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FEED ONE Co, Ltd.
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The corporate governance of FEED ONE 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 group positions corporate governance as a critical management issue. While striving to enhance corporate value, our fundamental policy is to establish an optimal management system that ensures efficiency, transparency, and soundness in management. This is to gain the trust of stakeholders, including shareholders, customers, business partners, local communities, and employees.

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

The company fully implements all principles of the Corporate Governance Code.

Disclosure Based on each Principle of the Corporate Governance Code

［Principle 1-4］

The company conducts an annual review of all policy-held shares at the Board of Directors' meeting to determine whether the benefits and risks associated with holding these shares justify the capital costs. We strive to reduce holdings where appropriate. Specifically, we have a policy to reduce shares that do not meet the above capital costs. However, to remain competitive and achieve sustainable growth both domestically and internationally, we comprehensively consider business strategies, financial strategies, and business relationships with our partners.

Additionally, we have established clear internal regulations regarding the exercise of voting rights for policy-held shares. In the decision-making process for exercising these voting rights, we consider whether the proposals contribute to the sustainable growth and enhancement of shareholder value for both our company and the investee companies from a medium- to long-term perspective.

Furthermore, we will vote against proposals that we believe will have a significant adverse impact on our business.

[Principle 1-7]

The company conducts transactions with officers and major shareholders based on conditions that have a certain level of rationality, such as market prices and comparisons with other companies.

We confirm the presence of related party transactions with officers at least once a year. If such transactions occur, the Board of Directors verifies their economic rationality and approves them.

[Supplementary Principle 2-4-1]

The company is committed to hiring and promoting individuals regardless of gender, nationality, or other attributes.

For information on promoting women's participation, please refer to the following URLs:

(https://www.feed-one.co.jp/english/csr/data/data.html)

(https://positive-ryouritsu.mhlw.go.jp/positivedb/detail?id=42650)

We believe that recognizing and respecting all employees with diverse backgrounds, and leveraging their individual abilities and experiences, is crucial for the sustainable growth of the company. Therefore, we aim to create a workplace environment where diverse employees can fully utilize their abilities.

We continue to secure talent such as women, foreigners, and mid-career hires, and aim to increase the ratio of these individuals in managerial positions to over 15% by fiscal year 2030 (from 11.6% in fiscal year 2023).

For our policies on human resource development and social environment improvement aimed at ensuring diversity, please refer to the following URL:

(https://pdf.irpocket.com/C2060/EAzE/UhbV/UWTp.pdf#page=39)

[Principle 2-6]

The company has adopted a defined contribution pension plan.

[Principle 3-1]

・Company objectives (e.g., business principles), business strategies and business plans

The Company has established the Purpose "Feed the World for the future, lives and smiles" and the Mission "一粒万倍 (A single seed can eventually produce a great harvest)" as our management philosophy.

Under this philosophy, we provide high-quality products that contribute to the productivity of livestock and aquaculture producers and ensure the stable supply of safe and secure food to consumers by leveraging our unique business model from upstream to downstream. For more information on our management strategy and management plan, please refer to our website.

・Management Philosophy and Management Plan (Mid-term Management Plan 2026)]

(https://pdf.irpocket.com/C2060/nGVW/FtWb/D4I4.pdf)

・FY2024 Financial Results Briefing Video

(https://webcast.net-ir.ne.jp/20602405/index.html)

・Basic views and guidelines on corporate governance based on each of the principles of the Code

For our basic approach and policy on corporate governance, please refer to "I. 1. Basic Approach" in this report.

・Board policies and procedures in determining the remuneration of the senior management and directors

The company has established the following policy for the remuneration of executive officers and directors (excluding directors who are audit and supervisory committee members):

[Basic Policy]

The Nomination and Remuneration Committee, mainly composed of outside directors, is entrusted with the decision-making on individual remuneration for directors, ensuring transparency and objectivity in the remuneration decision process.

The remuneration design provides incentives for short-term performance based on business plans and long-term corporate value enhancement based on the mid-term management plan.

The remuneration amounts for each position are set at levels that can attract and retain excellent personnel, referencing similar companies.

Based on the above policy, our Board of Directors has delegated the decision-making on the remuneration of executive officers and directors (excluding directors who are audit and supervisory committee members) to the Nomination and Remuneration Committee, mainly composed of independent outside directors. The remuneration for outside directors (excluding directors who are audit and supervisory committee members) consists only of fixed remuneration. The basic remuneration for directors who are audit and supervisory committee members is determined by the Audit and Supervisory Committee within the total amount approved by the General Meeting of Shareholders, considering factors such as whether they are full-time or part-time and their duties.

・Policy for Selecting Executive Officers and Nominating Director Candidates

The selection of executive officers and the nomination of directors (excluding directors who are audit and supervisory committee members) are based on a comprehensive consideration of each candidate's abilities, qualities, and achievements. For the nomination of outside directors, we also consider individuals who can provide objective opinions. The nomination of director candidates who are audit and supervisory committee members is based on a comprehensive consideration of their ability to appropriately supervise the execution of duties by directors (excluding directors who are audit and supervisory committee members), prevent violations of laws and regulations or the Articles of Incorporation, and contribute to ensuring the soundness of management from a neutral and objective perspective.

・Procedures Related to the Above Policies

The company has established a Nomination and Remuneration Committee, mainly composed of independent outside directors, to review the appropriateness of the selection of director candidates and the remuneration system for directors (excluding directors who are audit and supervisory committee members).

The selection of director candidates who are not audit and supervisory committee members is decided by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee.

The selection of director candidates who are audit and supervisory committee members is decided by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee and the consent of the Audit and Supervisory Committee.

We also explain the reasons for the selection and nomination of each director candidate in the proposal for the election of directors.

The decision on the remuneration of executive officers and directors (excluding directors who are audit and supervisory committee members) is delegated to the Nomination and Remuneration Committee.

[Supplementary Principle 3-1-3]

The company discloses its sustainability initiatives on our website:
(https://www.feed-one.co.jp/english/csr/)

We also disclose investments in human capital and intellectual property in our integrated report:
(https://www.feed-one.co.jp/english/ir/integrated_report/)

In the feed and livestock industry, risks related to climate change include rising corn prices and the destruction of our factories and livestock barns of our business partners due to natural disasters. We disclose the impact of these risks and opportunities on our business activities and earnings based on the TCFD recommendations at the following URL:
(https://wwzw.feed-one.co.jp/english/csr/environment/tcfd.html)

[Supplementary Principle 4-1-1]

The company has established a job authority regulation that defines the scope of delegation to the management at the Board of Directors' meeting. We set certain criteria for matters to be decided by the Board of Directors, such as the mid-term management plan and important capital policies and matters to be delegated to the management.

As a company with an audit and supervisory committee, we aim to expedite decision-making by delegating the decision-making on important business executions to directors.

[Principle 4-9]

The company applies the independence criteria set by the Tokyo Stock Exchange when selecting independent outside directors.

[Supplementary Principle 4-10-1]

The company has established a Nomination and Remuneration Committee, mainly composed of independent outside directors, to review the appropriateness of the selection of director candidates, the remuneration system for directors, and important matters related to nomination and remuneration, including succession planning, from an objective standpoint.

The committee makes recommendations to the Board of Directors. Additionally, one independent outside director who is an audit and supervisory committee member participates as an observer, allowing the Audit and Supervisory Committee to monitor and supervise the discussions of the Nomination and Remuneration Committee.

[Supplementary Principle 4-11-1]

The company believes that the current composition of the Board of Directors is of an appropriate size for prompt decision-making. We select director candidates who have diverse knowledge, including extensive industry knowledge, company management, and expertise in law, to enable multifaceted discussions at the Board of Directors' meetings.

The skills matrix of each director is disclosed at the following URL:

(https://pdf.irpocket.com/C2060/tSnV/fjCV/F5gQ.pdf)

[Supplementary Principle 4-11-2]

The company discloses the concurrent positions of officers in the business report, etc., annually. Please refer to the following URL:

(https://pdf.irpocket.com/C2060/tSnV/fjCV/F5gQ.pdf)

[Supplementary Principle 4-11-3]

To enhance the function of the Board of Directors and ultimately increase corporate value, our Board of Directors conducts an annual self-evaluation survey of all directors and auditors, including outside directors, to analyze and evaluate the overall effectiveness of the Board of Directors. To obtain objective opinions, we utilize external organizations to support the analysis of survey results and provide comparative information with other companies.

＜Initiatives to Address Issues Identified in the 2022 Effectiveness Evaluation＞

In the 2022 analysis, while our Board of Directors was evaluated as effective overall, it was recognized that discussions related to business execution took time, and sufficient time was not secured for in-depth discussions on issues such as medium- to long-term strategies, sustainability initiatives, and risk management.

○Responses to Issues

Revised the criteria for matters to be submitted to the Board of Directors.

Implemented reports from each department on themes that were not previously discussed to establish a forum for discussion at the Board of Directors.

＜Effectiveness Evaluation for 2023＞

At the Board of Directors meeting on May 20, 2024, we analyzed, discussed, and evaluated the effectiveness of the Board of Directors for 2023. The summary of the results is as follows.

The analysis concluded that the supervisory function of the Board of Directors was fully exercised, and higher effectiveness was ensured. However, it was recognized that there are issues that need to be continuously addressed.

○Identified Issues

Provide Board of Directors materials at an appropriate time to allow for prior review.

Ensure appropriate supervision of potential risks and their countermeasures for the entire group.

Consider the system for constructive dialogue with shareholders.

Review the succession plan.

Consider the composition of the Board of Directors, including diversity from a gender perspective.

Based on this effectiveness evaluation, we will continue to promptly address the identified issues and enhance the function of the Board of Directors.

[Supplementary Principle 4-14-2]

Our directors actively gather information and strive to improve their skills regarding the business environment and the status of our business to fulfill their roles and enable the Board of Directors to exercise its supervisory function. We continuously provide opportunities for directors to acquire and improve the knowledge necessary to fulfill their expected roles and responsibilities.

○Main Initiatives

・Implemented e-learning for all directors and executive officers.

2021: Role of Directors

2022: Role of the Board of Directors

2023: Financial and Non-Financial Literacy

・Provided an overview of the management of our group through various submissions and reports at the Board of Directors.

・Provided opportunities for advice from external experts and external training.

・External directors attended important meetings such as management meetings, group strategy meetings, livestock business division meetings, and aquaculture feed business meetings to deepen their understanding of the execution status.

・Conducted site visits for external directors to deepen their understanding of business operations.

2023: April - Hokkaido region, October - Chubu region

2024: July - Tohoku region (research institute)

[Principle 5-1]

Our basic policy is to disclose information necessary for investors to make appropriate investment decisions in a timely, appropriate, and fair manner. We aim to further enhance two-way communication through dialogue with shareholders and investors.

・Our Finance and Accounting Department serves as the IR contact point and conducts meetings with responsible officers as necessary.

・Our Finance and Accounting Department, in collaboration with the Corporate Planning Department and General Affairs Department, promotes initiatives to enhance investor relations, such as investor briefings and website disclosures.

・The Finance and Accounting Department serves as the IR contact point for requests for meetings from institutional investors aimed at constructive dialogue. We also engage in IR events such as earnings briefings.

・The opinions and concerns of shareholders in IR activities are regularly reported to the President and reported to the Board of Directors, and we strive to enhance corporate value by incorporating the investor perspective into management.

・Insider information is managed by establishing internal regulations, thoroughly disseminating them throughout the company, and strictly operating them, such as restricting dialogue during certain periods such as the financial closing period.

[Supplementary Principle 5-2-1]

Considering capital costs and the allocation of management resources, we formulate a medium-term management plan based on the examination of business strategies and business portfolios and explain it at earnings briefings. If a review of the business portfolio is necessary, we will disclose the target business and the reasons for it in a timely and appropriate manner.

[Measures to Achieve Management Conscious of Capital Costs and Stock Prices] [Update Date: October 29, 2024]

In our “Medium-Term Management Plan 2026 ~1st STAGE for NEXT 10 YEARS~” (FY2025-FY2027), we position ROE and ROIC as indicators to measure capital efficiency, with target values of ROE: 8% or more and ROIC: 6% or more in the final year. The cost of shareholders’ equity and WACC are calculated based on the CAPM formula, considering the beta value and D/E ratio of similar listed companies, and are assumed to be 8% and 6%, respectively.

ROIC is managed by business, and we set KPIs at the site level using the ROIC tree to permeate management conscious of capital costs to the site level, thereby steadily promoting growth acceleration, profitability improvement, optimal capital structure realization, and strengthening the management foundation. We also aim to improve PBR by enhancing IR through dialogue with investors and enriching disclosure information.

From FY2025, we will adopt financial indicators (EBITDA, ROE, ROIC) and non-financial indicators (CO2 reduction, employee engagement) set forth in the medium-term management plan as KPIs for performance-linked compensation for officers, linking corporate value enhancement with incentives for executive directors and executive officers.

Our initiatives to enhance corporate value are disclosed at the following URL:

(https://pdf.irpocket.com/C2060/nGVW/FtWb/D4I4.pdf)

2. Capital Structure

Foreign Shareholding Ratio	10% or more but less than 20%

Status of Major Shareholders

Name or Company Name	Number of Shares Owned	Percentage (%)
MITSUI & CO., LTD.	9,838,416	25.60
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,699,400	9.63
Custody Bank of Japan, Ltd. (Trust Account)	1,278,860	3.33
Daiwa Kogyo LLC	1,205,000	3.14
THE KEIHIN CO., LTD.	1,047,175	2.72
STATE STREET BANK AND TRUST COMPANY 505223	948,616	2.47
Tokio Marine & Nichido Fire Insurance Co., Ltd.	833,611	2.17
Asahi Mutual Life Insurance Company	803,968	2.09
The Bank of Yokohama, Ltd.	781,780	2.03
Yonkyu Co., Ltd.	600,012	1.56

Name of Controlling Shareholder, if applicable (excluding Parent Companies)	N/A
Name of Parent Company, if applicable	N/A

Supplementary Explanation
N/A

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Prime Market
Fiscal Year-End	March
Business Sector	Foods
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	500 or more but fewer than 1,000
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

N/A

5. Other Special Circumstances which may have a Material Impact on Corporate Governance

The company is an affiliate of MITSUI & Co., Ltd., which holds 9,838,000 shares of our stock (25.76% of voting rights).
While we purchase corn and other raw materials for compound feed from MITSUI & Co., Ltd., they serve as one of the sales channels for our group's compound feed. These transactions occur regularly, and we conduct them under the same conditions as with unrelated business partners, ensuring no disadvantage to minority shareholders.

Additionally, we have established a voluntary Nomination and Compensation Committee. This committee objectively reviews and decides on important matters related to nominations and compensation, such as the selection of director candidates and the executive compensation system, and makes recommendations to the Board of Directors. The committee consists of four outside directors (including three independent outside directors) and the President and CEO, with an independent outside director serving as the chairperson. This structure ensures our independence from MITSUI & Co., Ltd. in the selection of management.

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 Supervisory Committee

Directors

Number of Directors Stipulated in Articles of Incorporation	13
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	10
Election of Outside Directors	Elected
Number of Outside Directors	6
Number of Independent Directors	5

Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
KIKUE KUBOTA	Academic											
TAKAO TSUJI	Another company											
YASUSHI HANDA	Lawyer											
KAKU YOSHISATO	Another company							○	○			
KEIZO GOTO	Other											
NAOHIRO CHIKADA	CPA											

*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. Person who executes business for a non-executive director of the Company's parent company
c. Person who executes business for a fellow subsidiary
d. Person/entity for which the Company is a major client or a person who executes business for said person/entity
e. Major client of the Company or a person who executes business for said client
f. 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/company auditor
g. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
h. 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)
i. Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to director him/herself only)
j. Person who executes business for an entity receiving donations from the Company (applies to director him/herself only)
k. Other

Outside Directors' Relationship with the Company (2)

Name	Membership of Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
KIKUE KUBOTA	—	○	Ms. KIKUE KUBOTA is an Emeritus Professor at Ochanomizu University and a part-time auditor at Tokyo University of Agriculture. There are no business or other interests between our company and Ms. KUBOTA.	Ms. KIKUE KUBOTA has been engaged in research on food science and related fields for many years at Ochanomizu University, where she serves as an Emeritus Professor. She possesses specialized knowledge related to our company's food business. Additionally, her role as an auditor at a university corporation allows her to provide valuable and objective advice and suggestions regarding our overall management. Furthermore, Ms. KUBOTA has no special interests with the management and is deemed to have no potential conflicts of interest with general shareholders. Therefore, she has been designated as an independent officer.
TAKAO TSUJI	—	○	Mr. TAKAO TSUJI is an outside director (Audit and Supervisory Committee member) of Shinnittan Co., Ltd., an outside director of Tachibana Eletech Co., Ltd., and an outside director of FUJISOFT Incorporated. There are no business or other interests between him and his concurrent positions. Additionally, there are no	Mr. TAKAO TSUJI has extensive experience and broad knowledge gained from his work at trading companies and through managing two publicly listed companies. He is well-suited to independently oversee and supervise management from both a corporate executive's perspective and an objective standpoint. By leveraging his management

			business or other interests between our company and Mr. TSUJI.	experience, he provides valuable advice from a wide-ranging perspective on our business activities, thereby enhancing the transparency and supervisory functions of our Board of Directors. Furthermore, Mr. TSUJI has no special interests with the management and is deemed to have no potential conflicts of interest with general shareholders. Therefore, he has been designated as an independent officer.
YASUSHI HANDA	—	○	Mr. YASUSHI HANDA is a lawyer. There are no advisory contracts or other business relationships, nor any other interests, between our company and Mr. HANDA.	Mr. YASUSHI HANDA, with his experience as a judge and specialized legal knowledge, provides candid opinions that are not bound by our company's theories. This allows him to independently oversee management from an objective perspective that considers the entire corporate society, including legal regulations. We believe this enhances the transparency and supervisory functions of our Board of Directors, and thus, he has been appointed. Furthermore, Mr. HANDA has no special interests with the management and is deemed to have no potential conflicts of interest with general shareholders. Therefore, he has

				been designated as an independent officer.
KAKU YOSHISATO	—	—	Mr. KAKU YOSHISATO is an Executive Officer and Assistant General Manager of the Food Division at MITSUI & Co., Ltd., and an employee of a specified related business entity (a major business partner). Our group purchases corn and other raw materials for compound feed from Mitsui & Co., Ltd., while they serve as one of the sales channels for our group's compound feed. These transactions occur regularly, and there are no direct interests between the individual outside director and these transactions. Additionally, Mr. KAKU YOSHISATO is an outside director of Starzen Co., Ltd. and an outside director of J-OIL MILLS, INC. However, there are no business or other interests between Mr. YOSHISATO and his other concurrent positions.	Mr. KAKU YOSHISATO has extensive knowledge in the feed and livestock/aquaculture business, primarily gained through his work at MITSUI & Co., Ltd. He also has experience working at a grain company in Brazil, providing him with a broad range of expertise in both the feed and livestock/aquaculture business and international operations. We believe that his wide-ranging perspective and advice on our business activities will contribute to strengthening our management structure, and thus, he has been appointed.
KEIZO GOTO	○	○	—	Mr. KEIZO GOTO has specialized knowledge in finance and economics, gained from his experience at the National Tax Agency and his role as a Specially Appointed Professor at the Graduate School of Economics at Rikkyo University. Additionally, his experience as a full-time auditor at Japan Freight Railway

				Company allows him to provide valuable and objective advice and suggestions. Therefore, he has been appointed. Furthermore, Mr. GOTO has no special interests with the management and is deemed to have no potential conflicts of interest with general shareholders. Therefore, he has been designated as an independent officer.
NAOHIRO CHIKADA	○	○	Mr. NAOHIRO CHIKADA is the head of CHIKADA Certified Public Accountant Office, the President and CEO of Chiyoda Sokeisha Co., Ltd., and an outside auditor of Tokyo Tatemono Co., Ltd. However, there are no business or other interests between our company and Mr. CHIKADA or his concurrent positions.	Mr. NAOHIRO CHIKADA possesses specialized knowledge as a certified public accountant and tax accountant. He has also gained valuable experience as an outside director and outside auditor at other listed companies, serving on audit and supervisory committees. His objective perspective and independence make him well-suited to oversee business execution, enhancing the transparency and supervisory functions of our Board of Directors. Therefore, he has been appointed. Furthermore, Mr. CHIKADA has no special interests with the management and is deemed to have no potential conflicts of interest with general shareholders. Therefore, he has been designated as an independent officer.

Supervisory Committee

Composition of Supervisory Committee and Attributes of the Chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Committee Chair
Supervisory Committee	3	1	1	2	Inside Director

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

Matters Concerning Independence of Said Directors and/or Staff from Executive Officers/Reasons for Adopting Current System

The directors of our group (excluding directors who are audit and supervisory committee members), executive officers, and employees shall ensure that they do not hinder the independence of the employees assisting the duties of the audit and supervisory committee. Additionally, the director in charge of the General Affairs Department shall obtain prior consent from the audit and supervisory committee regarding the personnel matters of the employees assisting the duties of the audit and supervisory committee.

Cooperation among the Supervisory Committee, Accounting Auditors and Internal Audit Department

The Internal Audit Department (comprising 7 members) operates directly under the President and conducts internal audits and internal control evaluations for our group. The status and results of these internal audits and evaluations are reported to the President and the Audit and Supervisory Committee, as well as to the Board of Directors. To ensure the effectiveness of internal audits, follow-up on subsequent improvements is conducted, and regular and as-needed information exchanges are held with the Audit and Supervisory Committee and the Accounting Auditor.

Audit and Supervisory Committee members attend the monthly Board of Directors meetings in accordance with audit policies and task allocations, where they monitor and supervise the decision-making and execution of duties by the directors. They also attend important internal meetings such as management meetings and group strategy meetings, providing opinions as necessary. Additionally, based on the annual schedule, the Audit and Supervisory Committee conducts audits of the company's operations and collaborates with the auditors of related subsidiaries to assist in auditing the execution of operations, thereby striving to strengthen the audit functions within the group.

The directors who are members of the Audit and Supervisory Committee regularly and as needed exchange opinions with the Internal Audit Department and the Accounting Auditor. The Audit and Supervisory Committee receives detailed reports and explanations from the Accounting Auditor at each financial closing, reviewing the appropriateness of the audit methods and results.

Voluntary Established Committee(s)

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 Compensation Committee	5	0	1	4	0	0	Outside Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Nomination and Compensation Committee	5	0	1	4	0	0	Outside Director

Supplementary Explanation

We have established a "Nomination and Compensation Committee" primarily composed of outside directors. This committee reviews the appropriateness of the selection of director candidates and the executive compensation system and makes recommendations to the Board of Directors. Additionally, it determines the individual compensation amounts for directors (excluding directors who are audit and supervisory committee members).

The Nomination and Compensation Committee fulfills the functions of both the Nomination Committee and the Compensation Committee.

Matters Concerning Independent Directors

Number of Independent Directors	5

Other Matters Concerning Independent Directors

We designate all outside directors who meet the qualifications of independent officers as independent officers.

Incentives

Implementation Status of Measures related to Incentives Granted to Directors	Introduction of Performance-linked Remuneration Scheme

Supplementary Explanation for Applicable Items

The compensation for our directors (excluding directors who are audit and supervisory committee members) consists of monetary compensation (fixed compensation, short-term performance-linked compensation) and non-monetary compensation (medium-term performance-linked compensation, long-term incentive compensation). Note that the compensation for outside directors is limited to fixed compensation only.

The amounts for both monetary and non-monetary compensation are calculated comprehensively, considering the position, achievement rate of performance targets, department evaluation, market environment, and social conditions.

Additionally, the Nomination and Compensation Committee reviews the balance between monetary and non-monetary compensation and compares it with companies in the same industry and of similar size to determine the payment ratios for each type of compensation.

The indicators for performance-linked compensation are set to clearly evaluate the performance of each director, considering broad factors such as changes in business environment and risks related to equity-method affiliates. For short-term performance-linked compensation (monetary compensation), the indicators are EBITDA and ROIC (Return on Invested Capital) from the consolidated business plan. For medium-term performance-linked compensation (non-monetary compensation), the indicators are EBITDA, ROE (Return on Equity), CO2 reduction, and employee engagement index from the medium-term management plan. Additionally, stock compensation as a long-term incentive is granted annually based on the position.

Performance-linked compensation is set with a variable range of 0% to 150% depending on the achievement of target values for each indicator.

The proportion of variable compensation in the total individual compensation ranges from 10% to 39%, depending on performance-linked compensation. The proportion of non-monetary compensation in the total individual compensation ranges from 10% to 15%.

Persons Eligible for Stock Options	N/A

Supplementary Explanation for Applicable Items

N/A

Director Remuneration

Status of Disclosure of Individual Director's Remuneration	No Disclosure for any Directors

Supplementary Explanation for Applicable Items

The compensation for our directors shall be determined by a resolution of the General Meeting of Shareholders. Based on the resolution of the 10th Annual General Meeting of Shareholders held on June 21, 2024, the amount of compensation for our

directors (excluding directors who are audit and supervisory committee members) is set at a maximum of 300 million yen per year (of which, the amount for outside directors is set at a maximum of 40 million yen per year).
Additionally, based on the resolution of the 10th Annual General Meeting of Shareholders held on June 21, 2024, the amount of stock compensation for our directors (excluding directors who are audit and supervisory committee members) is set at a maximum of 90 million yen over three years (excluding outside directors). The amount of compensation for directors who are audit and supervisory committee members is set at a maximum of 60 million yen per year, based on the resolution of the 10th Annual General Meeting of Shareholders held on June 21, 2024.

Policy on Determining Remuneration Amounts and Calculation Methods	Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

Policy for Determining Individual Compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members)

1. Basic Policy
The company positions executive compensation as an important means to achieve sustainable growth, enhance medium- to long-term corporate value, and pursue sustainability. Compensation is determined based on the following policies through a transparent and fair process:

- In principle, decisions regarding individual compensation for directors are delegated to the Nomination and Compensation Committee, which mainly consists of outside directors, ensuring transparency and objectivity in the executive compensation decision process.

- The design of compensation is intended to provide incentives for short-term performance based on business plans and medium- to long-term corporate value enhancement based on the medium-term management plan.

- The compensation amounts for each position are set at levels that can secure and retain excellent talent, referencing similar companies.

2. Compensation Structure
The compensation for our directors consists of monetary compensation (fixed compensation, short-term performance-linked compensation) and non-monetary compensation (medium-term performance-linked compensation, long-term incentive compensation). Note that the compensation for outside directors consists only of fixed compensation.
Based on the above basic policy, the amounts of monetary and non-monetary compensation are calculated comprehensively considering the position, achievement rate of performance targets, department evaluation, market environment, social conditions, etc.
Additionally, the Nomination and Compensation Committee compares and examines the payment ratios of each compensation, considering the balance between monetary and non-monetary compensation, and comparing with peer companies and companies of similar size.

3. Compensation Levels

Based on data from external research agencies on executive compensation, the median level considering the size (sales, number of employees, market capitalization, etc.) of listed and unlisted companies is used as a benchmark, and compensation is set for each position.

4. Fixed Compensation

The fixed compensation for directors corresponds to monetary compensation (a fixed amount paid monthly). Revisions to fixed compensation are determined by considering changes in business scale, compensation level trends, etc., primarily when the position or role changes.

5. Variable Compensation

The indicators for performance-linked compensation are set to clearly evaluate the performance of each director, considering broad factors such as changes in business environment factors and risks related to the operation of equity-method affiliates. For short-term performance-linked compensation (monetary compensation), the indicators are EBITDA and ROIC (Return on Invested Capital) based on the consolidated business plan. For medium-term performance-linked compensation (non-monetary compensation), the indicators are EBITDA, ROE (Return on Equity), CO2 reduction, and employee engagement coefficient based on the medium-term management plan. Additionally, stock compensation as a long-term incentive is granted annually according to the position.

Performance-linked compensation is set with a variable range of 0% to 150% depending on the achievement status of each indicator's target values.

The proportion of variable compensation in the total individual compensation ranges from 10% to 39%, depending on performance-linked compensation.

The proportion of non-monetary compensation in the total individual compensation ranges from 10% to 15%.

6. Policy for Determining the Timing or Conditions for Granting Compensation to Directors

The conditions for compensation for our directors are determined annually in June. Short-term performance-linked compensation and long-term incentive compensation (non-monetary compensation) are granted after the annual general meeting of shareholders in June. Medium-term performance-linked compensation (non-monetary compensation) is granted after the general meeting of shareholders in June of the fiscal year following the final year of the medium-term management plan. Non-monetary compensation is subject to transfer restrictions until resignation.

Support System for Outside Directors

For outside directors, the General Affairs Department serves as the point of contact for various communications and information provision.

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
N/A	N/A	N/A	N/A	N/A	N/A

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

Other Related Matters

N/A

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

1) Matters Related to the Function of Business Execution The Board of Directors is responsible for making important decisions regarding business execution and generally meets once a month. Additionally, to thoroughly discuss important management issues, management meetings are held at least once a month with the participation of executive officers in addition to the board members. Audit and Supervisory Committee meetings and liaison meetings, attended by directors who are Audit and Supervisory Committee members, are also held at least once a month.

Our company has established committees such as the Compliance Committee and the Credit Committee to review important issues. We have also set up a management monitoring system through audits by the Audit and Supervisory Committee, which includes two outside directors.

(2) Matters Related to the Audit Function The Audit and Supervisory Committee generally meets monthly. The methods and results of audits conducted according to the audit plan established by the Audit and Supervisory Committee are reported. Reports on the status of operations are received from each department head, and visits to branches, factories, and affiliated companies are conducted as necessary. Efforts are made to strengthen cooperation between the Audit and Supervisory Committee, the accounting auditor, and the internal audit department. A secretariat for the Audit and Supervisory Committee has been established to support its duties.

External audits are conducted by Deloitte Touche Tohmatsu LLC, and the certified public accountants responsible for our company’s accounting audits are as follows:

Designated Limited Liability Partner, Engagement Partner: FUKUYUKI NISHIKAWA

Designated Limited Liability Partner, Engagement Partner: KENJI UTA

(3) Summary of the Content of Limited Liability Contracts Non-executive directors have entered into contracts to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act, based on the provisions of Article 427, Paragraph 1 of the same Act. The limit of liability for damages under these contracts is the amount stipulated by law. This limitation of liability is only recognized when the non-executive director has acted in good faith and without gross negligence in the performance of their duties that caused the liability.

3. Reasons for Adoption of Current Corporate Governance System

The company has long been committed to enhancing corporate governance to improve long-term corporate value by maintaining a majority of outside directors and promoting the separation of business execution and supervision. As part of this effort, we transitioned to a company with an Audit and Supervisory Committee upon approval at our 10th Annual General Meeting of Shareholders held on June 21, 2024. This transition aims to strengthen the supervisory function and expedite decision-making by allowing the Board of Directors to delegate broad decision-making authority on business execution to directors while including Audit and Supervisory Committee members in the Board of Directors.

Furthermore, we aim to further strengthen our internal control system by realizing comprehensive organizational audits by the Audit and Supervisory Committee. To achieve both the acceleration of decision-making and the rationalization and efficiency of business execution while strengthening the supervisory function, we have introduced an executive officer system and rationalized management through management meetings. We have also appointed outside directors to the Board of Directors to strengthen the management risk management system and ensure management transparency. Additionally, by adopting the Audit and Supervisory Committee system and appointing two out of three directors who are Audit and Supervisory Committee members as outside directors, we have established a system that allows for neutral and objective management oversight of our company’s decision-making on management and business execution.

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 company sends out notices of convocation for the Annual General Meeting of Shareholders early and discloses them on our website before dispatch.
Scheduling of the General Meeting of Shareholders on a Non-Peak Day	The company schedules the date of the Annual General Meeting of Shareholders to avoid peak days.
Electronic Exercise of Voting Rights	The company has adopted electronic methods for exercising voting rights.
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 electronic voting platform to improve the voting environment for institutional investors.
Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	The company provides English translations of the notices of convocation.
Other	N/A

2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies		
Regular Investor Briefings held for Individual Investors		Not Held
Regular Investor Briefings held for Analysts and Institutional Investors	We hold financial results briefings at least once a year.	Held
Regular Investor Briefings held for Overseas Investors		Not Held
Online Disclosure of IR Information	We publish timely disclosure materials, including financial results summaries and business reports.	
Establishment of Department and/or Placement of a Manager in Charge of IR	This is handled by the Finance and Accounting Department.	
Other	N/A	

3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	We have established the Feed One Group Code of Conduct for Officers and Employees, which outlines the social responsibilities and corporate ethics for our group's officers and employees.
Implementation of Environmental Preservation Activities and CSR Activities, etc.	In our group, we have established CO2 emissions as a key indicator to minimize risks and maximize opportunities associated with climate change. Our medium-term goal is to reduce Scope 1 and 2 CO2 emissions by 50% by FY2030 compared to FY2020 levels, and our long-term goal is to achieve carbon neutrality across the supply chain by FY2050. a. Medium-term Goal - Target Year: FY2030 - Content: 50% reduction in Scope 1 and 2 CO2 emissions (compared to FY2020) - Scope: Our company and major affiliates b. Long-term Goal - Target Year: FY2050 - Content: Achieve carbon neutrality - Scope: Entire supply chain c. CO2 Reduction Roadmap for Medium-term Goal Our group has formulated three reduction measures and created a decarbonization roadmap to achieve the medium-term goal by FY2030. Although emissions are expected to increase due to business growth towards FY2030, we will achieve further emission reductions within our group. It is important to contribute to the decarbonization and low-carbonization of the entire supply chain through business activities, and we will accelerate our efforts by implementing reduction measures, including contributions to reduction. **Energy-saving and Energy-creating Activities** We will improve unit consumption at production sites, update to high energy-saving performance equipment, switch fuels (from heavy oil to liquefied natural gas, etc.), and electrify equipment (introducing heat pumps, electric forklifts, etc.). Additionally, we will work on energy creation within our company by introducing solar power generation equipment and achieve steady

	reductions, including improving energy efficiency through the reorganization of production sites. **Switch to Renewable Energy Power** By utilizing electricity derived from renewable energy, we will achieve decarbonization of our group's electricity and contribute to accelerating the introduction of renewable energy in Japan. **Offsetting through Reduction Contributions** We will contribute to the reduction of greenhouse gases derived from livestock, such as methane from cattle burps and methane and nitrous oxide from livestock manure, as well as methane generated during the production process of feed rice, a feed ingredient. By purchasing and offsetting the environmental value (such as J-Credits), we will contribute to the decarbonization and low-carbonization of the supply chain. Additionally, as part of our CSR activities, we are engaged in food education activities to deepen the correct understanding of domestic livestock products and are working on solving issues that match our business characteristics, such as developing low-fishmeal and fishmeal-free feed from the perspective of marine resource conservation.
Formulation of Policies, etc. on Provision of Information to Stakeholders	N/A
Other	N/A

IV. Matters Concerning the Internal Control System

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

1. Systems to Ensure Compliance of Directors, Executive Officers, and Employees with Laws and Articles of Incorporation in the Execution of Their Duties

(1) The Board of Directors of our group makes important management decisions and supervises the execution of duties by directors in accordance with laws, the Articles of Incorporation, resolutions of the General Meeting of Shareholders, and internal regulations.

(2) To ensure that directors, executive officers, and employees of our group comply with laws and regulations and promote appropriate corporate activities, we disseminate the "Feed One Group Code of Conduct for Officers and Employees."

(3) The Audit and Supervisory Committee audits the execution of duties by directors in cooperation with the accounting auditor and the internal audit department.

(4) The "Internal Reporting Regulations" are disseminated within our group, and the status of reports and follow-up on the results of such reports are regularly reported to the Board of Directors. The Board of Directors takes necessary measures to enhance the effectiveness of the internal reporting system and continuously improves it through evaluations.

(5) The Board of Directors strives to educate, train, and inform our group about compliance, including the internal reporting system, and to assign and develop personnel with the necessary skills and aptitudes.

(6) The Compliance Committee investigates and deliberates on various compliance issues within our group, determines action policies, and provides instructions and information to our group.

(7) Our group maintains no relationships with antisocial forces that threaten civil society and does not engage in any antisocial transactions. We respond firmly to such forces in close cooperation with external specialized agencies such as the police.

2. Systems for the Preservation and Management of Information Related to the Execution of Duties by Directors and Executive Officers

(1) Documents related to the duties of directors, executive officers, and employees of our group are managed in accordance with applicable laws, the "Document Management Regulations," the "Information Security Regulations," and other relevant regulations, ensuring the proper preservation and management of important documents and records.

(2) The handling of personal information within our group is managed in accordance with the "Personal Information Protection Regulations" and other relevant regulations.

(3) The handling of trade secrets within our group is managed in accordance with the "Trade Secret Protection Regulations."

3. Systems for Managing Risks of Loss

(1) To manage risks associated with quality, our group establishes a "Quality Policy" and implements a management system to prevent quality-related risks, centered on the Quality Assurance Department. The Quality Assurance Committee investigates and deliberates on various quality issues, determines action policies, and provides instructions and information to our group.

(2) To manage risks arising from business development, our group operates the "Enterprise Risk Management Regulations," with the Corporate Planning Department overseeing risk information and regularly reporting to the Board of Directors. Each department manages specific risks related to their respective operations.

4. Systems to Ensure Efficient Execution of Duties by Directors and Executive Officers

(1) An executive officer system is established to clarify functions and expedite management by separating decision-making and supervisory functions from business execution functions.

(2) To ensure a common understanding between decision-making and supervisory functions and business execution functions, and to ensure the effectiveness and efficiency of operations, the reliability of financial reporting, and compliance with relevant laws and regulations, important matters are decided at the Board of Directors meetings held monthly after deliberation by the Management Committee.

(3) Our group operates in accordance with internal regulations such as the "Division of Duties Regulations" and the "Authority Regulations," with each department head managing their responsibilities appropriately according to their authority and responsibilities.

5. Systems to Ensure Proper Business Operations within the Corporate Group Consisting of Our Company and Subsidiaries

(1) The execution of business operations by group companies is managed based on the "Group Company Management Regulations" and the "Authority Regulations," with the Group Strategy Meeting attended by the President and relevant directors, executive officers, and employees.

(2) The Internal Audit Department, independent of the business line, conducts regular internal audits of our company and group companies, investigates the operation and maintenance of the internal control system, and reports the findings and improvement measures to the President, the Audit and Supervisory Committee, and the Board of Directors.

6. Matters Related to Employees Who Assist in the Duties of the Audit and Supervisory Committee

The secretariat of the Audit and Supervisory Committee is the Audit and Supervisory Committee Secretariat, and if the Audit and Supervisory Committee requests employees to assist in its duties, such employees are assigned.

7. Matters Related to the Independence of the Employees Mentioned in the Previous Item from Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) and Ensuring the Effectiveness of Instructions to Such Employees

Directors (excluding directors who are Audit and Supervisory Committee members), executive officers, and employees of our group ensure that the independence of employees assisting in the duties of the Audit and Supervisory Committee is not hindered. The director in charge of the General Affairs Department obtains prior consent from the Audit and Supervisory Committee regarding personnel matters of such employees.

8. Systems for Reporting to the Audit and Supervisory Committee by Directors (Excluding Directors Who Are Audit and Supervisory Committee Members), Executive Officers, and Employees, and Other Systems for Reporting to the Audit and Supervisory Committee

(1) Directors, executive officers, and employees establish a system where Audit and Supervisory Committee members can attend important internal meetings such as the Board of Directors, Management Committee, and Group Strategy Meeting and receive timely reports. They also report the status of management decisions and business execution to the Audit and Supervisory Committee through regular reports, important approval documents, minutes, and other documents. If the Audit and Supervisory Committee requests an explanation regarding the execution of duties within our group, directors, executive

officers, and employees respond promptly and accurately.
(2) If directors, executive officers, employees, or those who have received reports from them recognize the occurrence of events that significantly impact the management of our group, they promptly report to the Audit and Supervisory Committee.

9. Systems to Ensure That Persons Who Have Made Reports Are Not Treated Unfavorably for Making Such Reports
Our group ensures that no unfavorable treatment is given to persons who have reported to the Audit and Supervisory Committee for making such reports.

10. Policies on Procedures for Prepayment or Reimbursement of Expenses Arising from the Execution of Duties by Audit and Supervisory Committee Members (Limited to Those Related to the Execution of Duties of the Audit and Supervisory Committee) and the Processing of Expenses or Liabilities Arising from the Execution of Such Duties
If an Audit and Supervisory Committee member requests prepayment or reimbursement of expenses related to the execution of their duties based on the Companies Act, our company promptly processes such expenses or liabilities unless they are deemed unnecessary for the execution of the Audit and Supervisory Committee member's duties.

11. Other Systems to Ensure Effective Audits by the Audit and Supervisory Committee
The President and directors regularly exchange opinions with the Audit and Supervisory Committee, recognize the importance of audits by the Audit and Supervisory Committee, and establish a cooperative system to support audit operations, allowing the Audit and Supervisory Committee to audit the execution of duties by directors in cooperation with the accounting auditor and the internal audit department.

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

Our company has established the following systems to eliminate antisocial forces and strives to verify and improve them as necessary:
(1) In the Group Employee Code of Conduct, we stipulate that we will completely sever any relationships with antisocial forces and will never engage in antisocial transactions.
(2) To eliminate antisocial forces, our company, led by the General Affairs Department, participates in training with relevant organizations and closely collaborates with external specialized agencies such as the police, establishing a system to respond firmly across the entire company.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted

Supplementary Explanation for Applicable Items

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2. Other Matters Concerning the Corporate Governance System

Timely Disclosure System

The company ensures the proper disclosure of important information that may affect investment decisions, such as occurrence facts, decision facts, and financial information, in accordance with the Financial Instruments and Exchange Act and other relevant laws, as well as the "Rules on Timely Disclosure of Corporate Information by Issuers of Listed Securities" established by the stock exchange where our shares are listed. The operational system for timely disclosure is as follows:

(1) Occurrence Facts

Important information that occurs within our company and its affiliates is promptly reported by the department or affiliate where the fact occurred to the responsible person of each supervising department in accordance with internal regulations (Internal Information Management Regulations and Affiliate Management Regulations). This information is also promptly reported to the Corporate Planning Department, which oversees risk management and affiliate management within our group, ensuring that important information is consolidated in the Corporate Planning Department. The General Manager of the Corporate Planning Department, together with the General Manager of the General Affairs Department, who is responsible for handling information, promptly consults with the supervising officer and the head of the relevant department regarding the necessity, timing, and method of timely disclosure. If it is determined that timely disclosure is necessary, the information is promptly disclosed by the General Manager of the General Affairs Department with the approval of the President.

(2) Decision Facts

The Corporate Planning Department, which oversees the approval process within our group, consolidates important information decided by our company and its consolidated subsidiaries in accordance with internal regulations (Approval Regulations, Internal Information Management Regulations, and Affiliate Management Regulations). For important facts that may require timely disclosure, the General Manager of the General Affairs Department, who is responsible for handling information, promptly consults with the supervising officer and the head of the relevant department to determine the necessity of timely disclosure. If it is determined that timely disclosure is necessary, the timing and method of disclosure are promptly decided, and the information is disclosed by the General Manager of the General Affairs Department with the approval of the President.

(3) Financial Information

The Finance and Accounting Department prepares financial figures, and the General Affairs Department compiles qualitative information. After obtaining approval from the Board of Directors, the Finance and Accounting Department promptly carries out

the procedures for timely disclosure.

Corporate Bodies and Internal Control System

The diagram below illustrates the corporate bodies and internal control system of our company.

END