

Dialogue with External Directors

We Are Actively Making Proposals Toward Global Value Chain Development, and Progressing Toward Transformation Together

Roles as an outside director

Okajima: As an outside director for the Company, I am using my experiences in fulfilling responsibilities to provide fair and neutral accountability as a public servant and from efforts to engage with an emphasis on transparency to oversee management from a position independent from the executive side. Furthermore, having worked in the Ministry of Agriculture, Forestry and Fisheries in charge of food safety and security and other matters of consumer administration, and having served as the Director General of the Gender Equality Bureau Cabinet Office, I would like to use my experiences to contribute toward the transformation of our Group's Value Chain (VC) management and to promote diversity.

Kawasaki: I was appointed as an outside director (Audit & Supervisory Committee Member) to the Company in June 2024. Using my many years of experience primarily in human resources and overseas operations at banks and securities firms, I intend to make active proposals to strengthen governance and human resource management, and to promote global expansion, capital policy, and growth strategies, and thereby enhance the Group's corporate value.



Atsuko Okajima

Director

Audit & Supervisory Committee Member (Outside)

Yasuyuki Kawasaki

Director

Audit & Supervisory Committee Member (Outside)

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Effectiveness of corporate culture and the Board of Directors

Okajima: Our company has many hardworking employees who place great importance on product safety, security, and quality, and our corporate culture is characterized by a careful approach to planning and verifying each step in detail. On the other hand, however, this has also left us with the feeling that our operations were somewhat slow. However, I have been an outside director at the Company for five years, and there have been significant changes over the past year. I believe that awareness among employees is also beginning to change, thanks in part to steady results from our efforts to develop a global VC as part of the Eighth Medium-term Business Plan, and to spread company policies through one-on-one meetings, the accumulation of other forms of communication, and internal briefings by members of management.

Kawasaki: I always had the impression that the Company boasts strong brand power, as evident through its famous Vermont Curry, and was known as a company that is good at launching new products. Since becoming an outside director, I have learned that the Group is an honest company that is very deliberate, taking things one step at a time. The Board also takes the opinions of outside directors very seriously. However, as Ms. Okajima noted, I think the Group should act a bit faster and more dynamically, even when engaging facts on the ground carefully and steadily.

Okajima: When I was appointed to the Board, House was a company with a Board of Auditors and only two outside directors. In 2021, the Company transitioned into one with an audit and supervisory committee and expanded to four outside directors, which is the structure it maintains today. The atmosphere at Board of Directors meetings is one in

which members can speak freely, and in recent years we have seen an even greater variety of opinions being expressed, resulting in lively discussions. Effectiveness evaluations of the Board of Directors began in FY2022, and have been held a total of three times. We do not outsource our surveys, but instead create questionnaires, conduct research and analysis, and identify issues in-house. We steadily implement the PDCA cycle and are constantly working to improve our effectiveness. We have made improvements, such as increasing the amount of time for discussion through two-way exchange of opinions in light of the issues identified, and ensuring time for substantive deliberation.

Kawasaki: When I served as Chair of the Board of Directors at a previous company, we considered outsourcing our effectiveness evaluation, but outsourced surveys make it difficult to examine the various agenda items in depth. I believe that our Board of Directors effectiveness evaluation is very original, thorough, and highly effective. The evaluation reflects on each agenda item deliberated on by the Board, checks to see if the deliberations were sufficiently thorough, and, if not, why. I was impressed at how in-depth the evaluations were when I first witnessed them. In fact, when an evaluation determines that there is a subject that requires more discussion, the directors are given the opportunity to say things they didn't get the chance to say before, and thereby deepen the deliberations with further exchanges of opinion, creating a sort of "loser's bracket" for Board meetings. I believe this is an example of the incredibly high quality of corporate governance that the Company practices.

Okajima: The Ministry of Economy, Trade and Industry has suggested that we should strengthen the secretariat functions of the Board of Directors, and our Board of Directors Executive Office is making extensive efforts in this area, including



creating and conducting a questionnaire to evaluate the effectiveness of the Board of Directors. When I suggested that we should provide more opportunities to exchange opinions both inside and outside the company, the Board of Directors Executive Office studied cases from other companies and used them to support further consideration. Furthermore, in FY2024, we had opportunities to hold small meetings with our investors around the theme of corporate governance, and received a variety of different questions and opinions from them, giving us the chance to understand things from the perspective of our investors and allowing us to learn much. The most compelling thing I learned during these meetings is how investors and the Company perceive time differently. Manufacturing companies like House tend to see things in five- or six-year increments because it can take a long time to realize profits after an investment is decided on and executed, but investors tend to see things in two- to three-year increments. To resolve this gap in perception, we need to deepen discussions with investors and ensure that the Board

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of Directors deliberates on matters while properly emphasizing the perspectives of our investors.

Kawasaki: We also received feedback from the director in charge of IR on opinions obtained from analysts and investors, and they gave us a fairly straightforward report on the challenges facing the Company, including a demand for more clearly expressed growth strategies. These were all challenges that have also been discussed by the Board of Directors extensively, and both the Board and the executives are aware that clarifying answers is crucial.

In pursuit of the Eighth Medium-term Business Plan's "Increased Corporate Value"

Okajima: The theme of our Eighth Medium-term Business Plan is to "Turn Diversity into Strength," and the plan focuses

on using our diversity to improve our corporate value. Until now, we have been advancing efforts to change employee awareness through improving and reforming our HR systems and enhancing training, and we are now in the phase where we can convert all of these efforts into strength. The other day when I visited the House Foods Corporation's Sales Headquarters Tokyo Metro Branch, I heard that "until now our style has been to have one member of our sales team visit our customers, but we have begun to introduce a team-based sales system," and I was able to witness the changes first-hand. What I saw was this theme of "Turn Diversity into Strength" being put into practice, where each staff member was assigned to customer negotiations, planning, data analysis, and other roles in line with their individual capabilities and desires. We are also seeing more women take on managerial roles in the Group and people of foreign nationalities become more active in our efforts, and the Group is also implementing career advancement programs that our employees can personally choose to take part in. We need to further advance the various measures we have been working on thus far.

Kawasaki: Our current market capitalization (as of March 31, 2025) is around 260 billion yen, which puts our PBR below 1, but we believe our true capabilities go far beyond this value. Going forward, we will need to bring further clarity and balance to our efforts and engagements in order to better enhance our corporate value. Our investors have expressed the opinion that we need to have a clearer growth strategy, and I have proposed this at Board of Directors meetings. Based on my experiences as an executive, I think it is important to clearly distinguish between growth areas and other areas, otherwise we will end up with an approach that is too generalized. It will be crucial for us to verify whether the areas into which we are investing resources are truly essential

business areas and respond accordingly, and our future growth will require us to make decisions quickly and with a sense of clarity. Now that we are at the stage where we can see the direction of our value chain concept, we must set priorities and move forward. And although there will certainly be many instances where things do not go our way even when we identify growth areas, we must remain resolved and confident enough in those moments to exercise our capabilities in pursuit of our initial goals. I frequently talk about being customer-oriented as an important factor when evaluating growth strategies. We aim to be a "high quality company" that creates new value, while "opportunistic companies" are expected to understand customer needs. However, without a customer-oriented perspective, it will be difficult to create new value. In order to become a true "high quality company," I believe that we will need to constantly maintain customer-oriented perspectives in each value chain, and think about the fields, business areas, and products that allow us to achieve new growth.

We will also need to face the issue of capital efficiency if we intend to facilitate further corporate growth, and are thus introducing ROIC management starting with our Eighth Medium-term Business Plan. We discuss ROIC itself as part of our agenda multiple times each year, but major themes such as the Eighth Medium-term Business Plan, ROIC, and value chain management are also discussed as individual agenda items at monthly Board of Directors meetings. For example, during the performance reports on each business the other day, there was discussion about whether the review methodology we have been using was appropriate, and whether the results should be presented linked to value chain management or the Eighth Medium-term Business Plan in order to prompt considerations for improving ROIC.

In order to advance ROIC management, I believe that ROIC disclosures by business unit will be unavoidable. To put this

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into practice, we will need to achieve greater accuracy so that the Group Head Office's expenses can be properly attributed to each segment. Currently, we disclose information based on five business segments, but we must decide whether to switch to disclosures on a value chain basis. For example, the US business is currently a division within our International Food Business, but if we are going to disclose it as part of our Soybean Value Chain, we need to make preparations for this process. However, it is important to promote growth strategies and capital policies in a balanced manner and as a set, and we will continue to make recommendations that will lead to increased corporate value.

A message for all of our stakeholders

Okajima: The Group is currently facing a period of significant transformation, but even amidst these changes, it will be important for us to keep the Group philosophy of “through food, we aim to be a good corporate citizen, connecting and collaborating with people to create smiles in their lives” at the core of our efforts to remain firmly aware of the importance of food, and engage in quality and safety first and foremost. We hope that all our stakeholders will continue to look forward to the Group delivering high-quality products and services to customers through our global value chain, while also creating new value in response to changes in the social environment.

Kawasaki: We are currently in a phase where we are implementing various initiatives to achieve our next stage of growth, and I hope you will keep an eye on how the House Foods Group continues to change and grow. In order to achieve further expansion, our Group is attempting to develop

a global value chain, while also continuing to work through trial and error in new fields such as lactobacillus and other functional ingredients, as well as agriculture. Using the brands and strengths we have built over many years as well as our earnest and sincere approach and corporate culture, I am

certain that you will see the House Foods Group enter a new phase of growth. We intend to work closely with the executives and supervise efforts to grow corporate value in order to manifest this new phase as quickly as possible.



Message from New Outside Director



Miwa Yamada

Director, Audit & Supervisory Committee Member (Outside)

April 1990: Joined Mitsui Trust Bank, Limited (currently Sumitomo Mitsui Trust Bank, Limited)

August 1992: Joined Kamano Sogo Law Offices

November 1998: Joined the Institute of Developing Economies, Japan External Trade Organization Special Corporation (currently Institute of Developing Economies, Japan External Trade Organization, Independent Administrative Agency)

April 2008: Dispatched overseas by the Institute

April 2011: Director, Law and Institution Studies Group, Interdisciplinary Studies Center of the Institute

October 2022: Director, Interdisciplinary Studies Center of the institute

July 2024: Senior Research Fellow, Interdisciplinary Studies Center of the Institute (current position)

June 2025: Director who is Audit & Supervisory Committee Member, the Company (current position)

What are your impressions of House Foods Group?

Now that I think about it, House Foods Group’s curries, stews, snacks, and other products have been a part of my life since childhood. The House brand has long been a beloved part of lively dinner tables, and having relearned the various business developments of the Group, I find myself astonished with the breadth and depth of its value chain (VC). I also sense just how engaged the Group’s employees are with the company. In addition to being excited, I am very hopeful about initiatives intended to further generate value for the Group

Based on your past experiences, what do you think is expected of corporate activities?

Through my work with financial institutions and law firms, I have been engaged with research into Asian legal systems at the Institute. In recent years, I have been conducting research into responsible corporate behavior in global society under the international framework of the United Nations Guiding Principles on Business and Human Rights. During my on-site research in Asian countries up to now, I have witnessed the connections between raw material procurement and production sites and the supply chains of Japanese companies. As companies develop their businesses, they are being asked how they will fulfill their responsibilities regarding the impact of their activities. In response to these corporate initiatives, the people and stakeholders affected by corporate activities are expressing even greater expectations than before, hopeful for efforts that transcend the narrow confines of simple adherence to laws and regulations.

How do you plan to use your own personal experience to contribute to the Group as an outside director?

In light of the massive environmental upheavals surrounding companies, the question of how the corporate world “should act” is being asked. Sustainable societies that pass their gains on to future generations enable companies to grow, and it is the companies themselves that must create this society. This is in fact the “through food, we aim to be a good corporate citizen, connecting and collaborating with people to create smiles in their lives” vision we are striving for. I intend to make solid proposals that will allow the Group to progress further along this path, and enable everyone involved in our VC to express their capabilities more assertively. Through my past investigative research, I have emphasized the importance of listening to the people working on-site. By conversing regularly and repeatedly with not just members of management but the Group’s various employees as well, I intend to contribute to the enhancement of the Group’s corporate value so that I may earn the approval of our various stakeholders.

Executives (As of June 25, 2025)

Directors



Hiroshi Urakami
Representative Director & President
Responsible for Corporate Strategy Division



Yoshiyuki Osawa
Representative Director & Senior Managing Director
General Manager, Administration Headquarters,
Responsible for Secretariat Division



Kotaro Kawasaki
Senior Managing Director
Representative Director, President, House Foods Corporation



Yoshiyuki Miyaoku
Director
General Manager, Global Headquarters



Tatsumi Yamaguchi
Director
General Manager, Research & Development Headquarters, Responsible for Quality Assurance Management Division, New Business Planning & Development Division, Value-added Vegetables Business Development Division



Atsushi Sakuma
Director
Corporate Communication Headquarters, Responsible for Digital Strategy Headquarters, Domestic Affiliated Companies Planning Support Division



Yuichi Okamoto
Director
General Manager, Spice Value Chain Procurement and Production Strategy Headquarters



Tsuneo Kubota
Director
Audit & Supervisory Committee Member (Full-time)



Atsuko Okajima
Director
Audit & Supervisory Committee Member (Outside)



Fukuichi Sekine
Director
Audit & Supervisory Committee Member (Outside)



Yasuyuki Kawasaki
Director
Audit & Supervisory Committee Member (Outside)



Miwa Yamada
Director
Audit & Supervisory Committee Member (Outside)

Executives (As of June 25, 2025)

Skills matrix, attendance rate at meetings of the Board of Directors and various meetings

	Position	Expertise and experience required for a Director in supervision and execution													Attendance rate at meetings of the Board of Directors and various meetings (FY2024)			
		Corporate Management	Personnel Affairs and Diversity	Finance and Accounting	Legal Affairs, Compliance and Risk	Public Relations, Investor Relations	Sustainability	R&D and Intellectual Property	Global Business	Digital Technology and DX	Quality Assurance	Production and Procurement	Sales, Marketing and Advertisement	Management of Other Companies	Board of Directors	Audit & Supervisory Committee	Compensation Advisory Committee	Nomination Advisory Committee
Hiroshi Urakami	Representative Director & President	●			●								●	●	100% (14/14)		100% (4/4)	100% (3/3)
Yoshiyuki Osawa	Representative Director & Senior Managing Director	●	●	●	●	●							●		100% (14/14)		100% (4/4)	100% (3/3)
Kotaro Kawasaki	Senior Managing Director	●				●	●						●	●	100% (14/14)			
Yoshiyuki Miyaoku	Director	●						●	●	●	●	●	●	●	100% (14/14)			
Tatsumi Yamaguchi	Director	●						●	●		●		●	●	100% (14/14)			
Atsushi Sakuma	Director	●				●	●	●		●	●		●		100% (14/14)			
Yuichi Okamoto	Director	●										●	●		100% (10/10)			
Tsuneo Kubota	Director Audit & Supervisory Committee Member (Full-time)				●			●							100% (14/14)	100% (12/12)		
Atsuko Okajima	Director (Audit & Supervisory Committee Member, Outside)		●		●										100% (14/14)	100% (12/12)	100% (4/4)	100% (3/3)
Fukuichi Sekine	Director (Audit & Supervisory Committee Member, Outside)	●	●		●							●		●	100% (14/14)	100% (12/12)	100% (4/4)	100% (3/3)
Yasuyuki Kawasaki	Director (Audit & Supervisory Committee Member, Outside)	●	●	●	●				●					●	100% (10/10)	100% (9/9)	100% (2/2)	100% (2/2)
Miwa Yamada	Director (Audit & Supervisory Committee Member, Outside)		●		●		●		●									

Corporate Governance

Changes in strengthening of corporate governance

	2004	2008	2013	2016	2017	2020	2021	2022	2023	2024
Systems and policies	<ul style="list-style-type: none"> Introduced the Corporate Officer System (Abolished in 2013) 		<ul style="list-style-type: none"> Shift to a holding company system 			<ul style="list-style-type: none"> Established the Group Compliance & Risk Management Division 	<div> <div>Transitioned to a Company with an Audit & Supervisory Committee</div> <ul style="list-style-type: none"> Strengthened the supervisory function of the Board of Directors Further enhanced the corporate governance system </div>		<ul style="list-style-type: none"> Board of Directors Implementation of Effectiveness Evaluations 	
Director (Outside Directors)		<ul style="list-style-type: none"> Elected an Independent Outside Director (1 out of 9 Directors) 		<ul style="list-style-type: none"> Increased the number of Independent Outside Directors (2 out of 10 Directors) 				<ul style="list-style-type: none"> Change in the number of Independent Outside Directors (4 out of 12 Directors) 		
Voluntary advisory committees					<ul style="list-style-type: none"> Established the Compensation Advisory Committee (Now the Compensation Advisory Committee) 			<ul style="list-style-type: none"> Established the Nomination Advisory Committee 	<ul style="list-style-type: none"> Established the Investment Committee (Advisory body to the Management Committee) 	
Compensation system					<ul style="list-style-type: none"> Introduced a stock compensation plan through an officers' shareholding association system (Abolished in 2021) 			<ul style="list-style-type: none"> Introduced the restricted stock compensation plan 		<ul style="list-style-type: none"> Introduced the performance stock compensation plan

Basic policy on corporate governance

The House Foods Group aims to enhance the adequacy and effectiveness of management and optimize its corporate value by engaging in speedy management, with the intention of revitalizing the management organization and enabling prompt decision-making.

The Group's approach is based on its philosophy, "through food, we aim to be a good corporate citizen, connecting and collaborating with people to create smiles in their lives." The three main pillars of our corporate activities are our "Three Responsibilities:" "For Customers," "For Employees and Their Families," and "For Society."

To manage our Group based on this philosophy to properly respond to the dramatic changes taking place in the management environment, we have been striving to improve its transparency and its role in society, as well as achieving accountability, while developing a corporate governance system to ensure thorough compliance.

Moreover, the Group made Ichibanya a consolidated subsidiary in December 2015. Ichibanya is a listed company, and the Group

undertakes the operation of that company's internal control system with due respect.

Approach to keeping the subsidiary listed

As the parent company, House Foods Group Inc. exercises a certain level of supervisory functions over Ichibanya Co., Ltd. For example, seconding a Director to the subsidiary as a non-standing Director, having the subsidiary regularly report on its business performance at its Board of Directors' meetings, and resolving at its Management Committee what proposals should be included in the agenda of the General Meeting of Shareholders of the subsidiary. On the other hand, the Group respects decisions on the execution of daily operations made by the subsidiary's management, which excels at advancing the restaurant business. Furthermore, in order to secure the independence of the Ichibanya Board of Directors, the structure of this Board was changed starting in May 2024 to ensure that half of the eight directors of Ichibanya be outside directors who are also members of the Audit &

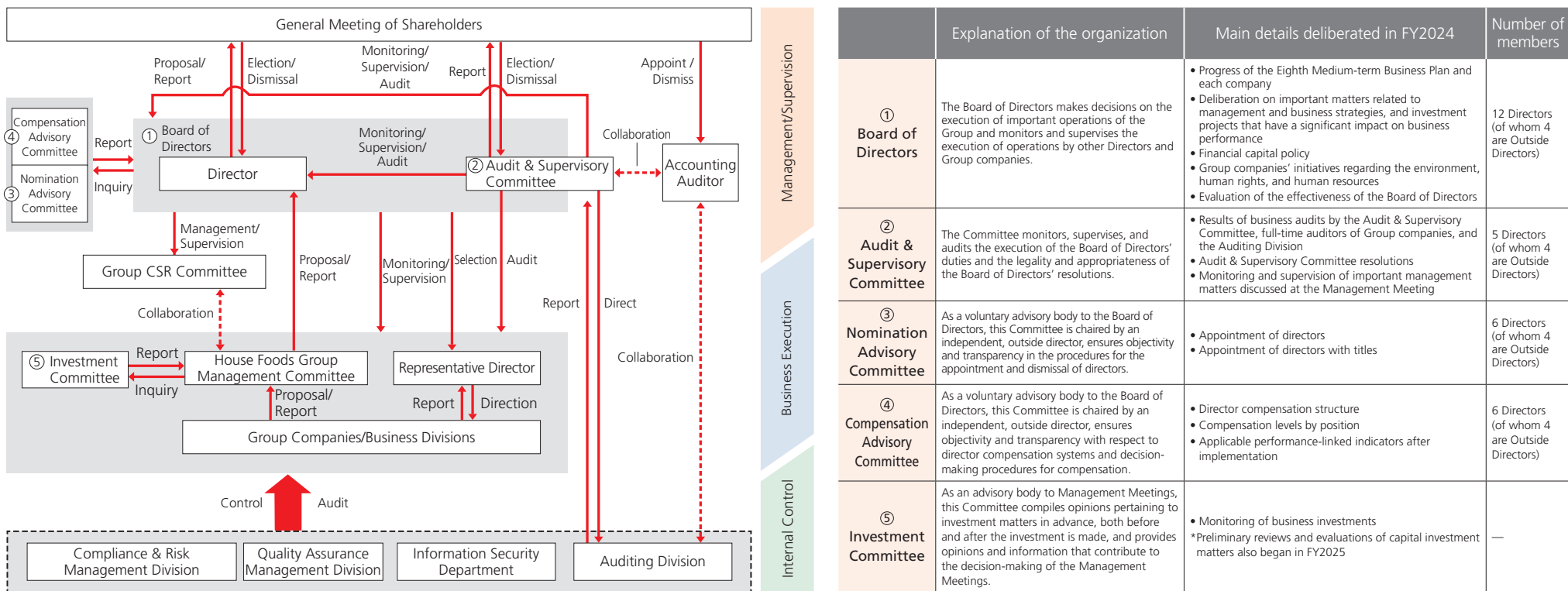
Supervisory Committee, while decisions regarding transactions with the Group of high importance would be made following deliberation and investigation by a special committee comprised of the director in charge of corporate planning along with four independent, outside directors after seeking the opinion of the Audit & Supervisory Committee, ensuring a structure that prevents the interests of shareholders not of the Company from being unduly harmed.

The Group and the subsidiary, whose business models are different, work together to strengthen collaboration and promote cooperation themes while respecting each other's uniqueness, thereby enabling all three parties (including franchise owners who are engaged in the management of stores) to enjoy the benefits together. In this way, the Group believes it is also contributing benefits to shareholders of the subsidiary who do not hold shares in the Company. The Group's policy is to keep both itself and the subsidiary listed while ensuring the effectiveness of the corporate governance system of the subsidiary.

Corporate Governance

Corporate governance system

Diagram of corporate governance system (As of July 2025)



System for execution of operations

With the aim of strengthening our audit and supervisory functions and further enhancing the corporate governance system, the Group transitioned from a Group with a Board of Auditors to a Group with an Audit & Supervisory Committee after gaining approval at the Ordinary General Meeting of Shareholders held on June 25, 2021. As a Group with an Audit & Supervisory Committee, the Group monitors, supervises, and audits the execution of duties by Directors and the legality and validity of resolutions by the Board of Directors through the Audit & Supervisory Committee and its five Directors who serve as Committee Members (of whom four are Outside Directors).

The Board of Directors consists of 12 Directors (of whom four are Outside Directors), and it makes decisions on the execution of important operations of the Group and monitors and supervises the execution of operations by other Directors and Group companies. The Group has also established the Nomination Advisory Committee and the Compensation Advisory Committee as voluntary advisory bodies to the Board of Directors, each with the majority of members being Independent Outside Directors, in order to ensure objectivity and transparency in the decision-making process for compensation and the election and dismissal of Directors.

In close cooperation with the Auditing Division, which is responsible for conducting audits of operations and implementing internal controls in respect of financial reporting, and which the Audit & Supervisory Committee has the right to give instructions to, the Audit & Supervisory Committee confirms how the audits are conducted and how the internal control system is evaluated, and regularly exchanges opinions. The committee also audits the execution of duties by Directors in an organized way in cooperation with the Accounting Auditor and corporate attorneys.

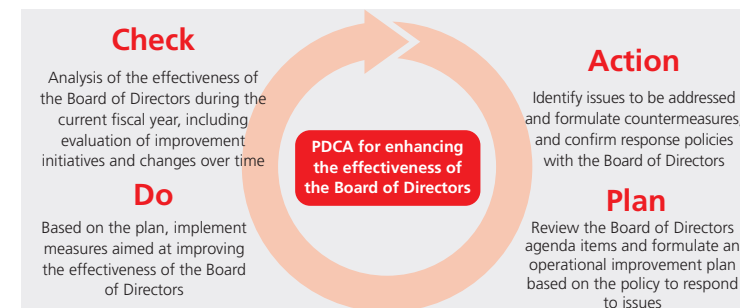
The accounting audit is performed by Deloitte Touche Tohmatsu LLC. We have an audit agreement with this firm to perform audits under the Companies Act and the Financial Instruments and Exchange Act.

Corporate Governance

Evaluation of the effectiveness of the Board of Directors

Starting in FY2022, we began conducting effectiveness evaluations of the Board of Directors, and are working to improve issues and enhance strengths based on the results.

All 12 directors are asked to reflect on the activities of the Board of Directors over the past year and evaluate these activities using a questionnaire with original questions that allow the directors themselves to identify areas for improvement. The General Affairs Division, acting as the secretariat, compiles the results and future improvement themes are identified based on the quantitative evaluations and free-form comments received from each executive. These issues are then discussed at the Board of Directors meetings and specific initiatives are implemented starting from the following fiscal year. We also strive to continually improve the effectiveness of improvement efforts by regularly checking the evaluation of the improvement measures we have implemented.



Status of responses to issues based on analysis and evaluation of the results of the Board of Directors Effectiveness Evaluation conducted up until now

Major issues identified	Initiatives in relation to each issue
<div>FY2022</div> <ul style="list-style-type: none">Optimization of the Board of Directors' operations, through a review of proposal methods (a review of the proposal methods, frequency and applicable topics)Expansion of opportunities for officers to acquire knowledge and understand the situation on the ground at worksites	<ul style="list-style-type: none">Organizing overall annual agendaCommencement of practical use of the Board of Directors' Report, which compiles the report summary and the opinions of Inside Directors who are on the Management Committee into one document to be presented to the BoardFurther enhancement of opportunities for Outside Directors to visit branches and to interact with employees at worksites directly
<div>FY2023</div> <ul style="list-style-type: none">The need to increase the frequency of regular reports and the expansion of agenda itemsFurther enhancing of opportunities for executives to acquire knowledgeA structure for stimulating discussion between internal and external directors	<ul style="list-style-type: none">Review of the frequency of reports on some regular reporting agenda itemsReview of the agenda for annual reports and review of expansions to the report agenda itemsEnhancing educational sessions for executivesDeep dive into issues aimed at stimulating discussion between internal and external directors through interviews with executive officers

Evaluation of the effectiveness of the Board of Directors meetings conducted in FY2024

1. Evaluation method

- Eligible Respondents: All 12 Directors (of whom four are Outside Directors)
- Response Period: December 2024 to January 2025
- Implementation Method: Survey format (4-level rating scale + open evaluation)
- Main evaluation items:
 - The status of deliberations on matters to be resolved by the Board of Directors
 - The implementation status of matters to be reported to the Board of Directors
 - The status of the Board of Directors' functions and operations
 - The status of collaborations between the Audit & Supervisory Committee, Nomination Advisory Committee, and Compensation Advisory Committee

2. Summary of results of the Board of Directors Effectiveness Evaluation conducted in FY2024

The functions and operations of the Board of Directors continue to be adequate, and it was confirmed that the Board operated effectively, including its cooperation with the Audit & Supervisory Committee, Nomination Advisory Committee and Compensation Advisory Committee.

1. Items that were evaluated particularly highly

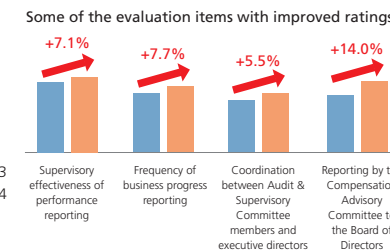
- Reports on business performance (monthly profit and loss) and the status of dialogue with shareholders and investors are functioning effectively from a supervision perspective.
- The operational change to have all executive directors provide an overview at the closing board meeting was effective.
- We provide outside directors with opportunities to inspect business sites and engage in dialogue with the management of operating companies, enabling them to incorporate their knowledge and multifaceted opinions.
- The content of improvement initiatives after receiving the results of the previous year were also largely endorsed.

3. Major issues identified

- Improvement of reporting methods for matters to be resolved by the Board of Directors
- Continually improve and strengthen regular reporting agendas and review reporting timing
- Enhancing knowledge acquisition and learning opportunities for executives
- Monitoring following resolutions by the Board of Directors

2. Changes over time

Of the questions that were the same as the previous year, 14 showed improvements from the previous year's ratings.



4. Initiatives in relation to each issue

- In addition to clarifying the content and scope of resolutions and the reasons for submitting them to the Board of Directors when submitting resolutions, endeavor to strengthen the provision of information that will contribute to decision-making
- Further improve and strengthen the content of reports and thoroughly implement them, while working to optimize and standardize annual reporting topics
- In addition to group-based training sessions for executives, consider providing learning opportunities tailored to the needs of each executive
- Monitor and supervise the execution of decisions made by the Board of Directors and consider monitoring methods to improve governance.

Corporate Governance

Operations of the Audit & Supervisory Committee

One full-time staff member and a small number of concurrently serving staff members are assigned to the Auditing Division, to assist the Audit & Supervisory Committee, and the Directors who serve as full-time Audit & Supervisory Committee Members, with their duties. The Auditing Division, to which the relevant staff members are assigned, is an organizational structure directly under the Audit & Supervisory Committee which the Committee has the right to give instructions to, thereby ensuring the effectiveness of the instructions given by the Audit & Supervisory Committee and Directors who are full-time Audit & Supervisory Committee Members. In addition, the General

Affairs Division is responsible for the Administrative Secretariat of the Audit & Supervisory Committee, and also assists the Audit & Supervisory Committee and the Directors who serve as full-time Audit & Supervisory Committee Members with their duties. We also report on internal audit results reports by the Auditing Division, report on whistleblowing and survey results from the Compliance & Risk Management Division, and exchange opinions with the Quality Assurance Management Division. Furthermore, we also offer points of contact and opportunities for discussion with business worksites by holding Audit & Supervisory Committee meetings at the Company and at Group company branches, and implement regular exchanges

of information and opinions with full-time Audit & Supervisory Board Members. In addition, Directors who serve as full-time Audit & Supervisory Committee Members conduct audits of Group company branches, attend important meetings including Management Committee meetings, and inspect and confirm all key resolution-related documents. They also concurrently serve as part-time Audit & Supervisory Board Members of major Group companies, and attend Board of Directors' meetings and other meetings at those Group companies. Full-time Audit & Supervisory Board Members of Group companies regularly attend Audit & Supervisory Committee meetings and report the results of Group company branch audits.

Outside executives (Directors who are Audit & Supervisory Committee Members)

Name	Reasons for election [Particularly expected roles]	Independent director	Term of office
Atsuko Okajima	Ms. Okajima has abundant experience from her long service in administration as well as broad insight into the food and other industries. [Auditing and supervising the promotion of women's participation and advancement and diversity management]	○	4
Fukuichi Sekine	Mr. Sekine has a deep understanding of all aspects of company management, and has extensive experience as a corporate manager. [Supervising and auditing risk management and overall corporate management]	○	2
Yasuyuki Kawasaki	Mr. Kawasaki has a deep understanding of all aspects of company management, and has extensive experience as a corporate manager. [Supervising and auditing risk management and overall corporate management]	○	1
Miwa Yamada	Ms. Yamada has extensive experience working for an independent administrative institution, and has extensive and deep knowledge, particularly in the areas of legal affairs and human rights. [Supervising and auditing response to legal risks and compliance management]	○	Newly appointed

Outside executives touring Group company offices



➡ The detailed reasons for appointments are also published in the list of executives on the Company's website.

<https://housefoods-group.com/en/company/information02.html>

➡ The convening notice of the general meeting of shareholders includes the status of important concurrent appointments.

https://housefoods-group.com/ir/stock/pdf/79_soukai_shoushuutuuti.pdf (Only in Japanese)

Corporate Governance

Election/dismissal of management executives and policy and procedures for nomination of candidates for Directors

The Group has established and disclosed selection criteria for the appointment of management executives and nomination of Directors. After deliberation by the Nomination Advisory Committee, chaired by an Independent Outside Director and composed of a majority of Independent Outside Directors, the Board of Directors resolves to nominate candidates who meet the selection criteria and submit them for discussion and approval at the General Meeting of Shareholders.

Personnel who are to serve as Directors in the future receive practical on-the-job training (OJT) mainly through gaining experience as directors of operating companies as well as off-the-job training mainly through executive development programs and internal training, as part of the Company's efforts to nurture successors. If, after deliberation by the Nomination Advisory Committee, the Board of Directors determines that a management executive does not meet the election criteria, dismissal will be resolved by the Board of Directors and presented to the General Meeting of Shareholders for discussion and approval.

Basic design of compensation for executives

As our basic policy, the compensation system and the amounts of compensation, etc., for Directors (excluding Directors who are Audit & Supervisory Committee Members) are based on the following points: “it gives motivation for the enhancement of corporate value and sustainable growth, and generates ambition to achieve the goals of the Medium-term Business Plan in order to realize the Group philosophy,” “it is commensurate with the role and responsibilities of the position held, considering the Company's scale and social responsibilities,” and “objectivity and transparency are ensured in the decision-making process for compensation.” They are determined by the Board of Directors after deliberations of the Compensation Advisory Committee.

After gaining approval at the Ordinary General Meeting of Shareholders held on June 25, 2021, we introduced the restricted stock compensation plan as a new compensation system for Directors (excluding Directors who are Audit & Supervisory Committee Members).

The compensation system and the amounts of compensation, etc., for the Directors who are Audit & Supervisory Committee Members are deliberated by the Compensation Advisory Committee at the request of the Audit & Supervisory Committee and, after the deliberation results are reported to the Audit & Supervisory Committee, determined by consultation among the Directors who are Audit & Supervisory Committee Members.

Total compensation, etc., by type, and number of eligible executives by executive category (Status for FY2024)

Executive category	Total compensation, etc. (millions of yen)	Compensation, etc., by type (millions of yen)				Number of eligible executives
		Monthly compensation (fixed compensation)	Performance-linked compensation for single fiscal year	Advance-issue-type restricted stock compensation	Performance-linked restricted stock compensation	
Directors (excluding Audit & Supervisory Committee Members and Outside Directors)	281	162	77	30	11	8
Directors (Audit & Supervisory Committee Members) (excluding Outside Directors)	24	24	-	-	-	1
Outside Executives	73	73	-	-	-	5

*Total amounts for compensation for Directors and other items do not include the employee portion of salaries for Directors who serve concurrently as employees.

<Selection Criteria>

Director (Excluding Directors who are Audit & Supervisory Committee Members)	<ul style="list-style-type: none"> Persons who have the courage to stay committed to the Group philosophy, Our Motto, and mission statement Persons who have the knowledge, experience, and ability to engage in management Persons who aim to enhance corporate value, and who have the driving force to achieve performance targets Persons with excellent personal qualities appropriate for a Director of the Company
Directors who are Audit & Supervisory Committee Members	<ul style="list-style-type: none"> Persons who possess the ability to carry out an audit based on extensive experience and insight Persons with excellent personal qualities appropriate for an Audit & Supervisory Committee Member of the Company

Outline of the linkage with performance for Directors (excluding Directors who are Audit & Supervisory Committee Members)

● Short-term incentives

Overall management as a member of the Board of Directors is evaluated mainly based on the Company's performance (financial indicators), and results of management execution within each area of responsibility are evaluated mainly based on individual performance, and vary within the range of 70%–130% based on two evaluation indicators. (In the event that performance fluctuates significantly, the details are deliberated by the Compensation Advisory Committee, and short-term incentives vary within the range of 0%–150%.)

Formula: Standard amount by position × (1 + Company performance evaluation coefficient^{*1} + Individual performance evaluation coefficient^{*1})

*1. Varies from -15% to +15%, depending on performance

Indicator of evaluation of the Company's performance in relation to bonus

Bonus for final year of medium-term business plan: Respective status of progress in achieving EBITDA and ROIC

Bonus in relation to business years other than the above: Status of progress in achieving EBITDA

● Medium- to long-term incentives

Vary within the range of 10%–190% based on evaluation indicators (non-financial indicators) listed in the medium-term business goals.

Formula: Standard amount by position × (1 + “Social” coefficient^{*2} + “Employees and Their Families” coefficient^{*2})

*2. Varies from -45% to +45% depending on performance

Composition of compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members)

Compensation type			Evaluation indicators, method of payment, etc.	Percentage of compensation	Performance-linked compensation
Fixed compensation			Add compensation according to the role to the compensation level determined by position, and pay as monthly compensation	60%	-
Short-term incentives	Performance-linked compensation for single fiscal year	Evaluation of company performance	Based on the indicator determined by the Board of Directors, evaluate the degree of achievement of the relevant indicator for the Group or the operating company each Director is responsible for on a single fiscal-year basis, and pay as bonuses according to the results of the evaluation	25%	Subject
		Evaluation of individual performance	Define the degree of achievement of targets set by each Director as an evaluation indicator, and pay as bonuses according to the degree of achievement		
Medium- to long-term Incentives	Advance-issue-type restricted stock compensation		Paid out to motivate suitable improvement of corporate value and promote further value sharing with shareholders	10%	—
	Performance-linked compensation-type restricted stock compensation		In addition to the above, paid out to motivate employees to achieve the mid-term plan (non-financial indicators of the mid-term plan are used as evaluation indicators)	5%	Subject

* Compensation for Directors who are Audit & Supervisory Committee Members consists of only fixed compensation.

Corporate Governance

Internal audit system

The Auditing Division reports directly to the Audit & Supervisory Committee and conducts audits of operations, including those of Group companies, in accordance with the audit plan.

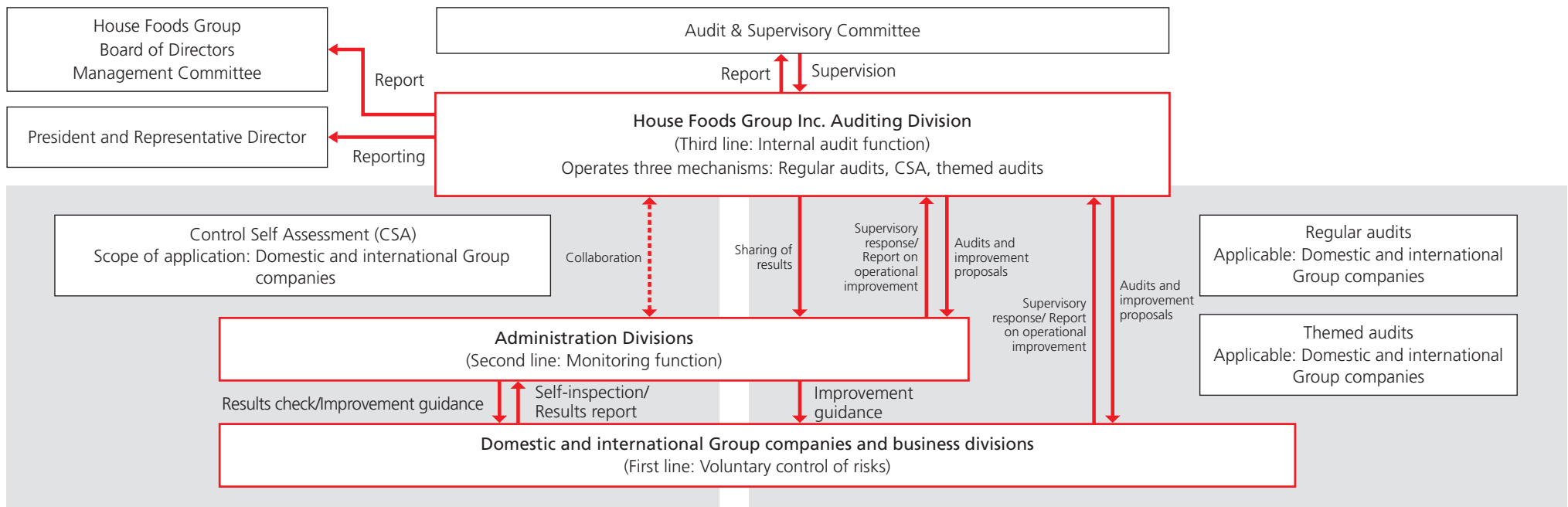
The Auditing Division systematically conducts internal audits at roughly 20 branches, divisions, and Group companies annually, and also separately conducts comprehensive audits across all Group companies in line with specific themes selected based on the Group’s material risks and previous audit results. Results of audits are reported to the Audit & Supervisory

Committee, President, and the Directors concerned. Audited divisions, if found to have room for improvement, shall be requested to come up with remedial action plans. The progress of said plans shall be checked against their stipulated timeline for implementation, as part of the Group’s effort to enhance its internal control system. Starting in FY2018, the Company has introduced a survey-based Control Self Assessment (CSA), with the aim of having those in charge of operations (division heads) carry out their own evaluations and improvement of the effectiveness of control at the organization. In addition to

implementing CSA at each domestic Group company, we carry out an international version of the CSA at overseas companies and make use of the results in a way that aligns with their respective business environments.

Development of internal controls related to financial reporting is the responsibility of the Auditing Division, which develops a framework for internal control of branches as well as divisions and evaluates the operation of the internal control system, ensuring a framework capable of providing financial reports with superior credibility.

Diagram of House Foods Group internal audit system



➡ See here for details on corporate governance
<https://housefoods-group.com/en/company/governance.html>

Risk Management

The Group is fulfilling its social responsibility by appropriately identifying and managing various risks surrounding the Group’s business activities, while striving to minimize human, economic, and social damage, recover quickly, and prevent recurrence, in the event that any risk should occur.

Risk management promotion system

At the Group, verification of risk management activities of the entire Group and voluntary control of risks by the Group companies constitute the two pillars of risk management.

Risk management activities

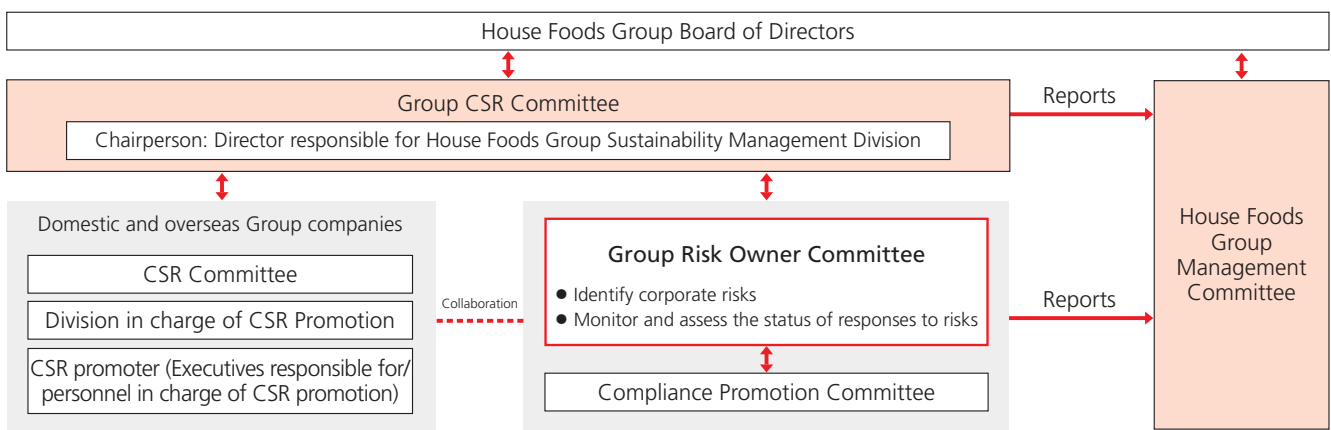
The Group has defined risks that have material impacts on Group-wide management as corporate risks. The Group Risk Owner Committee (responsible person: Director responsible for Group Compliance & Risk Management Division) identifies, analyzes, and assesses risks, obtains advice from an external specialized organization, selects corporate risks, and submits reports to the House Foods Group Management Committee.

Examples of corporate risks

- Natural disasters
- Infectious disease pandemics
- Quality of products/services
- Information security
- Reputation
- Harassment
- etc.

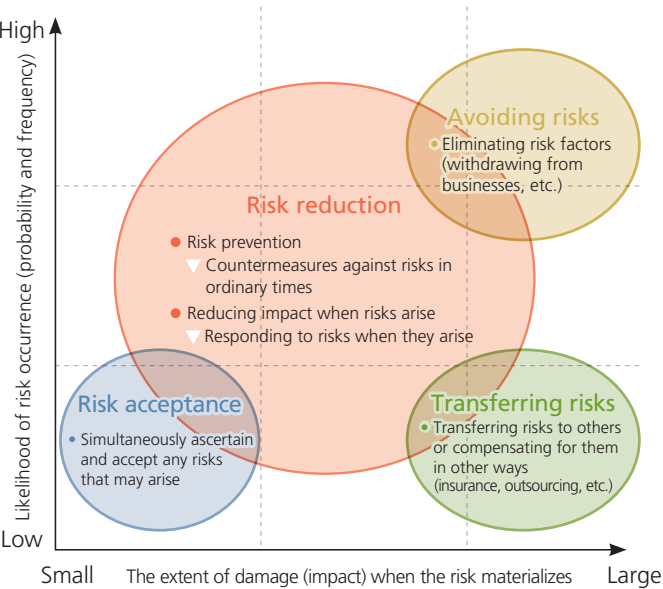
The Group also conducts regular risk investigation to identify potential risks, and evaluates their impact, occurrence likelihood and status of responses.

Each Group company and division considers risk control measures based on the results of such investigation so that the risks are managed appropriately. Each Group company



particularly focuses on responding to “the company’s material risks” that have material impacts on the management of the company.

Approach to risk responses



Business continuity plan and business continuity management

The Group formulates and implements a business continuity plan (BCP) to fulfill its social responsibility and maintain trust when the businesses of Group companies face the risk of suspension due to some factors such as natural disasters. When formulating a BCP, instead of using an approach where we consider responses for each individual kind of disaster, we focus on an approach where we consider how to respond in the event management resources necessary for executing our core business become insufficient or unusable, thereby enabling us to develop a BCP that may be able to address unexpected events and complex disasters.

In addition, based on the belief that business continuity management (BCM), which is an initiative in normal times, is important to ensure the effective functioning of the BCP and to enhance its effectiveness, we are examining advance measures, conducting periodic drills, and reviewing various manuals and other documents.

➡ For “Business and other risks,” see the following for details.
<https://housefoods-group.com/en/ir/policy/risk.html>

Compliance

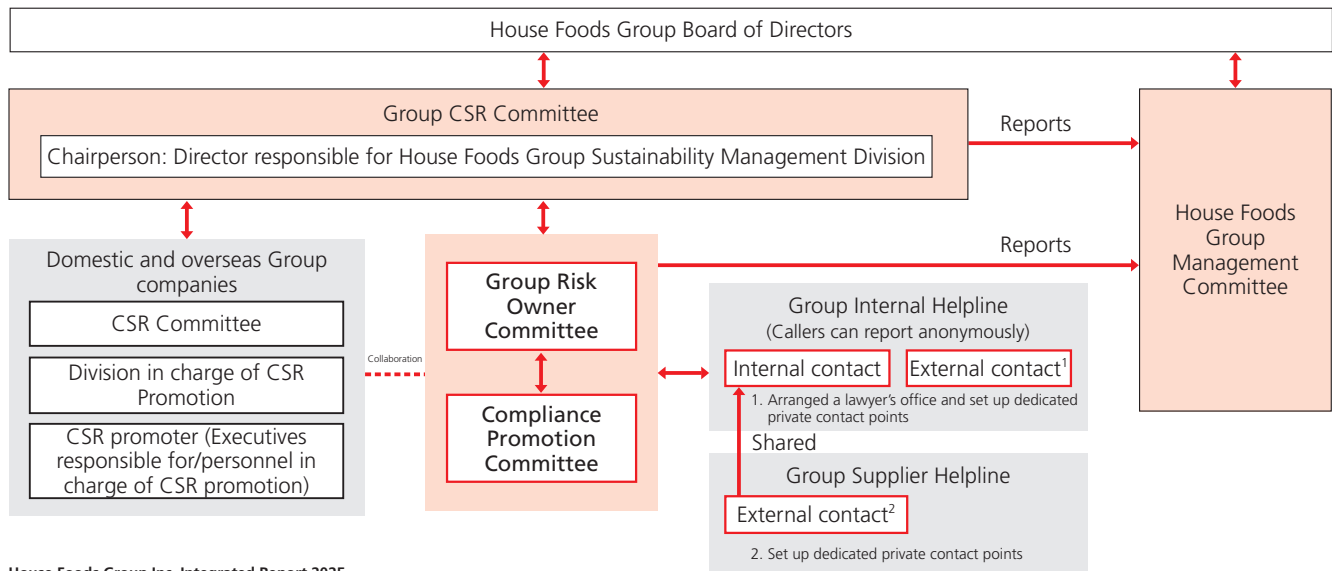
The Group addresses compliance not merely in a narrow sense of adherence to laws and regulations but in a wider sense of comprehensive response to social demands including compliance with internal rules, social ethics, and social morals.

In order to be trusted by society and ensure future development, we have established a compliance system that ensures the appropriateness of operations at each Group company, and have been engaged in specific initiatives accordingly.

Promotion structure

At House Foods Group, the division in charge of CSR activities of each Group company plays a central role in promoting and ensuring thorough compliance, together with CSR promoters (executives responsible for CSR promotion and personnel in charge of CSR promotion) who are selected on a division-by-division basis. In order to strengthen risk management and establish, diffuse, and entrench a compliance system, we have established the Group CSR Committee headed by a Director of House Foods Group.

Compliance promotion structure



Under the supervision and guidance of the Group CSR Committee, we have also established the Group Risk Owner Committee, which plays a role in formulating and promoting risk management plans, and the Compliance Promotion Committee, which is comprised of executives responsible for CSR activities and division leaders in charge of CSR activities at Group companies. We regularly exchange information and promote unified initiatives across the Group. Important matters for management are reported to the Group CSR Committee, which then submits reports and makes recommendations on such matters to the Group Management Committee.

Specific initiatives

A compliance survey is conducted with all Group employees each year. Through this survey, we seek to identify issues to ensure compliance, such as the awareness and status of understanding toward compliance, harassment, and workplace environment. The survey results are fed back to the President and

the executive responsible for CSR activities and division leaders in charge of CSR activities at each Group company. Based on their feedback, each Group company plans and takes necessary measures. We also carry out awareness-raising activities at each Group company for employees ranging from new hires to management members, hold learning sessions on a workplace or office basis, and conduct individual learning that makes use of study materials. Across the Group, we uphold a three-year activity theme, and continue to carry out compliance promotion activities. Through these activities, we strive to cultivate a workplace climate that focuses on compliance.



Helpline system

In order to quickly identify and resolve compliance issues, the Group has established a group-wide “internal helpline” employees can use and emphasized initiatives to promote human rights to fulfill its responsibility for society. It also established a “supplier helpline” with the aim of ensuring transparency of transactions with all of the House Foods Group’s business partners and building trust.

Number of cases accepted by the Group-wide internal helpline (Company and domestic Group companies only)

