

[Translation]

## Corporate Governance Report

Last Updated: May 1, 2025

### Riken Vitamin Co., Ltd.

Kazuhiko Yamaki, President and Representative Director

Contact: IR & PR Dept.

Securities Code: 4526

<https://www.rikenvitamin.jp/en/>

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

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

### 1. Basic Views

The Company aims to achieve sustainable growth and increase its corporate value over the medium to long term through business activities based on the following Management Philosophy. In order to achieve this goal, the Company's basic approach to corporate governance is to establish a system that enables prompt, decisive, and risk-conscious decision-making, and to strive to earn the trust of shareholders and various other stakeholders.

#### Management Philosophy

1. Provide health and a rich dietary life to society through foods  
Riken Vitamin supplies products that add health, safety, reassurance, and richness to consumer's daily lives by focusing on natural raw materials, thereby contributing to the enhancement of health.
2. Fulfill corporate social responsibility by engaging in business activities while adhering to compliance  
Riken Vitamin strives to earn social trust by respecting stakeholders, which include customers, shareholders, business partners, local communities, et al., ensuring that all employees act with a sense of ethics and legal compliance in all business activities, and fulfill our corporate social responsibility as a member of society as a result.
3. Evolve as a company full of flexibility and creativity  
As a manufacturer, Riken Vitamin strives to become a flexible and creative company by tapping into its unique business resources (specialty raw materials, technologies, and facilities) to swiftly and accurately address customer needs that are constantly diversifying, changing and advancing.
4. Direct the focus and scope of business activities overseas to ensure Riken Vitamin's global presence  
Riken Vitamin seeks to enhance its presence as a global corporation by increasing activities overseas to meet domestic and international needs.
5. Create a respectful, appealing workplace for employees  
By respecting each employee's creativity, originality, and welfare, Riken Vitamin strives to create an environment of vitality and fulfillment

## **[Reasons for Non-compliance with the Principles of the Japan's Corporate Governance Code]**

### **[Principle 3-1-3 Sustainability Efforts]**

One of the basic policies of our medium-term management plan, which started in April 2022, is to promote sustainable management. The Company's efforts to address issues surrounding sustainability are described on the Company's website.

Sustainability: <https://www.rikenvitamin.jp/en/sustainability/>

#### **(1) TCFD**

We use agricultural and marine products as our main raw materials and consider addressing climate change as an important management issue. Based on this recognition, we expressed our support for the TCFD recommendations in April 2022 and have been disclosing information based on the TCFD framework in our Integrated Report and on our website.

Disclosure Based on TCFD Recommendations :

[https://www.rikenvitamin.jp/pdf/corporate/ir/library/integrated\\_report/integrated\\_report2024\\_en\\_all.pdf](https://www.rikenvitamin.jp/pdf/corporate/ir/library/integrated_report/integrated_report2024_en_all.pdf)

#### **(2) Human Resource Development**

One of our management philosophies is to "create a respectful, appealing workplace for employees." We are actively working to enhance our human capital, recognizing it as essential for increasing corporate value.

As a key point of this effort, we strive for each employee to develop greater independence and become professionals adept at solving problems with high levels of expertise. We believe this approach will generate a wealth of ideas from diverse perspectives, fostering innovation that will lead to the creation of specialty products and services.

Our policy for developing professional human resources includes creating and implementing a new educational system and career development plans tailored to individuals through job rotation practices. Additionally, one of the basic policies of our current medium-term management plan is to accelerate expansion in Asia and North America. To achieve this goal, we are establishing a system aimed at developing employees with a global perspective.

##### **a. Job Rotation**

We view diverse experience gained from such opportunities as personnel transfers after joining the Group and overseas assignments as important for developing professional human resources. The Human Resources Department regularly holds personnel optimization review meetings to discuss the appropriate allocation of personnel to each business, and Groupwide perspectives such as successor candidate training plans and career paths. The Board of Directors draws on these insights when making decisions about personnel changes.

##### **b. Training Framework**

Regarding our training framework, we provide both managerial and tier-specific education, while at the same time focusing on supporting employee self-development as a means of facilitating independence and autonomy. We offer this support in part by subsidizing attendance at external business schools and covering expenses for qualification exams and correspondence courses.

##### **◎ Global Human Resource Development System**

Riken Vitamin has established its own standards for identifying employees and candidates conducting activities overseas or in related businesses as "global human resources." We facilitate the development of these global human resources by providing English and Chinese conversation lessons and trainee programs at overseas locations. As a result of these efforts, 8.9% of our personnel were qualified global human resources as of March 31, 2024. We aim to raise this ratio to 10% by FY2030

at the latest, but we will continue to step up efforts aimed at fostering development to accelerate our progress toward this goal.

### (3) Intellectual Property Initiatives

Riken Vitamin recognizes intellectual property rights as crucial for the preservation and energization of its business activities. Accordingly, we procure these rights to ensure the independence of our operations remains uncompromised. We also respect the intellectual property rights of others, avoiding any infringement upon these rights by conducting thorough patent and trademark searches during our research and development processes, which enable us to develop our own unique technologies and products. Additionally, we have established internal regulations related to patents, designs, and trademarks and offer monetary rewards to inventors and creators when they file or register patents or designs. When patent rights are exercised and contribute to Riken Vitamin's performance, the Company provides the inventors with incentives, thereby supporting the creation of superior technologies and designs.

In our Integrated Report issued in September 2023, we disclosed our value creation process, R&D and intellectual property protection efforts, and brand-building. Further, in press releases and on our website, we disclose our R&D efforts in each of our businesses, the technologies developed through these efforts, our brand-building activities. Going forward, we will further develop and implement intellectual property protection strategies in line with our overseas strategies. We will further align our investment in intellectual property with our management strategies and challenges through discussions by the Board of Directors.

Protection of Intellectual Property Rights : <https://www.rikenvitamin.jp/corporate/sustainability/risk-management/#head02> (Japanese)

## **[Disclosure Based on the Principles of the Japan's Corporate Governance Code] [Updated]**

### **[Principle 1-4 Cross-Shareholdings]**

We aim to realize effective corporate governance to achieve sustainable growth of the Company and to enhance our corporate value over the medium to long term. To this end, as part of our management strategy, including fundraising, stable procurement of raw materials, and sales policy, we have a policy of holding shares in companies according to what the Board of Directors deems necessary, considering the potential risks and returns of holding such shares.

Each year, the Board of Directors verifies the significance of continuing to hold these cross-shareholdings by examining each individual issue from quantitative (status of business transactions, dividend yield, etc.) and qualitative (smooth promotion of business relationships, etc.) perspectives.

One of the capital and financial policies of the medium-term management plan covering the three-year period from April 2022 to March 2025 is to "aim to reduce cross-shareholdings to less than 20% of consolidated net assets by the end of March 2025." Accordingly, we sell stocks whose significance as holdings has diminished, based on dialogue with the issuing company.

In the fiscal year ended March 31, 2024, we sold 16 issues for ¥2.970 billion. However, due to the rise in stock prices of our holdings, the total consolidated balance sheet amount of our cross-shareholdings as of the end of March 2024 grew to ¥21.444 billion (a YoY increase of ¥3.666 billion). Meanwhile, consolidated net assets decreased by ¥6.360 billion due to share buybacks, resulting in a consolidated net asset ratio of 28.0% (up 3.1pp YoY).

Regarding the exercise of voting rights for listed shares held by the Company, the Company will exercise its voting rights appropriately after comprehensively assessing the business conditions of the company concerned and the impact on the Company's operations.

### **[Principle 1-7 Transactions among Related Parties]**

The Company has established “Regulations for Management of Transactions among Related Parties” to ensure the fairness of transactions with related parties.

Under the abovementioned regulations, when the Company or any of its subsidiaries conducts a transaction with a related party of the Company, the details of such transaction must be submitted to the Board of Directors for approval.

In addition, for transactions among related parties that are ongoing as of the end of each fiscal year, the rationale for the continuation of the transaction (its necessity for business) and the appropriateness of the transaction terms are reported at the first meeting of the Board of Directors held in the fiscal year following the fiscal year in question, and the views of Audit & Supervisory Committee members are obtained as necessary.

**[Supplementary Principle 2-4-1 Ensuring Diversity]**

To realize our medium- to long-term vision and achieve sustainable growth, it is important to foster a corporate culture that encourages employees to express their opinions from diverse viewpoints. In line with this goal, we recognize the need for greater participation of female employees in planning our organization’s operations and related tasks. For this reason, we acknowledge the promotion of women’s activities as a key diversity issue and have made it a priority topic in the Diversity Subcommittee, where we are holding necessary discussions.

As a result, the ratio of female section managers at the end of March 2024 was 13.2%, above the target of 10%, despite the ratio of women in managerial positions coming in at 4.9%, just short of the target of 6%.

As of the end of March 2024, the ratios of mid-career hires and foreign nationals appointed to managerial and supervisory positions were 8.9% and 0.9%, respectively. Currently, we are focused on implementing the timely appointment of the right person to the right position without setting any specific numerical targets. However, we recognize that ensuring diversity in our core human resources is a significant issue and will continue to promote efforts to address it.

Further, as a voluntary standard, we have designated employees and candidates engaged in overseas or related businesses as “global human resources.” We are promoting their development by enhancing our training system with a focus on language study and experience. As a result, the ratio of global human resources was 8.9% as of the end of March 2024. We aim to increase this ratio to 10% by FY2030, and are promoting further human resource development to achieve our targets even earlier than planned.

As part of our human resource development policy, we aim for each employee to become a professional adept at solving problems with a high level of expertise, while enhancing their independence. We believe this approach will generate a wealth of ideas from diverse perspectives, fostering innovation that will lead to the creation of specialty products and services. Specifically, we are developing the careers of each employee by promoting job rotation and building and implementing an education system.

Regarding our policies for developing our internal environment, we are primarily focused on promoting diversity and inclusion as well as health management.

**[Principle 2-6 Roles as Asset Owners of Corporate Pension Plan]**

To ensure the proper operation of the defined-benefit corporate pension plan, we have appointed the president and representative director as the chief pension plan administrator. Regular meetings of the Asset Management Committee, composed of designated directors, relevant departments, and employee representatives, are held to discuss important matters related to the management of the pension plan.

The committee formulates basic investment policies and asset mix policies for the management of pension plan assets, and regularly monitors the investment performance and market environment of multiple investment institutions used by the Company.

In terms of human resources, we are enhancing our professional knowledge by appointing outside experts and developing personnel involved in managing the corporate pension plan through study sessions and practical experience on the committee.

**[Principle 3-1 Enhancement of Disclosure]**

- (1) The Company discloses its management philosophy, management strategies, and medium-term management plan on its website (<https://www.rikenvitamin.jp/en/>) and in its financial results presentation materials.
- (2) The Company's basic philosophy and policies on corporate governance are described in the Corporate Governance Guidelines  
([https://www.rikenvitamin.jp/pdf/corporate/sustainability/corporate-governance/governance-guideline\\_en.pdf](https://www.rikenvitamin.jp/pdf/corporate/sustainability/corporate-governance/governance-guideline_en.pdf)).
- (3) Policies and procedures for determining the compensation of senior management and directors are described in the Corporate Governance Guidelines and the Annual Securities Report.
- (4) Policies regarding the selection and dismissal of senior management and nomination of candidates for directors are described in the Corporate Governance Guidelines.
- (5) The selection of all director candidates, including those who are members of the Audit & Supervisory Committee, and the reasons for their nomination (and the reasons for their dismissal where applicable) are stated in the Notice of Convocation of the General Meeting of Shareholders.

**[Supplementary Principle 4-1-1 Scope of matters delegated to the management]**

The scope of delegation to the management team for matters to be determined and decided by the Board of Directors is stipulated in the Company's Board of Directors Regulations and Approval Rules. Matters specified by law and the Articles of Incorporation, important management matters, and matters deemed necessary by the Board of Directors are determined and decided by the Board of Directors, while other matters are delegated by the Board of Directors to the management team.

**[Principle 4-9 Independence Standards and Qualification for Independent Outside Directors]**

The Company has established its own criteria for determining the independence of its independent outside directors that it follows in addition to the independence requirements stipulated by the Tokyo Stock Exchange.

The Company's outside directors are appointed from corporate managers outside the Company, lawyers, certified public accountants, and persons with overseas corporate management experience. Outside directors actively express their opinions at meetings of the Board of Directors and Executive Officers.

The criteria for independence of outside directors are stated in the appendix of the Corporate Governance Guidelines disclosed on the Company's website.

[https://www.rikenvitamin.jp/pdf/corporate/sustainability/corporate-governance/governance-guideline\\_en.pdf](https://www.rikenvitamin.jp/pdf/corporate/sustainability/corporate-governance/governance-guideline_en.pdf)

**[Supplementary Principle 4-10-1 Use of Optional Approach]**

The Company has established a system to encourage contributions and advice from independent outside directors by establishing voluntary nomination and compensation committees. The majority of members in these committees are independent outside directors, ensuring that particularly important matters such as nomination and compensation are thoroughly considered.

The Nomination Committee is responsible for deliberating on proposals for general meetings of shareholders concerning the selection and dismissal of directors and the selection of representative directors and directors with special titles. The Nomination Committee also deliberates on the establishment of basic policies and standards necessary for the nomination of directors, and the supervision of succession plans for the president and representative director and executive officers.

Meanwhile, the Compensation Committee is responsible for deliberating on proposals for general meetings of shareholders concerning directors' compensation, and proposals for individual compensation for directors (excluding those who are members of the Audit & Supervisory Committee). It also serves to establish basic policies and standards necessary in relation to directors' compensation.

The majority of the members of each committee are independent outside directors, and the chairperson of each committee is appointed from the independent outside directors to ensure independence and agility in holding committee meetings and in deliberations.

**[Supplementary Principle 4-11-1 Composition and Diversity of the Board of Directors]**

The Company's Corporate Governance Guidelines specify that directors other than members of the Audit & Supervisory Committee should be "individuals with outstanding personalities and a wealth of experience and insight in corporate management and the Company's operations, and who are capable of promoting the sustainable growth of the Group." The Guidelines meanwhile hold that directors who are members of the Audit & Supervisory Committee should be "individuals with expertise and high ethical standards, and who are capable of neutrally and objectively auditing and supervising the execution of the directors' duties." The Guidelines state that outside directors should be "persons who satisfy the independence requirements stipulated by the Tokyo Stock Exchange and are capable of supervising management and providing advice from an independent position outside the Company based on their own experience and knowledge." The Company ensures that the overall balance, diversity, and size of the Board of Directors are appropriate so that they can effectively fulfill their roles and responsibilities.

The Company has formulated a skills matrix to indicate the knowledge, experience, and abilities of each director in the areas of corporate management, global affairs, legal affairs and risk management, finance and accounting, sustainability and ESG, sales and marketing, development, production and procurement, and quality assurance (shown on the last page of this report and included in the Notice of Convocation of the General Meeting of Shareholders.)

To enhance fair judgment regarding the appropriateness and progress of business execution, we also appoint personnel with extensive experience in corporate management outside the Company.

**[Supplementary Principle 4-11-2 Concurrent Positions held by Directors]**

As for directors holding concurrent positions at other companies, the Company has one such outside director who is not a member of the Audit & Supervisory Committee and two such outside directors who are members of the Audit & Supervisory Committee. The status of their concurrent positions is disclosed in the reference materials for the General Meeting of Shareholders. We have determined that their concurrent positions are within a reasonable scope that allows them to secure the time necessary to perform their duties for the Company.

**[Supplementary Principle 4-11-3 Evaluation of the Effectiveness of the Board of Directors]**

With the aim of improving the effectiveness of the Board of Directors to contribute to sustainable

growth and enhance corporate value, the Company conducts an annual evaluation of the effectiveness of the Board of Directors based on each director's self-assessment and other factors.

In the current fiscal year, a questionnaire consisting of the following items was conducted in April 2024, and after receiving opinions from the Audit & Supervisory Committee on the results, the effectiveness of the Board of Directors as a whole was analyzed and evaluated at the Board of Directors meeting held on May 10, 2024.

#### Evaluation Items

- (1) Composition and operation of the Board of Directors
- (2) Management and business strategies
- (3) Corporate ethics and risk management
- (4) Evaluation of management and compensation
- (5) Dialogue with shareholders and others

The results of the evaluation showed that the Board was overall effective in carrying out its duties, especially in its basic operations, matters supporting the foundation of corporate governance such as the process for verifying the appropriateness of cross-shareholdings and supervision of the internal control system, and matters related to the provision of information on sustainability.

The following issues, which were identified in the previous year, were evaluated as having been improved appropriately through shared understanding among the members of the Board of Directors and efforts to improve the selection of agenda items and deepen discussions, particularly with regards to "a. Management resource allocation from the perspective of overall optimization," thanks to successful discussions and concrete efforts by the Board of Directors. On the other hand, we recognized that other topics require continued discussion.

- a. Management resource allocation from the perspective of overall optimization (business portfolio management)
- b. Appropriate supervision of the human resource strategy (integrated discussion with management strategy)
- c. Ongoing consideration of the diversity of the Board of Directors to support the above active discussions.

In the current fiscal year, we recognized that, as a step toward further advancement, it is necessary to continue active discussions on the same topics as in the previous year to deepen discussions on the latest trends in governance and strategies from a broader perspective, and to put them into action.

In response to these issues, the Board of Directors will consider an action plan and oversee its steady promotion, while also taking into consideration the acceleration of digital transformation initiatives.

The Company will make efforts to further improve the effectiveness of the Board of Directors from a medium- to long-term perspective by using a Plan-Do-Check-Act (PDCA) framework in evaluating the effectiveness of the Board from the next fiscal year onward.

#### **[Supplementary Principle 4-14-2 Training Policy of Directors]**

The Company provides training for newly appointed directors to ensure that they are aware of their responsibilities and roles as directors at the time of their appointment and to acquire the knowledge (legal, financial, management strategy, etc.) necessary to serve as directors. In addition, as part of the basic strategy of the medium-term management plan launched in April 2022, which calls for "strengthening the management foundation (governance)," the Company provides all directors with opportunities to deepen their understanding of the roles and responsibilities expected of directors and of corporate governance, and supports the costs of such training.

**[Principle 5-1 Policy for Constructive Dialogue with Shareholders]**

To promote constructive dialogue with shareholders and investors, the Company has established the IR & PR Department, making the director in charge of corporate strategy also in charge of investor relations.

We hold semi-annual financial results briefings for institutional investors. After these meetings, we post the video and transcript of the meeting as well as the Q&A session on our website to ensure fair disclosure. We hold briefings for individual investors as necessary.

The Company reports items discussed with shareholders and investors on a quarterly basis to the president, senior managing directors, managing directors, and all positions above the rank of general manager. In addition, the director in charge of investor relations reports to the Board of Directors as necessary to share information and take appropriate actions. Information is disclosed in accordance with the Company's disclosure policy, with careful attention to ensure that insider information is not communicated during dialogues.

**[Action to Implement Management that is Conscious of Cost of Capital and Stock Price]**

**[Updated: June 28, 2024]**

The Company's return on capital and market valuation, as well as its efforts to enhance its corporate value, are described in the presentation materials for the financial results briefing for the fiscal year ended March 31, 2024 (p. 12), which was held on May 23, 2024. These materials are disclosed on the Company's website.

Financial results presentation materials (Japanese):

[https://www.rikenvitamin.jp/corporate/ir/library/news\\_file/file/240523.pdf](https://www.rikenvitamin.jp/corporate/ir/library/news_file/file/240523.pdf)

Financial results presentation materials (English):

[https://www.rikenvitamin.jp/en/ir/library/news\\_file/file/240523\\_en.pdf](https://www.rikenvitamin.jp/en/ir/library/news_file/file/240523_en.pdf)

**[Status of Conducting Dialogues with Shareholders]**

The Company discloses its basic stance on dialogue with shareholders and investors and the status of IR/SR activities on its website at the following link:

[https://www.rikenvitamin.jp/corporate/ir/manage\\_policy/communication/](https://www.rikenvitamin.jp/corporate/ir/manage_policy/communication/) (Japanese)



## 2. Capital Structure

Foreign Shareholding Ratio [updated]	From 10% to less than 20%
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### [Status of Major Shareholders] [updated]

Name or Company Name	Shares Held (Shares)	Percentage (%)
Riken Vitamin Business Partners' Shareholding Association	3,227,800	10.57
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,016,500	6.60
Mizuho Bank, Ltd.	1,386,184	4.54
The Master Trust Bank of Japan, Ltd. (Miyoshi Oil & Fat Co., Ltd. Pension Fund)	1,080,000	3.53
Sumitomo Life Insurance Company	726,000	2.37
Riken Vitamin Employees' Shareholding Association	716,724	2.34
Mitsubishi UFJ Trust and Banking Corporation	672,964	2.20
MUFG Bank, Ltd.	590,448	1.93
Hazama Ando Corporation	562,800	1.84
Asahi Mutual Life Insurance Company	438,000	1.43

Controlling Shareholder (except for Parent)	—
Parent (Listed Stock Market)	None

Supplementary Explanation
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The status of major shareholders shown above is the current status as of March 31, 2024.

### 3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange, Prime Market
Fiscal Year-End	March
Type of Business	Foods
Number of Employees (Consolidated) at End of the Previous Fiscal Year	1,000 or more
Revenue (Consolidated) for the Previous Fiscal Year	From ¥10 billion to ¥100 billion
Number of Consolidated Subsidiaries at End of the Previous Fiscal Year	From 10 to less than 50

### 4. Policy for 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 Supervision in Management

### 1. Organizational Composition and Operation

Organization Form	Company with audit and supervisory committee
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#### [Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	15
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	11
Appointment of Outside Directors	Appointed
Number of Outside Directors	5
Number of Independent Officers Designated from among Outside Directors	5

#### Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Shinichi Hirano	From another company											
Satoshi Fujinaga	From another company								△			
Towa Sueyoshi	Attorney at law											
Wataru Sueyoshi	Attorney at law								△			
Ayumi Ujihara	Certified public accountant											

\* 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; and

“▲” when a close relative of the director fell under the category in the past

a. Executive (a person who executes business; hereinafter, the same) of the Company or its subsidiary

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

c. Executive of a fellow subsidiary of the Company

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

- e. Major client or supplier of the Company or an executive thereof
- f. Consultant, accounting professional or legal professional who receives a large amount of monetary consideration or other property from the Company besides remuneration as a director
- g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a corporation)
- h. Executive of a client or supplier of the Company (which does not correspond to any of d., e., or f.) (the director himself/herself only)
- i. Executive of a corporation to which outside officers are mutually appointed (the director himself/herself only)
- j. Executive of a corporation that receives a donation from the Company (the director himself/herself only)
- k. Other

Outside Directors' Relationship with the Company (2)
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Name	Membership of Audit and Supervisory Committee	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Shinichi Hirano		○	—	<p>Mr. Shinichi Hirano possesses abundant experience and insights as a business executive, as well as extensive experience and networks in the beverage and beer industries. The Company has nominated him as an Outside Director as he is expected to provide supervision and advice from an objective and independent standpoint regarding matters such as the appropriateness of business execution and progress in implementing business plans, as the Company promotes the sustainable growth of the Group.</p> <p>In addition, he satisfies the independence requirements set by the Tokyo Stock Exchange and the "Criteria for the Independence of Outside Directors" set by our company, and we have determined that there is no risk of a conflict of interest with general shareholders, and he is being</p>

Name	Membership of Audit and Supervisory Committee	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
				designated as an independent director.
Satoshi Fujinaga	○	○	Mr. Satoshi Fujinaga was previously employed by Takeda Pharmaceutical Company Limited, one of our business partners. Given the scale and nature of the transaction, it is deemed that there is no risk of affecting the decisions of shareholders and investors. Accordingly, the details of the transaction have been omitted.	<p>Mr. Satoshi Fujinaga has accumulated abundant experience and profound insights both in Japan and overseas. The Company has nominated him as an Outside Director who is an Audit and Supervisory Committee Member as he is expected to provide supervision and advice regarding the corporate management from an independent standpoint as the Company promotes the sustainable growth of the Group.</p> <p>In addition, he satisfies the independence requirements set by the Tokyo Stock Exchange and the “Criteria for the Independence of Outside Directors” set by our company, and we have determined that there is no risk of a conflict of interest with general shareholders, and he is being designated as an independent director.</p>
Towa Sueyoshi	○	○	—	Ms. Towa Sueyoshi is well versed in corporate legal affairs as an attorney-at-law with a profound expertise and abundant experience. The Company has nominated her as an Outside Director who is an Audit and Supervisory Committee Member as she is expected to provide supervision and advice regarding the corporate management from an independent standpoint as the Company promotes the

Name	Membership of Audit and Supervisory Committee	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
				<p>sustainable growth of the Group.</p> <p>In addition, she satisfies the independence requirements set by the Tokyo Stock Exchange and the “Criteria for the Independence of Outside Directors” set by our company, and we have determined that there is no risk of a conflict of interest with general shareholders, and she is being designated as an independent director</p>
Wataru Sueyoshi	○	○	<p>Mr. Wataru Sueyoshi was previously employed by Mori Hamada &amp; Matsumoto, one of our company's business partners. In addition, he served as an outside director of Mitsubishi HC Capital Inc. However, in light of the scale and nature of the transactions with both business partners, it has been determined that there is no risk of influencing the decisions of shareholders and investors. Consequently, the summary descriptions of these transactions have been omitted.</p>	<p>Mr. Wataru Sueyoshi is well versed in corporate legal affairs as an attorney-at-law with a profound expertise and abundant experience. The Company has nominated him as an Outside Director who is an Audit and Supervisory Committee Member as he is expected to provide supervision and advice regarding the corporate management from an independent standpoint as the Company promotes the sustainable growth of the Group.</p> <p>In addition, he satisfies the independence requirements set by the Tokyo Stock Exchange and the “Criteria for the Independence of Outside Directors” set by our company, and we have determined that there is no risk of a conflict of interest with general shareholders, and he is being designated as an independent director.</p>
Ayumi Ujihara	○	○	—	<p>Ms. Ayumi Ujihara possesses profound expertise and abundant experience related</p>

Name	Membership of Audit and Supervisory Committee	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
				<p>to finance and accounting as a CPA. The Company has nominated him as an Outside Director who is an Audit and Supervisory Committee Member as he is expected to provide supervision and advice regarding the corporate management from an independent standpoint as the Company promotes the sustainable growth of the Group.</p> <p>In addition, she satisfies the independence requirements set by the Tokyo Stock Exchange and the “Criteria for the Independence of Outside Directors” set by our company, and we have determined that there is no risk of a conflict of interest with general shareholders, and she is being designated as an independent director.</p>

**[Audit and Supervisory Committee]**

**Committee’s Composition and Chairperson’s Attributes**

	Total Committee Members	Full-time Members	Inside Directors	Outside Directors	Chairperson
Audit and Supervisory Committee	5	2	1	4	Inside director

**Appointment of Directors and/or Employees to Support Duties of the Audit and Supervisory Committee**

Appointed

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

There are two full-time members serving on the Audit & Supervisory Committee at all times. These

members conduct audits in cooperation with the Internal Audit Department.

To improve the audit function and effectiveness of the Audit & Supervisory Committee, on January 1, 2021 we appointed an employee who concurrently serves in the Internal Audit Department to assist the Audit & Supervisory Committee.

The "Basic Policy for the Establishment of the Internal Control System" stipulates that the appointment, dismissal, transfer, and evaluation of such employees, as matters concerning employees who assist the Audit & Supervisory Committee and matters concerning the independence of such employees and the effectiveness of their instructions, requires the consent of the Audit & Supervisory Committee. In addition, when such employees concurrently serve in other departments, they are required to give priority to their duties assisting the Audit & Supervisory Committee, thereby ensuring the independence of such employees from executives and directors other than Audit & Supervisory Committee members.

#### Cooperation among Audit & Supervisory Committee, Accounting Auditor and Internal Audit Division

The Audit & Supervisory Committee, the Internal Audit Department, departments relevant to internal controls, and the accounting auditor strive to strengthen the management oversight function while improving the efficiency and effectiveness of audits through regular meetings and the exchange of information and opinions as needed.

Further, to strengthen the audit function, the Audit & Supervisory Committee holds regular meetings with the Internal Audit Department (held 12 times during the current fiscal year) to share information on the status of risks and audit issues at each location and to improve the effectiveness and efficiency of audits by the Audit & Supervisory Committee and the Internal Audit Department. To deepen cooperation with the Group Business Management Division, a supervisory organization responsible for the overall management and guidance of subsidiaries, the Audit & Supervisory Committee holds regular meetings that include the Internal Audit Department (held six times during the current fiscal year) to share information on the status of business operations and risks of subsidiaries and to confirm the status of maintenance and strengthening of management systems of group companies.

In addition, the Audit & Supervisory Committee monitors and verifies whether the accounting auditor maintains an independent position and conducts appropriate audits. In addition to receiving reports from the accounting auditor on the execution of their duties and the results of the accounting audits, the Audit & Supervisory Committee attends audits conducted by the accounting auditors as appropriate, and maintains mutual cooperation with the accounting auditors through the periodic exchange of information and opinions.

#### [Voluntary Committees]

Voluntary Establishment of Committee(s) Equivalent to Nominating Committee or Remuneration Committee	Established
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#### Committee's Name, Composition, and Chairperson's Attributes

	Committee Equivalent to Nominating Committee	Committee Equivalent to Compensation Committee
Committee's Name	Nomination Committee	Compensation Committee
Total Committee Members	3	3



	Committee Equivalent to Nominating Committee	Committee Equivalent to Compensation Committee
Full-time Members	2	2
Inside Directors	1	1
Outside Directors	2	2
Outside Experts	0	0
Other	0	0
Chairperson	Outside director	Outside director

#### Supplementary Explanation

The Company has established a voluntary Nomination Committee and Compensation Committee for the consideration of particularly important matters such as nomination and compensation. The Company has also established mechanisms to encourage contributions from and receive advice from independent outside directors by having a majority of the members of each committee be independent outside directors and by appointing their chairperson from among the independent outside directors.

In addition to deliberating on proposals for General Meetings of Shareholders concerning the selection and dismissal of directors and the selection of representative directors and directors with special titles, the Nomination Committee deliberated on the establishment of basic policies and standards necessary for the nomination of directors and the supervision of succession planning for the president and representative director and executive officers. The Nomination Committee met twice during the fiscal year under review, and all members attended all Nomination Committee meetings held during their terms of office.

The Compensation Committee deliberated on proposals for the General Meeting of Shareholders concerning compensation for directors and proposals for the individual compensation of directors who are not members of the Audit & Supervisory Committee. The committee also deliberated on the establishment of necessary basic policies and standards relating to directors' compensation. The Compensation Committee met twice during the fiscal year under review, and all members attended all Compensation Committee meetings held during their terms of office.

#### [Independent Officers]

Number of Independent Officers	5
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#### Matters relating to Independent Officers

#### [Incentives]

Implementation of Measures to Provide Incentives to Directors	Introduction of Performance-linked Remuneration
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#### Supplementary Explanation

By resolution of the Ordinary General Meeting of Shareholders held on June 27, 2017, the Company

introduced a performance-linked stock compensation plan for directors (excluding directors who are members of the Audit & Supervisory Committee and outside directors) and managing executive officers. The purpose of this system is to clarify the relationship between the compensation of directors (excluding directors who are members of the Audit & Supervisory Committee and outside directors) and managing executive officers and the Company's performance and shareholder value, and to motivate them to improve the Company's performance and increase its corporate value over the medium to long term. An overview of the system is provided in the Annual Securities Report.

With regards to the performance-linked stock compensation plan, the Company has continued the plan after partially revising its content in accordance with the resolution passed at the 85th Ordinary General Meeting of Shareholders held on June 22, 2021.

Recipients of Share Options	
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Supplementary Explanation
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#### [Director Remuneration]

Disclosure of Individual Directors' Compensation	No Disclosure for any Directors
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Supplementary Explanation
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The total amount of compensation by type is shown in the Annual Securities Report for the categories of director (excluding Audit & Supervisory Board members and outside directors), Audit & Supervisory Board member (excluding outside directors), and outside director.

Policy for Determining Compensation Amounts or Calculation Methods Thereof	Established
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Disclosure of Policy for Determining Compensation Amounts or Calculation Methods Thereof
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The Company has established a policy for determining the compensation of each individual director (hereinafter referred to as the "Determination Policy"). The Company consulted the Compensation Committee on the Determination Policy draft it had prepared, and the Board of Directors adopted the policy at its meeting held on February 25, 2021, respecting the report of the Compensation Committee.

In determining individual director compensation, the Compensation Committee deliberates on proposals from various perspectives, including consistency with the Determination Policy, before reporting back to the Board of Directors. The Board of Directors then approves the amount of individual compensation, respecting the committee's report. In this way, the Company determines individual compensation to be in line with the Determination Policy.

The Company's executive compensation system shall be designed with the objective of motivating executives to contribute to the Company's sustainable growth and enhancement of corporate value over the medium to long term.

Executive compensation shall be determined within the limit of the total amount of compensation resolved at the General Meeting of Shareholders. Compensation for directors shall be determined by the Board of Directors after deliberation by the Compensation Committee, of which outside directors

constitute the majority.

The compensation of each director is determined and paid based on the highest amount of employee salary as the standard amount of compensation for each position, and by comprehensively taking into consideration such factors as general standards for such compensation, the Company's performance, the director's level of contribution, and the balance with employee salaries.

Compensation for directors (excluding directors who are members of the Audit & Supervisory Committee) shall be as follows.

- a) Compensation shall consist of fixed compensation and performance-linked compensation.
- b) Fixed compensation shall be a predetermined amount. The level of fixed compensation shall be determined by comprehensively taking into consideration such factors as business performance, employee wage increases, the degree of contribution made by the director, tenure as an executive officer, comparative value versus employees, disparities between positions, and market prices.
- c) Performance-linked compensation shall consist of bonuses and performance-linked stock compensation.
- d) The ratio of each type of compensation to total executive compensation shall be based on the following: When the payout ratio at the time of achieving targets is set at 100%, approximately 70% is fixed compensation, 20% is bonuses, and 10% is performance-linked stock compensation.
- e) Only fixed compensation shall be provided to outside directors.

Only fixed compensation shall be paid to directors who are members of the Audit & Supervisory Committee. The amount of individual compensation shall be determined through discussions among the directors who are members of the Audit & Supervisory Committee.

#### **[Supporting System for Outside Directors]**

In the event that an outside director requests information necessary to help in appropriate decision-making, the Company has a system in place whereby each head office department can receive such requests through the director in charge, managing executive officer, or full-time Audit & Supervisory Board members.

#### **[Status of Persons Who Have Retired from a Position Such as Representative Director and President]**

Retired Representative Director and Presidents, etc. Holding Advisory or Any Other Position in the Company					
Name	Title/Position	Responsibilities	Working Form and Conditions (Full-time/ Part-time, Paid/Unpaid, etc.)	Date of Retirement from Position Such as President	Term of Office
—	—	—	—	—	—
Total Number of Retired Representative Director and Presidents, etc.			0		

#### Other Matters

The company has an Advisor system, but there are currently no former President & Representative Directors, etc.

## **2. Matters on Functions of Business Execution, Audit and Supervision, Nomination and Compensation Decisions (Overview of Current Corporate Governance System)**

### **(1) Board of Directors**

The Board of Directors consists of 11 members, including five directors who are members of the Audit & Supervisory Committee, and meets regularly once a month, as well as on an as-needed basis. During the fiscal year under review, the Board of Directors met 14 times, and all directors attended all meetings held during their terms of office. In addition, there were three written resolutions that were deemed to have been approved by the Board of Directors in accordance with the provisions of Article 370 of the Companies Act and Article 24, Paragraph 2 of the Company's Articles of Incorporation. The Board of Directors makes decisions on basic management policies and other important matters concerning the management of the Company, and supervises the execution of duties by each director. Further, the directors in charge of business execution, compliance, internal controls, risk management, and other important matters report on the status of these areas.

### **(2) Audit & Supervisory Committee**

The Audit & Supervisory Committee consists of five directors who are also Audit & Supervisory Committee members (including four who are outside directors) and serves to strengthen the supervisory function of the Board of Directors. As an independent body that audits the execution of duties by directors, the Audit & Supervisory Committee's role and responsibility is to ensure the Board properly executes its duties and to establish a corporate governance system worthy of the public's trust, with the aim of achieving sustainable growth of the Group and enhancing corporate value over the medium to long term. The Audit & Supervisory Committee met 15 times during the fiscal year under review, and all Audit & Supervisory Committee members attended all meetings of the Audit & Supervisory Committee held during their terms of office.

### **(3) Nomination Committee and Compensation Committee**

The Company has established voluntary nomination and compensation committees for the consideration of particularly important matters such as nomination and compensation. It has also established a mechanism to encourage contribution and receive advice from independent outside directors by having a majority of the members of each committee be independent outside directors and by appointing a chairperson from among the independent outside directors.

In addition to deliberating on proposals for General Meetings of Shareholders concerning the selection and dismissal of directors and the selection of representative directors and directors with special titles, the Nomination Committee deliberated on the establishment of basic policies and standards necessary in connection with the nomination of directors and the supervision of succession planning for the president and representative director and executive officers. The policies regarding the selection and dismissal of senior management and the nomination of candidates for directors are described in the Corporate Governance Guidelines disclosed on the Company's website.

The Compensation Committee deliberated on proposals for the General Meeting of Shareholders concerning compensation for directors and proposals for the individual compensation of directors who are not members of the Audit & Supervisory Committee. The committee also deliberated on the establishment of necessary basic policies and standards relating to directors' compensation. The policies and procedures for determining the compensation of senior management and directors are described in the Corporate Governance Guidelines disclosed on the Company's website and in the Annual Securities Report.

#### (4) Managing Executive Officers

The Company has adopted a managing executive officer system with the aim of concentrating the functions of the Board of Directors on decision-making and supervision of important management matters through appropriate delegation of the execution of company business. The roles and responsibilities of managing executive officers are to efficiently and promptly make decisions on and execute important business operations delegated to them by representative directors or executive directors in accordance with the basic policy decided by the Board of Directors.

#### (5) Executive Officers

The Company has adopted an executive officer system for the purpose of enhancing management efficiency and strengthening supervisory functions and business execution. The roles and responsibilities of executive officers are to efficiently and promptly make decisions on and execute business operations under the direction and orders of the representative directors, executive directors, and managing executive officers in accordance with the basic policy determined by the Board of Directors.

#### (6) Others

With respect to important matters related to the Company's management policies and strategies, the Company has established a Management Meeting consisting of the president, senior managing directors, and managing directors, and an Executive Officers Meeting consisting of directors, managing executive officers, and executive officers (including the relevant general managers as necessary) to speed up the decision-making process of the Board of Directors and enhance management flexibility.

Further, in accordance with Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with all non-executive directors to limit their liability for compensation under Article 423, Paragraph 1 of the same law. The maximum amount of liability based on such contracts is the minimum amount stipulated by laws and regulations.

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

Our company has adopted a company with an audit and supervisory committee in order to further improve the supervisory function of the board of directors, further enhance deliberations, and speed up management decision-making.

### III. Implementation of Measures for Shareholders and Other Stakeholders

#### 1. Measures to Energize General Meetings of Shareholders and Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of General Meeting of Shareholders	Notice of Convocation of the General Meeting of Shareholders (access notices) is sent three days earlier than the legal deadline, and the electronic provision of materials for the Meeting starts four days earlier than the legal deadline.
Scheduling of the General Shareholders Meeting During Non-Peak Days	The company decides on a date for the regular general meeting of shareholders that avoids the days that are predicted to be peak days.
Allowing Electronic or Magnetic Exercise of Voting Rights	The Company adopts a system for exercising voting rights via the Internet.
Participation in Electronic Voting Platform and Other Efforts to Enhance the Voting Environment for Institutional Investors	The Company has participated in the electronic voting rights exercise platform for institutional investors operated by ICJ, Inc.
Providing Convocation Notice in English (Translated Fully or Partially)	The Company provides Notice of Convocation of the General Meetings of Shareholders in English through an electronic voting platform in addition to publishing it on its website.
Other	The Company aims to provide more easily understandable explanations by using visual presentations at the General Meeting of Shareholders.

#### 2. IR Activities

	Supplementary Explanations	Explanation by Representative
Preparation and Publication of Disclosure Policy	Published on company website. <a href="https://www.rikenvitamin.jp/en/ir/manage_policy/policy/">https://www.rikenvitamin.jp/en/ir/manage_policy/policy/</a>	
Regular Investor Briefings for Individual Investors	The Company holds multiple briefings for individual investors and posts explanatory materials on its website.	Yes
Holding Regular Investor Briefings for Analysts and Institutional Investors	The Company holds earnings briefings for Analysts and institutional investors after second-quarter and fourth-quarter earnings reports.	Yes
Posting IR Materials on Website	An Investor Relations page for shareholders and investors is available on our website. This page	

	contains financial results, financial results presentation materials, consolidated financial statements, information requiring timely disclosure, Integrated Reports and convocation notices for the Shareholders Meeting. Many of these materials are also published on the English version of the page.	
Establishment of Department and/or Manager in Charge of IR	IR & PR Department	

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

	Supplementary Explanations
Provisions to Ensure Due Respect for Stakeholders in Internal Regulations, etc.	The Company has established rules regarding the respect for stakeholders in the Group Code of Conduct.
Implementation of Environmental Conservation Initiatives and CSR Activities, etc.	<p>To ensure that our employees act with a common understanding, we have established “Our Idea of CSR,” which defines the positioning of CSR in the Group. To put these ideas relating to CSR into practice, we have also established a Basic CSR Policy, which gives concrete form to the seven core issues of ISO 26000.</p> <p>To strategically address sustainability issues, we have established a Sustainability Committee chaired by the president and representative director, which has set “promotion of sustainable management” as one of basic policies for the medium-term management plan launched in April 2022. The Sustainability Committee addresses social and environmental issues on a topic-by-topic basis and reports them to the Board of Directors in a timely manner.</p> <p>The Company’s efforts to address sustainability issues are described on the Company’s website. (<a href="https://www.rikenvitamin.jp/en/sustainability/">https://www.rikenvitamin.jp/en/sustainability/</a>)</p> <p>In addition, we use agricultural and marine products as our main raw materials and consider addressing climate change as an important management issue. Based on this recognition, we expressed our support for the TCFD recommendations in April 2022 and have been disclosing information based on the TCFD framework in our Integrated Report and on our website.</p>
Formulation of Policies on Provision of Information to Stakeholders	The Company stipulates Disclosure Policy and publish on its website. <a href="https://www.rikenvitamin.jp/en/ir/manage_policy/policy/">https://www.rikenvitamin.jp/en/ir/manage_policy/policy/</a>
Other	The percentage of women in managerial and supervisory positions was 3.8% in FY2022, compared to a target of 6% or more in FY2023. We have formulated and are implementing an action plan to promote women’s participation and advancement in the workplace based on the Act on Promotion of Women’s Participation and Advancement in the Workplace. We regularly hold training sessions on career development,



	<p>create guidebooks to promote male childcare leave, develop support systems to balance work and childcare/nursing care, and provide training for managers to deepen their awareness of the importance of diversity.</p> <p>The percentage of mid-career hires and foreign nationals appointed to managerial and supervisory positions in FY2022 was 7.6% and 1.3%, respectively.</p> <p>At present, we are at the stage of implementing the timely appointment of the right person to the right position and have not set any specific numerical targets, but we regard ensuring diversity in our core human resources as an important issue and will promote efforts to address it.</p> <p>Based on our voluntary standards, the ratio of global human resources, defined as those engaged in overseas or related businesses and those in reserve for those positions, was 8.4% in FY2022, compared to a target of 10% in FY2030. We will continue to promote further development, including by setting new targets moving forward.</p>
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## **IV. Matters Related to Internal Control System**

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

The Company's Board of Directors has resolved to implement systems to ensure the appropriateness of business operations. The Company established internal control systems and operates them appropriately based on this resolution.

#### **(1) Systems to Ensure that the Execution of Duties by Directors and Employees of the Company and its Subsidiaries (Hereinafter Referred to as "the Group") Complies with Laws and Regulations and the Articles of Incorporation**

- 1) The Group shall act in accordance with its management philosophy and the Riken Vitamin Group Code of Conduct, and through compliance promotion activities, build a corporate culture in which all business activities are conducted in the spirit of high ethical standards and legal compliance.
- 2) The Company shall adopt an Audit & Supervisory Committee structure and strengthen the supervisory function of the Board of Directors by appointing outside directors, including those who are qualified as lawyers and certified public accountants.
- 3) As the basis of the compliance system, the Company shall establish the Compliance Promotion Regulations and the Riken Vitamin Group Code of Conduct, as well as establish a compliance officer, Compliance Committee, and Compliance Promotion Department, thereby strengthening our compliance framework.
- 4) The Company shall conduct compliance training through case studies based on specific examples to foster high ethical standards and a spirit of compliance with laws and regulations. We will also maintain and improve its compliance system by providing training by outside experts and by enhancing and disseminating the operation of the Corporate Ethics Hotline System to ensure a prompt response to and resolution of problems when they arise.
- 5) The Company shall establish a Corporate Ethics Hotline System as a system for internal reporting of violations of laws and regulations and other compliance-related facts by directors and employees, with the Audit & Supervisory Committee or the Compliance Promotion Department as the direct recipients of such information. This system shall be operated in accordance with the Corporate Ethics Hotline System Operating Regulations, and sufficient care shall be taken to protect the privacy of those who make such reports so that they will not be treated unfavorably.
- 6) In order to ensure compliance with laws and regulations and efficient execution of duties, directors, managing executive officers, and executive officers shall receive periodic education and training to raise their awareness of their responsibilities.
- 7) The Group shall resolutely confront antisocial forces and groups that threaten the order and safety of civil society, and shall not have any business or other relationships with them. In the event of unjustified demands, we shall take a resolute stance in cooperation with relevant organizations and strive to prevent damage caused by antisocial forces.
- 8) The Company shall establish an Internal Audit Department that is independent from its business execution structure. The Internal Audit Department shall audit the execution of business by employees and the internal control system in accordance with the Internal Audit Regulations and report to the President.

#### **(2) Systems for Storage and Management of Information Related to Execution of Duties by Directors**

In addition to preparing and managing the minutes of the Board of Directors meetings in accordance

with laws and regulations, the Company shall appropriately and securely store and manage information such as managerial decision requests and other documents in a highly searchable condition according to the storage media in accordance with the Document Management Regulations and Confidentiality Management Regulations.

### **(3) Regulations and Other Systems for Managing Risk of Loss**

- 1) The Group shall evaluate risks related to business execution in the areas of market fluctuations, safety, raw material procurement, exchange rate fluctuations, intellectual property rights, information and management systems, natural disasters, legal regulations, and international business, establishing a Risk Management Committee composed of members selected from the Company and its affiliates to prevent these risks and to deal with them when they occur.
- 2) The Company shall establish risk management regulations and manuals as the basis of its risk management system under the company-wide control of the Risk Management Committee, and shall work to limit risks and be prepared for their occurrence.
- 3) To periodically evaluate and improve the risk management system of its subsidiaries, the Company shall formulate rules necessary for the independent risk management of its subsidiaries and provide training for the evaluation and management of risks in their operations.
- 4) The Group shall establish a system to prevent the spread of damage in the event of unforeseen circumstances to all stakeholders, including customers, business partners, and local communities, and to minimize its own losses. In the event of unforeseen circumstances, the Company shall establish a crisis response headquarters headed by the president to gather information and handle communications and, if necessary, seek advice from third parties to ensure a prompt response.

### **(4) Systems to Ensure Efficient Execution of Duties by Directors**

- 1) The Board of Directors shall hold regular meetings once a month and extraordinary meetings as necessary as part of the system to ensure the efficient execution of duties by directors.
- 2) With respect to important matters related to the Company's management policies and strategies, the Company shall establish a Management Meeting consisting of the chairman, president, vice presidents, senior managing directors, and managing directors, and an Executive Officers Meeting consisting of directors, managing executive officers, and executive officers (including the relevant general managers as necessary) to accelerate decision-making by the Board of Directors and enhance management flexibility.
- 3) A Managing Executive Officer System shall be established to concentrate the functions of the Board of Directors on decision-making and supervision of important management matters through appropriate delegation of business execution.
- 4) The Company shall establish an Executive Officer System to improve management efficiency and strengthen supervisory functions and business execution.
- 5) The Company shall formulate a medium-term management plan covering a period of three years, identifying priority issues and formulating and implementing a plan for each fiscal year to achieve the goals of the medium-term management plan.
- 6) The Company shall establish a voluntary Nomination Committee and Compensation Committee as advisory bodies to the Board of Directors for the purpose of strengthening the independence, objectivity, and accountability of the Board of Directors' functions related to director nominations, compensation, and other matters.

**(5) Systems to Ensure the Appropriateness of Operations of the Group Consisting of a Stock Company and its Parent Company and Subsidiaries**

- 1) To share the corporate culture and management policies of Riken Vitamin, the parent company, with its subsidiaries, Riken Vitamin shall strengthen the education of the directors and employees of its subsidiaries. In addition, to communicate important matters and issues in a timely and appropriate manner, the Company shall strengthen two-way communication through dialogue among managers, executives, and employees. Especially for overseas subsidiaries, information sharing shall be promoted through the employment of internal personnel who are proficient in other languages and web conferencing and other methods.
- 2) The Company shall manage its subsidiaries in accordance with the Affiliated Company Management Regulations. As an important part of group governance, the Company shall revise these regulations in a timely and appropriate manner, taking into account changes in actual conditions and circumstances.
- 3) The Company shall establish the Group Business Management Division as a supervisory organization to strengthen group governance. The Group Business Management Division shall be responsible for general management and guidance of the subsidiaries with respect to general affairs, human resources, compliance, accounting, and other areas, as well as for understanding, analyzing, and evaluating the overall operations of the subsidiaries, including their governance status. It shall report regularly to the Board of Directors.
- 4) To enhance the effectiveness of internal controls, in addition to formulating subsidiaries' business plans and profit plans and managing the direction of their new development, the Company will provide management and guidance to help them share information and issues encountered in overall business operations. Further, subsidiaries shall obtain prior approval from the Company's president on important matters that must be approved by the president in accordance with the Affiliated Company Management Regulations, and shall report regularly to the Board of Directors on their performance and other important matters.
- 5) The subsidiaries shall conduct due diligence when entering new transactions and further increase the sharing of necessary information with the Company such as the content of contracts.
- 6) The Company shall strengthen the establishment of rules and procedures, process management, and management of documentation in the series of supply chains of subsidiaries, including raw material procurement, manufacturing, inventory, logistics, and sales. The Company shall periodically verify the management system and operational procedures of such subsidiaries.
- 7) The Company shall educate the management and executives of its subsidiaries on the knowledge required for financial reporting as a subsidiary of a listed company.
- 8) The Company shall promote the establishment of a system for strengthening the business management system and verifying the content of business operations by enhancing management with IT systems at the level required by the Group and the human resources required for this purpose.
- 9) The Company shall formulate a medium-term management plan covering a period of three years for its subsidiaries, identifying priority issues and formulating and implementing a plan for each fiscal year to achieve the goals of the medium-term management plan.
- 10) The Internal Audit Department shall periodically audit subsidiaries in accordance with the Internal Audit Regulations.
- 11) In addition to inspecting reports and the managerial decision requests of subsidiaries circulated by the relevant departments in accordance with the Affiliated Company Management Regulations,

Audit & Supervisory Committee members shall actively visit subsidiaries and request reports from directors and employees of the Group to further strengthen the audit function.

**(6) Matters Concerning Employees Who Should Assist the Audit & Supervisory Committee in its Duties and Matters Concerning the Independence of Such Employees and Ensuring the Effectiveness of Instructions to Such Employees**

- 1) Employees shall be appointed to assist the Audit & Supervisory Committee in its duties to improve the audit function and effectiveness of the Audit & Supervisory Committee.
- 2) The appointment, dismissal, transfer, and evaluation of such employees shall require the consent of the Audit & Supervisory Committee.
- 3) In the event that such employees concurrently serve as employees of other departments, priority shall be given to assisting the duties of the Audit & Supervisory Committee.

**(7) Systems for Reporting to the Audit & Supervisory Committee by the Directors (Excluding Directors Who Are Audit & Supervisory Committee Members) and Employees of the Group, Other Systems for Reporting to the Audit & Supervisory Committee, and Systems to Ensure the Effective Execution of Audits by the Audit & Supervisory Committee's**

- 1) The Audit & Supervisory Committee shall appoint a full-time Audit & Supervisory Committee member to collect and share internal information to enhance the effectiveness of audits. Audit & Supervisory Committee members shall attend meetings of the Board of Directors and the Executive Committee in addition to other important meetings, and shall regularly exchange opinions with representative directors.
- 2) The Group's directors (excluding directors who are Audit & Supervisory Committee members) and employees shall report to the Audit & Supervisory Committee on important matters affecting the Group's operations or business performance on a case-by-case basis. Notwithstanding the foregoing, the Audit & Supervisory Committee may, at any time and as necessary, request reports from directors (excluding directors who are Audit & Supervisory Committee members) and employees.
- 3) The Audit & Supervisory Committee shall receive reports on audit results from the Internal Audit Department and shall work closely with the Internal Audit Department, including requesting investigations as necessary.
- 4) The Audit & Supervisory Committee shall cooperate with the auditors of subsidiaries, including accounting auditors, holding regular meetings and closely exchanging information as occasion calls.
- 5) In the event that any Audit & Supervisory Committee member requests advance payment of expenses incurred in the performance of their duties, the Company shall promptly process such request.

**(8) Systems to Ensure the Reliability of Financial Reporting**

To ensure the reliability of financial reporting, the Company shall establish an effective and appropriate internal control and management system for financial reporting in accordance with the Financial Instruments and Exchange Act and other relevant laws and regulations. The Company shall periodically evaluate the status of the establishment and operation of such system, while striving to maintain and improve it.

## 2. Basic Views on Eliminating Antisocial Forces and Progress of Related Efforts

From the perspective of social responsibility and corporate defense, the Group clearly states in the Riken Vitamin Group Code of Conduct that it will firmly confront antisocial forces and groups that threaten the order and safety of civil society.

We have established a department to oversee measures against antisocial forces, and we regularly exchange information with local police departments and local companies to gather information on antisocial forces and promote education on damage prevention measures. In addition, the Riken Vitamin Group Code of Conduct has been distributed to all members of the Group, including directors, to ensure that they are thoroughly familiar with the Code.

The Group has also established the Anti-Social Forces Countermeasures Regulations to ensure that the Group does not provide any benefits under any pretext to anti-social forces and has no involvement whatsoever with anti-social forces.

## V. Other

### 1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not adopted
Supplementary Explanation	

## 2. Other Matters Concerning the Corporate Governance System

Our internal structure concerning the timely disclosure of corporate information is set out below:

### (1) Basic Policy on Timely Disclosure of Corporate Information

The Company prioritizes communication with society and maintains a basic policy of disclosing corporate information in a timely, appropriate, and fair manner to all stakeholders, including shareholders, investors, and business partners.

### (2) Internal System for the Timely Disclosure of Corporate Information

The Company has established and maintains Internal Information Management Regulations to comply with the Financial Instruments and Exchange Act, other laws and regulations, and the rules and regulations of the Tokyo Stock Exchange, and to ensure fair, timely, and appropriate disclosure of important information about the Company to shareholders, investors, business partners, and other interested parties.

In accordance with these rules, the General Manager of the Corporate Planning Department is assigned as the person in charge of managing corporate information. The Company has established the Affiliated Company Management Regulations to clarify the management of its subsidiaries and affiliates, and has established a reporting system for important information on subsidiaries to be reported to the Company by each subsidiary.

### (3) Corporate Information Reporting System

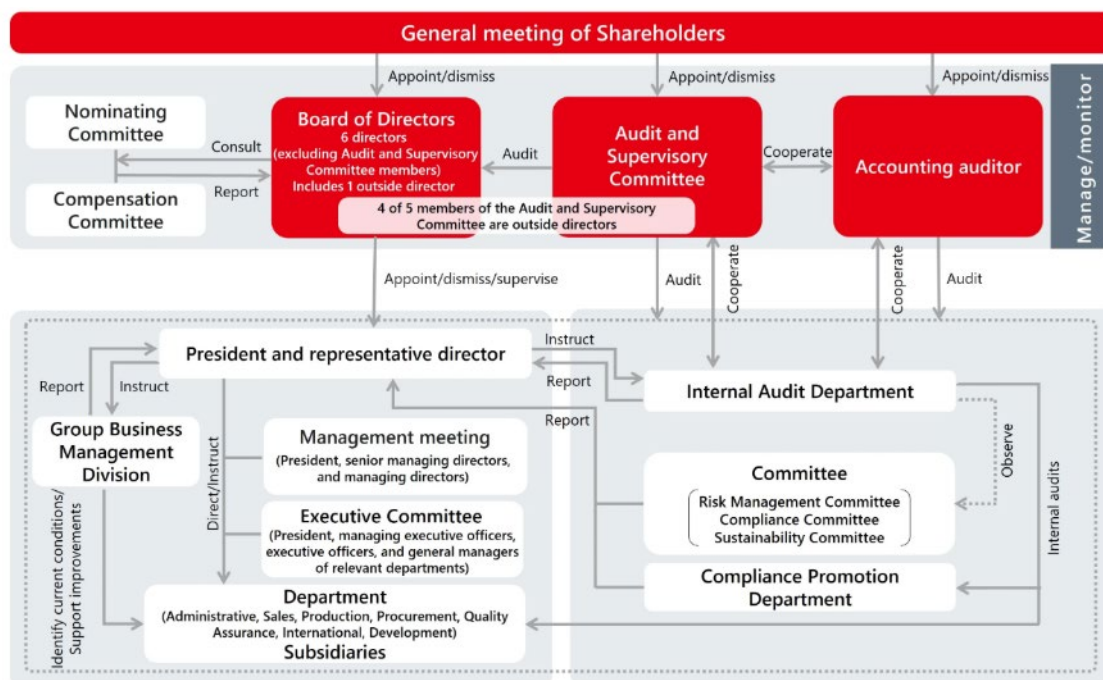
In principle, the Company discloses information relating to decisions made by the Company and its subsidiaries, information on significant events relevant to the Company, and information on financial results that meet the disclosure standards stipulated in the Securities Listing Regulations of the Tokyo

Stock Exchange upon approval or report by the Board of Directors.

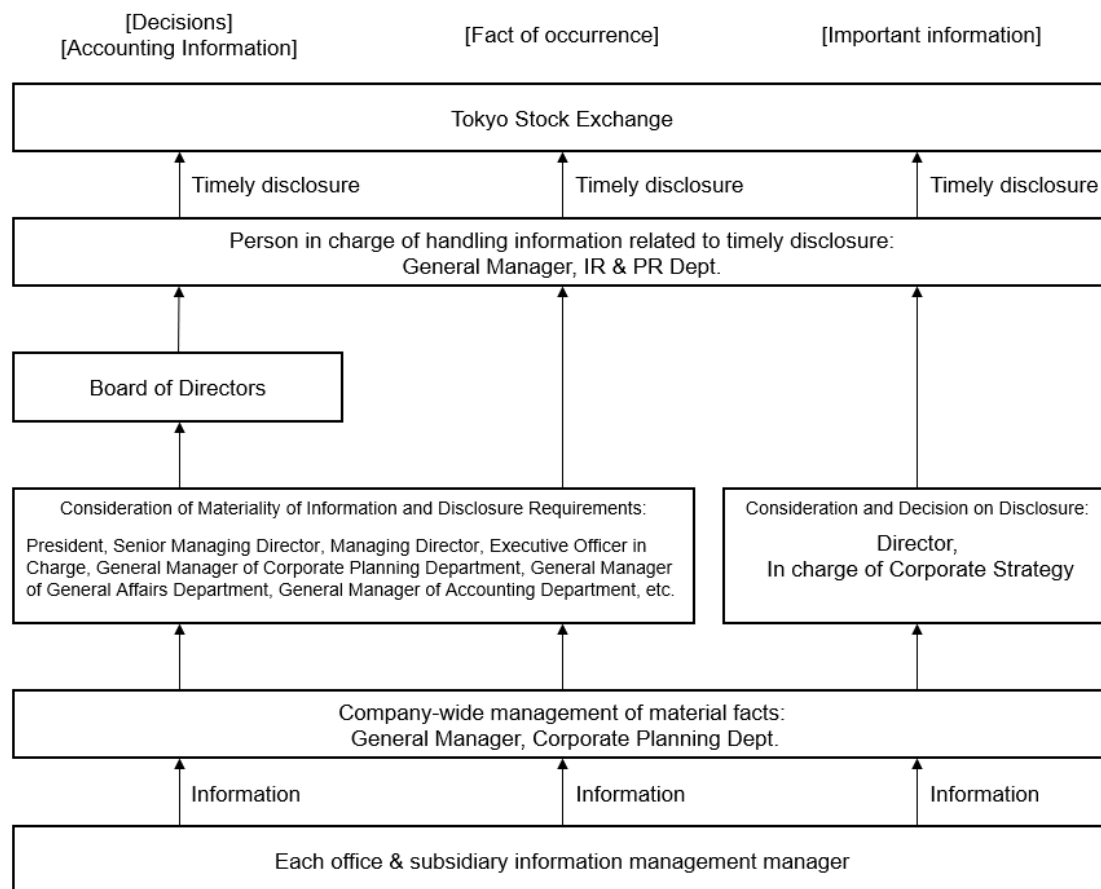
However, in the case of emergencies, the Company discloses information promptly upon approval or report by the Management Committee.

Further, the Company discloses important information that does not fall under the scope of the above regulations but requires prompt disclosure upon approval of the director in charge of corporate strategy.

#### [Overview of Timely Disclosure System]



# **[Internal Systems Related to Timely Disclosure]**





### [Skills Matrix of Directors]

		Corporate Management	Global Affairs	Legal Affairs, Risk Management	Finance, Accounting	Sustainability, ESG	Sales, Marketing	Development	Production, Procurement	Quality Assurance	Expertise
President & Representative Director	Kazuhiko Yamaki	○	○	○		○	○				
Senior Managing Director & Representative Director	Takahisa Nakano	○		○		○	○	○		○	Doctor of Agriculture
Managing Director	Nobuo Dotsu			○		○	○	○	○		
Managing Director	Tsutomu Mochizuki	○	○				○	○	○		
Director	Takahiro Tomitori			○	○	○					
Outside Director	Shinichi Hirano	○	○				○				
Director, Full- time Audit and Supervisory Committee Member	Eiichi Kato			○						○	
Outside Director, Full- time Audit and Supervisory Committee Member	Satoshi Fujinaga	○	○	○							Pharmacist
Outside Director, Audit and Supervisory Committee Member	Towa Sueyoshi			○							Attorney-at- Law
Outside Director, Audit and Supervisory Committee Member	Wataru Sueyoshi			○							Attorney-at- Law
Outside Director, Audit and Supervisory Committee Member	Ayumi Ujihara		○	○	○	○					CPA