has a Compliance Committee which determines responses to serious issues and preventive measures and reviews compliance measures, etc.
- The Company has an Information Security Committee which works to protect information assets including personal information through the enactment of the Information Security Policy and other means.
- The Company has a Quality Assurance Committee which efficiently implements quality assurance activities including recognition of the current status of quality management and product quality and deliberation of quality policy and targets and product design standards.
- The Company has a Research Ethics Review Committee which reviews the ethical considerations and scientific justification of medical research involving human subjects implemented by the Company.
- The Company has an Investment Committee which evaluates returns and risks regarding investments proposed by each department and monitors the effects of these investments.
- The Company has an Occupational Health and Safety Committee which works with the Health and Safety Committees established at each business site to carry out companywide risk management in terms of health and safety.

- The Company formulates business continuity plans in case of a large-scale natural disaster such as an earthquake or an epidemic of a new strain of influenza or other infection, and endeavors to minimize interruption to business.
3. System for ensuring that directors perform duties efficiently
- The Company separates the supervisory and business execution functions to clarify management responsibility and to expedite decision-making and business execution.
 - The Company defines the main role of the Board of Directors as to decide the Company's management strategy and policies and monitor their implementation, and the Company seeks to enhance the advisory function and strengthen the supervisory function of the Board of Directors by appointing three or more Independent External Directors who satisfy the Standards for Judging the Independence of Independent External Directors set out by the Company.
 - The Company has a Remuneration and Nomination Advisory Committee and the results of its deliberations are advised to the Board of Directors which then determines the nomination and remuneration of officers, thereby enhancing fairness and appropriateness.
 - Under its executive officer system, the Company uses set criteria to delegate implementation responsibilities and authority to its departments. The Company has a Meeting of Executive Officers in order to convey and make known the Board of Directors' resolutions and reported matters as well as to facilitate communication and coordination among executive officers.
 - The Company has established Management Meetings under the leadership of the President to ensure business is executed agilely and through mutual coordination. Deliberations in the Management Meetings enable appropriate risk taking and also produce clear allocations of responsibilities, while enabling the Company to make decisions in an expedient manner.
 - The Company establishes "Rules on Organization and Division of Duties," "Rules on Administrative Authorities" and "Rules on Consensus Decision Making (Ringi)" and executes business properly and efficiently.
 - Each department within the Company is involved in activities for achievement of targets under the Mid-Term Management Plan and Annual Plan adopted by resolution of the Board of Directors and the Company verifies this through regular reports at meetings of the Board of Directors to confirm progress and make any adjustments to the Company's trajectory.
 - Based on the idea that being evaluated by many shareholders will help strengthen its management supervisory functions, the Company promotes the creation of "Kagome-Fan" shareholders. The Company will continue to use feedback from shareholders to improve its management activities and will also continue to enhance disclosure of information about its corporate activities in the future.
4. System for the storage and management of information with regard to the execution of duties by Directors
- The Company stores and manages information with regard to the execution of duties by Directors such as the minutes of meetings and documents for consensus decision making in accordance with laws and regulations and internal rules.
 - The Company provides training and education about information security to its officers and employees on an ongoing basis.
5. System for ensuring appropriate business operations within the Kagome Group
- The Company sets out a corporate philosophy, a Code of Conduct, a Mid-Term Management Plan and a Corporate Policy for each fiscal year that apply to the Group to ensure appropriate business operations within the Kagome Group and puts them into action.

- The Company exercises management over the business operations of Group companies through relevant responsible departments while respecting their autonomy and receives reports as appropriate about the business results, execution of important business, major risks and major violations of laws and regulations at each company through its Board of Directors and the Risk Management Committee.
 - The Company's Internal Audit Department audits and verifies all the Group's business operations and provides advice.
 - The Company dispatches officers and employees of the Company to each Group company as Directors or corporate auditors to supervise and audit the execution of business.
 - The Company makes the Group's internal reporting system known within the Group and seeks to gradually introduce an internal reporting system to its overseas subsidiaries that do not have such a system.
 - Regarding Group information management, the Company has a Group Information Security Policy and works to protect information assets.
6. System for assisting the duties of the Audit and Supervisory Committee
- The Company's Internal Audit Department is the department that assists the duties of the Audit and Supervisory Committee.
 - In assisting the Audit and Supervisory Committee, the Internal Audit Department shall not be under the direction or command of anyone other than the Audit and Supervisory Committee Members, and decisions on matters related to the authority to manage personnel affairs of the Internal Audit Department such as appointment of the head of the department, personnel changes and disciplinary action, shall require the consent of the Audit and Supervisory Committee.
7. System for reporting to the Audit and Supervisory Committee and system for ensuring effective auditing by the Audit and Supervisory Committee
- Audit and Supervisory Committee Members shall be allowed to attend meetings of the Board of Directors as well as other important meetings such as Management Meetings, Meetings of Executive Officers, and Joint Risk Management Meetings, and the Company has a system in place that allows the Audit and Supervisory Committee to check decision-making by the Board of Directors and business execution by senior management.
 - The Audit and Supervisory Committee may ask officers and employees of the Group for reports at any time where necessary.
 - Officers and employees of the Group may report to an Audit and Supervisory Committee member or the Audit and Supervisory Committee when they have discovered a violation of laws and regulations or a fact that might be seriously damaging to the Company.
 - The Audit and Supervisory Committee regularly receives reports on matters such as the status of operation of internal reporting systems.
 - The Internal Audit Department reports its audit plans and audit results to the Audit and Supervisory Committee and otherwise endeavors to exchange information and cooperate closely with the committee. It also receives advice and instructions from the Audit and Supervisory Committee before acting.
8. System for ensuring that anyone who has reported to the Audit and Supervisory Committee does not suffer from detrimental treatment for the reason of having made said report
- The Company does not allow any officer or employee who has reported to an Audit and Supervisory Committee Member or the Audit and Supervisory Committee to suffer from detrimental treatment for the reason of having made said report.

9. Matters related to procedures for advance payment or reimbursement of expenses arising in conjunction with the execution of duties by Audit and Supervisory Committee and other policies for processing expenses and obligations arising with respect to execution of such duties

- Audit and Supervisory Committee Members may pass resolutions in the Audit and Supervisory Committee meetings on matters related to audit policy, audit methods and the budget for audit expenses that are deemed necessary for Audit and Supervisory Committee Members to execute their duties.

- Audit and Supervisory Committee members may retrospectively claim reimbursement from the Company of urgent or incidental expenses related to the execution of their duties.

2. Basic Views on Eliminating Anti-Social Forces and the Progress of System Development

The Company has established a Code of Conduct to enable officers and employees to comply with laws and regulations and the Articles of Incorporation and to realize “Corporate Openness,” which is part of its corporate philosophy. The Code of Conduct clearly states that the Company’s basic policy is to resolutely oppose any antisocial forces that pose a threat to civil society and that it will not respond in any way to unjust demands, and the Company distributes this Code and makes it known to all its officers and employees. The Compliance Committee acts as a general point of contact in the event of unjust demands by anti-social forces and will deal with them by collaborating with legal advisors, the police and other specialists.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	No
------------------------------------	----

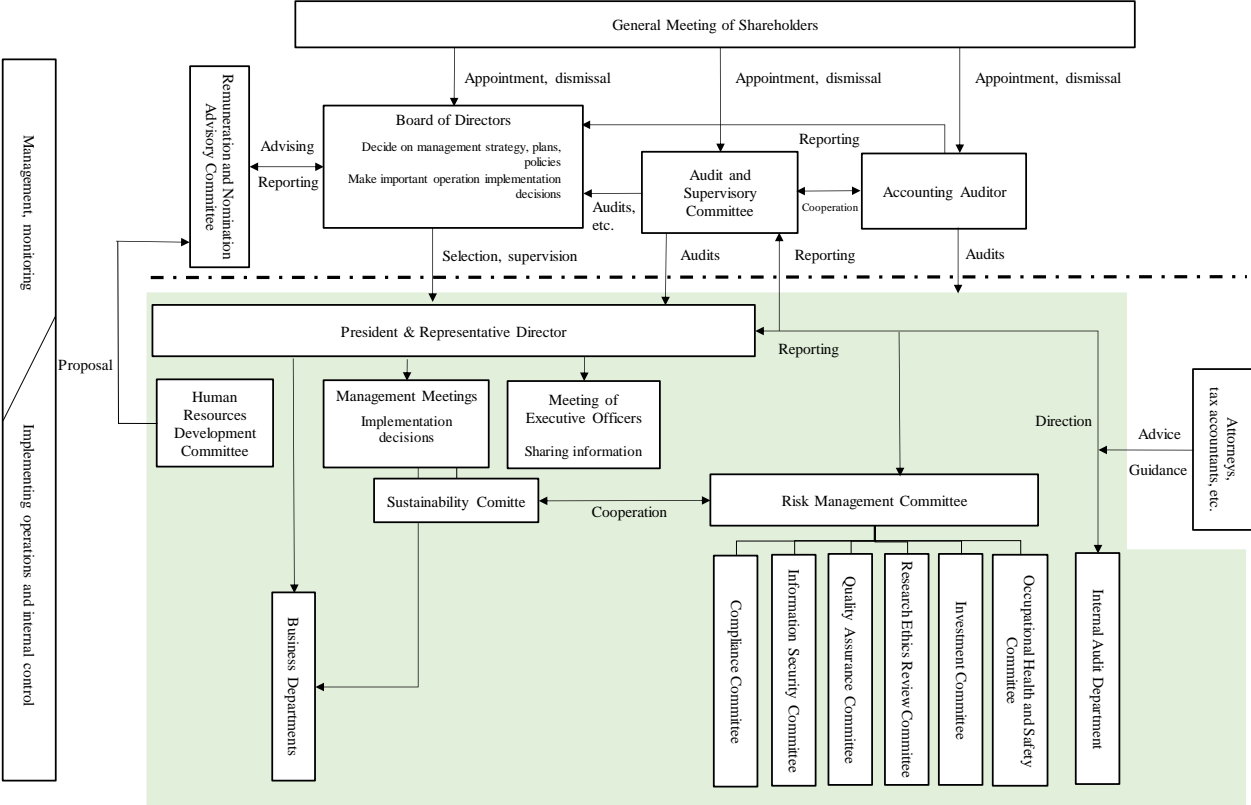
Supplementary Explanation

-

2. Other Matters Concerning to Corporate Governance System

-

Diagram of Corporate Governance Structure



Timely Disclosure Structure (Outline)

