

## **Calbee's Corporate Governance Code**

### **The Philosophy behind the Establishment of the Calbee Corporate Governance Code**

Calbee, Inc. (hereafter the “Company”) has a vision of itself as a corporate group, "We must earn respect, admiration and love firstly of our customers, suppliers and distributors, secondly of our employees and their families, thirdly of the communities, and finally of our stockholders." This vision reflects a belief that the interests of our shareholders are best served by focusing on our valued customers and business partners. We also believe that building and maintaining favorable relationships with all stakeholders is a key to securing business growth and greater corporate value over the medium and long terms.

In line with this vision, we established the following corporate governance code.

### **Principle 1 Securing the Rights and Equal Treatment of Shareholders**

The Company engages in constructive dialogue with its shareholders in order to enhance its corporate value over the medium to long term, and takes steps to ensure that the rights and equality of all shareholders are substantially secured and exercised.

1. Shareholders' Meeting is considered to be a place to make management decisions for the year and to evaluate the resulting business results and financial position.
  - (1) The meetings are held as much as possible to avoid concentrated days, and are distributed live on the website so that all shareholders can view the content.
  - (2) The notice of the meeting will be sent three weeks prior to the Shareholders' Meeting to allow sufficient time for consideration of the proposals. The notice will also be posted on the Company website four weeks prior to the meeting.
  - (3) The Company is improving the environment for the appropriate exercise of voting rights by enabling the electronic exercise of voting rights on the platform for the electronic exercise of voting rights and the website for the exercise of voting rights operated by the administrator of the shareholder registry.
  - (4) The Company discloses the convocation notice, etc. in English, based on the principle of fair and equal dissemination of information to all shareholders.
  - (5) Proposals that can be delegated to the Board of Directors, such as dividends from surplus and bonuses for directors, will also be referred to the Shareholders' Meeting.
2. The Company intends to return profits to shareholders in a progressive and ongoing manner while improving profitability and strengthening its financial position. We will

emphasize growth in net income and use the profits we earn to reinvest in overseas expansion, new product development and growth products, as well as to return profits to our employees and shareholders.

3. The Company does not intend to introduce anti-takeover measures, because the best anti-takeover measures are to make daily efforts to improve corporate value and to build good relationships with shareholders and investors through IR activities.

## **Principle 2 Appropriate Cooperation with Stakeholders Other Than Shareholders**

Through its business activities, the Company is committed to working with stakeholders in an appropriate manner to contribute to the healthy lives of people by carefully utilizing the blessings of nature and creating deliciousness and enjoyment, which is our corporate philosophy. The Company has also established the Calbee Group Code of Conduct to foster a corporate culture that respects the rights and positions of various stakeholders and ethics in sound business activities by disseminating the President's message based on this for employees.

1. The Company provides accurate information to gain the trust of consumers and offer safe, reliable and high-quality products and services.
2. The Company employees will respect each other, demonstrate their abilities and individuality, and foster a free and vigorous organizational climate.
3. The Company will respect local cultures, customs and traditions and contribute to their development. In addition, as a good corporate citizen, we will engage in social contribution activities to deepen our ties in the areas of the environment (blessings of nature), food (deliciousness and enjoyment), and health (well-being). In order to realize contributions to the community by all employees, we have organized the Social Contribution Committee to promote activities.
4. Among the social issues surrounding the company, such as environmental issues, labor load, and human rights issues, we will define materiality as the issues that are important for the Company Group to continue its business activities in the future, and set priority themes to address.
5. We believe that diversity is the engine of growth, and we will promote diversity and inclusion activities that respect human rights and diverse backgrounds and provide equal opportunities for advancement.

## **Principle 3 Ensuring Appropriate Information Disclosure and Transparency**

The Company discloses information in accordance with laws, regulations, rules, and IR policies in order to be a company that is properly understood, valued, and trusted by all stakeholders. The Company proactively and continuously discloses information that may affect investment decisions, even if it is not required by law or regulation.

### **1. Non-Financial Information**

The following items will be disclosed on the Company website and in the Integrated Report, etc., with consideration given to making the information easy to understand and useful for readers.

- (1) Management Philosophy and Strategy
- (2) Basic concept and basic policy of corporate governance
- (3) Efforts to address materiality to ensure the continuation of business activities into the future

#### **① Identification / review process**

Website: <https://www.calbee.co.jp/sustainability/en/materiality/identification.php>

#### **② Materiality, Priority Themes and Major Measures**

Website: <https://www.calbee.co.jp/sustainability/en/materiality.php>

Integrated Report: <https://www.calbee.co.jp/en/ir/library/report/>

### **2. Financial information**

Disclose financial information that has been appropriately audited by an external accounting auditor with independence and expertise. The selection and evaluation of candidates for external accounting auditors shall be conducted by the Board of Corporate Auditors in accordance with standards established by the Board of Corporate Auditors.

## **Principle 4 Responsibilities of the Board**

The Company's Board of Directors promotes continuous growth and enhancement of corporate value, monitors and supervises the execution of Directors' duties, ensures a disciplined management system, and fulfills fiduciary responsibility and accountability to shareholders. In addition to the Board of Directors, the Board of Corporate Auditors was established, and each Corporate Auditor audits the Directors' performance of their duties. The Board of Corporate Auditors, which is highly independent, collaborates with the Accounting Auditor to make the auditing system stronger and more effective.

1. Roles and responsibilities of the Board of Directors.

The Board of Directors believes that it has a role to play in creating new value (innovation) by making decisions from an independent standpoint and from a broad perspective. The Board of Directors formulates and decides on important management policies and strategies and supervises the execution of business operations from an objective and longterm perspective.

2. The Board of Directors member composition

The Board of Directors shall be composed of at least half independent directors. In addition, we will actively promote diversity in the Board of Directors by having members with different professional backgrounds, genders, nationalities, and ages.

3. Clear separation of business execution and supervision

In order to ensure transparency of management and separation of business execution and supervision, we have introduced the Executive Officers system, which is based on the authority delegated by the Board of Directors. The Executive Committee, which consists of Directors and Executive Officers, reviews the status of business execution and issues, and deliberates on important matters. Based on the concept of "Commitment & Accountability," the Executive Officers commit to the Board of Directors, and the Board of Directors commits to the shareholders to achieve the goals and is accountable for the results. The Board of Directors manages the process of achieving the goals.

4. Roles and Responsibilities of the Board of Corporate Auditors

The primary role of the Board of Corporate Auditors is to act as a check and balance at the appropriate time when management makes business decisions that may damage corporate value.

5. Composition of the Board of Corporate Auditors

The Board of Corporate Auditors consists of more than half of outside corporate auditors, and each corporate auditor is recommended by the Board of Directors with the consent of the Board of Corporate Auditors as a candidate who has professional knowledge and experience in finance, accounting, law, etc., and who can respond with a strong will to the entrustment of shareholders.

6. Audits by Corporate Auditors

We will conduct audits not only from the perspective of illegality but also from the perspective of appropriateness. We will establish a system that enables us to exercise our audit function even in cases that are not brought up to the Board of Directors through audit procedures such as information collection from full-time auditors and hearings.

#### 7. Establishment of Nomination Committee and Compensation Committee

The Nomination Committee and the Compensation Committee, which are voluntary advisory committees consisting of the Chairman as an Outside Director and more than half of the Outside Directors, have been established to discuss the nomination of candidates for Directors, including succession planning, and the compensation of management from an objective standpoint. The Nomination Committee and Remuneration Committee discusses the nomination of director candidates and management compensation, including succession planning, from an objective standpoint.

#### 8. Assurance of effectiveness

To ensure the effective functioning of this governance system management ensures the mental and financial independence of Outside Directors and Outside Auditors.

### **Principle 5 Dialogue with Shareholders**

The Company believes that there is value in dialogue itself with shareholders and investors who take a medium- to long-term perspective and appropriately fulfill their fiduciary responsibilities. Accordingly, it is the Company's policy to proactively engage in dialogue with shareholders and investors to the extent reasonably possible.

1. We respect the intent of the Fair Disclosure Rules and have established internal rules to prevent insider trading and racketeering as well as other laws and regulations. In addition, we have established an IR policy, "IR Information Disclosure Policy," which is based on compliance with laws and regulations, transparency, timeliness, and fairness, and we will actively disclose information.
2. In addition to individual interviews, we hold briefings on financial information and management strategies.
3. We explain in an easy-to-understand manner the strategies for achieving the targeted management indicators.
4. The opinions and concerns of the Company's shareholders and investors that the Company has identified through dialogue are regularly reported to the Board of Directors by the Investor Relations Department and are appropriately addressed.