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# Oisix ra daichi Inc.

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Securities Code: 3182, TSE

The corporate governance of Oisix ra daichi Inc. (the "Company") is described below

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

### 1. Basic Views

Based on the recognition that it is an indispensable function for continually raising corporate value, the company is working to strengthen and enhance our corporate governance system. In addition, in order to fulfill its accountability to shareholders, the Company believes that it is extremely important to ensure transparency and fairness in the implementation of prompt and appropriate information disclosure and decision-making. Furthermore, the Company recognizes that it is an important management issue to thoroughly implement a compliance system based on sound ethical standards and to earn the trust of shareholders, investors, business partners, and other stakeholders.

【Reasons for not implementing the Principles of the Corporate Governance Code】

**[Principle 1-4: Strategic shares holds]**

In the event that the Company expect that strengthening relationships with business partners will contribute to the expansion of the Group's business, we will hold the companies of the listed companies after thoroughly considering the significance of holding shares and economic rationality. However, specific criteria for the reduction of policy shareholdings and the exercise of voting rights thereof have not been established at this time. We will set the criteria in consideration of the results of future shareholdings and other circumstances.

**[Supplementary Principle 2-4-1: Concept regarding securing diversity of core human resources, such as the promotion of women, foreigners, and mid-career recruits to managerial positions]**

The Company have been securing human resources for women related to the products we handle, and we will continue to promote this. We have also begun hiring foreigners as a group through the development of overseas businesses and will develop the necessary institutional designs and operations.

As for specific figures regarding the above, the company immediate target for the ratio of women in management positions is 30%, and the actual ratio as of the end of March 2024 was 20.8% on a background of 49.6% female employees. Meanwhile, with regard to standards for foreign nationals and mid-career hires, effective standards will be set in consideration of the future situation.

**[Principle of replenishment 4-1-2]**

The Company does not disclose our medium-term management plan.

In the rapidly changing business environment surrounding us, we believe that disclosing our medium-term management plan may cause investors to make decisions that are different from what we intend.

At the same time, we discuss measures to respond to the progress of our single-year business plan through monitoring at the Board of Directors, Management Committee, and other meetings, and reflect these measures in future business plans.

Based on these considerations, we will explain to investors its future business development, business plans, and their progress at financial results briefings and other events.

**[Principle of replenishment 4-1-3]**

The Company does not have a clear succession plan for the CEO at this time. The Nomination and Compensation Committee which established in 2022 will report to and discuss with the Board of Directors, including howthe succession plan should be.

【Disclosure based on each principle of the corporate governance code】

**[Principle 1-7: Related party transactions]**

In accordance with laws and regulations and the regulations of the Board of Directors, the Board of Directors is required to resolve competitive transactions by directors and conflict of interest transactions between directors and the Company.

**[Principle 2-6: Fulfilling the Function of Corporate Pension as an Asset Owner]**

The company have a defined contribution pension plan.

It is intended to provide a means of fund-provisioning while obtaining tax effects for the design of a comfortable life after the age of 60.

The departments in charge conduct business operations in order to ensure stable asset formation and financial soundness for employees, and exchange information on management and its status with the financial institutions to whom it outsources operations and manage operations accordingly.

**[Principle 3-1: Enhancement of information disclosure]**

The comapny disclose and disclose the following matters and proactively disseminate information.

**(i) Company's goals (management philosophy, etc.), management strategies, and management plans**

This information is available on our website. With regard to management plans, the Company announces earnings forecasts for each fiscal year at financial results briefings.

**(ii) The basic concept and basic policy on corporate governance based on each principle of this code**

The Company described in annual securities report "Fourth 4. Status of corporate governance, etc."

**(iii) Policies and procedures by which the board determines the remuneration of senior management and directors**

The remuneration of directors (including concurrent executive officers) is stated in the "Board of directors Remuneration" section of this report and the disclosure of the amount of remuneration and the policy for determining the calculation method of remuneration.

Remuneration for executive officers who concurrently serve as employees is determined after deliberation by full-time directors on the "appraisal content and revised remuneration" based on the criteria of the employee performance evaluation system.

**(iv) Policies and procedures by which the Board of Directors elects and dismisses senior management and nominates candidates for directors and corporate auditors**

With regard to the nomination of candidates for directors and Audit & Supervisory Board members, the President selects candidates who are deemed to be optimum based on a comprehensive consideration of their experience, knowledge, expertise, background, etc. The Audit & Supervisory Board members are proposed to the Board of Directors with the approval of the Audit & Supervisory Board, and their appointment is consulted at the General Meeting of Shareholders after approval by the Board of Directors.

The appointment and dismissal of executive officers has been proposed by the president to the Board of Directors and appointed by the Board of Directors in accordance with the Rules of Executive Officers and the Rules of Authority for Approval.

**(v) Explanation of individual appointments, dismissals, and nominations when the Board of Directors elects and dismisses management executives and nominates candidates for Directors and Audit & Supervisory Board Members based on (iv) above.**

Regarding the nomination of candidates for directors and Audit & Supervisory Board members, the reasons and background are stated in the Notice of Convocation of the General Meeting of Shareholders.

The Board of Directors resolves the election and dismissal of executive officers based on the executive officer regulations, taking into account specialized knowledge related to business, management execution capability, innovativeness, and leadership ability.

In election and dismissal, the Board of Directors sufficiently explains the reasons for the appointment and dismissal.

**[Supplementary Principle 3-1-3 (Sustainability Initiatives in Disclosure of Management Strategies, etc.)]**

**(i) Disclosing management strategies, the company's own sustainability initiatives**

The Group strives to realize a sustainable society and achieve growth by finding solutions to food challenges under its corporate philosophy: Farm for Today, Table for Tomorrow. The Group takes action through its various brands and businesses, including Oisix, Radish Boya, and Daichi wo Mamoru kai in the BtoC Subscription Business, and subsidiaries Tokushimaru and Purple Carrot. During the period under review, SHiDAX Corporation, which likewise engages in business to deliver solutions to society's challenges, was added to the Group's list of consolidated subsidiaries.

The business model of the Group's mainstay BtoC Subscription Business is to bring about sustainable retail by building sustainable relationships across the entire supply chain through connecting producers directly to consumers. The sustainability of this system is achieved through subscription boxes, which operate through proprietary algorithms that match accumulated data on customer preferences with the growing conditions of crops, which depend on weather patterns. This allows customers to continue purchasing the products they enjoy and the Group to present a product lineup that reflects actual growing conditions on farms, making it possible for us to promote both efficient consumption of crops and customer satisfaction.

The Group is simultaneously aware of both its responsibility to solve social issues and its unique potential to actually contribute to realizing solutions. By growing its businesses, it will deliver an increasingly wide-ranging food lineup while helping society move closer to sustainability.

In doing so, given the Group's current business environment and the addition of SHiDAX Corporation as a consolidated subsidiary, the Group has identified the following three domains as important sustainability topics to create social and economic value and realize a sustainable society.

1. Responding to environmental issues and climate change
2. Improving the internal environment and developing human resources to strengthen human capital
3. Community building

**(ii) Details of our sustainability initiatives are disclosed on the sustainability website of our corporate website.**

[Sustainability Site]

https://en.oisixradaichi.co.jp/sustainability/

**[Principle of replenishment 4-1-1]**

In addition to the matters stipulated in laws and the Articles of Incorporation, companies have specified in detail the Regulations of the Board of Directors regarding matters to be resolved at meetings of the Board of Directors.

With regard to important matters other than those to be resolved by the Board of Directors, in addition to the Rules of the Management Committee (Management Committee Rules), the Rules of Administrative Authority stipulate the Standards of Authority for Approval, and prompt decision-making is carried out.

**[Principle 4-9: Criteria for assessing the independence of Independent External Members of the Board of Directors and their quality]**

The Company selects candidates for independent external directors through deliberations by the Board of Directors based on criteria compliant with the independence standards of the TSE.

**[Principle of replenishment 4-10-1]**

The Company have a majority of independent external directors on the Board of Directors.

On this basis, the Nomination and Compensation Committee has been established as an advisory body to the Board of Directors. The Nomination and Compensation Committee is a voluntary committee with a majority of its members as independent external directors. The Nomination and Compensation Committee has been established to ensure objectivity and transparency, improve the supervisory functions of the Board of Directors, and further enhance corporate governance functions. The committee is composed of independent external directors who can be expected to provide effective advice from a wide variety of perspectives. The two current members are: the first is a university professor specializing in human resource management and organization, and has experience as an external director at several other companies; the second is a director who has grown the company from a venture company to a prime market company on the TSE.

**[Principle of replenishment 4-11-1]**

In accordance with our strategy, we have identified the skills of the members of the Board of Directors and disclosed the composition of the Board of Directors as indicated by the skill matrix on the Notice of Convocation of General Meeting of Shareholders and on our corporate website. The Board of Directors is composed of a necessary and appropriate number of members to ensure an effective management system and substantive discussion at the Board of Directors. In addition, we will ensure the balance and diversity of knowledge, experience and abilities of the Board of Directors as a whole while giving consideration to expertise, including personnel capable of demonstrating strengths in the management of each business field and personnel suitable for business management. The Independent External Directors include managers of companies listed on the TSE Prime Market.

**[Principle of replenishment 4-11-2]**

The concurrent status of directors and statutory auditors of other listed companies is reasonably limited, and the status of important concurrent positions is disclosed annually in the Notice of Convocation of the General Meeting of Shareholders and the Annual Securities Report.

**[Replenishment Principle 4-11-3]**

The Company conducts an annual analysis and evaluation of the effectiveness of the Board of Directors with the aim of maintaining and improving the effectiveness of the Board of Directors. Based on the issues obtained, the Company will work to further improve the effectiveness of the Board of Directors.

In the FY 2024/3, after conducting a written questionnaire to all directors and corporate auditors, the secretariat of the Board of Directors interviewed directors and corporate auditors, mainly external directors and corporate auditors, and held individual discussions with them to identify issues to be addressed based on opinions and evaluations obtained from directors and corporate auditors, and to recognize issues for the future.

In the written questionnaire, we first asked, "What are the main functions required of the board of directors in our company?" as a general statement, and obtained scores (out of 5) and comments from that perspective. Next, we obtained scores and comments on (1) the composition of the board of directors, (2) the state of deliberations and the operation of the agenda, (3) the provision of information, etc., related to "the composition and operation of the board of directors" as each theory, and conducted an interview based on these scores and comments.

Based on the results of our analysis, we generally assess that the operations of the Board of Directors are effective.

Regarding the general question, "What are the main functions required of the board of directors in our company?",the opinions were well-balanced in terms of business execution decisions, monitoring (supervision) of business execution (content and process), and sharing of knowledge and information, mainly by outside directors. The overall score was 4.1 out of 5. The average score for each issue was 4.5.

While there were some basic issues that could be considered basic, the opinions for improvement were generally in the positive direction toward better management. The main areas of improvement were further sharing of company information, which is a prerequisite for deliberations, and enhancement of agenda items such as reporting on the status of invested projects, including subsidiaries, and enhancing deadlocks, risk-side perspectives, and comparative studies with alternative methods. There was also a request for another actual gathering of the Board of Directors and other information-sharing opportunities after COVID-19. The Board of Directors Secretariat will continue to work on these issues to further improve the effectiveness of the Board of Directors.

**[Principle of replenishment 4-14-2]**

The Company provide the Board of Directors and Audit & Supervisory Board Members with opportunities to acquire the knowledge they need in their business operations so that they can fully demonstrate their management supervision and audit functions at the request of the Directors and Audit & Supervisory Board Members and at the proposal of the Board of Directors Secretariat.

The Company is responsible for the costs incurred in such cases.

**[Principle 5-1: Policy on constructive dialogue with shareholders]**

The Company recognize the importance of strengthening and enhancing our corporate governance system based on the recognition that it is an essential function to continuously increase corporate value. At the same time, we also recognize the importance of continually engaging in active dialogue with shareholders, reflecting shareholder opinions and requests in management, and growing us together with shareholders.

To this end, we have established an IR system and disclose information as needed to gain an understanding of our performance and management policies.

**[Principle 5-2: Establishing and Disclosing Business Strategies]**

Our business is currently in a growth phase, and we intend to continue to prioritize the investment of cash flow generated by the business in growth investments. The main growth investment areas are as follows.

1. BtoC subscription business: development of new services, advertisement investments, system investments, logistics systems and facility enhancements, etc.

2. BtoB subscription business: M&A for business expansion, strengthening of logistics and manufacturing functions, etc.

- **Establishing and Disclosing Business Strategies (Actions to Implement Management that is Conscious of Cost of Capital and Stock Price)**

The Company made SHIDA Holdings Corporation (now SHiDAX Holdings Corporation) a consolidated subsidiary in January 2024. As a result, in addition to our ancestral food delivery business (BtoC subscription business), we have begun full-scale new business operations such as facility meal operations (BtoB subscription business). In the medium term, we aim to achieve total sales of 300 billion yen in the two businesses of domestic BtoC subscription business and BtoB subscription business in the fiscal year ending March 31, 2030.

The Company aims to achieve sustainable growth and increase its corporate value over the medium to long term by achieving sales and profit growth in line with its strategy. In addition, to realize management that is conscious of cost of capital and stock price, we will hold discussions on current assessments, policies, and specific initiatives in our new business portfolio, and disclose them promptly upon completion.

## 2. Capital Structure

| | |
|---|---|
| Foreign Shareholding Ratio | Greater than or equal to 20%, less than30% |

【Status of Major Shareholders】

| Name / Company Name | Number of Shares Owned | Percentage (%) |
|---|---|---|
| Kohey Takashima | 4,847,200 | 13.26 |
| The Master Trust Bank of Japan, Ltd. | 2,882,500 | 7.88 |
| Recruit Co., Ltd. | 2,648,000 | 7.24 |
| The Bank of New York 133612 (standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department) | 2,506,700 | 6.86 |
| Custody Bank of Japan, Ltd. (Trust Account) | 1,239,400 | 3.39 |
| Kazuyoshi Fujita | 1,032,516 | 2.82 |
| NTT DOCOMO, INC. | 1,000,000 | 2.74 |
| The Bank of New York Mellon 140040 (standing proxy: Mizuho Bank, Ltd., Settlement Sales Division) | 988,400 | 2.70 |
| The Bank of New York 133652 (standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department) | 827,500 | 2.26 |
| Yusuke Tsutsumi | 720,000 | 1.97 |

| | |
|---|---|
| Parent Company | None |
| Listed Stock Market of Parent Company | — |

Supplementary Explanation

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| The company own 1,470,130 shares of treasury stock. |

## 3. Corporate Attributes

| | |
|---|---|
| Listed Stock Market and Market Section | Tokyo Stock Exchange Prime Section |
| Fiscal Year-End | March |
| Type of Business | Retail |
| Number of Employees (consolidated) as of the End of the Previous Fiscal | Greater than 1000 persons |

| | |
|---|---|
| Year | |
| 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**

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

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## 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 Auditors |

【Directors】

| | |
|---|---|
| Maximum Number of Directors Stipulated in Articles of Incorporation | 11 |
| Term of Office Stipulated in Articles of Incorporation | One year |
| Chairperson of the Board | Other Director |
| Number of Directors | 9 |
| Status of the appointment of External Directors | Appointed |
| Number of External Directors | 5 |
| Number of Independent 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 |
| Mitsuyo Hanada | Academic | | | | | | | | △ | | | |
| Hitoshi Tanaka | From another company | | | | | | | | △ | | | |
| Junko Watabe | From another company | | | | | | | | | | | |
| Wakako Sakurai | From another company | | | | | | | | | | | |
| Misato Kowaki | From another company | | | | | | | | | | | |

* 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

a. Executive of the Company or its subsidiaries

b. Non-executive director or executive of a parent company of the Company

c. Executive of a fellow subsidiary company of the Company

d. A party whose major client or supplier is the Company or an executive thereof

e. Major client or supplier of the listed company or an executive thereof

f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/*kansayaku*

g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)

h. 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)

i. Executive of a company, between which and the Company external directors/*kansayaku* are mutually appointed (the director himself/herself only)

j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)

k. Others

External Directors' Relationship with the Company (2)

| Name | Designation as Independent Director | Supplementary Explanation of the Relationship | Reasons of Appointment |
|---|---|---|---|
| Mitsuyo Hanada | ○ | In June 2010, the Company entered into an agreement with the Institute of Organizational Research, represented by Mitsuyo Hanada, where we conducted management training for our employees. The compensation for the training is insignificant. | Mitsuyo Hanada has broad knowledge of overall corporate management, centered on HR organizations from an academic perspective. For this reason, the Company has appointed him as an External Director in anticipation of various advice and opinions regarding the management of the Company. |

| | | | |
|---|---|---|---|
| Hitoshi Tanaka | ○ | Hitoshi Tanaka is the representative director of JINS Co., Ltd., and there is a transaction relationship of goods purchase between the Company and the JINS Co., Ltd..<br>The Company and its subsidiaries do not have significant transactions. | Hitoshi Tanaka is appointed as an external director in anticipation of appropriate advice and recommendations based on his abundant experience as a corporate manager and supervision of corporate management. |
| Junko Watabe | ○ | | Junko Watanabe has broad knowledge of management related to client management in the Recruit Group from a digital perspective. For this reason, the Company has appointed the Company as an external Director in expectation of various advice and opinions regarding the management of the Company. |
| Wakako Sakurai | ○ | | Wakako Sakurai has many years of experience in ABC Cooking Studio Inc., and NTT DOCOMO, INC. has extensive knowledge of the content business. |
| Misato Kowaki | ○ | | Misato Kowaki is appointed as an external director in anticipation of appropriate advice and recommendations based on experiences and knowledge from the consumer's perspective. |

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

【Establishment of voluntary committees】

| | Name | Number of members | Full-time member | Inside Director | External Director |
|---|---|---|---|---|---|
| Voluntary committees equivalent to nominating committees | Nominating and Compensation Committee | 3 | 1 | 1 | 2 |
| Voluntary committees equivalent to the Compensation Committee | Nominating and Compensation Committee | 3 | 1 | 1 | 2 |

| | Name | External Expert | Other | chairman |
|---|---|---|---|---|
| Voluntary committees equivalent to nominating committees | Nominating and Compensation Committee | 0 | 0 | External Director |
| Voluntary committees equivalent to the Compensation Committee | Nominating and Compensation Committee | 0 | 0 | External Director |

【Audit & Supervisory Board Members】

| | |
|---|---|
| Establishment of Audit & Supervisory Board | Established |
| Maximum Number of Audit & Supervisory Board Members Stipulated in Articles of Incorporation | 5 |
| Number of Audit & Supervisory Board Members | 4 |

Cooperation among Audit & Supervisory Board Members, Accounting Auditors and Internal Audit Departments

The Internal Auditing Office and Audit & Supervisory Board Members regularly exchange information on the status of internal audits and share information by attending important meetings. The Internal Auditing Office, Audit & Supervisory Board Members and Independent Auditors share information and opinions by attending audit reviews held each time an accounting auditor conducts an audit, also exchange opinions as needed on the presence or absence of problems of audit problems and future issues.

| | |
|---|---|
| Appointment of External Audit & Supervisory Board Members | Appointed |
| Number of External Audit & Supervisory Board Members | 4 |
| Number of Independent Audit & Supervisory Board Members | 4 |

External Audit & Supervisory Board Members' Relationship with the Company (1)

| Name | Attribute | Relationship with the Company* | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | a | b | c | d | e | f | g | h | i | j | k | l | m |
| Chika Otobe | From another company | | | | | | | | | | | | | |
| Yukihiro Moroe | From another company | | | | | | | | | | △ | | | |
| Takashi Kokubo | Lawyer | | | | | | | | | | △ | | | |
| Kengo Wada | From another company | | | | | | | | | | | | | |

* 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

a. Executive of the Company or its subsidiary

b. Non-executive director or accounting advisor of the Company or its subsidiaries

c. Non-executive director or executive of a parent company of the Company

d. *Kansayaku* of a parent company of the Company

e. Executive of a fellow subsidiary company of the Company

f. A party whose major client or supplier is the Company or an executive thereof

g. Major client or supplier of the Company or an executive thereof

h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a *kansayaku*

i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)

j. Executive of a client or supplier company of the Company (which does not correspond to any of f, g, or h) (the *kansayaku* himself/herself only)

k. Executive of a company, between which and the Company external directors/*kansayaku* are mutually appointed (the *kansayaku* himself/herself only)

l. Executive of a company or organization that receives a donation from the Company (the *kansayaku* himself/herself only)

m. Others

External Audit & Supervisory Board Members' Relationship with the Company (2)

| Name | Independent Audit & Supervisory Board Member | Supplementary Explanation of the Relationship | Reasons of Appointment |
|---|---|---|---|
| Chika Otobe | ○ | — | Chika Otobe is one of the founding members of DeNA. Co., Ltd. After establishing the Administrative Division and the Internal Audit Division, he was appointed as an Audit & Supervisory Board Member and was in charge of the overall administrative division. Thereafter, utilizing these experiences, I supported overall corporate management, centered on startups, as a sole proprietor, and contributed to solving governance and compliance issues of various sizes and industries. Based on these experiences and knowledge, we hope to receive useful advice on our governance to continue pursuing new business value, and have elected him as an External Audit & Supervisory Board Member. |

| | | | |
|---|---|---|---|
| Yukihiro Moroe | ○ | Yukihiro Moroe had a business relationship with the company for which he was a director as a supplier of goods, and the Company was a major business partner for this company. However, he resigned from the aforementioned board in August 2022 and no longer has any relationship with this company. | Yukihiro Moroe has extensive experience in the retail and distribution field, investment business, and capital markets, and has served as an external director for several companies. Having reached the aforementioned situation, we have decided to appoint him as an independent director in light of the independence standards stipulated by the TSE, on which the Company relies. |
| Takashi Kokubo | ○ | Takashi Kokubo was commissioned to supervise the legal affairs of the General Meeting of Shareholders until FY2019. It is not an advisory agreement and the amount of the transaction is negligible for us. | Takashi Kokubo was appointed as an External Audit & Supervisory Board Member because he has abundant experience and specialized knowledge as an attorney, and he gives useful advice mainly from a compliance perspective, he is expected to perform his duties as an External Audit & Supervisory Board Member. In addition, we have decided to appoint him as an independent director in light of the independence standards stipulated by the TSE, on which the Company relies. |
| Kengo Wada | ○ | — | Kengo Wada has a wealth of experience and insight as a certified public accountant and has a high level of professional knowledge as a certified public accountant. In addition, he is involved in businesses in a diverse range of industries through M&A and investment and finance. Based on this experience, we expect to receive useful advice on our governance, and have appointed him as an External Audit & Supervisory Board member. |

【Independent Directors/Audit & Supervisory Board Members】

| | |
|---|---|
| Number of Independent Directors/Audit & Supervisory Board Members | 9 |

Matters relating to Independent Directors/Audit & Supervisory Board Members

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|---|
| — |

【Incentives】

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|---|---|
| Incentive Policies for Directors | None |

Supplementary Explanation

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| The performance-linked compensation system will be examined through the newly established Nomination and Compensation Committee. The stock option plan was terminated due to the expiration of the term in Jun. 2022. |

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| Recipients of Stock Options | None |

【Director Remuneration】

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|---|---|
| Disclosure of Individual Directors' Remuneration | No Individual Disclosure |

Supplementary Explanation

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| The Company has not disclosed individual remuneration because no individual remuneration is more than ¥100 million.<br>The Company has disclosed remuneration for directors and Audit & Supervisory Board members on a gross basis. |

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

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

The following details were determined by the Board of Directors on Feb 25, 2021.

Policy for determining the individual remuneration of directors

1.Basic Policy

The remuneration of our boards of directors shall be a remuneration system that functions sufficiently as an incentive to continuously improve corporate value, and the basic policy for determining the remuneration of individual directors shall be an appropriate level based on their respective responsibilities and performance, etc. Specifically, only fixed remuneration is paid, which is determined based on the position, duties in charge, performance in each fiscal period, and the level of other companies.

2.Policy for determining the amount of individual remuneration, etc. for basic remuneration (monetary remuneration), including policy for determining the time or conditions for granting remuneration, etc.

The basic remuneration of our boards of directors shall be fixed monthly remuneration and shall be determined by comprehensively taking into account the position, duties in charge, performance of each fiscal period, etc. within the total amount resolved at the General Meeting of Shareholders.

3.Matters concerning the determination of the contents of individual remuneration, etc. for directors

Individual remuneration shall be delegated by Representative Director & CEO in accordance with a resolution of the Board of Directors, and the details of such delegation shall be determined by the amount of the basic remuneration. To ensure that the relevant authority is properly exercised by Representative Director & CEO, the Representative Directors shall make decisions by respecting the content deliberated at the Executive Compensation Advisory Council, including an External third party.

【Supporting System for External Directors and/or Audit & Supervisory Board Members】

The Corporate Plannning Division has supported for External Directors and External Audit & Supervisory Board Members. In addition, the full-time corporate auditors regularly communicate information to the part-time corporate auditors.

## 2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration

Decisions (Overview of Current Corporate Governance System)

1) Basic Explanation of the Company's Organization

a. Board of Directors

The Company's Board of Directors consists of 9 directors (including 5 external directors). The Board of Directors meet once a month and extraordinary meetings are held as necessary to execute business and to supervise the execution of business by the Board of Directors. In addition Audit & Supervisory Board Members also attend meetings of the Board of Directors to audit the execution of business by the Board of Directors.

b. Management Committee

The Company regularly holds management committee attended by full-time directors, full-time corporate auditors and the heads of each division to confirm the execution of day-to-day operations and expedite decision-making.

c. Corporate Auditors and Board of Corporate Auditors

The Company's Board of Corporate Auditors consists of 1 full time corporate auditor and 3 part-time corporate auditors, all of whom are external corporate auditors. Each of Audit & Supervisory Board members attends meetings of the Board of Directors and other important meetings and expresses his opinions in an effort to enhance the effectiveness of corporate governance. In principle, the Board of Corporate Auditors meets on the same day as the regular meetings of the Board of Directors.

d. Accounting Auditors

The Company has entered into an audit agreement with Deloitte Touche Tohmatsu LLC, which is subject to audits pursuant to the Companies Act and the Financial Instruments and Exchange Act.

e. Nominating and Compensation Committee

The Company has established the Nomination and Compensation Committee as a voluntary committee that advises the Board of Directors, with a majority of the three members being outside directors who are independent directors. The committee discusses the design of the remuneration system for each director, the status of business execution, the Company's business performance, and the ideal management structure based on the Company's business plans and challenges, and reports back to the Board of Directors in response to its inquiries regarding director remuneration and nominations.

2) Risk management system

The Company carries out risk management and compliance systems mainly by the Risk Management Committee. The committee consists of the General Manager of the Administration Division and executive officers and others. Full-time Audit & Supervisory Board members also participate at all times. Its mission is to disseminate and raise awareness of compliance among officers and employees, receive reports of violations of laws and regulations, and investigate the facts. Specifically, the subcommittee meets once a month to report and discuss compliance-related matters, such as the existence of internal reporting, responses to anti-social forces, and the status of compliance with labor-related laws and regulations, as well as matters related to risk management, matters related to disclosure (timely disclosure), and the status of responses to the so-called J-SOX Act.

In addition, in accordance with the intent of the Whistleblower Protection Act, the Company have established an internal reporting system (the "Corporate Ethics Hotline") with the aim of contributing to thorough compliance. Through this system, our employees can report to the previously established Corporate Ethics Hotline Contact that violations of laws and regulations stipulated in the Whistleblower Protection Act and other serious violations of compliance, etc. have occurred or are about to occur. The whistleblowers will be received appropriate protective measures, the person in charge of the Corporate Ethics Hotline reports information to the Risk Management Committee and takes corrective measures when necessary. In addition, the Company has established the Code of Ethics as a code of conduct to be followed by all our officers and employees, and we are working to disseminate and educate them. As part of our efforts to ensure compliance with laws and regulations related to individual operations, we confirm compliance with laws and regulations that are closely related to our operations, such as the Personal Information Protection Law, Act against Unjustifiable Premiums and Misleading Representations, and the Specified Commercial Transactions Law, and disseminate knowledge about laws and regulations through training and other means.

## 3. Reasons for Adoption of Current Corporate Governance System

Based on the size and business of the Company, we judge that a company with a board of corporate auditors is the most appropriate option. By appointing 5 external directors (All of whom are independent) and 4 external corporate auditors (3 of whom are independent), we are working to improve the checks and monitoring functions of the Board of Directors.

## 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 Company plans to expedite settlement operations and send convocation notices as soon as possible. The 27th Annual General Meeting of Shareholders is sent out 18 days prior to the meeting and provided electronically 24 days prior to the meeting. |
| Scheduling AGMs Avoiding the Peak Day | The Company will take note of the fact that the meeting will be held on a day that avoids the peak day, in order to encourage more shareholders to attend the meeting, |
| Voting by Electromagnetic Method | From the 23rd Ordinary General Meeting of Shareholders in 2020, voting rights are exercised by electronic means. |
| Participation in the Electronic Voting Platform and Other Initiatives to Improve the Environment for Institutional Investors to Exercise Voting Rights | Since the 23rd Ordinary General Meeting of Shareholders in 2020, we have participated in the Electronic Voting Platform operated by ICJ, Inc. |
| Provision of convocation notices (summaries) in English | Since the 24th Ordinary General Meeting of Shareholders in 2021, we has been providing the notice of convocation (summarized) in English. |

## 2. IR Activities

| | Supplementary Explanations |
|---|---|
| Preparation and Publication of Disclosure Policy | The Company publish disclose information on our website. Information disclosure includes basic stance, disclosure standards, and methods, measures to enhance communication, and the silence period for IR activities. |
| Regular Investor Briefings for Individual Investors | The Company hold briefings for individual investors sponsored by securities companies and other organizations in an effort to deepen their understanding of us. In addition to disclosing financial results briefing materials, we promptly disclose financial results briefing videos for institutional investors and analysts, briefing documents, and Q&A sessions on our website. We strive to disclose information to individual investors in a fair and homogenous manner. [Explanation by the Representative Director: None] |
| Regular Investor Briefings for Analysts and Institutional Investors | The Company conducts results meetings twice a year at the time of the announcement of full-year and second-quarter financial results.<br>It is implemented in an online distribution format and in a format that accepts real-time questions and answers. In addition, we routinely conduct individual interviews with institutional investors and analysts as well as group interviews. [Explanation by the Representative Director: Yes] |
| Regular Investor Briefings for Overseas Investors | The Company holds overseas IR and participate in conferences sponsored by securities companies.<br>In addition, the Company discloses financial results and timely disclosure materials simultaneously in English and strives to disclose information in a fair manner. [Explanation by the Representative Director: Yes] |
| Posting of IR Materials on Website | The Company provides information for investors, including financial results and timely disclosure on our website.<br>We endeavor to disclose information in a fair manner by posting financial results, timely disclosure information, and materials related to the General Shareholders meeting of Shares. |
| Establishment of Department and/or Manager in Charge of IR | The Company has established an IR department within the Administration Division. |
| Other | The Company regularly conducts individual interviews with analysts and institutional investors both in Japan and overseas. |

### 3. Measures to Ensure Due Respect for Stakeholders

| | Supplementary Explanations |
|---|---|
| Stipulation of Internal Rules for Respecting the Position of Stakeholders | The Company has established internal regulations as a code of conduct for realizing our corporate philosophy of "Farm for Tomorrow, Table for Tomorrow" and for resolving social issues related to food through business methods. We have also established internal regulations on what kind of corporate behavior we will take toward our stakeholders, including customers, business partners, employees, shareholders, and society. |
| Implementation of Environmental Activities, CSR Activities etc, | 【Environmental Conservation Activities】<br>We identify environmental materiality and focus our efforts on "1. Reducing GHG Emissions, 2.Reducing food waste, and 3.Reducing plastics.<br>1. Reduce GHG Emissions<br>We are originally a sustainable business model, selling organic and low-pesticide vegetables and additive-free foods domestically. In our efforts to reduce GHG emissions, we are switching to renewable energy sources for electricity used at our distribution centers and providing agri-tech and other technologies to producers that will lead to CO2 reductions.<br>2. Reduce food waste<br>Our business is a subscription model, with a food waste ratio of approximately 0.2% in distribution, a very low business model compared to general retailing.<br>In addition, we are actively utilizing non-standard raw materials and developing up-cycle products to reduce the number of food waste in our fields. To reduce food waste at the dinner table, we are expanding sales of meal kits and other food-use-out services.<br>3. Reduce plastics<br>We are switching to recycled and environmentally friendly materials for product packaging and reducing unnecessary packaging materials, mainly for products manufactured by our own company.<br>【Other Social Activities】<br>In order to resolve social issues related to food, we provide support for TABLE FOR 2 activities that simultaneously address the issue of hunger in developing countries and obesity and lifestyle-related diseases in developed countries. We also operate the "We Support Family" food support platform for individual parents and others. |

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|---|---|
| Development of Policies on Information Provision to Stakeholders | The Company strives to disclose information in a timely and appropriate manner in accordance with the legal disclosure system based on the Financial Instruments and Exchange Act and other laws, as well as the timely disclosure rules stipulated by the Tokyo Stock Exchange. Even if communication is not subject to statutory disclosure or timely disclosure, we disclose important information that may affect investment decisions in a fair and prompt manner so that all stakeholders can obtain it equally. In addition, we are working to expand the disclosure of information to our stakeholders through websites and other means. |
| Other | <Support for Women's Active Participation><br>The Company has developed an infrastructure that enables a variety of work styles regardless of gender, such as a telecommuting system. In addition, we are actively promoting the use of women, and approximately 65% of our full-time employees are women. To make it easier for women raising children to work shorter hours, we have introduced a system to subsidize women leaving their parents to nursery schools other than those authorized by the government, so that they can easily return to work after childcare.<br><Diversity of Human Resources><br>We respect the personality, human rights, and individuality of all people who work for our Group, and our basic philosophy is to "respect diverse values without unfair discrimination based on nationality, race, disability, gender, sexuality, or other factors. In order to strengthen compliance and thoroughness with this basic philosophy, we have also established a new Diversity Equity & Inclusion Committee and are working to promote the committee's activities, including its penetration.<br><Community building><br>We promote labor-saving efforts at home and in society by providing "meal kits" that help reduce cooking time at home, engaging in labor-saving initiatives in the meal service business, and being commissioned to operate services by local governments and other organizations.<br>We also support the realization of sustainable local communities by operating mobile supermarkets for those who have difficulty accessing shopping, and community buses in areas where local bus routes have been withdrawn. |

## Ⅳ. Matters Related to the Internal Control System

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

At the meeting of the Board of Directors held on October 30, 2006, the Company resolved to adopt the "Basic Policy for Establishing an Internal Control System" in order to establish a system for ensuring that the execution of duties by directors is in compliance with laws and regulations and the Articles of Incorporation, and other systems for ensuring the appropriateness of the operations of the Company. Subsequently, these basic policies were reviewed as appropriate.

The basic policy currently in operation was revised at the meeting of the Board of Directors held on March 21, 2024, and the outline of the policy is as follows. In addition, we will continue to review and revise them as necessary in the future.

1. System to ensure execution of duties by Directors conformity with laws and regulations and the Articles of Incorporation of the Company
2. System to ensure the preservation and management of information related to execution of duties by Directors
3. Regulations and any other framework for management of risk of loss
4. System to ensure efficient execution of duties by Directors of the Company
5. System to ensure execution of duties by employee conformity with laws and regulations and the Articles of Incorporation of the Company
6. System to ensure the appropriateness of business operations of the corporate group consisting of the company and its parent company and subsidiaries
7. Matters concerning the employee when the Audit & Supervisory Board Members request to place an employee to assist their auditing duties
8. The matters concerning the Independence of Employees Assisting the Duties of Corporate Auditors from Directors and the matters related to assurance of effectiveness of instruction given by company auditors to the employees
9. System to report from directors and employees to auditors and any other system for reporting to company auditors
10. Other systems to ensure effective audits by Corporate Auditors, procedures for prepayment or reimbursement of expenses arising from the execution of duties by company auditors, and other policies concerning the processing of expenses or obligations arising from the execution of duties.
11. Systems to ensure the appropriateness of financial reporting
12. Basic Views on Eliminating Anti-Social Forces

The Company has clarified the organizational positioning of officers and employees and the authority to execute their duties and duties in accordance with organizational regulations, division of duties regulations, and administrative authority regulations. At the same time, the Company is striving to establish a sound management system by clearly defining the procedures for the approval of decisions and exercising the appropriate delegation of authority and the effectiveness of checks and balances within the organization.

In addition, the Company has formulated the Rules of the Risk Management Committee, the Internal Reporting Rules, the Ethics Rules, and the Crisis Management Rules as internal control-related rules, and are working to ensure that all employees are familiar with these rules.

**2. Basic Views on Eliminating Anti-Social Forces**

The Company decided at the meeting of the Board of Directors held on March 11, 2008 a declaration on anti-social forces measures to block all relationships with antisocial forces. And the Company is making efforts to prevent the occurrence of relationships with antisocial forces and coexisting groups by carrying out attribute checks of suppliers at the time of the commencement of new transactions, as well as developing antisocial power exclusion clauses and pledge development.

In addition, the Company has formulated a "Manual for Responding to Anti-Social Forces" in preparation for contacts by anti-social forces, and has established a system whereby the Administration Division is responsible for responding to such contacts. And if necessary, the Company will promptly consult with legal counsel, the police and National Violence Exile Campaign Promotion Center, and take appropriate measures.

## Ⅴ. Other

### 1. Adoption of Anti-Takeover Measures

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|---|---|
| Adoption of Anti-Takeover Measures | Not Adopted |

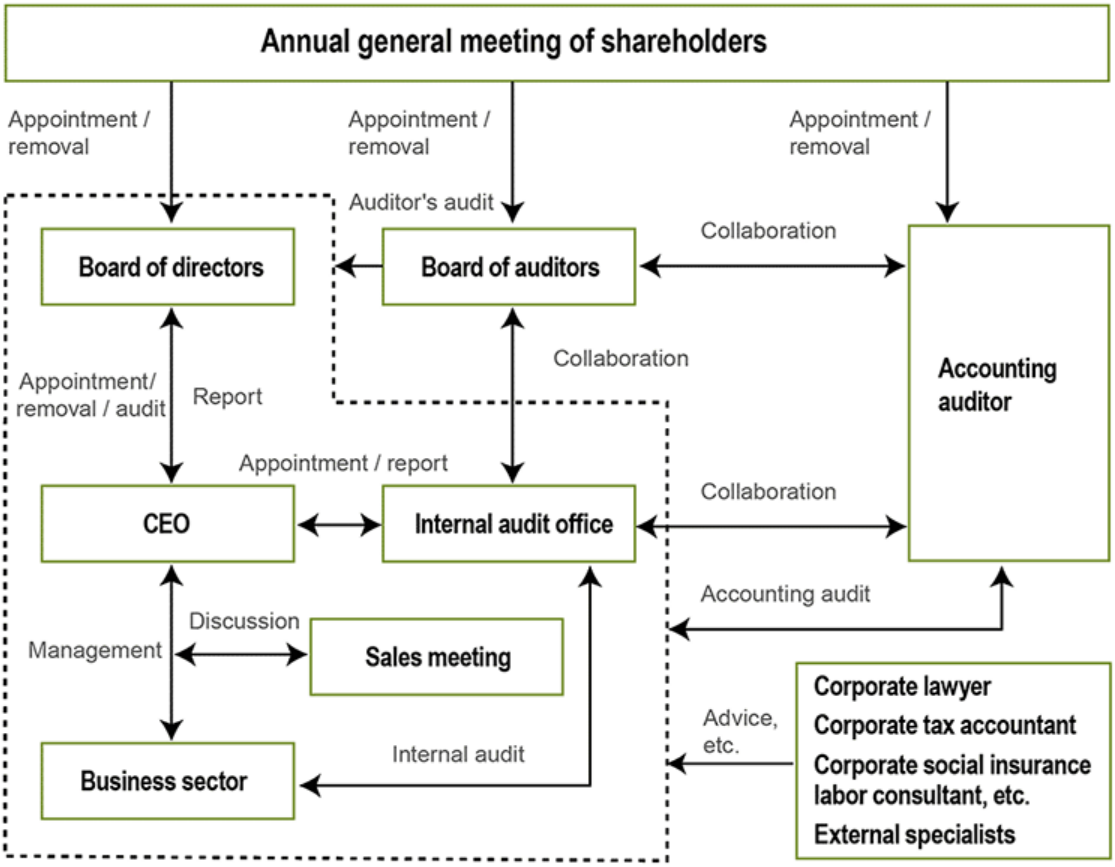
Supplementary Explanation

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### 2. Other Matters Concerning Corporate Governance System

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【Corporate Governance system】



【Summary of timely disclosure system】

