

Last Update: June 29, 2023
Meiji Holdings Co., Ltd.
Kazuo Kawamura, CEO, President and Representative Director
Securities Code: 2269
<https://www.meiji.com/global>

The corporate governance of Meiji Holdings Co., Ltd. (the “Company,” “we,” or “us”) is described below.

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

1. Basic Views

The Meiji Group's (the “Group”) has created and implements a Group governance structure, which includes our Board of Directors, to promote the realization of medium- and long-term corporate strategy outlined based on our Group Philosophy. The Company is with Audit & Supervisory Board members. The Board of Directors' oversight and Audit & Supervisory Board members' auditing heighten the objectivity and transparency of business management. Our Board of Directors is comprised of diverse directors. The Board deliberates and decides major Group matters, and appropriately monitors to ensure implementation. To improve the efficacy and transparency of the Board of Directors, we have established a system for reflecting the opinions of independent outside directors in management.

On the other hand, concerning business execution, the Company has introduced Chief Officer system to strengthen group management. Serving in the highest positions of responsibility within the Group, Chief Officers supervise and oversee Group business or functions. To promote Group strategy, our Group Strategy Committee, which is comprised of Chief Officers, outlines the direction of important Group matters. Executive Committee, which is chaired by the CEO (Chief Executive Officer) & President, deliberates and decides on important matters concerning strategy implementation, and ensures the rapid and appropriate implementation of operations.

Furthermore, "Corporate Governance Policy", which defines the basic policy regarding corporate governance of the Company, is posted on our website.

<https://www.meiji.com/global/investors/governance/corporate-governance.html>

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

Meiji Holdings operates in line with all the principles of the Corporate Governance Code. We disclosed our actions for all the principles in line with the requirements stated in the code prior to its revision in June 2021.

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

- Principle 1.4 Cross-shareholding of Listed Companies

The Group does not hold shares that are not recognized as contributing to sustainable growth and improvement of corporate value over the medium- to long-term, taking into consideration the necessity of business operations.

We hold listed stocks as cross-shareholdings when we think it would:

- 1) Accelerate the group's financial operations
- 2) Strengthen the relationship with our group companies
- 3) Strengthen the group's transactional relationships
- 4) Be reasonable in light of our responsibility to shareholders

Every year, the Board of Directors reviews all the brands the Group is holding and determines whether the company should continue holding them or dispose of them. We will verify the suitability of possession and disclose the details of the verification. For each brand, the Board considers the following factors:

- The rationale for holding the brand
- The transactions for the brand in the past year
- The medium- to long-term outlook for the brand
- The amount of dividend

Following its September 2022 review, the Board of Directors concluded that the Company should continue holding 30 of the brands. Later, from the perspective of reducing strategic cross-shareholding as outlined in the Corporate Governance Code, in FYE March 2023 we sold all shares of two brands and a partially sold ten other brands.

During the period of 2023 Medium-Term Business Plan (from FYE March 2022 to FYE March 2024), we plan to reduce strategic cross-shareholding by 30% based on book value as of the end of March 2021. In FYE March 2023, the second year of 2023 Medium-Term Business Plan, we reduced strategic cross-shareholding by 11.4% based on book value and by a total of 21.4% over a two-year period. Furthermore, the total amount for cross-shareholdings recorded to balance sheets as of the end of March 2023 was equivalent to 7.8% of consolidated net assets.

As a rule, we will exercise our voting rights in line with the wishes of the stock issuing company's Board of Directors. However, we will decline to do so if we think that it would negatively impact the business relationships with the Group or if it would clearly harm the common interests of shareholders.

When a company holding Meiji stock for strategic purposes (cross-shareholding company) indicates the intention to sell the stock, we do not interfere with the sale of the stock.

We do not engage in transactions that would interfere with Group and shareholder common interests, including engaging in transactions with cross-shareholding companies without sufficiently validating the economic feasibility of the transaction.

- Principle 1.7 Related Party Transactions

Directors and Audit & Supervisory Board members of the Company or a major operating company may not engage in material transactions with the Company or a major operating company without the approval of the Company's Board of Directors. Where such transactions are approved, the status of said transactions must be reported to the Company's Board of Directors.

- Principle 2.3 Sustainability Issues such as Social and Environmental Issues

As Food and Health professionals, we contribute to addressing social issues through our business activities, and to realizing a future in which people around the world can live in happiness and health. We aim to achieve sustainable growth and increase corporate value over the medium- to long-term. The Board of Directors makes decisions on the Group's long-term vision and medium-term business plan following deliberations by internal entities, including the Group Strategy Committee, Executive Committee, and Group Sustainability Committee.

The Meiji Group Sustainability 2026 Vision upholds three main themes: Healthier Lives, Caring for the Earth, and Thriving Communities, as well as the shared theme of Sustainable Sourcing. We are identifying Materiality and setting out KPIs (Key Performance Indicators) for each theme. Each Materiality and KPIs are in this report. It is described in "3. Implementation of Measures for Shareholders and Other Stakeholders 3. Measures to Ensure Due Respect for Stakeholders".

- Principle 2.4.1 Securing Diversity through Promotion of Core Members of Corporate Personnel

Our Group has achieved growth by being a part of the everyday lives of a diverse range of customers, from infants to the elderly, who are in various life stages and embrace a diverse range of values. Our ability to connect with our customers is one of our greatest strengths, and we will continue finding ways to meet the needs from our customers in Japan and around the world in the areas of food and health. To fulfill this mission, it is critical that Meiji personnel can maximize their individual potential and their respective workplaces. Our human resources include people of various genders, sexual orientations and gender self-identification, career backgrounds, ages, nationalities, disability, employment types, and family structures. We believe that innovation and new value creation achieved through the mingling of diverse perspectives, knowledge, and capabilities are critical forces that will drive future corporate growth.

Based on this approach, our Group will work to improve our sustainable corporate competitiveness by creating a diversity & inclusion promotion structure and implementing various measures. To ensure the efficacy of this structure, we will set numerical benchmarks for core personnel hiring and other targets, hire and train diverse personnel, and ensure the establishment of diverse work environments.

1) Structure for promoting the Meiji Group human resource strategy

The Meiji Group maximize the utilization of human capital, an important management resource, and promote human resource strategy that is aligned with management strategy. We have appointed a CHRO as a head of promotion, and twice a year we hold Group Human Capital Committee meetings

chaired by the Group CEO. We uphold the following human resource themes to accelerate initiatives towards not only optimizing business, but also to promote a unified approach by the Group.

- Promote diversity and inclusion
- Promote human resource development from the Group management perspective
- Promote health and productivity management
- Reinforce occupational safety and health
- Increase employee engagement

The Committee will deliberate these core themes. Based on these themes, we will draft and promote various policies and strategies. We will aggressively invest in human resources, and link these efforts to increasing our medium- and long-term corporate value.

2) Women's workplace advancement

The Meiji Group aims for an environment where the advancement of female employees as core members of corporate personnel is a given. Through the following initiatives, we will create an organization and workplace environment that allows each employee to reach their potential.

- Promoting awareness reform by providing unconscious bias training and career training
- Proactively promoting female employees to management positions
- Providing training for female employees in the position of section manager to cultivate motivation towards pursuing senior management positions
- Enhancing support for work-life balance
- Taking a Group-wide approach to transforming our way of thinking

[Targets by FYE March 2027]

- Increase the ratio of female managers to over 10%
- Increase the number of female managers to at least 420

[Results as of FYE March 2023]

- Ratio of female managers: 5.6%.
- Number of female managers: 256

3) Advancement of global human resources

To reflect global perspectives in our decision-making, and to become the Meiji Group that achieves growth globally, we are strengthening our hiring and development of global human resources. For hiring, we set hiring ratio targets for core global human resources (including foreign-born personnel) and are advancing related initiatives. We are also implementing various training programs related to the development of global human resources and moving forward we will evaluate further enhancing these efforts.

[Result as of FYE March 2023]

- Number of foreign-born managers and employees: 24

4) Advancement for mid-career hires

To ensure external competitiveness and promote diversity, we hire core members of corporate personnel who have gained experience in other companies and fields. Also, we adopted a “Comeback Program” that allows the hiring of employees who previously left the company. We will further stimulate the Meiji Group and promote new value creation by rehiring former employees who accumulated know-how during their time with the Meiji Group and further acquired various experiences and knowledge after leaving the Company.

[Result as of FYE March 2023]

- Ratio of mid-career hires: 40.6%

5) Personnel development policy

In our efforts to make sustainable improvements in our competitiveness, we believe it is important that employees be highly motivated and enthusiastic in their work. This requires that we support employees with an environment, organization, and culture that enable them to fully exert their potential.

Based on this belief, we created the Meiji Group Human Resources Development Policy. The goal of this Policy is to promote the development of human resources who can maximize their individuality and autonomously take on new challenges. At the same time, we also support and promote flexible workstyles to create an environment that allows employees to maximize their potential throughout the various stages of life.

Meiji Group Human Resources Development Policy

- 1) Develop human resources to exert creativity and expertise, and who possess the challenging spirit needed to win against the world’s top companies.
- 2) Develop autonomous human resources capable of linking personal growth to company growth, and who contribute to improving the core competence of the organization.
- 3) Develop human resources who have a deep understanding of our Group Philosophy and who will implement the Meiji way at a high level.

*The above results and targets applies to Meiji Holdings Co., Ltd., Meiji Co., Ltd., Meiji Seika Pharma Co., Ltd. and KM Biologics Co., Ltd.

- Principle 2.6 Roles of Corporate Pension Funds as Asset Owners

Corporate pension funds are managed by the Meiji Group Pension Fund, which was founded by the group’s two core companies, Meiji Co., Ltd. and Meiji Seika Pharma Co., Ltd. Decisions concerning the management of these assets are made by three bodies: the Asset Management Committee, the Board of Trustees, and the Board of Representatives. Regarding the membership of these bodies, the fund’s operator selects qualified persons from financial/accounting and HR, and elects an equal number of members from among the fund’s subscribers by mutual vote. The operator subcontracts

the day-to-day management of the assets to a financial organization and monitors its performance, monitoring the results in quarterly meeting.

- Principle 3.1 Full Disclosure

1) The Group philosophy and business plans

The Group Philosophy is disclosed on the following website.

<https://www.meiji.com/global/about-meiji/philosophy.html>

The Group Business Plan is disclosed on the following website.

<https://www.meiji.com/global/investors/business-plans/>

2) Basic views on corporate governance

The Group's basic stance on corporate governance is disclosed in "1. 1. Basic Views" above.

3) Compensation of directors

The Board of Directors' policies and procedures for determining the compensation of directors are disclosed in "2.1 [Incentives] and [Director Compensation]".

4) Board policies and procedures in the appointment/dismissal of the senior managers and the nomination of candidates for the Board of directors and the Audit & Supervisory Board

Policies and Procedures for Nominating Director Candidate

Directors select candidates at the Board of Directors after consulting with the Nomination Committee and are appointed at the General Meeting of Shareholders.

Director candidates are chosen considering diversity such as their nationality, gender, or age, and are nominated for their advanced knowledge and expertise in fields needed to realize the Meiji Group Vision 2026. These fields include areas such as management strategy, global business, sales and marketing, finance and accounting, HR and diversity, legal affairs and risk management, corporate communications, and sustainability.

Nominating directors with executive duties

All candidates must have the following qualities:

- Extensive experience
- Specialist expertise
- Business sense
- Upstanding character

Also, we nominate persons who can steer the Group toward sustainable growth based on the past achievement.

To implement our corporate philosophy and promote our corporate value, we look for the following qualities:

- Effective decision-making ability: Transparent bold business decisions swiftly and impartially.
- Group management: Achieve optimal group-wide management.

Nominating independent outside director candidates

We nominate persons with the following qualities:

- Ability to analyze the company's business operations objectively and from multiple perspectives
- Character, insight, and ability to take on the role of an independent outside director

All such candidates must meet our independence standards.

Decisions on the reappointment of directors are subject to substantive deliberations by the Nomination Committee regarding the person's effectiveness in fulfilling their required duties on the Board of Directors.

The removal of a director shall involve appropriate deliberations by the Nomination Committee before a final decision is made by the Board of Directors. The removal of directors is conducted in accordance with provisions stipulated in relevant law.

Nominating Audit & Supervisory Board member candidates

Audit & Supervisory Board members select candidates at the Board of Directors after consulting with the Nomination Committee with the consent of Audit & Supervisory Board. Audit & Supervisory Board Members are appointed at the General Meeting of Shareholders.

While considering diversity such as their nationality, gender, or age, we nominate persons with the following qualities:

- Upstanding character
- Excellent discernment
- Specialist expertise
- High moral standards

For our Audit & Supervisory Board members to properly inspect the Group's operations of the compliance (with laws, regulations, and standards etc.) and validity and to bring any issues to our attention from an objective and impartial perspective.

At least one of the candidates must have solid grounding in finance and accounting.

Of these, outside Audit & Supervisory Board candidates are chosen from among persons who fulfill separately stipulated judgment criteria for independence with vast knowledge and experience in relevant fields such as accounting or law.

In the event of matters requiring the removal of an Audit & Supervisory Board members, the Nomination Committee shall hold appropriate deliberations before a final decision is made by the Board of Directors. The removal of Audit & Supervisory Board members is conducted in accordance with provisions stipulated in relevant law.

- Supplementary Principle 3.1.3 Sustainability Initiatives and Investment in Human Capital and Intellectual Property, etc.

1) Initiatives for Sustainability

As Food and Health professionals, the Meiji Group embraces our mission of contributing to solving social issues through our business activities and designing a future in which people around the world can live in happiness and health. The Meiji Group is engaged in sustainability activities aimed at fulfilling this mission. The Meiji Group Sustainability 2026 Vision upholds three main themes: 'Healthier Lives', 'Caring for the Earth', and 'Thriving Communities', as well as the shared theme of 'Sustainable Sourcing'. We are continuing our work identifying Materiality and setting out KPIs for each theme. By promoting these initiatives, we will contribute to solving social issues and enhance our corporate value.

Details of the Sustainability Vision are available on the following website.

<https://www.meiji.com/global/sustainability/sustainability-management/>

2) Human Capital

Human capital is extremely important because it supports the Meiji Group's value creation. Under the belief that enabling each employee to maximize their potential will lead to sustainable growth for the Meiji group, we will conduct strategic investments in line with our management strategy. We will break away from the old approach of promoting equivalence and homogeneity in an internal competitive environment that emphasized internal fairness. Then, we will focus on securing and increasing our external competitiveness by promoting the utilization of human resources with a strong awareness of diversity.

For promoting the Meiji Group human resource strategy, we have appointed a CHRO as a head of promotion and twice a year we hold Group Human Capital Committee meetings as an advisory body to the Executive Committee, which are chaired by the Group CEO. We uphold the human resource themes as diversity and inclusion, human resource development, health and productivity management, and occupational safety and health. In addition to drafting policy and promoting various measures, we also conduct monitoring via an Employee Engagement Score, one of the KPIs through which we evaluate the results of human capital investments.

3) Intellectual Property

The Meiji Group implements an intellectual property (IP) strategy that provides value for wellness and helps solve social issues. While respecting the IP rights held by third parties, we are implementing our IP strategy following three perspectives: (1) obtain patents strategically; (2) manage technological know-how; and (3) utilize trademarks that are unique to the Group.

Our IP contributes to realizing the Meiji Group Sustainability 2026 vision. We analyzed the Group's patents using a patent analytics tool. As a result, approximately half of our patents were related to SDGs. We will continue to monitor the relationship between R&D activities and SDGs.

In FYE March 2024, we established a new organization to oversee the Group’s overall IP strategy. We will formulate and implement IP strategy aligned with our medium-term targets, and build a governance structure under the appropriate supervision of our Group Board of Directors to ensure the formulation and implementation of IP strategy.

Also, we will manage human resources, a critical component of promoting IP activities, to foster dedicated human resources and ensure optimal placement within the Group. Our Intellectual Property Department will work with the IP divisions in the Food segment and Pharmaceuticals segment to formulate and implement IP strategy that is linked to the business strategies and R&D strategies of each segment.

IP is one of the most important management resources for improving corporate value over the medium- to long-term. Therefore, we will invest aggressively to promote highly competitive business activities.

- Supplementary Principle 4.1.1 Scope of Matters Delegated to the Management

The Board of Directors resolves matters of material importance, including the Group’s basic strategic approach, large-scale investments, and other matters that are set forth in laws, the Company’s Articles of Incorporation, or the Rules of the Board of Directors. The Group Company Administration Regulations and Duties Regulations clearly define the matters that are related to the execution of business undertakings and operations pursuant to the policies determined by the Board of Directors. Said matters are delegated to management and the status of their execution is reported to the Board of Directors as necessary.

- Supplementary Principle 4.1.3 Succession plan for the CEO and other top executives

Our Board of Directors decides on the succession plan for our Group CEO based on consultation with the Nomination Committee. The Board of Directors outlines implementation strategy for a succession plan based on the parameters (leadership values) required of executives. These parameters are outlined based on our Group Philosophy, our Code of Conduct, and business strategy. Based on this implementation strategy, the Nomination Committee deliberates on the nomination and removal of the current CEO of the Company and the CEOs of our main Group companies, and selects CEO candidates. The Board of Directors receives regular reports on the status of the succession plan and deliberates on the details of the plan.

We have established a set of standards (“Leadership Value”) for our executives in January 2018.

Leadership Value and succession plan

In order for Meiji Group executives to lead the Group toward achieving its vision, we believe it is critical for them to “instigate change and lead reform efforts.” We have established a set of standards (“Leadership Value”) for our executives in January 2018. The Leadership Values identify ten leadership qualities from the following three categories:

- Strategic planning and action: Imagination, decisiveness, ability to achieve breakthroughs, ability to channel creative energies

- Organizational leadership skills: Ability to communicate and convince, ability to motivate, magnanimity for others' mistakes, ability to develop others' talents
- Character: Ability to recognize and channel diverse talents, upstanding character

The development policy for our succession planning was discussed and decided in the Board meeting in March 2019 as recommended by Nomination Committee. We develop succession roadmaps for future leaders of the Company and major group companies while the Nomination Committee reviews the ways in which we select the future leaders and groom them for leadership.

Implementation

For the nomination and development of successor candidates for the position of CEO for Meiji Holdings and major group companies, we drafted an annual schedule covering procedures from candidate information gathering to Nomination Committee deliberations. In FYE March 2023, the fourth year of the operation, the Nomination Committee deliberated on three matters in January 2023:

1) The nomination and dismissal of the present post CEO, 2) The nomination of CEO successor candidates, and 3) Initiatives related to management personnel pool.

At Committee meetings, we evaluated president successor candidates for major operating companies and discussed the need for deliberations concerning the required credentials of and policies for fostering future presidents of major operating companies. We recognized “strengthening the monitoring of president successor candidates (evaluate by increasing opportunities for interaction with outside directors)” and “ensuring implementation of policies for the rapid and planned to fostering of Group management human resources” as future issues requiring improvement efforts.

We work towards making continuous improvements to plan management based on the established succession management cycle.

- Principle 4.9 Independence Standards for Independent Directors

The Company's independence standards for independent directors are stated in “2-1 [Directors] Other Matters related to Independent Directors” of this report.

- Principle 4.10.1 Views on Independence of Committee Composition, Authority, Roles, etc.

We established Nomination Committee and Compensation Committee as advisory bodies to the Board of Directors to strengthen the supervisory functions of the Board of Directors and increase the transparency of decision-making processes.

Both Nomination Committee and Compensation Committee consist of both independent outside directors and internal directors, and independent outside directors make up the majority of members. Nomination Committee chairperson is selected from among members who are independent outside directors and appointments shall be made so that the chairperson does not also serve as chairperson of Compensation Committee. Also, Compensation Committee chairperson is selected from among members who are independent outside directors and appointments shall be made so that the chairperson does not also serve as chairperson of Nomination Committee.

The roles and composition of each committee (as of April 1, 2023) and their activities in FYE March 2023 are as follows.

1) Nomination Committee

- Roles

Nomination Committee provides the Board of Directors with proposals for the nomination and/or removal of director candidates and Audit & Supervisory Board member candidates, and deliberates and advises on the nomination or removal of executive officers, including the president. The Committee also deliberates and advises on matters such as succession plans.

- Composition

Chairperson: Mariko Matsumura, Outside director

Masaya Kawata, Outside director

Michiko Kuboyama, Outside director

Peter David Pedersen, Outside director

Kazuo Kawamura, Director

- Status of activities

In FYE March 2023, the Committee convened four times, with all members in attendance, to deliberate on the executive appointments of FYE March 2024, succession plans, and other matters.

Outside director Peter David Pedersen attended all three meetings since his appointment on June 29, 2022.

2) Compensation Committee

- Roles

Compensation Committee deliberates on policies regarding the determination of compensation for directors and executive officers, the amount of compensation, the level of compensation, etc., and reports to the Board of Directors.

- Composition

Chairperson: Masaya Kawata, Outside director

Mariko Matsumura, Outside director

Michiko Kuboyama, Outside director

Peter David Pedersen, Outside director

Kazuo Kawamura, Director

- Status of activities

In FYE March 2023, the committee was held three times, with all members in attendance, to deliberate on the compensation system, amount of compensation, the level of compensation, and other matters.

Outside director Peter David Pedersen attended all one meeting since his appointment on June 29, 2022.

- Supplementary Principle 4.11.1 Composition of the Board of Directors

The role of the Company's Board of Directors is to formulate and pursue Group-wide strategies, oversee the management of operating companies, and carefully monitor the effectiveness of managers and directors from an independent and objective perspective, with a view to making the Group Philosophy a reality, contributing to the Group's sustainable growth and corporate value over the medium- to long-term, and improving profitability and capital efficiency.

The Board of Directors is comprised in such a way as to fulfill this function. Its membership includes individuals who have the knowledge, experience, and abilities necessary to execute important business operations (e.g., management strategy, global business, sales and marketing, finance and accounting, HR and diversity, legal affairs and risk management, corporate communications, and sustainability etc.) and manage operating companies, and those who can provide broad and objective advice and oversight from a non-executive perspective such as independent outside directors. Recognizing that diversity is an important element of the company's management strategy, the Board of Directors is composed with consideration for diversity in terms of nationality, gender, and age. Furthermore, skills matrix of Members of the Board is described in "2. Other Matters Concerning to Corporate Governance System" of this report.

The Board of Directors currently maintains a membership of around 10 individuals. It is composed in such a way as to provide a good mix of knowledge, experience, and skills, and a good balance between those members who execute important business operations or manage operating companies and those who serve a non-executive role. At least one-third of the latter members are independent outside directors.

The Board of Directors currently has nine members, including four independent outside directors (two of whom is a woman).

To improve the efficacy of Board of Directors' meetings, we regularly hold outside officers' conferences for independent outside directors and outside Audit & Supervisory Board members. Attendees exchange opinions and share information from the objective perspectives at these conferences to promote further understanding of our business.

- Supplementary Principle 4.11.2 Independent Outside Officers who Concurrently Serve at Other Companies

The Company permits independent outside officers to concurrently serve as officers in other listed companies, but only to the extent that they are not prevented from devoting sufficient time and effort required to fulfill their roles and responsibilities as director or Audit & Supervisory Board member of the Company.

Any significant concurrent positions held by directors or Audit & Supervisory Board members are disclosed in the "company's officers" section of the business reports in convocation notices of ordinary general meetings of shareholders, and they are also included in director candidate

information under the relevant agenda item in said notices. Convocation notices of ordinary general meetings of shareholders are also published on the Company website.

<https://www.meiji.com/global/investors/governance/annual-general-meeting/>

- Supplementary Principle 4.11.3 Evaluation of the Board of Directors

Once a year, the Company analyzes and evaluates the effectiveness of the Board of Directors as a whole, taking into consideration the results of surveys on the role and management of the Board of Directors and problems or issues that the Board faces, including a self-evaluation questionnaire submitted by members of the Board of Directors. The Company then takes remedial measures to address any issues highlighted in the surveys. We work to improve the effectiveness of the Board of Directors neutrally and objectively by having third-party assessments conducted approximately once every three years.

We use an assessment survey questionnaire to collect feedback from each director and each member of the Audit & Supervisory Board.

This questionnaire includes:

- Assessment in line with our own corporate governance policy
- Assessment of the operation of the Board of Directors
- Progress in achieving challenges from feedback items in the previous year

1) Method for analyzing/evaluating how effectively the Board functioned in FYE March 2023

In line with our own corporate governance policy, which we established in October 2015, we conducted a self-assessment of the Board members using a questionnaire in order to analyze and evaluate how effectively the Board of Directors functioned during the FYE March 2023.

This questionnaire includes:

- Roles of the board meeting (setting strategic direction, overseeing company, preparing succession plan, discussing/reporting on business matters)
- Composition of the Board of Directors (scale, diversity, composition ratio of internal and external)
- Operating status of the Board of Directors (discussion, chairperson of the Board of Directors, secretariat, content and quality of submissions and presentations)
- Response to issues from the previous year
- Support structure for outside directors

The secretariat of the Board of Directors organized opinions gathered via surveys into an anonymous format. The results of evaluations conducted based on those responses were submitted to the Board of Directors. The Board of Directors then evaluated and deliberated on those findings, and summarized evaluation results.

2) Results of analyzing/evaluating how effectively the Board functioned in FYE March 2023
According to the self-assessment using the relevant questionnaire, and board meeting records, the Board is operating effectively. Based on the results of the self-assessment, regarding the initiatives to address issues indicated during the previous evaluation, we confirmed that we are responding appropriately to “strengthening monitoring of the specific results and progress status for core issues of the Medium-Term Business Plan”, “deepening the discussion on medium- and long-term issues at the Board of Directors in the process of drafting the next Medium-Term Business plan. However, we confirmed that there is a room for improvement in certain areas.

During FYE March 2024, we will work towards further improving the efficacy of the Board of Directors and strengthening corporate governance. Issues we recognize as themes for continued improvement efforts include “enhancing deliberations concerning medium to long-term management strategy for sustainable growth” and “expansion of regular validation and follow-up concerning response to medium and long-term issues that affect corporate value” and “selecting agenda items for the Board of Directors that promote focused deliberations to improve Board management”.

- Supplementary Principle 4.14.2 Training Opportunities for Directors and Audit & Supervisory Board Members

The Company provides directors, Audit & Supervisory Board members, and executive officers with training opportunities as necessary to develop their understanding of their legal liabilities and the roles and responsibilities they are expected to perform with respect to corporate governance, compliance, and risk management, as well as opportunities to gain the necessary knowledge on the Group’s business lineup, organizational structure, and financial status.

The Company briefs outside officers on the Group’s management strategy and business lineup/status to further their understanding of these matters. In addition, outside officers are taken on inspection tours of plants and research laboratories.

- Principle 5.1 Constructive Dialogue with Shareholders

Basic Policy on Dialogue with Shareholders and IR Activities

1) The Company positively and voluntarily engages with shareholders so as to promote constructive dialogue with them. General communication with shareholders is managed by the IR Department, which is managed by the executive officer in charge of IR. To a practical extent, we also engage in dialogue with directors and Audit & Supervisory Board members, including outside officers.

2) With the aim of supporting shareholder dialogue, the director in charge of IR organizes liaison meetings with personnel from other departments, including Corporate Planning, Corporate Administration, and Risk Management, so as to share information between the departments.

3) In addition to one-on-one meetings, the Company holds earnings conferences twice-yearly for institutional investors and securities analysts to announce the second quarter and the fiscal year results, as well as small meetings led by the Company President. We also hold earnings conferences with institutional investors and securities analysts at the end of the first and third quarter.

- 4) We work to promote dialogue with individual investors and to inform them about the group's businesses. In FYE March 2023, we held online briefings for individual investors.
- 5) We actively promote ESG dialogue with investors. We hold one-on-one meetings with institutional investors and conferences for institutional investors and securities analysts.
- 6) We provide information via our website for shareholders and investors. We publish our investment securities reports (Japanese/English), earnings flash reports (Japanese/English), integrated reports (Japanese/English), and earnings conference materials (Japanese/English) on this website. We also stream video of our earnings conferences (Japanese/English) and publish a Q&A summary (Japanese/English) to further communication.

Dialogue with Shareholders and Investors during the FYE March, 2023

1) Main themes of the dialogue

- Progress of KPIs set forth in the 2023 Medium-Term Business Plan (Meiji ROESG®*)
- Results for FYE March, 2023 and plans for FYE March, 2024
- Capital policy (capital investment, shareholder returns, etc.)
- ESG activity policies and initiatives

2) Main interests and concerns of shareholders

- Food segment: Impact of cost increases in raw materials, energy costs, etc. and measures to address them
- Pharmaceutical segment: Status of COVID-19 vaccine research and development and the impact of the NHI drug price revisions
- Overseas business
- Sustainability procurement, biodiversity, human capital, DX, etc.

3) Major issues that the Company recognizes as issues through dialogue with shareholders

- Food segment: Minimize decrease in sales volume resulting from price hikes implemented in response to cost increases
- Pharmaceutical segment: Engage in COVID-19 vaccine development
- Aggressive investment in overseas business and accelerate business expansion
- Issuing stable and continuous shareholder returns, conducting share buyback
- Further promotion of sustainability management, fusion of financial and non-financial information (pursuit of trade-ons)
- Create synergy between food and pharmaceuticals

4) Status of feedback

The valuable opinions and indications received through dialogue with shareholders are regularly reported to the Executive Committee and the Board of Directors by the executive in charge of IR via a monthly IR report.

Immediately after reporting to management, the abovementioned report is also distributed to all Group employees to promote broad internal information sharing within the Group concerning the opinions and indications received from shareholders and investors.

The status of dialogue with shareholders is also described in "3. Implementation of Measures for Shareholders and Other Stakeholders 2.IR Activities".

*ROESG is a registered trademark for a management indicator developed by Kunio Ito, a professor at Hitotsubashi University.

- Principle 5.2 Creation and Publication of Corporate Strategies and Business Plans

Our corporate strategies and business plans are as follows. Furthermore, we have posted medium- and long-term corporate strategy "Meiji Group 2026 Vision" and "2023 Medium-Term Business Plan" on our website.

<https://www.meiji.com/global/investors/business-plans/>

<https://www.meiji.com/global/investors/business-plans/2023-medium-term-business-plan.html>

- Business Portfolio Management

The Group uses business-specific ROIC, which we adopted at the start of our 2023 Medium-Term Business Plan, to promote the creation of a highly profitable and productive business structure. Focusing on the key theme of "selection and concentration", we reinforce business portfolio management and conduct continuous monitoring through our Board of Directors.

Also, we work to increase our corporate value by promoting ROIC within the Group as a common performance indicator. To improve ROIC, we engage in capital control and pursue operating profit margin improvements for each business. These initiatives help us build an optimal business portfolio, including maintaining a structure that promotes growth. We consider ESG risks as well as financial risks when evaluating or reviewing our business portfolio. This enables us to reflect external environmental factors in our judgment criteria applied to business evaluations and investment decisions.

- Capital Policy

We pursue sustainable growth by aggressively applying capital gained through business activities towards growth investments and R&D. To promote overall Group capital efficiency, our approach to growth investments is to maintain financial discipline and reduce cross-shareholding and other non-business-related assets.

We recognize returns to shareholders as an important management issue. We will raise our consolidated dividend payout ratio to 40% by FYE March 2024. As necessary, we will also evaluate the acquisition of treasury stock based on a comprehensive evaluation of our optimal capital structure and surplus capital.

Our basic policy on capital procurement is to use debt to procure capital. We evaluate capital demands and interest environments to apply a primary commitment to reducing capital costs by using a diverse range of procurement methods. To address credit risks associated with increased debt, we set a maximum D/E ratio of 0.3 times and maintain a high credit rating that is not impacted by conditions on financing markets.

To prevent any unjust impedance on the rights of shareholders, any capital strategy that will result in a major shift in controlling interests or a large-scale dilution is subject to a vote by the Board of Directors following due evaluation of necessity and feasibility. We also provide explanations to shareholders and investors in accordance with timely disclosure rules.

2. Capital Structure

Foreign Shareholding Ratio	From 20% to less than 30%
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[Status of Major Shareholders]

Name/ Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	21,469,100	15.40
Custody Bank of Japan, Ltd. (Trust account)	7,575,000	5.43
Nippon Life Insurance Company	3,348,014	2.40
The Norinchukin Bank	2,892,202	2.07
Meiji Holdings Employee Shareholding Association	2,774,814	1.99
STATE STREET BANK WEST CLIENT - TREATY 505234	2,763,684	1.98
Meiji Holdings Trading-Partner Shareholding Association	2,649,648	1.90
Mizuho Bank, Ltd	2,417,386	1.73
Resona Bank, Limited	2,117,344	1.52
STATE STREET BANK AND TRUST COMPANY 505103	1,739,935	1.25

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

Supplementary Explanation

On September 21, 2021, a large-volume holdings report (revised report) of the Mitsubishi Tokyo UFJ Financial Group, Inc., Ltd. and the joint holders listed below was made available for public viewing. The report indicates the number of shares held by each holder as of September 13, 2021. However, the Company did not include the information in the status of major shareholders above, because we had not confirmed the actual number of shares held as of March 31, 2023.

Name of person or company	Number of shares held	Ownership rate (%)
MUFG Bank, Ltd.	990,000	0.65
Mitsubishi UFJ Trust and Banking Corporation	5,614,900	3.68
Mitsubishi UFJ Kokusai Asset Management Co., Ltd.	1,641,400	1.08

On November 18, 2022, a large-volume holdings report of BlackRock Japan Co., Ltd. and the joint holders listed below was made available for public viewing. The report indicates the number of shares held by each holder as of November 15, 2022. However, the Company did not include the information in the status of major shareholders above, because we had not confirmed the actual number of shares held as of March 31, 2023. The content of the large-volume holdings report is as shown below.

Name of person or company	Number of shares held	Ownership rate (%)
BlackRock Japan Co., Ltd.	2,466,900	1.66
Aperio Group, LLC	176,750	0.12
BlackRock (Netherlands) BV	407,299	0.27
BlackRock Fund Managers Limited	261,857	0.18
BlackRock Asset Management Ireland Limited	743,827	0.50
BlackRock Fund Advisors	2,786,950	1.88
BlackRock Institutional Trust Company, N.A.	1,887,784	1.27
BlackRock Investment Management (UK) Limited	239,437	0.16

On February 21, 2023, a large-volume holdings report (revised report) of Sumitomo Mitsui Trust Bank, Limited and the joint holders listed below was made available for public viewing. The report indicates the number of shares held by each holder as of February 15, 2023. However, the Company did not include the information in the status of major shareholders above, because we had not confirmed the actual number of shares held as of March 31, 2023. The content of the large-volume holdings report (the revised report) is as shown below.

Name of person or company	Number of shares held	Ownership rate (%)
Sumitomo Mitsui Trust Bank, Limited.	1,242,700	0.84
Sumitomo Mitsui Trust Asset Management Co., Ltd.	4,366,536	2.94
Nikko Asset Management Co., Ltd.	2,762,700	1.86

3. Corporate Attributes

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

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

None

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

None

2. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Organization Form	Company with Audit & Supervisory Board
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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	9
Outside Directors	Appointed
Number of Outside Directors	4
Number of Independent Directors	4

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	
Mariko Matsumura	Lawyer												
Masaya Kawata	From another company												
Michiko Kuboyama	From another company												
Peter David Pedersen	Others								○				

* Categories for "Relationship with the Company"

* "○" when the director presently falls or has recently fallen under the category;

"△" when the director fell under the category in the past

* "●" when a close relative of the director presently falls or has recently fallen under the category;

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

- a. Executive of the Company or its subsidiaries
- b. Non-executive director or executive of a parent company of the Company
- c. Executive of a fellow subsidiary company of the Company
- d. A party whose major client or supplier is the Company or an executive thereof
- e. Major client or supplier of the listed company or an executive thereof
- f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/*kansayaku*
- g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
- h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)
- i. Executive of a company, between which and the Company outside directors/*kansayaku* are mutually appointed (the director himself/herself only)
- j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
- k. Others

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Mariko Matsumura	○	—	<p>We appointed Mariko Matsumura as an outside director because her extensive career as a lawyer will enable her to offer professional and insightful advice on company management and to effectively oversee execution of duties. We expect that she will make a significant contribution to the enhancing of corporate governance. While she has never engaged in company management other than as an outside director or outside Audit & Supervisory Board member, we nonetheless believe she is qualified for the post because of the above reason.</p> <p>Mariko Matsumura fulfills the Company's independence standards for independent directors, and there is no possibility of conflict of interest with general shareholders.</p>
Masaya Kawata	○	—	<p>Masaya Kawata has extensive management experience as the former President and Representative Director and Chairman and Representative Director of Nisshinbo Holdings Inc., and accomplishments as well as broad insight. He has promoted the company's group and global management.</p> <p>We appointed Masaya Kawata as an outside director because his extensive experience, track record, and vast knowledge related to</p>

			business management will enable him to provide Group management valuable advice and ensure the appropriate monitoring of business execution for our Group. We expect that he will make a significant contribution to enhancing corporate governance.
Michiko Kuboyama	○	—	<p>Michiko Kuboyama has vast experience related to product development and marketing through her roles at Kao having worked in the Products Public Relations Center before serving as Center manager and as a communications fellow in the Lifestyle Research Department. We appointed Michiko Kuboyama as an outside director because she will be able to provide Group management valuable advice and ensure the appropriate monitoring of business execution from the perspective of the consumer and a diverse range of other perspectives. We expect that she will make a significant contribution to the enhancing of corporate governance.</p> <p>While she has never engaged in company management other than as an outside director or Audit & Supervisory Board Member (Outside), we nonetheless believe she is qualified for the post because of the above reason.</p> <p>Michiko Kuboyama fulfills the Company's independence standards for independent directors, and there is no possibility of conflict of interest with general shareholders.</p>
Peter David Pedersen	○	—	<p>Peter David Pedersen has provided advice on sustainability management to the Company as an outside expert on the Company's ESG Advisory Board since FYE March 2022. He has abundant experience at environmental and CSR consulting firms along with deep insights in sustainability management at the global level and training of next-generation leaders. We appointed him as an outside director, expecting that he will provide helpful advice on the Group's management and appropriately supervising the execution of its business operations based on the above experience and insights. We expect that he will make a significant contribution to the enhancing of corporate governance.</p> <p>Peter David Pedersen fulfills the Company's independence standards for independent directors and there is no possibility of conflict of interest with general shareholders.</p>

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Compensation Committee	Established
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Committee's Name, Composition, and Attributes of Chairperson

	Committee Corresponding to Nomination Committee	Committee Corresponding to Compensation Committee
Committee's Name	Nomination Committee	Compensation Committee
All Committee Members	5	5
Full-time Members	0	0
Inside Directors	1	1
Outside Directors	4	4
Outside Experts	0	0
Other	0	0
Chairperson	Outside Director	Outside Director

Supplementary Explanation

To enable independent outside directors to provide appropriate advice, the Company has established two advisory bodies to the Board of Directors: the Nomination Committee and the Compensation Committee. Each committee consists of both independent outside directors and internal directors, and independent outside directors make up the majority of members.

The chairperson of each committee is chaired by an independent outside director. The chairperson of Nomination Committee will not also serve as chairperson of Compensation Committee and the chairperson of Compensation Committee will not also serve as chairperson of Nomination Committee.

[The Nomination Committee]

The role of the Nomination Committee is to deliberate on the nomination of director candidates, the removal of directors, and the election and dismissal of executive officers, and report to the Board of Directors.

FYE March 2023 meetings: Four

	Name	Attendance Rate
Inside Director	Kazuo Kawamura	4 of 4 meetings (100%)
Outside Director	Mariko Matsumura	4 of 4 meetings (100%)
Outside Director	Masaya Kawata	4 of 4 meetings (100%)
Outside Director	Michiko Kuboyama	4 of 4 meetings (100%)

Outside Director	Peter David Pedersen	3 of 3 meetings (100%) *Attending since appointment on June 29, 2022
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[The Compensation Committee]

Compensation Committee deliberates on policies regarding the determination of compensation for directors and executive officers, the amount of compensation, the level of compensation, etc., and reports to the Board of Directors.

FYE March 2023 meetings: Three

	Name	Attendance Rate
Inside Director	Kazuo Kawamura	3 of 3 meetings (100%)
Outside Director	Mariko Matsumura	3 of 3 meetings (100%)
Outside Director	Masaya Kawata	3 of 3 meetings (100%)
Outside Director	Michiko Kuboyama	3 of 3 meetings (100%)
Outside Director	Peter David Pedersen	1 of 1 meetings (100%) *Attending since appointment on June 29, 2022

[Audit & Supervisory Board Members]

Establishment of Audit & Supervisory Board	Established
Maximum Number of Audit & Supervisory Board Members Stipulated in Articles of Incorporation	6
Number of Audit & Supervisory Board Members	4

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

Audit & Supervisory Board members hold quarterly liaison meetings with the accounting auditor to exchange opinions.
Audit & Supervisory Board members periodically share information with the internal audit team (Audit Department) by holding an auditing liaison meeting called the Audit Department Liaison Conference.

Appointment of Outside Audit & Supervisory Board Members	Appointed
Number of Outside Audit & Supervisory Board Members	2

Number of Independent Audit & Supervisory Board Members	2
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Outside Audit & Supervisory Board Members' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Hajime Watanabe	Lawyer													
Makoto Ando	CPA													

* Categories for "Relationship with the Company"

* "○" when the director presently falls or has recently fallen under the category;

"△" when the director fell under the category in the past

* "●" when a close relative of the director presently falls or has recently fallen under the category;

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

a. Executive of the Company or its subsidiary

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

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

d. Kansayaku of a parent company of the Company

e. Executive of a fellow subsidiary company of the Company

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

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

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

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

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

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

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

m. Others

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

Name	Designation as Independent Audit & Supervisory Board Member	Supplementary Explanation of the Relationship	Reasons of Appointment
Hajime Watanabe	○	—	Hajime Watanabe has a prolific career as an attorney at law and has deep expertise in international business transactional law areas. Due to the reasons above, we appointed him as an Outside Audit & Supervisory Board Member. While he has not been involved in corporate management in the past, except as an Outside

			Director or an Outside Audit & Supervisory Board Member, we have concluded that he will be able to perform his duties appropriately as an Outside Audit & Supervisory Board Member for the reasons mentioned above.
Makoto Ando	○	—	Makoto Ando has built a prolific career and gained deep expertise in both the private sector, working in major audit firms and accounting firms in Japan and overseas as a certified public accountant, and the public sector. Thus, we appointed her as an Outside Audit & Supervisory Board Member. While she has not been involved in corporate management in the past, except as an Outside Director or an Outside Audit & Supervisory Board Member, we have concluded that she will be able to perform her duties appropriately as an Outside Audit & Supervisory Board Member for the reasons mentioned above.

[Independent Directors/ Audit & Supervisory Board Members]

Number of Independent Directors/ Audit & Supervisory Board Members	6
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Matters relating to Independent Directors/ Audit & Supervisory Board Members

The Company has established Criteria for Independence of Outside Members of the Board and Outside Audit & Supervisory Board Members (Criteria for Independence) as follows.

Details

When an Outside Member of the Board and an Outside Audit & Supervisory Board Member are independent, such Member shall not fall under any of the following categories.

1. A person who executes business of the Company or its subsidiary
2. A person who executes business of the Company's parent company or a fellow subsidiary
3. A party which has material business transactions with the Company or a person who executes business transactions of that party, or a major business partner of the Company, or a person who executes business transactions of that business partner
4. A consultant, an accounting expert, or a legal expert who receives a considerable amount of cash or other assets other than compensation as a Member of the Board or an Audit & Supervisory Board Member from the Company (when a party who receives such assets is an organization, such as a corporation or an association, this shall refer to a person who is associated with such organization)
5. A person who fell under category 1 above during the ten-year period prior to assuming the position
6. A person who fell under category 2, 3, or 4 above during the one-year period prior to assuming

the position

7. A relative within the second degree of kinship of a person (excluding a person who does not have an important management position) who currently falls or fell under category 1, 2, 3, or 4 above during the one-year period prior to assuming the position

- Notes
1. “A party which has material business transactions with the Company” is one that received payment from the Company during the latest fiscal year equivalent to 2% or more of the party’s annual consolidated net sales or 100 million yen, whichever is greater.
 2. “A major business partner of the Company” is one that made payment to the Company during the latest fiscal year equivalent to 2% or more of the Company’s annual consolidated net sales.
 3. “A consultant, an accounting expert, or a legal expert who receives a considerable amount of cash or other assets other than compensation as a Member of the Board or an Audit & Supervisory Board Member from the Company” is the one who received cash or assets from the Company during the latest fiscal year other than compensation as a Member of the Board or an Audit & Supervisory Board Member, equivalent to 2% or more of his/her consolidated net sales or 10 million yen, whichever is greater.

[Incentives]

Incentive Policies for Directors	Performance-linked Compensation / Other
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Supplementary Explanation

Please refer to “Policy on Determining Compensation Amounts and Calculation Methods” in [Director Compensation.]”

Recipients of Stock Options	—
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Supplementary Explanation

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[Director Compensation]

Disclosure of Individual Directors' Compensation	Selected Directors
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Supplementary Explanation

The Company has established officer categories. For each of these categories, we disclose the compensation amount, the total amount of monetary/stock compensation, and the number of officers in the category. The Company also discloses the compensation amounts for individual directors whose compensation total is 100 million yen or more. The compensation amounts for each officer category as of FYE March 2023, are as follows.

Officer category	Compensation amount	Monetary compensation				Stock compensation	
		Base compensation		Performance-linked compensation		Total	Number of officers
		Total	Number of officers	Total	Number of officers		
Directors (other than outside directors)	¥265 million	¥132 million	5	¥78 million	3	¥54 million	3
Audit & Supervisory Board members (other than Audit & Supervisory Board members)	¥60 million	¥60 million	2	—	—	—	—
Member of the Board (Outside)	¥62 million	¥62 million	4	—	—	—	—
Audit & Supervisory Board Member (Outside)	¥29 million	¥29 million	2	—	—	—	—
Total	¥418 million	¥285 million	13	¥78 million	3	¥54 million	3

Note 1. As per the resolution of the 1st Ordinary General Meeting of Shareholders held on June 29, 2010, the amount of compensation for directors is capped at 1 billion yen per year (not including the employee portion of compensation for directors who concurrently serve as employees).

Note 2. As per the resolution of the 1st Ordinary General Meeting of Shareholders held on June 29, 2010, the amount of compensation for Audit & Supervisory Board members is capped at 300 million yen per year.

Note 3. We have introduced a transfer-restricted stock compensation plan for directors other than outside directors. As per the resolution of the 8th Ordinary General Meeting of Shareholders held on June 29, 2017, the amount of compensation under this plan is capped at 200 million yen per year.

Note 4. The amounts for monetary/stock compensation indicates the amount appropriated (recorded in expenses).

As of FYE March 2023, the compensation amounts for individual directors whose compensation total is 100 million yen or more are as follows.

Name	Officer category	Company	Consolidated compensation breakdown			Total consolidated compensation
			Monetary compensation		Stock compensation	
			Base compensation	Performance-linked compensation		
Kazuo Kawamura	Directors	Meiji Holdings Co., Ltd.	¥49 million	¥39 million	¥30 million	¥119 million
	Directors	Meiji Co., Ltd.	¥14 million	—	—	¥14 million
	Directors	Meiji Seika Pharma Co., Ltd.	¥14 million	—	—	¥14 million
Total			¥79 million	¥39 million	¥30 million	¥149 million
Katsunari Matsuda	Directors	Meiji Holdings Co., Ltd.	¥11 million	—	—	¥11 million
	Directors	Meiji Co., Ltd.	¥55 million	¥28 million	¥23 million	¥107 million
Total			¥67 million	¥28 million	¥23 million	¥119 million

Note 5. Information on director compensation is disclosed on the Company's website in the following documents.

- a. Securities Report
- b. Convocation Notice of the General Meeting of Shareholders (attached Business Report)

Policy on Determining Compensation Amounts and Calculation Methods	Established
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[Objectives of compensation system for officers]

From the perspective of expanding and strengthening Group business operations and corporate governance toward achieving our long-term vision, we outline the objectives of our plan for compensation for officers as the following.

Objectives of compensation system for officers (outlined in FYE March 2012)

- 1) To ensure compensation levels that enable the hiring of elite internal and external personnel, provide motivation, and promote retention.
- 2) To serve as motivation for achieving short, medium, and long-term targets.
- 3) To ensure appropriate compensation for generated results.
- 4) To fulfill a sense of purpose by sharing accountability for results with shareholders.
- 5) To ensure fair and reasonable practices that enable the fulfillment of accountability to shareholders and all other stakeholders.

[Compensation structure]

The compensation of directors (excluding Outside Directors) is comprised of the following three components.

- 1) Basic compensation, which is fixed according to the position and duties (fixed compensation)
 - Determined according to the position
 - Director's allowance is paid as compensation for supervising business execution
 - Paid as monthly compensation
- 2) Performance-linked Compensation as a short-term incentive based on corporate and individual performance for the previous fiscal year (variable compensation)
 - Amount paid varies each year depending on corporate and individual performance.
 - Consolidated operating profit and ROIC are used as indicators of company performance.
 - In addition to the targets for a single fiscal year, company performance is evaluated based on the percentage of achievement of the targets for a single fiscal year and the percentage of achievement of medium- and long-term targets in order to promote the achievement of medium- and long-term targets.
 - Calculated amount is divided by the number of months of service and paid as monthly compensation.
- 3) Share compensation as a medium- to long-term incentive linked to the results of the Meiji ROESG® and the Meiji Group's share price trend (variable compensation)
 - We issue transfer restricted shares that cannot be disposed of for the three-year period. The amount of monetary compensation claims to be granted by the Company in order to allot transfer restricted shares fluctuates every year according to the results of the Meiji ROESG® in the previous fiscal year.
 - Issued each year during a certain period following the adjournment of the General Meeting of Shareholders.

Basic compensation and performance-linked compensation are paid in cash, while share compensation is provided by allotting shares with transfer restrictions.

Also, only basic compensation is paid to Outside Directors and Audit & Supervisory Board members from the perspective of their roles and independency.

[Compensation levels]

To ensure compensation levels that enable the hiring of elite internal and external personnel, provide motivation, and promote retention, we reference the following when determining compensation levels for directors.

Compensation benchmark source

- Levels at major Japanese companies as indicated in data from external research firms
- Levels at major manufacturing companies that are similar to Meiji in business scope, operations, and structure.

[Compensation composition ratio]

To provide incentives for improved corporate performance and promote the sharing of interests with shareholders and other stakeholders, the Company has set the ratio of fixed compensation (basic compensation) to variable compensation (performance-linked compensation and share compensation) in the amount of compensation upon achievement of medium- to long-term targets (hereinafter referred to as "base amount") at approximately 5:5. We apply a higher rate of variable compensation as the rank and position of the executive increase. We set ratios of 43% to 51% for fixed compensation and 57% to 49% for variable compensation. Furthermore, the ratio of performance-linked compensation and share compensation within variable compensation is 60:40.

[Compensation governance]

Method of determining compensation

The Board of Directors determines the structure for director compensation, the results for company and individual performance, and the amounts of calculated compensation, after hearing the opinion of the Compensation Committee on these matters (excluding individual performance). The Compensation Committee has the majority of whom are independent outside directors.

Compensation for the officers for FYE March 2023 was discussed at the Compensation Committee meeting held on June 2, 2022, where deliberations were held on individual compensation amounts based on the results of performance assessments for the company and individuals as prescribed by the compensation system. As it is most appropriate for the CEO, President and Representative Director, who oversees all business execution, to conduct individual performance evaluations for directors (excluding outside directors), at the Board of Directors meeting held on June 29, 2022, a resolution was passed outlining that Kazuo Kawamura, the CEO, President and Representative Director shall decide on compensation amounts for individual directors based on the results of deliberations by the Compensation Committee.

To ensure that the authority delegated by the Board of Directors to the CEO, President and Representative Director is properly exercised, compensation amounts for individual directors based on the results of deliberations will be decided by the CEO, President and Representative Director based on the report of the Compensation Committee.

The amount of compensation for Audit & Supervisory Board members is determined through negotiation with the members concerned, and the amount will be within the limit resolved by the General Meeting of Shareholders.

Compensation Committee members and attendance

	Name	Attendance Rate
Inside Director	Kazuo Kawamura	3 of 3 meetings (100%)
Outside Director	Mariko Matsumura	3 of 3 meetings (100%)
Outside Director	Masaya Kawata	3 of 3 meetings (100%)
Outside Director	Michiko Kuboyama	3 of 3 meetings (100%)
Outside Director	Peter David Pedersen	1 of 1 meetings (100%) *Attending since appointment on June 29, 2022

Activities of Compensation Committee

- Date: January 21, 2022
Deliberation details: Selection of committee chairperson for the Officer Compensation Committee
- Date: April 8, 2022
Deliberation details: Validation of officer compensation standards, consideration of reviewing officer compensation amounts
- Date: June 2, 2022
Deliberation details: Revisions to compensation standards for outside directors, partial revisions to calculation coefficient related to performance-linked compensation, individual FYE March 2023 compensation amounts based on company and individual performance assessment results in accordance with the compensation system

Reasons for decision by the Board of Directors that compensation for FYE March 2023 is in line with compensation decision-making policy

The compensation amount for Company directors is subject to objective deliberations by the Compensation Committee, for which a majority of members are independent outside directors. A summary of those deliberations is then reported to the Board of Directors. Individual compensation amounts, which includes individual performance results, are determined by the CEO, President and

Representative Director based on reports received from the Compensation Committee. As such, the contents of those decisions are judged to be in accordance with the compensation decision-making policy.

Method of adjusting compensation after the finalization of performance and assessments

Depending on Company performance or other reasons, the Company may adjust the amount of individual performance-linked compensation for directors as necessary via a resolution by the Board of Directors and pursuant to consulting with and receiving advice from the Compensation Committee.

[Performance-linked compensation]

- Objectives
To ensure a commitment to the Meiji Group 2026 Vision and the core KPI outlined in our Medium-Term Business Plan, and to increase motivation towards improving performance.
- Performance indicator
To achieve growth in operating profit by improving capital productivity as outlined in our 2023 Medium-Term Business Plan, we set consolidated operating profit and ROIC as performance indicators for our Company. Positions other than the CEO and COO are evaluated based on corporate performance as well as individual performance.
- Evaluation method
We evaluate the company's performance through a single-year targets evaluation, which measures the degree of achievement of the single-year targets for consolidated operating profit and ROIC, and a medium- to long-term targets evaluation, which measures the degree of achievement of the medium- to long-term targets for consolidated operating profit.
- Payment amount calculation method
The amount to be paid is calculated by multiplying the base amount by the coefficient calculated as follows.

Benchmarks for company performance

1) Single-year targets evaluation

- Consolidated operating profit: Achievement of fiscal year target represents 100%. The coefficient fluctuates between 0% and 200% based on the rate of achievement (50% to 150%) for the fiscal year target.
- ROIC: Achievement of fiscal year target represents 100%. The coefficient fluctuates between 0% and 200% based on the rate of achievement (50% to 150%) for the fiscal year target. Regardless of the level of achievement for the fiscal year target, the coefficient is reduced by half if earnings are less than capital costs.

2) Medium- to long-term targets evaluation

- Consolidated operating profit: Achievement of the medium- and long-term target represents 100%. The coefficient fluctuates between 0% and 100% based on the rate of achievement for the medium- and long-term targets. The coefficient will be further increased when performance exceeds medium- and long-term targets.

Benchmarks for individual performance

- The coefficient that fluctuates between 0% and 200% based on a seven-tier evaluation of individual performance, which is determined through comprehensive assessment by the CEO, President and Representative Director.

- There is no individual performance evaluation for the CEO, President and Representative Director and COO, directors.

• Results for the FYE March, 2023

The following table shows the calculations for the performance-linked compensation paid in FYE March 2023.

	Single-year targets evaluation		Medium- to long-term targets evaluation
	Consolidated operating profit	ROIC	Consolidated operating profit
Result (FYE March 2022)	¥92.9 billion	8.4%	¥92.9 billion
Target	¥106.5 billion	9.4%	¥130.0 billion

[Non-monetary compensation]

• Objectives

To provide incentives to improve the corporate value of the Meiji Group and promote the sharing of interests with shareholders and other stakeholders.

• Scheme

We issue transfer restricted shares that cannot be disposed of for the three-year period. The amount of monetary compensation claims to be granted by the Company in order to allot transfer restricted shares fluctuates every year according to the results of the Meiji ROESG® in the previous fiscal year.

• Performance indicator

We set the Meiji ROESG®, which is calculated based on ROE figures and the results of ESG initiatives, as a performance indicator.

- Payment amount calculation method

The payment amount is calculated by multiplying the base amount by a coefficient calculated as detailed below.

- We calculate the Meiji ROESG®, which combines ROE and ESG indicators (external evaluations). The coefficient is set to 100% for 13pts which is the target for 2023 Medium-Term Business Plan period. Limited to FYE March 2024, the final year of the 2023 Medium-Term Business Plan, we will add 1pt to the Meiji ROESG® for each item achieved for ESG targets (Unique to Meiji).
- The minimum is set as 9pts, which is the actual figure for the Meiji ROESG®, and the maximum is 17pts. The coefficient fluctuates between 50% and 150% depending on the actual ROESG® figure.
- No share compensation will be allocated if the Meiji ROESG® is lower than 5pts for two consecutive years.

- Results for the FYE March, 2023

The following table shows the calculations for the share compensation paid in FYE March 2023.

	Meiji ROESG®
Result (FYE March 2022)	12 points
Target	13 points

Also, we have posted the details of directors' compensation and calculation method on our website.

<https://www.meiji.com/global/investors/governance/corporate-governance.html>

[Supporting System for Outside Directors and/or Audit & Supervisory Board Members]

We ensure a system that smoothly provide internal information requested by outside officers from directors with executive duties, executive officers and employees. We provide the information directly or through the department in charge.

Independent outside directors communicate through the Corporate Development Department, which provides explanations on Board of Directors' meeting agenda as well as relevant information provision.

Full-time Audit & Supervisory Board members serve as the contact point for outside Audit & Supervisory Board Members to provide various communications and information, and dedicated staff of the Audit & Supervisory Board members assists.

Outside officers are taken on inspection tours of plants and research laboratories to further their understanding of these matters.

[Members of the Company who were formerly top executives]

Corporate counselors who were formerly top executives

Name	Position	Description of duties	Employment conditions (whether fulltime or non-fulltime, compensated or uncompensated)	Date the person resigned as top executive	Term of office
Masahiko Matsuo	Corporate Counselor	Use extensive experience and insights to advise the Company from a broad and general standpoint. Delegate persons to engage with important clients and relevant industrial/business associations.	Non-fulltime Compensated	June 26, 2020	–

Number of corporate counselors who were formerly top executives

1

Other important information:

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

1. Business Execution

The Board of Directors holds a meeting once a month, in principle, and resolves matters of material importance, including the Group's basic strategic approach, large-scale investments, and other matters that are set forth in laws, the Company's Articles of Incorporation, or the Rules of the Board of Directors. The Group Company Administration Regulations and Duties Regulations clearly define the matters that are related to the execution of business undertakings and operations pursuant to the policies determined by the Board of Directors. Of these, the matters that have material importance are reviewed by the Executive Committee twice a month in principle.

Also, we have introduced Chief Officer system to strengthen group management. Serving in the highest positions of responsibility within the Group, Chief Officers work in line with basic management policies outlined by the Board of Directors to supervise and oversee Group business or functions.

Furthermore, meetings of the Group Strategy Committee, which is comprised of members designated by Chief Officers, are held once per month. The Committee determines the direction of critical matters such as the Group's general vision, business plan, business policy, and the distribution of management resources.

2. Auditing and Oversight

Audit & Supervisory Board audits are conducted by Audit & Supervisory Board members. Also, we have established an Audit Department with internal audit staffs to conduct business audits. For overseas Group companies, in addition to business audits, we also conduct audits specifically designed to reduce management risks, including fraud prevention. Pursuant to the Audit & Supervisory Board Guidelines, the Audit & Supervisory Board meets once a month, in principle. Internal audits are conducted by the Audit Department, which is composed of dedicated internal audit staff. Accounting audits are conducted by the accounting auditor. The chairman of the Audit & Supervisory Board shall establish the annual schedule of the Audit & Supervisory Board meetings and the main agenda items, and disseminate them to the Audit & Supervisory Board members. Each auditor will strive to attend at least 75% of the meetings. The Company has designated Ernst & Young ShinNihon LLC as its accounting auditor.

To better enable the Audit & Supervisory Board members to fulfill their function of overseeing business execution, the Company has put in place a system that facilitates effective audits. For example, dedicated staffs are on hand to assist the process of Audit & Supervisory Board audits and the Audit & Supervisory Board members attend important meetings such as those of the Board of Directors and Executive Committee. In addition, Audit & Supervisory Board members are given regular reports and forwarded important documents.

3. Nomination and Compensation Decisions

We have set up Nomination Committee to deliberate on proposals for the nomination or removal of directors and Audit & Supervisory Board members, and nomination or removal of executive officers, including the president. The Committee also deliberates and advises on matters such as succession plans.

We also have set up Compensation Committee to deliberate on policies regarding the determination of compensation for directors and executive officers, the amount of compensation, the level of compensation, etc.

* Details of the roles of Board of Directors, Audit & Supervisory Board and Committee etc. is described in “7. Board of Directors, Audit & Supervisory Board and Committee etc.” of Corporate Governance Policy.

4. Limited Liability Agreements with the Company

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company enters into contracts with its outside directors and Audit & Supervisory Board members limiting their liabilities under Article 423, Paragraph 1 of the said Act. The maximum amount of liabilities under such contracts is as prescribed in applicable laws and regulations.

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with its accounting auditor limiting its liabilities under Article 423, Paragraph 1 of

the said Act. The maximum amount of liabilities under such contracts is as prescribed in applicable laws and regulations.

5. Attendance at meetings

1) Attendance at Board of Directors meetings held in FYE March 2023

- Number of the meetings held: 19 times

- Attendance rate

Members of the Board of Directors	Audit & Supervisory Board Members
Kazuo Kawamura: 19/19 (100%)	Hiroaki Chida: 19/19 (100%)
Daikichiro Kobayashi: 19/19 (100%)	Takayoshi Ohno: 19/19 (100%)
Katsunari Matsuda: 19/19 (100%)	Hajime Watanabe: 19/19 (100%) (Outside)
Koichiro Shiozaki: 19/19 (100%)	Makoto Ando: 19/19 (100%) (Outside)
Jun Furuta: 19/19 (100%)	
Mariko Matsumura: 17/19 (89%) (Outside)	
Masaya Kawata: 19/19 (100%) (Outside)	
Michiko Kuboyama: 19/19 (100%) (Outside)	
Peter David Pedersen: 14/14 (100%) (Outside) *Attending since appointment on June 29, 2022	

2) Attendance at the Audit & Supervisory Board meetings held in FYE March 2023

- Number of the meetings held: 15 times

- Attendance rate

Audit & Supervisory Board Members
Hiroaki Chida: 15/15 (100%)
Takayoshi Ohno: 15/15 (100%)
Hajime Watanabe: 15/15 (100%) (Outside)
Makoto Ando: 15/15 (100%) (Outside)

3. Reasons for Adoption of Current Corporate Governance System

With the aim of achieving sustainable growth and improving corporate value of the medium- to long-term, the Company has established a basic approach to management of the Group wherein operating companies that engage in “Food and Health” manage businesses autonomously while collaborating with each other under the control of the Company (which is the Group’s holding company). Under this approach, the main role of Meiji Holdings Co., Ltd., is to advance Group-wide management strategies, create an optimal operating structure, and oversee the business management of operating companies. Responsibility for operational execution is delegated to operating companies appropriately. Within the Group, oversight and execution of business management are separated. Accordingly, the Group has established and operates a corporate governance system including a Board of Directors. Meiji Holdings is a company with audit & supervisory board members. The Board of Directors' oversight and audit & supervisory board members' auditing heighten the objectivity and transparency of business management.

3. Implementation of Measures for Shareholders and Other Stakeholders

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

	Supplementary Explanations
Early distribution of Convocation Notice for the General Meeting of Shareholders	We issue the General Meeting of Shareholders’ convocation notice 23 days prior to the meeting.
Allowing Electronic Exercise of Voting Rights	Shareholders can exercise their voting rights using a personal computer, smartphone, or other mobile device.
Participation in Electronic Voting Platform	The Company uses a platform for the exercise of electronic voting rights.
Providing Convocation Notice in English	The Company translates part of the convocation notices and posts the translated content on its website.
Other	The Company posts its convocation notices on its website a number of days before issuing the official convocation notice.

2. IR Activities

	Supplementary Explanations
Preparation and Publication of Disclosure Policy	The Company has established an information disclosure policy and has posted the policy on its website. a. Japanese website: https://www.meiji.com/investor/disclosure/ b. Global website: https://www.meiji.com/global/investors/disclosure-policy/
Regular Briefings for Individual Shareholders	The Company holds earnings conferences for individual investors where we explain management policy and earnings as well as provide information on business topics to cultivate investor understanding of our Group. We held online briefings in FYE March 2023 due to the impact of COVID-19 pandemic.

Regular Investor Briefings for Analysts and Institutional Investors	<p>The Company holds earnings conferences twice-yearly led by the president and officers. During these meetings, the president outlines the financial results and the Company’s management policies going forward. For the first and third quarter, a director in charge of IR informed the analysts and investors of the results in an online conference. With the aim of improving the corporate value, the Company facilitates communication with institutional investors and securities analysts by organizing biannual small meetings between these parties and the Company’s president and otherwise promoting constructive dialogue. The Company also organizes regular business briefings and takes various other steps to deepen said parties’ understanding of the Group.</p> <p>The Company also actively promotes ESG dialogue. The Company holds one-on-one meetings with institutional investors and conferences for institutional investors and securities analysts.</p>
Regular Investor Briefings for Overseas Investors	<p>We record English-language versions of earnings briefings presentations for analysts and institutional investors conducted after year-end and second quarter. We stream video of the briefings on our website. The Company holds annual briefing meetings in the major cities of Europe, North America, and Asia. In these meetings, the president and a director in charge of IR give briefings. During FYE March 2023, we also held online briefings due to the impact of COVID-19 pandemic.</p> <p>In addition, the Company participates three to four times a year in conferences held in Japan by securities companies for overseas investors, and holds telephone conferences with overseas investors as necessary.</p>
Posting of IR Materials on Website	<p>The Company endeavors to enhance its website by amending the content to reflect users’ feedback.</p> <p>The IR materials that the Company posts on its website include earnings results, materials disclosed on an as-and-when basis, securities reports, integrated reports, briefing materials for institutional investors, and convocation notices for general meetings of shareholders. The Company also streams videos of conferences with institutional investors and posts summaries of question and answer sessions.</p> <p>Japanese website: https://www.meiji.com/investor/ Global website: https://www.meiji.com/global/investors/</p>
Establishment of Department and/or Manager in Charge of IR	<p>IR is managed by the director in charge of IR section and other eight members.</p>
Other	<p>In principle, all significant information for investors is translated into English. The English translation is posted on the website at the same time as the Japanese version or soon after disclosure.</p>

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	These internal rules are stipulated in the Group's System of Principles and Corporate Behavior Charter.
Implementation of Environmental Activities, CSR Activities etc.	<p>Our target profile—a company essential to and trusted by our stakeholders</p> <p>The Company believes that for the Group to fulfil its social responsibility, it must put the Group Philosophy into action through its mainstay businesses on a daily basis and continue to be essential to society. Each employee of the Group pursues activities in accordance with the Corporate Behavior Chart, meets the expectations of the stakeholders, and continually performs their social responsibilities.</p> <p>The Group's sustainability activities are successively reported on the Company's website, and published in the Integrated report.</p>
Development of Policies on Information Provision to Stakeholders	<p>The Company has established an information disclosure policy and has posted the policy on its website.</p> <p>Information disclosure policy: https://www.meiji.com/global/investors/disclosure-policy/</p>
Other	<p>1. Meiji Group Sustainability 2026 Vision</p> <p>As Food and Health professionals, we contribute to addressing social issues through our business activities. We promote sustainability activities with the mission of designing a future in which people around the world can live in happiness and health. In May 2018, we announced the Meiji Group Sustainability 2026 Vision. The vision upholds three main themes: Healthier Lives, Caring for the Earth, and Thriving Communities, as well as the shared theme of Sustainable Sourcing. We are identifying Materiality and setting out KPIs (Key Performance Indicators) for each theme. We believe that we can contribute to solving social issues and enhance our corporate value by promoting these initiatives.</p> <p>Sustainability Vision: https://www.meiji.com/global/sustainability/</p> <p>2. Policy statements and rulesets</p> <p>In line with the Corporate Behavior Charter and the Meiji Group Code of Conduct established in April 2023, we established various policies and guidelines.</p> <p>Please find details on our website.</p> <ul style="list-style-type: none"> - Philosophy https://www.meiji.com/global/about-meiji/philosophy.html - Policies and guidelines https://www.meiji.com/global/sustainability/esg-index.html

	<p>3. Engaging with UN and other international organizations</p> <p>In contributing to the SDGs and promoting sustainability activities, we are strengthening our collaboration with various external related organizations. Information on working with external initiatives is available on our website. https://www.meiji.com/global/sustainability/collaboration.html</p>
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4. Matters Related to the Internal Control System

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

<p>1. Basic Views</p> <p>The Company and the Group companies provide products and services to a large number of customers through our food and pharmaceuticals business operations. The Meiji Group has established an internal control system befitting the Group and the Group companies that is based on mutual collaboration and multifaceted checking functions to ensure directors, executive officers, and other employees comply with the Food Sanitation Act, the Law for Ensuring Quality, Efficacy, and Safety of Drugs and Medical Devices, and other statutory laws and regulations and the Articles of Incorporation, thereby ensuring fair and sound business activities firmly rooted in compliance. A basic policy of the Company and the group companies is to preempt damage to shareholders and other stakeholders and endeavor to improve sustainable corporate value by earning the trust of our customers and maximizing shareholder value.</p> <p>2. Progress of System Development</p> <p>1) Systems for ensuring compliance with laws and regulations and the Articles of Incorporation in the execution of duties by directors, executive officers, and employees</p> <p>To ensure thorough corporate governance, the Group has adopted business management structures and clearly define the responsibilities for the Company as the holding company overseeing business management among the Group, and the responsibilities for the Group companies as the organizations executing the business of the Group. The organizational structure that the Company has adopted for this purpose is that of a “company with audit & supervisory board members” (<i>kansayaku-kai secchi kaisha</i>), while the structure adopted by the Group companies is that of a “company with auditors” (<i>kansayaku secchi kaisha</i>). The Company and the Group companies have constructed and operate effective compliance systems. In the case of the Company, these systems include the Compliance Regulations and related regulations, which incorporate the Group’s corporate philosophy. In the case of the Group companies, they include related regulations and the related committees.</p> <p>2) Systems for storing and managing information related to the execution of duties by director</p> <p>The Company has developed the Regulations for Handling Documents and Regulations for Managing Confidential Information, and constructed systems for storing and managing important</p>
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documents related to the business management or business execution by the Company or the Group companies.

3) Procedures and other systems related to managing the risk of loss

To address risks to the smooth operation of business at an organizational and systematic level, the Company and the Group companies have developed rules for managing each risk, and constructed risk management systems in accordance with these rules.

The Company and the Group companies ensure unerring risk management by establishing risk-related committees that manage risk at an organizational and systematic level, and they have also developed systems for minimizing the risk of damages during emergency situations.

4) Systems for ensuring that directors and executive officers conduct their duties efficiently

The Company and the Group companies' boards of directors determine the duties of directors and executive officers. Directors and executive officers discharge these duties appropriately in accordance with the Duties Regulations, which defines the segregation of duties and authorities, and other relevant regulations.

The Company integrates and coordinates the business operations of the Company and the Group companies by having its Executive Committee review important matters pertaining to the Group as a whole. The Group companies help accelerate decision-making and streamline the execution of duties by making it a principle to have their executive committees conduct a full preliminary review of important matters pertaining to business management.

5) Systems for ensuring the appropriate execution of duties in the corporate group consisting of the Company and Group companies

The Company and the Group companies share the same ethos concerning internal control systems and have developed systems for ensuring appropriate execution of duties and reliable financial reporting.

The Group Company Administration Regulations and related regulations define the roles, authorities, and responsibilities among the Group. Duties are executed appropriately so as to contribute to the rationalization and optimization of business processes across the Group.

Specifically, each Group company has constructed their own systems under 1, 3, and 5 above, and the Company receives reports as appropriate on matters pertaining to duties in Group companies in accordance with the Group Company Administration Regulations.

6) Systems for ensuring reliability in financial reporting

To ensure reliability in financial reporting, the Company and the group companies have constructed internal control systems for financial reporting; this includes developing and operating systems of evaluation and reporting as appropriate.

7) Matters concerning employees who are assigned to assist in the duties of Audit & Supervisory Board members when Audit & Supervisory Board members requests such assistance; matters

concerning the independence of said employees from directors; matters concerning the effectiveness of orders issued by Audit & Supervisory Board members to said employees
After consulting with Audit & Supervisory Board members, the representative director assigns employees to assist in the duties of the Audit & Supervisory Board members. Authority to issue orders to said employees is delegated to the Audit & Supervisory Board members, and any decisions regarding the appointments, reshuffles, and appraisals of said employees require the consent of the Audit & Supervisory Board members. These measures ensure the effectiveness of orders issued by Audit & Supervisory Board members to said employees.

- 8) Systems under which directors, executive officers, and employees report to audit & supervisory board members; systems under which directors, audit & supervisory board members, executive officers, employees, or persons who receive reports from said persons report to the Company's Audit & Supervisory Board members; other systems concerning reporting to Audit & Supervisory Board members

In the case of the Company, directors, executive officers, and employees relay business management decisions and the status of the execution of business to the Audit & Supervisory Board members via the Board of Directors, the Executive Committee, and major internal meetings, and also by issuing regular reports and forwarding important documents. In the case of the Group companies, directors, audit & supervisory board members (or the equivalent thereof), executive officers, employees, or persons who receive reports from said persons relay the above matters via meetings with the Company's Audit & Supervisory Board members and by issuing reports and disclosing important documents as necessary.

The Company and the Group companies comply unerringly with any request from an Audit & Supervisory Board member to report on the state of their business or to cooperate in an inspection of their business performance or financial status.

- 9) Systems for ensuring that persons who make reports mentioned in 8 above do not suffer any disadvantage by reason of such reporting

The Company and the Group companies have established rules and regulations on whistleblowing prohibiting the disadvantageous treatment of whistleblowers by reason of their whistleblowing. In accordance with these rules and regulations, the Company has developed systems for ensuring that persons who make reports mentioned in 8 above do not suffer any disadvantage by reason of such reporting.

- 10) Matters concerning the procedure for paying or reimbursing costs arising from the performance of Audit & Supervisory Board members' duties, or any other policy regarding the processing of costs or liabilities arising from the performance of such duties

The Company appropriates a certain amount of funds each fiscal year to cover the costs and liabilities incurred in connection with Audit & Supervisory Board members' execution of duties. If an Audit & Supervisory Board member, pursuant to the provisions of Article 388 of the Companies Act, requests payment in advance for expenses associated with their duties, the Board of Directors will review the matter and the Company will then promptly pay the expenses, except

in cases where it deems that the expenses or liabilities related to such request is not necessary for the execution of the duties of the member concerned.

- 11) Systems for ensuring that the Company's Audit & Supervisory Board members conduct audits effectively

The representative director holds regularly meetings to exchange opinions with Audit & Supervisory Board members.

The representative directors and directors of the Company and the group companies understand the importance and usefulness of Audit & Supervisory Board audits, and they actively cooperate with Audit & Supervisory Board members during their audits.

- 12) Structure for Internal Audit Department reporting to the Board of Directors and Audit & Supervisory Board

The Internal Audit Department serves as a structure for making regular reports to the Board of Directors and the Audit & Supervisory Board concerning the results of internal audits conducted within the Group.

2. Basic Views on Eliminating Anti-Social Forces

In accordance with the Corporate Behavior Charter and the Compliance Regulations, the Company and the Group companies refrain from engaging in any way whatsoever with crime syndicates that threaten public order and safety. In the case where a crime syndicate employs intimidation or otherwise poses a threat, the Company has developed a system for responding swiftly in close collaboration with public bodies such as the police and with attorneys.

5. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
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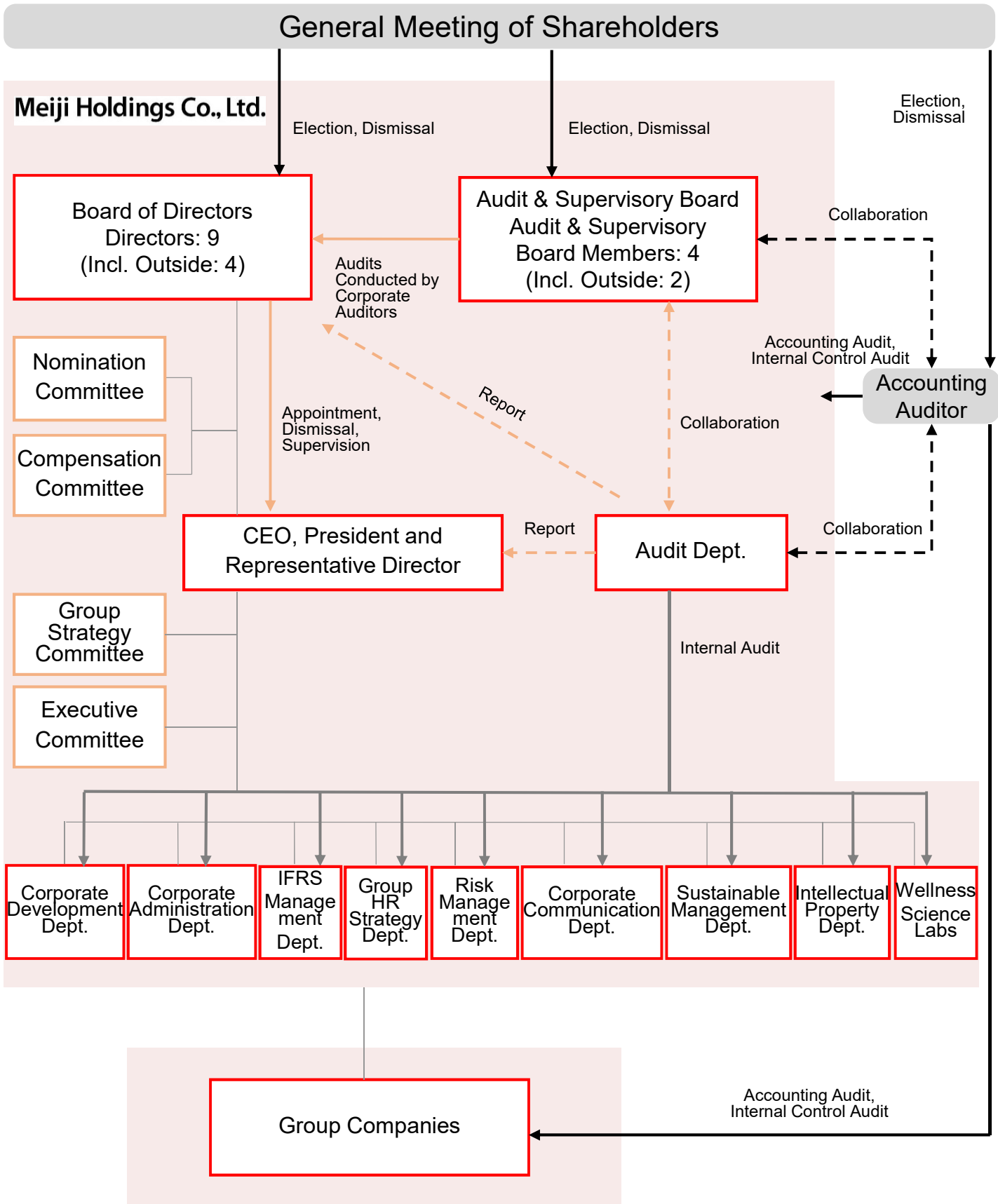
Supplementary Explanation

The Company has not adopted any anti-takeover measures at this time.

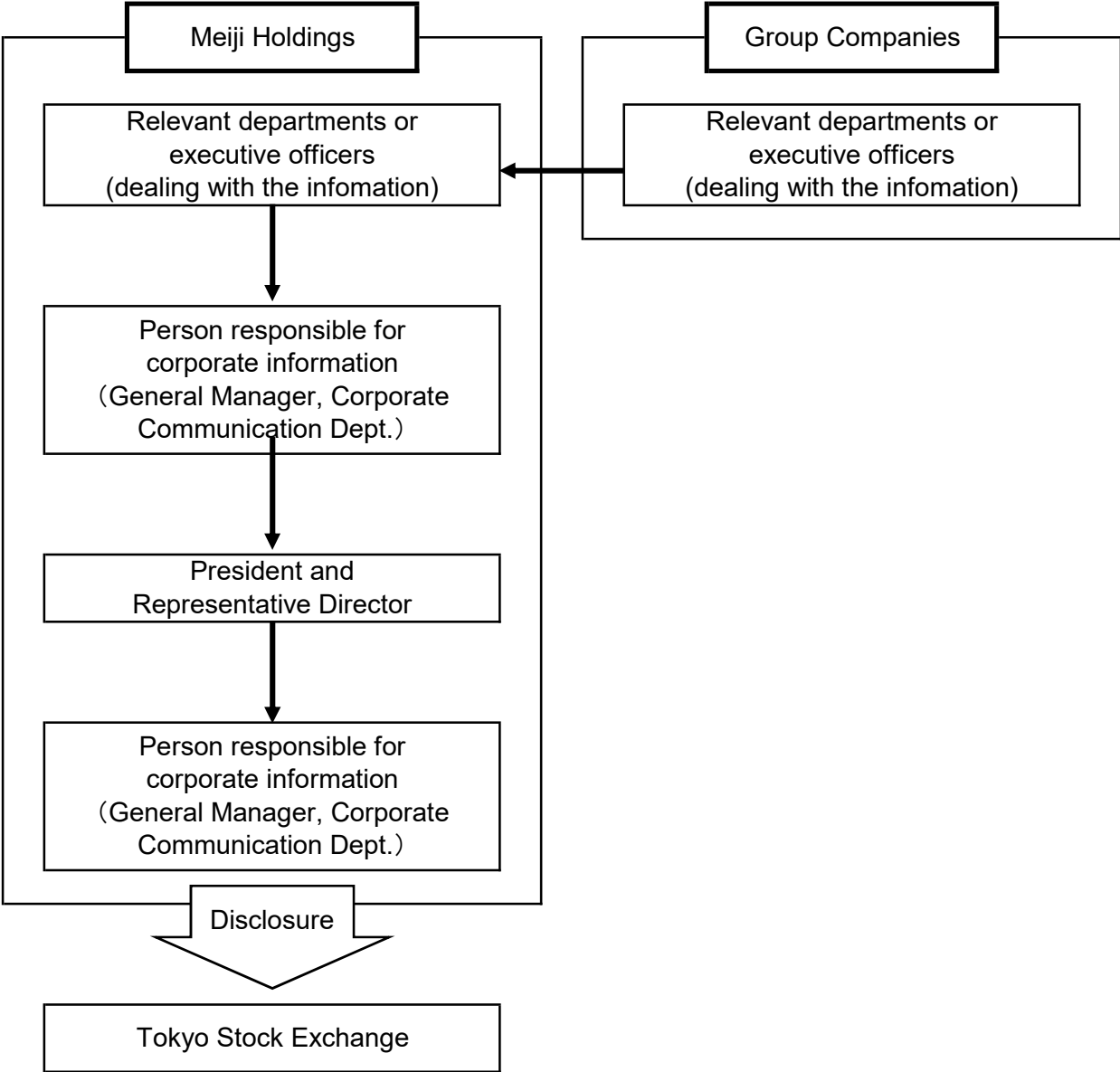
2. Other Matters Concerning to Corporate Governance System

The schema of the Company's corporate governance system, the timely disclosure of company information and skills matrix of Members of the Board and Audit & Supervisory Board Member is as follows:

Corporate Governance Structure



Meiji Group Timely Disclosure System



Skills Matrix of Members of the Board and Audit & Supervisory Board Members

Members of the Board

Name		Main expertise and background							
		Management strategies	Global business	Sales and marketing	Finance and accounting	HR and diversity	Legal affairs and risk management	Corporate communication	Sustainability
Kazuo Kawamura		●		●		●		●	●
Daikichiro Kobayashi		●		●				●	
Katsunari Matsuda		●		●				●	
Koichiro Shiozaki		●			●		●		
Jun Furuta		●	●		●			●	●
Mariko Matsumura	Outside					●	●		
Masaya Kawata	Outside	●	●			●			●
Michiko Kuboyama	Outside	●		●		●		●	
Peter David Pedersen	Outside	●	●			●			●

Audit & Supervisory Board Members

Name		Main expertise and background							
		Management strategies	Global business	Sales and marketing	Finance and accounting	HR and diversity	Legal affairs and risk management	Corporate communication	Sustainability
Hiroaki Chida					●	●			
Takayoshi Ohno		●		●					
Hajime Watanabe	Outside		●				●		
Makoto Ando	Outside				●		●		