

# Corporate Governance Policy

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**Meiji Holdings Co., Ltd.**

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Disclaimer: This English translation is prepared for the readers' convenience. When there are any discrepancies between the original Japanese version and English translation version, the original Japanese version always prevails.

## **1. Introduction**

The Meiji Group's (the "Group") philosophy is to brighten customers' daily lives as a corporate group in the Food and Health fields. We do this with the goal of continuing to find innovative ways to meet our customers' needs, today and tomorrow. In this way, we aim to achieve sustainable growth and increase corporate value over the medium- to long-term.

Corporate Governance Policy stipulates the basic views, frameworks and management guidelines regarding corporate governance of Meiji Holdings Co., Ltd. (the "Company") to promote sustainable growth and increase corporate value over the medium- to long-term as a Group.

## **2. Basic Views on Corporate Governance**

### **1. Basic Views**

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.

<The Meiji Group Philosophy> <https://www.meiji.com/global/about-meiji/philosophy.html>

### **2. To Realize Meiji Group 2026 Vision**

- 1) Promote the Meiji ROESG® Management Effectively and Implement Corporate Value Improvement Cycle

Our goal we have embraced since our founding is to providing products that contribute to customers' physical and emotional. We reaffirm this commitment, and will strive for growth as a sustainable corporate group that shares health value with people and societies around the world.

The 2026 Medium-Term Business Plan outlines management goals as evolving the Meiji ROESG® and improving corporate value. To evolve the Meiji ROESG®, we will fuse sustainability

and business, and achieve value creation through which sustainability leads to business and financial value. The Meiji ROESG® are unique metrics that combine ROE and ESG indicators (including evaluation from external assessment agencies and metrics that symbolize a fusion of sustainability and business). We ensure its effectiveness by linking these to executive compensation. Improving corporate value involves working to increase our medium and long-term corporate value by making investments in intangible assets to respond to the expectations of stakeholders. We then implement a corporate value improvement cycle that involves engagement and co-creation and collaborative activities.

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

<Meiji Group 2026 Vision and the 2026 Medium-Term Business Plan>

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

## 2) Business Portfolio Management

The Group uses business-specific ROIC 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.

## 3) Intellectual Property Strategy

Our Group recognizes the importance of intellectual property as a management resource. We view intellectual property activities as a critical part of the support structure for our business activities. We develop and execute intellectual property strategy to improve our medium- and long-term corporate value while respecting the intellectual property rights of third parties.

We strategically secure patents for our R&D results. This ensures our ability to protect our core technology, maintain technological superiority, and support future business development and new business creation.

In addition to patents, we also appropriately manage other knowhow as valuable resources that contribute to our competitiveness. This includes information such as manufacturing methods and hygiene management that is not protected by patents.

We also treat Meiji brand and our various trademarks as valuable resources that support our business. We proactively engage in trademark activities to further elevate the trust and

expectations with which consumers have come to associate our products and services.

### **3. Sustainability**

#### **1. Basic Views**

As Food and Health professionals, we contribute to addressing social issues through our business activities, and to realizing a sustainable society for people to live healthy, and peaceful lives. 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 with internal entities, including the Group Strategy Committee, Executive Committee, and Group Sustainability Committee.

#### **2. Meiji Group Sustainability 2026 Vision**

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. Taking these themes, as well as several tangible areas within each as a framework, we are driving sustainability forward, and helping to solve social issues.

#### **3. Promote Diversity, Equity & Inclusion**

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 promote diversity, equity & inclusion to meet the needs from our customers in Japan and around the world in the areas of food and health.

The Meiji Group views diversity as having types of differences. This can include having diverse backgrounds, such as various genders, sexual orientations, gender identities, gender expression, ages, nationalities, religions, health, physical disabilities, employment status, career, and childcare or nursing care status, as well as include individual values, knowledge, and capabilities.

Under a diversity, equity & inclusion promotion structure, we will create environments in which diverse human capital is energized and motivated towards work, and achieve sustainable corporate growth by creating innovation and new value.

#### **4. ESG and TCFD Disclosure**

Our Group announced our support for recommendations by the Task Force on Climate-Related Financial Disclosures (TCFD). We conduct scenario analyses based on the TCFD framework. In addition to implementing climate change measures, we also enhance our climate information disclosures.

We have adopted the Meiji ROESG<sup>®</sup> as a performance indicator to promote medium- to long-term improvements in our corporate value. ROESG<sup>®</sup> combines ROE, a financial benchmark, with

ESG goal rate of achievement as a non-financial benchmark, and is designed to help us realize both profit growth and sustainability activities. Through the adoption of ROESG®, we promote continued engagement by proactively disclosing and disseminating information about Meiji Group ESG initiatives. We believe these efforts lead to improvements in our corporate value.

#### **4. Relationship with Shareholders and Stakeholders**

##### **1. Basic Views**

We strive to collaborate with all stakeholders, including customers, shareholders, investors, employees, business partners, and the greater society towards achieving sustainable improvement in our corporate value. To achieve this goal, we have drafted the Meiji Group's System of Principles. This System of Principles is comprised of our Group Philosophy, our Management Attitude, our Action Guidelines, and our Corporate Behavior Charter. In accordance with Corporate Behavior Charter and Meiji Group Behavior Charter which embodies Corporate Behavior Charter, we outline policies, declarations, and guidelines through which we work to achieve sustainable growth and medium- to long-term improvements in our corporate value.

##### **2. Protecting Shareholder Rights and Equality**

- 1) To substantively secure the rights of our shareholders, we develop an environment that enables shareholders to exercise their rights appropriately and smoothly. We ensure appropriate legal responses in our relationships with shareholders, and give due consideration to minority and foreign shareholders.
- 2) We recognize that all shareholders have equal status based on their number of shares, and work to ensure the substantive equality of all shareholders.
- 3) We engage in appropriate information disclosure by publishing and continuously updating information for shareholders on our website.

##### **3. General Meeting of Shareholders**

- 1) We recognize the General Meeting of Shareholders as a place for constructive dialogue with shareholders. We implement appropriate measures to ensure the substantive protection of shareholder rights at our General Meeting of Shareholders, and provide an environment that enables shareholders to exercise their rights appropriately and smoothly.
- 2) We accurately disclose information necessary for appropriate decision-making by shareholders at our General Meeting of Shareholders.
- 3) We issue the General Meeting of Shareholders' convocation notice 3 weeks prior to the meeting.  
Also, we post our convocation notices on its website a number of days before issuing the official convocation notice. We also translate part of the convocation notices and post the translated content on our website.
- 4) We enable voting in writing or via the internet to ensure shareholders can exercise their rights appropriately and smoothly at the General Meeting of Shareholders. We also provide an

electronic voting platform that allows institutional investors to conduct electronic voting.

- 5) We will appropriately follow-up on any agenda items that result in a significant number of votes in opposition. This includes analyzing reasons and causes at the Board of Directors, and engaging in dialogue with shareholders via appropriate methods.
- 6) We cooperate with the shareholder ledger administrator and respond appropriately via prescribed methods in cases where an institutional investor or other entity holding stock in the name of a trust bank or similar institution indicates a desire to attend the General Meeting of Shareholders on behalf of the name shareholder to execute voting rights in person.

#### **4. Dialogue with Shareholders**

- 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 Investor Relations (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 directors.
- 2) With the aim of supporting shareholder dialogue, the executive officer in charge of IR organizes liaison meetings with personnel from other departments, including Corporate Planning, Corporate Administration, and Risk Management, Sustainability, so as to share information between the departments.
- 3) Comments and feedback gained through investor relations activities are summarized into reports. The executive officer in charge of IR reports to the Executive Committee and the Board of Directors regularly.
- 4) Communication is conducted in accordance with the Rules Concerning the Prevention of Insider Trading, which outlines the handling of important information. We also establish a quiet period.

#### **5. Capital Policy**

- 1) 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.
- 2) We recognize returns to shareholders as an important management issue. Each fiscal year, we aim for a total payout ratio of 50% or higher, and strive to make continuous increases in our per-share dividend amount.
- 3) Our basic policy on capital procurement is to use debt to procure capital. We evaluate capital demands and interest environments to apply a primarily 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 0.5 times and maintain a high credit rating that is not impacted by conditions on financing markets.

- 4) 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.

## **6. Cross-shareholding of Listed Companies**

- 1) 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.
- 2) We hold listed stocks as cross-shareholdings when we think it would:
- Accelerate the group's financial operations
  - Strengthen the relationship with our group companies
  - Strengthen the group's transactional relationships
  - Be reasonable in light of our responsibility to shareholders
- 3) 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
  - The medium-to-long term outlook for the brand
  - The amount of dividend
- The total amount of cross-shareholdings of listed companies recorded on the balance sheet is to be less than 5% of consolidated net assets.
- 4) As a rule, we will exercise our voting rights in a company 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 between our group companies or if it would clearly harm the common interests of shareholders.
- 5) 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.
- 6) 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.

## **7. Adoption of Anti-Takeover Measures**

The Company has not adopted any anti-takeover measures at this time. Furthermore, in the event of any attempts for the large-scale acquisition of our stock, we will request an explanation from the purchasing party concerning their strategies for improving the Group corporate value. We will also immediately disclose our thoughts as the Board of Directors.

## **8. 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.

## **5. Risk Management and Compliance**

### **1. Risk Management**

#### 1) Basic Views

The Group recognizes that risk management is not just for responding when emergencies or disasters occur and severely impact business activities. It is also important to take preventive measures to control and mitigate/avert management risks. In addition, the Group has established a risk management structure that promotes further growth to realize the Meiji Group 2026 Vision. We outlined the three visions—the Business Vision, Sustainability Vision and Management Vision—in the Meiji Group 2026 Vision. While identifying the Meiji Group Business Management Risks based on those three Visions, we reduce overall Group management risks and manage decisive risk-taking under the risk management structure.

#### 2) Risk Management Structure

Our Board of Directors and Executive Committee apply the principles of the Meiji Group 2026 Vision when evaluating and confirming management risks. This ensures our ability to implement risk management that is always aligned with changes in our operating environment. Furthermore, we have developed risk management systems that are suited to the Food and Pharmaceutical businesses respectively. We regularly share risk information across the company, which includes risks common to all our businesses and risks that impact on the whole Group. Accordingly, we identify, evaluate, treat, and solve risks promptly. Additionally, we have established a shared Group structure for the early identification of and response to risks that are common to all business segments and that could impact the Group overall.

### **2. Compliance**

#### 1) Basic Views

The Group complies with the laws, regulations and social rules of each country in order to ensure all transactions are proper and to promote free, fair, appropriate and transparent competition. To increase awareness and strengthen compliance further, we established internal

regulations based on our Corporate Behavior Charter and Meiji Group Behavior Charter, and work to improve internal training. We conduct business holding ourselves to high ethical standards and shall continue to develop to be a company trusted by society.

## 2) Compliance Structure

Our Group has outlined Compliance Regulations and other relevant rules based on our Corporate Philosophy. We have established an effective compliance structure by creating relevant councils within each Group company.

## 3) Whistleblowing system

Our Group has established a whistleblowing system to promote the prevention and early detection of violations, including legal infractions and violation of our Corporate Behavior Charter and Meiji Group Behavior Charter, and to improve internal compliance. In addition to an internal compliance desk, we have also established hotlines operated by external attorneys that are independent of Company management.

Our Group outlines rules and regulations concerning the handling of whistleblowing that expressly forbids any unjust treatment towards whistleblowers. We protect whistleblowers by enabling anonymous reporting. Information submitted by whistleblowers is strictly managed as confidential information. Relevant committees established by Group companies conduct the necessary reporting and deliberations, and respond as appropriate.

Regular reports on the status of the whistleblowing system are provided to the Board of Directors to enable monitoring of management status.

## **6. Appropriate Information Disclosure**

### **1. Basic Views**

The Company has outlined a Disclosure Policy concerning information disclosure. We strive for seamless communication with our shareholders, investors, and all other stakeholders based on the spirit of "disclosing information in a timely and appropriate manner" as stated in the Meiji Group Corporate Behavior Charter. We endeavor to provide information promptly and proactively based on the principles of transparency, fairness, and consistency. Our goal in doing so is to enable all stakeholders to understand, trust, and properly evaluate our company.

### **2. Contents of Disclosure**

In addition to financial information concerning Group financial status and earnings, we actively and proactively disclose non-financial information concerning matters such as business plans, issues, risks, governance, and sustainability. We proactively disclose information to stakeholders concerning our roadmap for achieving continuous improvements to our corporate value. In addition to mandated information disclosures, we also proactively engage in information provision through our business to food and health.

Our disclosure of financial and non-financial information goes beyond mandated disclosures and includes an integrated report published in Japanese and English to promote the balanced provision of financial and non-financial information.

To ensure the fair provision of information to overseas shareholders and investors, we work to create mandated disclosure materials and integrated reports in English to the extent possible. We also work to ensure appropriate information disclosure via publication to our website.

## **7. Board of Directors, Audit & Supervisory Board and Committee etc.**

### **1. Board of Directors**

- 1) 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.
- 2) We recognize that diversity is an important element of the Group's management strategy. Therefore, while considering diversity such as their nationality, gender, or age, at least one-third of Board of Directors shall be independent outside directors.
- 3) Board of Directors ensure that deliberative proceedings are conducted in a multi-faceted and thorough manner and that management is fair and transparent.
- 4) 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.

### **2. Stimulating Board of Directors' Deliberations**

- 1) The Board of Directors conducts activities in accordance with law, our Articles of Incorporation, as well as in accordance with provisions outlined in the Board of Directors Regulations. In principle, the Board meets once per month.
- 2) The chairperson of the Board of Directors outlines the annual Board of Directors' meeting schedule and major agenda items, and provides this information to directors and the Audit & Supervisory Board members. Each director and each member of the Audit & Supervisory Board strives to attend at least 75% of the meetings.
- 3) In principle, the chairperson of the Board of Directors issues materials related to the Board of Directors' meeting prior to the meeting date to enable thorough deliberations during Board of Directors' meetings.

- 4) The chairperson of the Board of Directors shall promote meeting management that enables proactive and constructive deliberations and the exchange of opinions at Board of Directors' meetings.

### **3. Evaluation of the Board of Directors**

- 1) 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 efficacy of the Board of Directors by having third-party assessments conducted approximately once every three years to evaluate the efficacy of the Board of Directors.
- 2) We used 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
- 3) We are conducting individual meetings between the Chairperson of the Board and independent outside directors. Using a self-assessment survey, these meeting participants discuss how to improve the Board of Directors as well as issues and measures for further improving efficacy.

### **4. Audit & Supervisory Board**

- 1) Audit & Supervisory Board work towards sustainable growth and medium- to long-term growth in corporate value as a part in the governance of the Company together with the Board of Directors. Also, Audit & Supervisory Board fulfills the roles and responsibilities from an independent and objective standpoint based on the Company's fiduciary and accountability duties to shareholders.
- 2) Audit & Supervisory Board is comprised of a mandated number of fulltime Audit & Supervisory Board members and Audit & Supervisory Board members, the majority of which are outside corporate auditors. We also consider the diversity such as their nationality, gender, or age. Audit & Supervisory Board works to improve audit efficacy by organically utilizing the information gathering capabilities of fulltime Audit & Supervisory Board members and the independence of external Audit and Supervisory Board members. The Audit & Supervisory Board and Audit & Supervisory Board members engage in information exchanges with independent outside directors to strengthen cooperation and enhance the ability of independent outside directors to gather information without any impact on their independence.
- 3) The Audit & Supervisory Board conducts activities in accordance with law, our Articles of Incorporation, as well as in accordance with provisions outlined in the Audit & Supervisory

Board Regulations. In principle, the Board meets once per month.

- 4) The chairperson of the Audit & Supervisory Board outlines the annual Audit & Supervisory Board meeting schedule and major agenda items, and provides this information to the Audit & Supervisory Board members. Each member of the Audit & Supervisory Board strives to attend at least 75% of the meetings.
- 5) As a structure for supporting the Audit & Supervisory Board, we also appoint dedicated staff to the Audit & Supervisory Board. These staff are not subject to instructions or orders from directors or executive officers under the CEO & President.

## **5. Appointment of Accounting Auditor and Cooperation**

### 1) Appointment of Accounting Auditor

Audit & Supervisory Board selects an accounting auditor by choosing a high-quality auditing firm that is independent, has expertise, and possesses a global network capable of providing diverse information. Audit & Supervisory Board also decides appointment proposal to be submitted to the General Meeting of Shareholders.

### 2) Cooperation Between the Accounting Auditor and our Directors Audit & Supervisory Board members and the Audit & Supervisory Board

- a. We ensure a system that enables sufficient exchanges of opinion and other cooperation between the accounting auditor and our directors, Audit & Supervisory Board members, and Internal Audit Department.
- b. Audit & Supervisory Board members hold regular meetings with the accounting auditor to receive timely and necessary audit reports, and to maintain close-knit cooperation with the accounting auditor.
- c. To maintain the appropriateness and reliability of accounting audits, Audit & Supervisory Board members monitor to ensure the accounting auditor maintains a position of fairness and independence, and to monitor and validate that the accounting auditor is conducting audits appropriately as an expert in the field. Audit & Supervisory Board members request explanations from the accounting auditor as necessary to ensure that work is being conducted appropriately.
- d. The Audit & Supervisory Board conducts necessary investigations and response appropriately in the event it receives reports from the accounting auditor concerning a serious incident constituting fraud or a violation of law or the Meiji Articles of Incorporation in relation to business executed by a director.

## **6. Nomination Committee**

- 1) To enable independent outside directors to provide appropriate advice, the Company has established Nomination Committee as an advisory board of Board of Directors.
- 2) Nomination Committee consists of both independent outside directors and internal directors, and independent outside directors make up the majority of members.

- 3) 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.
- 4) Nomination Committee provides the Board of Directors with proposals for the nomination or removal of directors and Audit & Supervisory Board members, 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.

## **7. Compensation Committee**

- 1) To enable independent outside directors to provide appropriate advice, the Company has established the Compensation Committee as an advisory board of Board of Directors.
- 2) Compensation Committee consists of both independent outside directors and internal directors, and independent outside directors make up the majority of members.
- 3) 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.
- 4) 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.

## **8. The Group Strategy Committee**

- 1) The Group Strategy Committee applies basic management policy adopted by the Board of Directors towards determining the direction of core matters such as the Group's overall vision, business plans, business policy, and the allocation of management resources. In principle, the Committee meets once per month.
- 2) The Group Strategy Committee consists of Chief Officers, CEO (Chief Executive Officer), CFO (Chief Financial Officer), CSO (Chief Sustainability Officer), COO (Chief Operating Officer) of the Pharmaceutical Segment, COO (Chief Operating Officer) of the Food Segment and CHRO (Chief Human Resource Officer).

## **9. Executive Committee**

- 1) Executive Committee serves as an advisory body to the CEO & President and deliberates important matters related to business execution based on the basic strategic policy outlined by the Board of Directors. In principle, the Committee meets twice per month.
- 2) Executive Committee is comprised of executive officers.
- 3) A fulltime Audit & Supervisory Board member attends the Group Strategy Committee meetings to provide opinions from the perspective of one responsible for auditing business execution.

## **10. Group Sustainability Committee**

This Committee serves as an advisory body to the Group Strategy Committee, which is chaired by the CEO & President. In principle, this Committee meets twice annually to confirm the progress of activities related to achieving the KPI outlined in the Meiji Group Sustainability Vision 2026, and to outline sustainability activity policy. The Committee also shares the results of activities conducted by various Group companies and reports to the Board of Directors twice a year in principle.

#### **11. Group Human Capital Committee**

This Committee serves as an advisory body to the Group Strategy Committee, which is chaired by the CEO & President. In principle, this Committee meets twice annually. The Committee promotes activities on important themes related to human resources as well as examines and formulates guidelines for the Group's human resources as human capital. The Committee reports to the Board of Directors twice a year in principle.

#### **12. Group Intellectual Property Committee**

This Committee serves as an advisory body to the Group Strategy Committee, which is chaired by the CEO & President. In principle, this Committee meets once annually. The Committee formulates a Group intellectual property strategy and promotes important themes related to intellectual property, an important intangible asset. The Committee reports to the Board of Directors once a year in principle.

#### **13. 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.

### **8. Directors, Audit & Supervisory Board Members and Executive Officers**

#### **1. Role of Directors**

- 1) Directors work towards sustainable growth and medium- to long-term growth in corporate value by executing duties as a member of the Board of Directors while fulfilling the company's fiduciary and accountability duties to shareholders.
- 2) Independent outside directors supervise management by monitoring director nominations and other important decision-making by the Board of Directors.
- 3) Directors supervise conflicts of interest between the Company and directors, Audit & Supervisory Board Members etc.
- 4) Independent outside directors appropriately reflect the opinions of stakeholders, including minority shareholders, in the Board of Directors from a standpoint independent from business execution.

## **2. Role of Audit & Supervisory Board Members**

- 1) Audit & Supervisory Board serves as an independent trustee for our shareholders, and works to gather information necessary to fulfill its duties and audit business execution by the Board of Directors.
- 2) Audit & Supervisory Board members attend Board of Directors' meetings and other important meetings to execute their authority actively and proactively, and to express appropriate opinions to directors, etc. as necessary.
- 3) Audit & Supervisory Board validates information reported by directors, etc., and conducts audits concerning the status of company business and assets. As necessary, the Board takes measures such as issuing advice, warnings, or opinions to directors, executive officers, or employees.

## **3. Policies and Procedures for Nominating Director Candidate**

- 1) Directors select candidates at the Board of Directors after consulting with the Nomination Committee and are appointed at the General Meeting of Shareholders.
- 2) 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, and corporate communications, sustainability.
- 3) We nominate persons who are major executives and are Members of the Board in major operating companies. All such 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.
- 4) We nominate independent outside director candidates 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 directorAll such candidates must meet our independence standards.

- 5) 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.

- 6) 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.

#### **4. Policies and Procedures for Nominating Audit & Supervisory Board Member Candidates**

- 1) 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.
- 2) 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.

- 3) In the event of matters requiring the removal of an Audit & Supervisory Board member, 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.

#### **5. 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. Also, we disclose the information appropriately.

#### **6. Access to Internal Information of Outside Officers**

- 1) We ensure a system that smoothly provide internal information requested by outside directors from directors with executive duties, executive officers and employees. We provide the information directly or through the department in charge.
- 2) Independent outside directors communicate through the Corporate Development Department,

which provides explanations on Board of Directors' meeting agenda as well as relevant information provision.

- 3) 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.
- 4) Outside officers are taken on inspection tours of plants and research laboratories to further their understanding of these matters.

## **7. Communication between Outside Officers**

To improve the efficacy of Board of Directors' meetings, we regularly hold outside executive 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.

## **8. Training Opportunities for Directors, Audit & Supervisory Board Members and Executive Officers**

We regularly conduct necessary training and information provision to ensure directors, Audit & Supervisory Board members, and executive officers can fulfill their roles and responsibilities. Upon appointment, we provide opportunities to increase understanding of the roles and responsibilities of each position, including legal accountability, corporate governance, compliance, and risk management. We also provide opportunities as necessary to gain knowledge concerning Group business operations, structure, and financial status.

## **9. 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.

## **10. Succession Plan**

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.

## **11. Role of Executive Officer, Policies and Procedures for Nominating Executive Officer Candidates**

- 1) Executive officers execute business under the direction and supervision of the Board of Directors and the representative director in accordance with the basic management policy decided by the Board of Directors.
- 2) Executive officers are selected by the Board of Directors after consulting with the Nomination Committee.
- 3) Board of Directors choose candidates considering diversity such as nationality, gender, and age. The candidates are selected for the experience and work history, and their ability to execute optimal Group operations and engage in transparent, fair, rapid, and decisive decision-making.
- 4) Executive officers are reappointed after consulting with the Nomination Committee based on an evaluation of their ability to achieve the Group vision and an assessment of their performance.
- 5) Decisions on the removal of an executive officer are made by the Board of Directors after consulting with the Nomination Committee. Executive officers may be removed when an executive officer commits an act of fraud, an improper act, or a betrayal of trust, when the person is involved in an incident unbecoming an executive officer, when the person's work or results as an executive officer are insufficient, when the Board of Directors deems the person is no longer appropriate as an executive officer, or the person otherwise engages in behavior or conduct unbecoming an executive officer.

## **12. Policy on Compensation for Directors and Executive Officers**

- 1) Basic Policy on Compensation for Directors with Executive Duties and Executive Officers  
Compensation shall be linked to performance and medium- to long-term value, and that value shall be shared with shareholders. The Board of Directors shall make a final decision following deliberation by the Compensation Committee to ensure objectivity and transparency.
- 2) Compensation Composition of directors with executive duties and executive officers
  - a. Base compensation  
A fixed amount that reflects the director's status and responsibilities
  - b. Performance-linked compensation  
An amount that varies according to the company and the director's performance in the preceding fiscal year, and thus provides an incentive over the short term.
  - c. Stock compensation as a medium- to long-term incentive that uses the Meiji ROESG® as a performance indicator. This benchmark is based on actual ROE and the results of ESG initiatives.
    - Base compensation and performance-linked compensation are paid in cash. Stock-based

compensation takes the form of transfer-restricted stocks. The ratio of fixed compensation (base compensation) and fluctuating compensation (performance-linked compensation and stock compensation) is designed so that the higher a person's position in the Company, the higher the ratio of fluctuating compensation.

- Performance-linked compensation reflects a performance evaluation for the current fiscal year as well as a medium- to long-term goal evaluation.
- The calculation of payment amounts for stock performance is based on an objective and fair evaluation of the Group's social value and reflected in compensation in order to ensure that value is shared with shareholders.

- 3) In terms of its role and independence, the Company pays fixed compensation only for outside directors; no incentive remuneration is paid.
- 4) In terms of its role and independence, the Company pays fixed compensation only for Audit & Supervisory Board members; no incentive remuneration is paid. 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.

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## Appendix

### Independence Standards for Independent Officers

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

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.