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HOKUTO CORPORATION

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Securities code: 1379

<https://www.hokto-kinoko.co.jp/>(in Japanese only)

The corporate governance of HOKUTO CORPORATION (the “Company”) is described below.

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

1. Basic Views

The Company considers the establishment of a transparent and fair corporate governance framework, along with proactive corporate disclosure, to be one of its most important management priorities.

We recognize that enhancing the transparency, fairness, and efficiency of management is essential to meeting the expectations of our shareholders and other stakeholders, and contributes to increasing corporate value.

We believe that establishing strong corporate governance leads to greater transparency, ensures fairness, and enables faster decision-making, thereby enhancing management oversight, promoting compliance, and facilitating effective responses to various issues.

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

The Company has implemented all the principles of the Corporate Governance Code.

Disclosure Based on each Principle of the Corporate Governance Code

[Principle 1-4]

The Company maintains a basic policy of cross-shareholdings when such investments are deemed to contribute to the sustainable enhancement of the HOKUTO Group’s corporate value through the maintenance and strengthening of business, research, and financial relationships.

The Company’s Board of Directors comprehensively considers factors such as the strategic importance and business relationships with counterparties, and maintains shares that are deemed necessary for policy reasons.

Furthermore, the exercise of voting rights is conducted on a case-by-case basis, with comprehensive consideration given to whether each proposal aligns with the Company’s shareholding policy and whether it is expected to contribute to the sustainable growth of the issuing company.

[Principle 1-7]

The Company requires that transactions between related parties be deliberated and approved by the Board of Directors in

accordance with the Board of Directors Regulations. Additionally, the Audit and Supervisory Board monitors and verifies these transactions based on the Audit and Supervisory Board Standards. Furthermore, the existence and specifics of such transactions are verified annually through questionnaires on related party transactions, submitted by officers of the Company and its subsidiaries. Transaction terms are disclosed in the Notice of the General Meeting of Shareholders and in the Securities Report (in Japanese only).

[Supplementary Principle 2-4-1]

The Company believes that respecting the diversity of each employee and maximizing their abilities are indispensable to achieving sustainable enhancement of corporate value. In particular, we recognize that incorporating diverse perspectives—including gender, nationality, age, career background, expertise, and work styles—strengthens our ability to create new innovations and respond effectively to changing markets.

Currently, there are no women in managerial positions, and we recognize that promoting the active participation of women is an urgent and top-priority issue for achieving sustainable growth. With a strong commitment to fully leveraging women's perspectives and abilities in management as essential for driving innovation and revitalizing the organization, we aim to appoint at least one female manager as an initial target. To this end, we will strive to create an environment that supports women's career development by removing gender-based barriers and enabling initiatives unique to women. Additionally, we will develop a roadmap for promoting women's advancement, focusing on expanding career support and development programs, systematically selecting and nurturing managerial candidates, and improving workplace culture.

Currently, the number of foreign employees is extremely low, making it difficult to set specific targets for appointing foreign nationals to managerial positions. Among the mid-career hires in fiscal 2024, three individuals have already been promoted to managerial positions. However, since promotions to managerial positions are based on a comprehensive assessment of individual expertise and leadership, and are also influenced by changes in the business environment and talent strategy, we prioritize optimal placement that considers each person's suitability alongside the business environment and strategy, rather than setting uniform numerical targets.

[Principle 2-6]

Regarding the management of the Company's defined benefit pension plan, we continuously review the strategic asset allocation, recognizing that the management of pension fund assets affects not only the stable asset formation of employees but may also impact the Company's financial condition.

We also regularly receive reports and proposals from the asset management trustees to ensure sound pension plan administration. To appropriately monitor the performance and other activities of these external institutions, the operations are handled by a department with expertise in corporate pension fund management.

[Principle 3-1 (1)]

The Company formulates a medium-term management plan to promote sustainable growth and enhance corporate value over the medium to long term.

The medium-term management plan sets target management indicators, and we strive to ensure understanding of the initiatives for achieving these targets by preparing supplementary materials, posting them on our website, and holding briefings for analysts.

[Principle 3-1 (2)]

The Company discloses its basic approach to corporate governance in the Securities Report under “4. Corporate Governance System, etc.” and in the Corporate Governance Report. Our basic corporate governance policy is formulated in accordance with the principles set forth in the Corporate Governance Code established by the Tokyo Stock Exchange.

[Principle 3-1 (3)]

The compensation of directors other than outside directors consists of: (1) basic remuneration; (2) performance-linked stock-based compensation, under which Company shares are granted based on the achievement of performance targets; and (3) fixed stock-based compensation, under which a set number of Company shares are granted based on position, regardless of performance. Compensation for outside directors consists of basic remuneration and fixed stock-based compensation. The purpose of the stock-based compensation is to align directors’ interests with those of shareholders from a medium- to long-term perspective, and to incentivize management that is conscious of the Company’s medium- to long-term performance and stock price. With regard to the performance-linked portion, the level of achievement of single-year numerical targets and the Company’s performance are reviewed by the Compensation Advisory Committee, which determines the amount accordingly.

[Principle 3-1 (4)]

The Company selects and nominates director candidates who can contribute to sustainable growth and medium- to long-term corporate value enhancement, prioritizing those with extensive experience, strong insight, and advanced expertise. We select and nominate Audit and Supervisory Board candidates who have expertise in finance and accounting, a solid understanding of the Company’s business areas, and the ability to conduct audits from an objective standpoint. In addition, we select and nominate outside director candidates who meet the independence criteria set by the Tokyo Stock Exchange and have the ability to appropriately express opinions to, guide, and oversee management. The Articles of Incorporation stipulate that the number of directors shall not exceed 15 and the number of Audit and Supervisory Board members shall not exceed four. Dismissal decisions are deliberated and made by the Board of Directors based on the achievement of annual numerical targets and individual contributions.

[Principle 3-1 (5)]

The Company discloses the selection and nomination of directors and auditors by including individual profiles in the Notice of the General Meeting of Shareholders and in the Securities Report. Reasons for the selection and nomination of outside directors and outside auditors are disclosed in the Notice of the General Meeting of Shareholders, Securities Report, and Corporate Governance Report. Reasons for dismissal are disclosed in the reference materials for the General Meeting of Shareholders.

[Supplementary Principle 3-1-3]

The Company recognizes that sustainability initiatives are important issues for its business. To realize our vision of “creating a bright, happy future,” we recognize that achieving the Sustainable Development Goals (SDGs) is essential, and through the initiatives set forth in our medium-term management plan, the HOKUTO Group is fully committed to this effort. At the core of these activities is the Risk Management Committee, which works in coordination with the Board of Directors to advance the

establishment of a governance framework.

Details of the Company's various initiatives are disclosed on our website (in Japanese only).

SDGs initiatives: <https://www.hokto-kinoko.co.jp/corporate/ir/sdgs/>

Environmental initiatives: <https://www.hokto-kinoko.co.jp/corporate/csr/kankyou/>

Diversity initiatives: <https://www.hokto-kinoko.co.jp/diversity/>

[Supplementary Principle 4-1-1]

The Company has established the Board of Directors Regulations to clearly define the matters to be deliberated and decided by the Board. We have introduced an executive officer system to clearly separate business execution and supervisory functions. The scope of these functions is clearly defined in the Board of Directors Regulations, organizational rules, and rules on division of duties. Each executive officer manages operations based on the approval authority granted according to their respective responsibilities. Additionally, a weekly meeting of full-time directors, full-time Audit and Supervisory Board members, and executive officers is held, where the responsible directors and executive officers report on the status of business execution, facilitating cross-functional communication and coordination.

[Principle 4-9]

The Company's Board of Directors regards the absence of personal relationships with the Company, transactional relationships involving its officers, capital relationships, and any conflicts of interest with general shareholders as the standards or policy for determining independence, based on the Companies Act and the criteria set forth by the Tokyo Stock Exchange. The current outside directors meet the above criteria and are considered to be independent.

[Supplementary Principle 4-10-1]

The Company has established a Compensation Advisory Committee under the Board of Directors to strengthen the independence, objectivity, and accountability of the Board's functions related to the remuneration of executive management and directors. To ensure objectivity and transparency, the committee is composed of the Representative Director and President, three outside directors, and a full-time Audit and Supervisory Board member, receiving appropriate advice and proposals from a majority of independent outside directors.

[Supplementary Principle 4-11-1]

The Company's Board of Directors consists of eight members: five directors including the representative director, and three outside directors. Each director possesses specialized knowledge and extensive experience in areas such as management, finance, legal affairs, the food industry, marketing, systems, and logistics. We recognize that the Board is composed with a balance of diversity and appropriate size to effectively fulfill its roles and responsibilities.

Additionally, the Board of Directors is attended by four Audit and Supervisory Board members: one full-time member and three outside members. Each Audit and Supervisory Board member possesses broad insight gained from experience in management at financial institutions and business corporations, as well as experience as executives both domestically and internationally, and holds appropriate expertise in finance and accounting.

This report also includes a skill matrix summarizing the knowledge, experience, and capabilities of each director and auditor.

[Supplementary Principle 4-11-2]

The Company has established internal rules requiring approval by the Board of Directors when directors or Audit and Supervisory Board members, excluding outside officers, concurrently serve as officers of other companies. Currently, none of the directors or Audit and Supervisory Board members concurrently serve as officers of other listed companies, allowing them to fully focus on their duties. The status of officers holding concurrent positions is disclosed in the Notice of the General Meeting of Shareholders and the Securities Report.

[Supplementary Principle 4-11-3]

To enhance the effectiveness of the Board of Directors, outside directors and outside Audit and Supervisory Board members analyze and provide feedback on the overall effectiveness of the Board to individual directors as needed. In 2021, to ensure candid feedback and objective analysis, we commissioned an external organization to collect and tabulate questionnaire responses and evaluate the Board's effectiveness. Based on the average evaluation of all questionnaire items, we recognize that the Board of Directors is generally functioning effectively. The Board receives reports on the activities of each director and executive officer, enabling active deliberations. It also engages in vigorous discussions on governance matters and key management issues, including the introduction of the executive officer system, organizational reforms, and revisions to the medium-term management plan.

We will continue to regularly analyze and evaluate the effectiveness of the Board of Directors, engage in discussions from various perspectives, and strive for further enhancement and continuous improvement of the Board's effectiveness.

[Supplementary Principle 4-14-2]

The Company provides training by external instructors to directors and Audit and Supervisory Board members, and continuously offers opportunities to participate in seminars and other events. In addition, to help outside directors and outside Audit and Supervisory Board members understand the Company's production and sales sites—including those overseas—we arrange visits to factories and sales offices. Their on-site insights enable us to receive informed proposals and feedback.

[Principle 5-1]

The Company recognizes the importance of actively engaging in dialogue with a wide range of stakeholders to contribute to sustainable growth and the enhancement of corporate value over the medium to long term, reflecting their opinions and requests in management to drive the Company's growth. To this end, under the leadership of the Head of Finance Headquarters, we have established a dedicated Public and Investor Relations to gather feedback from a wide range of stakeholders. Additionally, we arrange interviews with executive management, outside directors, and Audit and Supervisory Board members as necessary. Public and Investor Relations works in close coordination with internal departments such as corporate planning, sales planning, general affairs, and accounting to ensure that information disclosure—beyond just statutory disclosures—is conducted promptly, accurately, and fairly, providing the information necessary for investment decisions.

Regarding dialogue with shareholders and investors, we hold financial results briefings for analysts and institutional investors twice a year, where the president personally communicates the current situation and strategies. For individual investors, we post

our financial results briefing materials twice a year (interim and fiscal year-end) on the logmi Finance page, a platform provided by logmi, Inc. that distributes investor briefing materials.

Additionally, Public and Investor Relations holds quarterly online IR meetings with institutional investors, actively accommodates telephone interviews and factory tours, and has established a customer service center to promote proactive dialogue with a wide range of stakeholders.

Furthermore, the Company manages undisclosed material internal information (insider information) in accordance with its internal regulations on the management of insider information and insider trading, thereby ensuring strict information control.

[Initiatives to Realize Management Conscious of the Cost of Capital and Stock Price]

The Company has disclosed target values for the price-to-book (P/B) ratio and return on invested capital (ROIC) in its medium-term management plan through the fiscal year ending March 31, 2029, aiming to achieve sustainable growth and steady enhancement of corporate value.

In addition to pursuing the Group-wide improvements in profitability through top-line growth and cost optimization, we will further enhance dialogue with institutional and individual investors through financial results briefings and individual IR meetings. These efforts aim to communicate our progress in managing with a focus on the cost of capital and stock price, thereby contributing to the enhancement of corporate value.

(Medium-term management plan: https://ssl4.eir-parts.net/doc/1379/ir_material3/251244/00.pdf)

2. Capital Structure

Foreign Shareholding Ratio	Less than 10%
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Status of Major Shareholders

Name or Company Name	Number of Shares Owned	Percentage (%)
HOKUTO MFG. CO., LTD.	5,960,000	18.73
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,170,400	9.97
THE HACHIJUNI BANK, LTD. (Standing proxy: The Master Trust Bank of Japan, Ltd.)	1,575,951	4.95
Mizuno Museum of Art	1,500,000	4.71
Custody Bank of Japan, Ltd. (Trust Account)	927,500	2.92
Hokuto Employee Shareholding Association	666,370	2.09
Masayoshi Mizuno	599,072	1.88
KISSEI PHARMACEUTICAL CO., LTD.	499,700	1.57
The Master Trust Bank of Japan, Ltd. (Employee Stock Ownership Plan (ESOP) Trust Account – 80,122 units)	472,200	1.48
MIKI & CO., LTD.	443,198	1.39

Name of Controlling Shareholder, if applicable
(excluding Parent Companies)

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Name of Parent Company, if applicable

Not applicable

Supplementary Explanation

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Tokyo Stock Exchange Prime Market
Fiscal Year-End	March
Business Sector	Fisheries, agriculture, and forestry
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	Over 1,000
Net Sales (Consolidated) for the Previous Fiscal Year	¥10 billion or more, less than ¥100 billion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	Less than 10

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

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

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

1. Organizational Composition and Operation

Corporate Governance System	Company with an audit and supervisory board
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*Referred to as "Company with *Kansayaku* Board" in the Corporate Governance Code reference translation

Directors

Number of Directors Stipulated in Articles of Incorporation	15
Directors' Term of Office Stipulated in Articles of Incorporation	Two years
Chairperson of the Board	President
Number of Directors	8
Election of Outside Directors	Appointed
Number of Outside Directors	3
Number of Independent Directors	3

Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Haruo Kitamura	Attorney											
Takako Kotake	Experienced professional outside the Company											
Jun Ikeda	Experienced professional outside the Company											

*Categories for "Relationship with the Company"

(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

- Person who executes business for the Company or its subsidiary
- Person who executes business for or a non-executive director of the Company's parent company
- Person who executes business for a fellow subsidiary
- Person/entity for which the Company is a major client or a person who executes business for said person/entity
- Major client of the Company or a person who executes business for said client
- Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/Audit and Supervisory Board Member
- Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
- Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to director him/herself only)
- Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to director him/herself only)
- Person who executes business for an entity receiving donations from the Company (applies to director him/herself only)
- Other

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Haruo Kitamura	○	None.	Haruo Kitamura was appointed as an outside director due to his extensive knowledge and experience as an attorney. He was designated as an independent officer because he meets the independence criteria set forth in the Securities Listing Regulations, having no potential conflicts of interest with general shareholders, and it was determined that he can fulfill his duties effectively by leveraging his broad expertise.
Takako Kotake	○	None.	Takako Kotake was appointed as an outside director due to her extensive experience and achievements as an executive officer at a previous company specializing in food and culinary business, and because she is expected to provide valuable insights on company management from her perspective as a female director. He was designated as an independent officer because he meets the independence criteria set forth in the Securities Listing Regulations, having no potential conflicts of interest with general shareholders, and it was determined that he can fulfill his duties effectively by leveraging his broad expertise.
Jun Ikeda	○	None.	Jun Ikeda was appointed as an outside director because of his extensive experience and expertise in organizational development, diversity promotion, and workstyle reform within the organizational and human resources fields, and it is expected that he will demonstrate strong leadership in these areas. He was designated as an independent officer because he meets the independence criteria set forth in the Securities Listing Regulations, having no potential conflicts of interest with general shareholders, and it was determined that he can fulfill his duties effectively by leveraging his broad expertise.

Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee	Yes
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Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chairperson

	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee								
Voluntarily Established Committee Equivalent to Remuneration Committee	Compensation Advisory Committee	5	0	1	3	0	1	Inside directors

Supplementary Explanation

The Company has established a Compensation Advisory Committee, composed of a majority of independent outside officers, to ensure objectivity and transparency in the procedures for determining the amount or calculation method of directors' compensation, etc.

Audit and Supervisory Board Member*

*Referred to as "*kansayaku*" in Corporate Governance Code reference translation

Establishment of Audit and Supervisory Board	Established
Number of Audit and Supervisory Board Members Stipulated in Articles of Incorporation	4
Number of Audit and Supervisory Board Members	4

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

Audits by outside Audit and Supervisory Board members and audits by other members of that Board, along with internal audits and accounting audits, are coordinated through participation in important internal meetings, including the Board of Directors, as needed. Moreover, audit plans are formulated to provide regular opportunities for wide-ranging exchanges of opinions from department personnel to each director and the president, with the aim of enhancing transparency in decision-making and business execution processes. In addition to regular meetings of the Audit and Supervisory Board, additional meetings are held as needed. These include sessions with the accounting auditors, where reports are presented, explanations given, and opinions exchanged to facilitate effective communication. Outside Audit and Supervisory Board members not only fulfill their auditing functions but also fully perform the role of objectively and appropriately monitoring and supervising management by leveraging their extensive

expertise in areas such as accounting, finance, and business administration. Outside Audit and Supervisory Board members are appointed after careful consideration of their ability to fulfill these roles.

Appointment of Outside Audit and Supervisory Board Members	Appointed
Number of Outside Audit and Supervisory Board Members	3
Number of Independent Audit and Supervisory Board Members	3

Outside Audit and Supervisory Board Members' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Minoru Ikezawa	Experienced professional outside the Company							△						
Kenichi Takehana	Experienced professional outside the Company							△		△				
Koji Tsuchiya	Experienced professional outside the Company							△						

*Categories for "Relationship with the Company"

(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

- Person who executes business for the Company or its subsidiary
- A non-executive director or an accounting advisor of the Company or its subsidiaries
- Person who executes business for or a non-executive director of the Company's parent company
- An Audit and Supervisory Board Member of a parent company of the Company
- Person who executes business for a fellow subsidiary
- Person/entity for which the Company is a major client or a person who executes business for said person/entity
- Major client of the Company or a person who executes business for said client
- Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/ Audit and Supervisory Board Member
- Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
- Person who executes business for a client of the Company (excluding persons categorized as any of f, g, or h above) (applies to the auditor him/herself only)
- Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to the director/auditor him/herself only)
- Person who executes business for an entity receiving donations from the Company (applies to the person him/herself only)
- Other

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

Name	Designation as Independent Audit and Supervisory Board Member	Supplementary Explanation of the Relationship	Reasons for Appointment
Minoru Ikezawa	○	Minoru Ikezawa is from VOX TRADING CO., LTD., one of our suppliers. As of March 31, 2025, transactions with VOX TRADING CO., LTD. amounted to ¥4.4 billion in purchases.	Minoru Ikezawa was appointed as an outside Audit and Supervisory Board member due to his extensive experience and achievements in corporate management, as well as his broad insight both in Japan and overseas. He was designated as an independent officer because he has no involvement in transactions between the Company and his affiliated company, thereby meeting the independence criteria defined in the Securities Listing Regulations and having no risk of conflicts of interest with general shareholders. It was determined that he can fulfill his duties effectively by leveraging his broad expertise.
Kenichi Takehana	○	Kenichi Takehana is from THE HACHIJUNI BANK, LTD., one of the banks the Company uses. As of March 31, 2025, transactions with THE HACHIJUNI BANK amounted to ¥70 million in time deposits and ¥10.36 billion in borrowings.	Having been involved in management at a bank and securities firm for many years, he was appointed as an outside Audit and Supervisory Board member due to his extensive experience and knowledge in finance. He was designated as an independent officer because he has no involvement in transactions between the Company and his affiliated company, thereby meeting the independence criteria defined in the Securities Listing Regulations and having no risk of conflicts of interest with general shareholders. It was determined that he can fulfill his duties effectively by leveraging his broad expertise.
Koji Tsuchiya	○	Koji Tsuchiya is from THE NAGANO-KEN SHINKUMI BANK, one of the banks the Company uses. As of March 31, 2025, transactions with said bank	Having been involved in management at financial institutions for many years, and possessing extensive experience and expertise in finance and international operations, he

		include ¥520 million in time deposits.	was appointed as an outside Audit and Supervisory Board member. He was designated as an independent officer because he has no involvement in transactions between the Company and his affiliated company, thereby meeting the independence criteria defined in the Securities Listing Regulations and having no risk of conflicts of interest with general shareholders. It was determined that he can fulfill his duties effectively by leveraging his broad expertise.
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Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members

Number of Independent Directors and Independent Audit and Supervisory Board Members	6
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Other Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members

All outside directors and outside Audit and Supervisory Board members who meet the qualifications are designated as independent officers.

Incentives

Implementation Status of Measures related to Incentives Granted to Directors	Introduction of performance-linked compensation system
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Supplementary Explanation for Applicable Items

The compensation of directors other than outside directors consists of: (1) basic remuneration; (2) performance-linked stock-based compensation, under which Company shares are granted based on the achievement of performance targets; and (3) fixed stock-based compensation, under which a set number of Company shares are granted based on position, regardless of performance. Compensation for outside directors consists of basic remuneration and fixed stock-based compensation. Stock-based compensation is intended to align directors' interests with those of shareholders from a medium- to long-term perspective, and to incentivize management that is conscious of the Company's medium- to long-term performance and stock price. With respect to the performance-linked portion, points are granted based on the achievement levels of the performance indicators: consolidated operating margin and consolidated profit attributable to owners of parent.

Persons Eligible for Stock Options	—
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Supplementary Explanation for Applicable Items

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Director Remuneration

Status of Disclosure of Individual Director's Remuneration	Individual remuneration is not disclosed.
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Supplementary Explanation for Applicable Items

The total amount of remuneration paid to directors in the most recent fiscal year was ¥134 million.

At the 56th Annual General Meeting of Shareholders held on June 21, 2019, a resolution was passed to newly introduce a stock-based compensation system for directors—separate from the existing annual remuneration limit for directors of up to ¥300 million (excluding salaries for employees with concurrent roles), which was approved at the 46th Annual General Meeting of Shareholders held on June 26, 2009. The purpose of this system is to align directors' interests with those of shareholders from a medium- to long-term perspective, and to incentivize management that is conscious of the Company's medium- to long-term performance and stock price. This system applies to directors (with the number of directors stipulated in the Articles of Incorporation capped at 15, and eight directors in office as of the date of submission of the Securities Report) and consists of fixed stock-based compensation not linked to performance and performance-linked stock-based compensation. With respect to the performance-linked portion, points are granted based on the achievement levels of the performance indicators: consolidated operating margin and consolidated profit attributable to owners of parent. The reason these indicators were selected is that the HOKUTO Group prioritizes stable growth in both revenue and profit, with a strong management focus on securing higher profitability.

The level of compensation is set at a competitive standard to attract and retain talented management personnel, based on surveys by external specialist organizations and comparisons with peer companies and companies of similar size. The ratio between fixed compensation and performance-linked compensation is determined accordingly. The performance-linked compensation (points) is determined within a range of 0% to 150% based on the achievement levels of the two indicators mentioned above.

For the current fiscal year, the target performance indicators were an operating profit/net sales ratio of 4.1% and consolidated profit attributable to owners of parent of ¥2,440 million. Actual results were an operating profit/net sales ratio of 8.0% and consolidated profit attributable to owners of parent of ¥4,441 million.

Outside directors receive only fixed stock-based compensation, which is not linked to performance. Regarding the process for determining the amount of directors' compensation for the current fiscal year, the Compensation Advisory Committee held a meeting in June 2024 to discuss the fixed compensation for directors. The amount was then decided by Masayoshi Mizuno, President and Representative Director, who was delegated this authority by the Board of Directors.

Policy on Determining Remuneration Amounts and Calculation Methods	Yes
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The total remuneration for all directors and Audit and Supervisory Board members is set within the limits approved by the General Meeting of Shareholders. Individual directors' remuneration amounts are decided by Masayoshi Mizuno, President and Representative Director, who is delegated this authority by the Board of Directors following deliberation by the Compensation Advisory Committee. Remuneration for Audit and Supervisory Board members is determined through their own discussions.

The remuneration for directors consists of basic fixed remuneration and stock-based compensation (comprising performance-linked stock compensation and fixed stock compensation). Taking into comprehensive consideration factors such as assigned duties, annual performance, and contribution, the amounts are determined by Masayoshi Mizuno, President and Representative Director, who is delegated this authority by the Board of Directors following deliberations by the Compensation Advisory Committee, which is composed of five members: the President and Representative Director, three outside directors, and one full-time Audit and Supervisory Board member.

The remuneration limit for directors was set at up to ¥300 million per year (excluding salaries for employees with concurrent roles, with the number of directors stipulated in the Articles of Incorporation capped at 15, and eight directors in office as of the date of submission the Securities Report) at the 46th Annual General Meeting of Shareholders held on June 26, 2009. The remuneration limit for Audit and Supervisory Board members was set at up to ¥50 million per year at the 54th Annual General Meeting of Shareholders held on June 23, 2017. The Articles of Incorporation stipulate that the number of Audit and Supervisory Board members shall be up to four, and as of the date of submission of the Securities Report, there are four members.

A resolution was passed to newly introduce a stock-based compensation system for directors—separate from the existing annual remuneration limit for directors of up to ¥300 million (excluding salaries for employees with concurrent roles)—with the aim of aligning directors' interests with those of shareholders from a medium- to long-term perspective and incentivizing management that is conscious of the company's medium- to long-term performance and stock price. This system applies to directors (with the number of directors stipulated in the Articles of Incorporation capped at 15, and eight directors in office as of the date of submission of the Securities Report) and consists of fixed stock-based compensation not linked to performance and performance-linked stock-based compensation. With respect to the performance-linked portion, points are granted based on the achievement levels of the performance indicators: consolidated operating margin and consolidated profit attributable to owners of parent. The reason these indicators were selected is that the HOKUTO Group prioritizes stable growth in both revenue and profit, with a strong management focus on securing higher profitability. One point is equivalent to one share of the Company's common stock upon conversion. Additionally, for each applicable period of three fiscal years, funds up to a maximum of ¥230 million are allocated as remuneration for the Company's directors, and a trust with a three-year trust period is established. Upon expiration of the trust period, the trust may be continued by amending the trust agreement and adding new trust funds instead of establishing a new trust. The total number of points granted to directors per fiscal year is capped at 49,000 points. The level of compensation is set at a competitive standard to attract and retain talented management personnel, based on surveys by external specialist organizations and comparisons with peer companies and companies of similar size. The ratio between fixed compensation and performance-linked compensation is determined accordingly. Based on the achievement levels of the two aforementioned indicators, performance-linked compensation (points) is determined within a range of 0% to 150%.

The total remuneration by officer category for the current fiscal year was ¥96 million for directors (excluding outside directors; all fixed compensation), ¥32 million for Audit and Supervisory Board members (all fixed compensation), and ¥24 million for outside directors (all fixed compensation).

Support System for Outside Directors (and/or Outside Audit and Supervisory Board Members)

For outside directors, detailed information is regularly communicated by internal directors to facilitate smooth operations and ensure effective communication. For outside Audit and Supervisory Board members, the Audit Department periodically provides information and, when necessary, holds meetings with them in addition to the regular Audit and Supervisory Board meetings.

2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System)

The Board of Directors consists of a small group of eight members to enable swift management decisions and rapid response to changes in the economic environment.

All basic policies, matters stipulated by law, and other important issues are submitted to and discussed by the Board. Among these directors, three are outside directors who do not hold authority for business execution, establishing a system where they can provide fair and impartial opinions on decision-making and business execution. In addition, at weekly meetings of full-time officers, directors in charge and executive officers report on the status of business execution, thereby promoting cross-functional communication and alignment.

Regarding certified public accountants and legal advisors, the Company has an audit contract with Ernst & Young ShinNihon LLC, which conducts audits under the Companies Act and the Financial Instruments and Exchange Act from an objective and impartial standpoint. The Company also has advisory contracts with multiple law firms, receiving legal advice as needed to ensure strict compliance with laws and regulations and to support the appropriate legal execution of management.

The Company adopts the structure of a company with an Audit and Supervisory Board, whose members strictly monitor the execution of duties by the directors. They attend important meetings, including the Board of Directors, review documents, conduct investigations, and, when necessary, request business reports from directors of subsidiaries, thereby monitoring the execution of directors' duties across all operations.

The Company's risk management system is centered on the Risk Management Committee. It establishes risk management regulations (general rules) based on the identification and analysis of internal risks, reviews and enforces existing regulations, and conducts training and education. The system aims to prevent accidents, disasters, and misconduct. The Audit Department carries out audits to minimize the Company's losses.

The Company has established an Audit Department directly under the president, staffed with six members, which regularly conducts internal audits to ensure proper business operations. The findings, including issues, recommendations, and improvement measures identified through internal audits are reported directly to the president and simultaneously communicated to other directors and Audit and Supervisory Board members. To implement these recommendations and improvements, close coordination is maintained, including holding meetings with Audit and Supervisory Board members. The results of these audits are promptly communicated to the Accounting, General Affairs, and Personnel departments, as well as other relevant departments responsible for internal controls, where they are reviewed and improvements are made to enhance the internal control system. The results of these internal audits are regularly shared and discussed with the accounting auditors and the Audit and Supervisory Board, providing opportunities to review the status of the internal control system. The Company's Audit and Supervisory Board is composed of four members, including three outside Audit and Supervisory Board members, ensuring transparency and fulfilling monitoring and auditing functions over management. The Audit and Supervisory Board regularly receives reports and explanations from the accounting auditors and engages in exchanges of opinions to ensure smooth communication. Full-time Audit and Supervisory Board member Yoshio Kanda has extensive experience and insight gained from his roles in financial institutions, including duties related to personnel and auditing, as well as management experience in both financial institutions and business corporations. Regarding the part-time Audit and Supervisory Board members, Minoru Ikezawa possesses extensive knowledge from his experience as a business executive both in Japan and abroad and is well-versed in auditing duties. Kenichi Takehana has broad insight gained from his management experience in financial institutions and securities companies. Koji

Tsuchiya has rich expertise based on his experience in management and international operations at financial institutions.

Audits by outside Audit and Supervisory Board members and audits by other members of that Board, along with internal audits and accounting audits, are coordinated through participation in important internal meetings, including the Board of Directors, as needed. Moreover, audit plans are formulated to provide regular opportunities for wide-ranging exchanges of opinions from department personnel to each director and the president, with the aim of enhancing transparency in decision-making and business execution processes. In addition to regular meetings of the Audit and Supervisory Board, additional meetings are held as needed. These include sessions with the accounting auditors, where reports are presented, explanations given, and opinions exchanged to facilitate effective communication. Outside Audit and Supervisory Board members not only fulfill their auditing functions but also fully perform the role of objectively and appropriately monitoring and supervising management by leveraging their extensive expertise in areas such as accounting, finance, and business administration. Outside Audit and Supervisory Board members are appointed after careful consideration of their ability to fulfill these roles.

The Internal Audit Department not only regularly communicates information but also supports the Audit and Supervisory Board members, thereby working to strengthen their functions. It continuously consolidates and reports the results of internal audits related to internal controls conducted on the Accounting, General Affairs, and Personnel departments, as well as other relevant departments, along with any improvement measures proposed by those departments.

3. Reasons for Adoption of Current Corporate Governance System

Each director, excluding outside directors, holds authority over business execution, which serves to clarify management responsibilities and accelerate decision-making and execution. These business operations are monitored and supervised by the Board of Directors and the Audit and Supervisory Board. In addition, at weekly meetings of full-time officers, directors in charge and executive officers report on the status of business execution, thereby promoting cross-functional communication and alignment. Of the four Audit and Supervisory Board members, three are outside members, helping to enhance management transparency and strengthen oversight functions. The Management Council—comprising directors, Audit and Supervisory Board members, executive officers, and department heads—is held once every three months to ensure thorough deliberation on management plans and other important matters. Based on these considerations, the Company has adopted the current structure with the belief that it ensures clear accountability in management, enhanced transparency and oversight functions, and swift decision-making. The role and function of outside directors in corporate governance is to provide oversight and ensure the appropriateness of decision-making and business execution by offering opinions on the Company's management from an external perspective at Board of Directors meetings, based on their broad expertise and extensive experience in specialized fields that differ from those of internal personnel.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize General Meeting of Shareholders and Facilitate Exercise of Voting Rights

	Supplementary Explanation
Early Posting of Notice of the General Meeting of Shareholders	The Notice of the General Meeting of Shareholders for the fiscal year ended March 31, 2025 was sent out on June 5, 2025. Prior to the mailing, the notice was disclosed on the Company's website and the stock exchange.
Scheduling of the General Meeting of Shareholders on a Non-Peak Day	The Company makes efforts to avoid peak days by scheduling the meeting on a less congested date.
Electronic Exercise of Voting Rights	The Company enables shareholders to exercise their voting rights online.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	The Company participates in the electronic voting platform for institutional investors operated by ICJ, Inc.
Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	The Company provides the notice (or summary of the notice) of the General Meeting of Shareholders in English.

2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Regular Investor Briefings held for Individual Investors	The Company publishes its financial briefing materials twice a year (interim and fiscal year-end) on the logmi Finance page, a platform provided by logmi, Inc. that distributes investor briefing materials.	Not applicable
Regular Investor Briefings held for Analysts and Institutional Investors	Online briefings are held at the time of the announcement of the second-quarter and fiscal year-end financial results.	Yes
Regular Investor Briefings held for Overseas Investors		Held / Not Held
Online Disclosure of IR Information	A summary of the financial results is posted each time the results are announced.	
Establishment of Department and/or Placement of a Manager in Charge of IR	We have established Public and Investor Relations dedicated exclusively to PR and IR activities.	

3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	The Company, with the theme of “building a dietary culture created through mushrooms,” positions itself as a business that plays a part in people’s dietary lives. We uphold the company policy of the Five Satisfactions (consumer satisfaction, client satisfaction, community satisfaction, shareholder satisfaction, and employee satisfaction). By understanding the meaning of this policy and fulfilling our social responsibilities, we practice fair management and strive to harmonize with society while acting to enable the Company’s creative and sustainable development. To this end, we have established a Compliance Manual as a code of conduct and work diligently to ensure compliance with laws and regulations.
Implementation of Environmental Preservation Activities and CSR Activities, etc.	The Company has established environmental management regulations and the HOKUTO Environmental Policy to actively promote environmental preservation activities. The HOKUTO Environmental Policy is disclosed on the Company’s website. Our headquarters, Akanuma Mushroom Center, Komoro Mushroom Center, and Mushroom General Research Institute have all obtained ISO 14001 certification.
Formulation of Policies, etc. on Provision of Information to Stakeholders	The Company recognizes that appropriate information disclosure is essential to meet the needs of shareholders and other stakeholders. Our Compliance Manual, which serves as the Company’s code of conduct, sets forth the basic policy on disclosure.

IV. Matters Concerning the Internal Control System

1. Basic Views on Internal Control System and Status of Development

The internal control system is designed to ensure that the execution of duties by directors complies with laws and regulations and the Articles of Incorporation, and to ensure the appropriateness of the Company's operations and those of the corporate group consisting of the Company and its subsidiaries. The outline of the resolution on this system is as follows. This framework was last revised based on the amended Companies Act and the Ordinance for Enforcement of the Companies Act, which came into effect on May 1, 2015.

(1) System to Ensure That the Execution of Duties by Directors and Employees Complies with Laws and Regulations and the Articles of Incorporation

(i) The Board of Directors operates appropriately based on laws and regulations, the Articles of Incorporation, resolutions of the General Meeting of Shareholders, the Board of Directors Regulations, and other relevant rules.

(ii) The Board of Directors determines the basic policy on internal control. Directors share information with one another and mutually supervise the execution of duties.

(iii) Audit and Supervisory Board members audit the execution of duties by directors based on audit policies, audit plans, and audit standards set by this Board. In addition, the Internal Audit Department, which reports directly to the president, conducts internal audits.

(iv) A Compliance Committee chaired by the president has been established to ensure that internal controls related to compliance function on an ongoing basis.

(v) To raise Company-wide awareness of legal compliance and prevent compliance violations, a Code of Conduct and Behavioral Guidelines have been established, and a Compliance Manual has been prepared. A compliance program is also developed and implemented annually.

(vi) A whistleblowing system is in place to allow for consultation and reporting of individual issues, in addition to regular reporting channels, in the event of or suspected compliance violations. This system enables swift identification of issues and corrective actions.

(2) System for the Preservation and Management of Information Related to the Execution of Duties by Directors

(i) The minutes of the General Meeting of Shareholders, Board of Directors meetings, and important information related to management and business execution shall be appropriately recorded and retained for a prescribed period in accordance with relevant laws and regulations as well as internal rules, including the Document Management Regulations.

(ii) These relevant rules shall be reviewed and improved as necessary.

(3) Systems and Regulations for Managing Risk of Loss

(i) The Risk Management Regulations designate responsible departments based on the type of risk that may result in losses, and the Company has established the Risk Management Committee to oversee comprehensive risk management.

(ii) The Risk Management Committee identifies and evaluates risks across the entire company, establishes policies to promote risk awareness, early detection, prevention, and emergency response, and strives to build and maintain a system that minimizes damage escalation.

(4) System to Ensure Efficient Execution of Directors' Duties

(i) To ensure the efficient execution of directors' duties, the operation of the Board of Directors is governed by the Board of Directors Regulations. In principle, the Board meets once a month and holds extraordinary meetings as needed.

(ii) Regarding the execution of directors' duties, responsibilities and authority are defined in the organizational rules, rules on division of duties, and regulations on authority, among others. These regulations are reviewed as necessary to maintain an efficient business execution system.

(5) System to Ensure Proper Business Operations within the Corporate Group

(i) Management of subsidiaries is conducted according to the Subsidiary Management Regulations and the Subsidiary Management Regulations Implementation Guidelines. By specifying the frequency, recipients, and content of reports to the parent company, the system ensures proper business operations within the HOKUTO Group, compliance and efficiency of subsidiary directors' duties, and risk management for potential losses in subsidiaries.

(ii) The Regulation Management Regulations explicitly state that the scope of regulations established by the Company, including the Compliance Manual, applies to subsidiaries. The compliance program is also implemented across the entire HOKUTO Group.

(iii) Internal audits of subsidiaries are conducted by the Company's Audit Department.

(6) System for Audits by Audit and Supervisory Board Members

(i) To ensure effective audits by Audit and Supervisory Board members, the Company consults with them to determine the number and qualifications of employees needed to assist in their duties, and assigns suitably qualified personnel accordingly. These assisting employees perform their duties under the direction of the Audit and Supervisory Board members, independently from the directors. Any personnel changes or treatment regarding these employees require the consent of the Audit and Supervisory Board members.

(ii) To enhance the effectiveness of audits by Audit and Supervisory Board members, they attend important meetings such as the Management Council, Risk Management Committee, and Compliance Committee in addition to the Board of Directors, receiving reports on significant matters and facts that could potentially cause damage to the Company. They also maintain close communication with the representative director.

(iii) The Internal Audit Department consistently reports information obtained through internal audits to the Audit and Supervisory Board members. Additionally, the Audit and Supervisory Board members exchange opinions and information with the accounting auditors and internal audit personnel, maintaining coordination and requesting investigations and reports as necessary.

(iv) Directors and employees report to the Audit and Supervisory Board members on important matters submitted to the Board of Directors, decisions made, outcomes of other significant meetings, important accounting policies and standards and their changes, the status of internal audits, and other critical matters.

(v) Directors and employees of the HOKUTO Group who become aware of compliance violations or incidents that could cause significant damage to the Group shall promptly make a report in accordance with the Whistleblowing Regulations. The whistleblowing office reports the details to the Audit and Supervisory Board members. The regulations also clearly state that whistleblowers shall not be subjected to any disadvantageous treatment as a result of making such reports.

(vi) When an Audit and Supervisory Board member requests advance payment of expenses or other costs based on the Companies Act for the execution of their duties, the Company promptly processes the request unless it is deemed that the expenses are not necessary for the execution of those duties.

2. Basic Views on Measures for Eliminating Anti-Social Forces and Status of Development

- (i) The HOKUTO Group strictly prohibits any involvement with anti-social forces that threaten public order and safety, and thoroughly informs directors and employees to adopt a firm stance to avoid responding to unreasonable demands or engaging in improper transactions.
- (ii) To sever and eliminate relationships with anti-social forces and ensure proper business operations, the HOKUTO Group actively collects information from relevant administrative authorities. In the event such issues arise, the HOKUTO Group promptly coordinates with relevant authorities and its legal advisors to establish a system that enables swift organizational response.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not applicable
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Supplementary Explanation for Applicable Items
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2. Other Matters Concerning the Corporate Governance System

The outline of the Company's corporate governance system is shown in the diagram below.

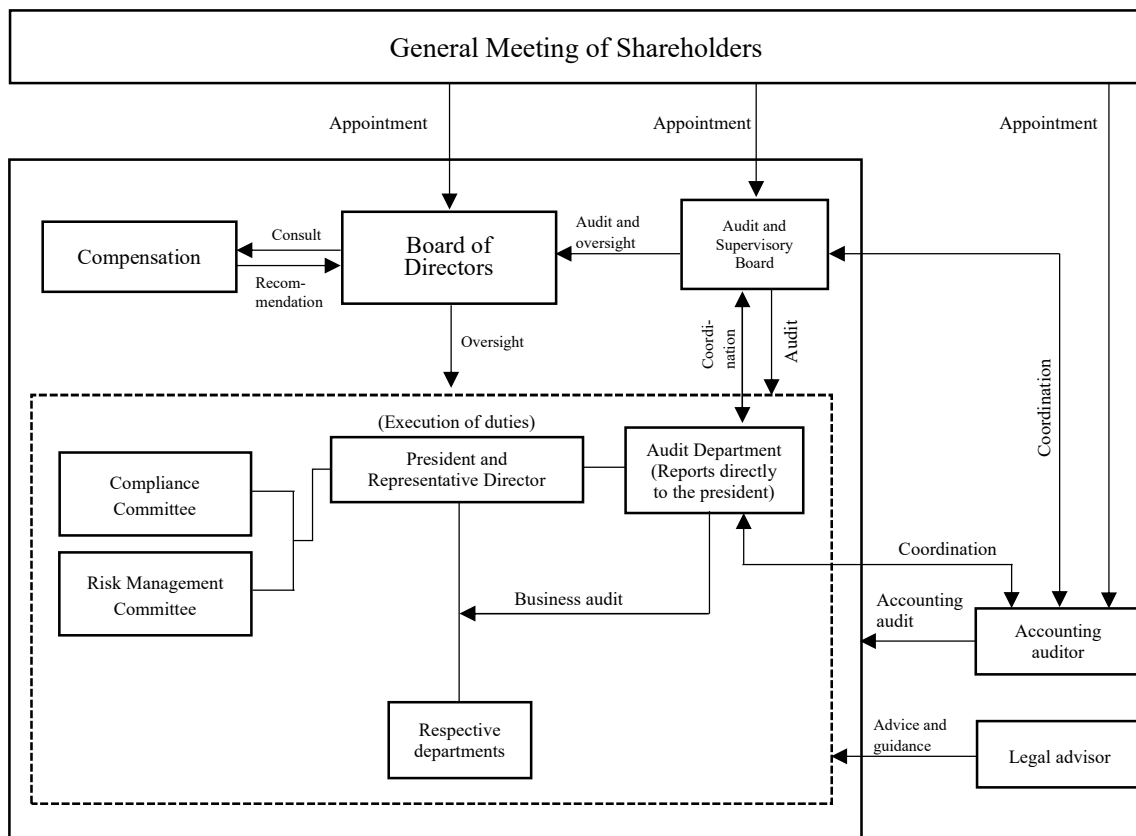
Regarding the system for timely disclosure, the following measures are in place:

(1) Decisions on material facts are made by convening the Board of Directors as needed. Furthermore, with respect to important matters that have been decided, the Finance Headquarters and the information handling officer review them in accordance with the timely disclosure rules of the Tokyo Stock Exchange, and promptly disclose them if necessary.

(2) With respect to events that have occurred, when a department recognizes an event as a material fact, it promptly reports the information to the Finance Headquarters, which is in charge of information management. After reporting to the president and representative director, the Finance Headquarters and the information handling officer review the content of the information, and if disclosure is deemed necessary in accordance with the timely disclosure rules of the Tokyo Stock Exchange, the information is promptly disclosed.

(3) Financial results are audited by the accounting auditor, reported to the Audit and Supervisory Board, approved by the Board of Directors, and promptly disclosed.

Corporate Governance Structure



Skills Matrix (Related to Supplementary Principle 4-11-1)

Name	Position	Corporate management/Specialist knowledge	Production engineering/Research & development	Sales/Marketing	Accounting/Finance	Legal affairs/Labor	International affairs/Diversity	Internal controls/Risk management
Masayoshi Mizuno	Representative Director	○	○	○	○			○
Satoshi Inatomi	Director	○	○					○
Kohei Nakada	Director				○		○	○
Yoshiyuki Satou	Director	○		○				
Akira Hara	Director	○					○	
Haruo Kitamura	Outside Director	○				○		○
Takako Kotake	Outside Director	○		○			○	
Jun Ikeda	Outside Director	○				○	○	
Yoshio Kanda	Full-time Audit and Supervisory Board member				○			○
Minoru Ikezawa	Outside Audit and Supervisory Board member				○		○	○
Kenichi Takehana	Outside Audit and Supervisory Board member				○			○
Koji Tsuchiya	Outside Audit and Supervisory Board member				○		○	○