

Corporate Governance Guidelines

ITO EN, LTD.

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The numbers in parentheses in the heading of each section of these guidelines indicate principles in the Corporate Governance Code formulated by the Tokyo Stock Exchange.

Chapter 1 General Provisions

1. Purpose (2-1, 3-1(i))

- ITO EN, LTD. Corporate Governance Guidelines (the “Guidelines”) set the basic policy guidelines for corporate governance of ITO EN, LTD. (the “Company”) for the ITO EN Group (the “Group”) to achieve sustained growth and corporate value improvement over the medium- to long-term under the Group’s Management Principle: Always Putting the Customer first.

2. Basic Approach to Corporate Governance (3-1(ii))

- The Group’s management priority is to fulfill its corporate social responsibility by actively cooperating with the government, local communities, consumers, shareholders, retailers, suppliers, financial institutions, employees and other stakeholders, aiming for sustained corporate growth and the improvement of corporate value under the Group’s Management Principle. The Group’s basic views on corporate governance are in line with this management priority.
- As a Health Creation Company that contributes to the health of customers around the world, the Company will strengthen and enhance its corporate governance system to achieve its long-term vision of becoming a Global Tea Company.

3. Formulation, Revision, and Abolition

- The Guidelines shall be formulated, revised, and abolished by resolution of the Board of Directors.

Chapter 2 Corporate Governance Structure

1. Organization Design (4, 4-2, 4-10)

- To ensure appropriate corporate governance, the Company has become a company with an audit & supervisory board under the Companies Act, where the Board of Directors supervises management and the Audit & Supervisory Board Members conduct audits.
- The Company has introduced an executive officer system to strengthen the Board of Directors’ supervision of management and expedite decision making and it has established

the Nomination & Remuneration Committee, a majority of whose members are Independent Outside Directors, as an advisory body to the Board of Directors to enhance management objectivity and transparency.

2. Board of Directors

(1) Roles and responsibilities of the Board of Directors (4, 4-1, 4-1(1)(2)(3), 4-2, 4-3)

- A function of the Board of Directors is to supervise the management of the Company as a whole to increase profitability, capital efficiency, etc. It aims to achieve the sustainable growth of the Group and enhance corporate value in the medium to long term to fulfill its fiduciary responsibility and accountability to the Company's shareholders.
- The Board of Directors determines the Company's directions, including management principle, strategies and plans, and makes decisions on the matters set out in laws and regulations and the Articles of Incorporation and important matters related to the execution of business.
- To increase the agility of the Company's execution of business, the Board of Directors delegates its authority to make decisions on the execution of business to the Executive Directors and Executive Officers. The Board of Directors helps these executives make quick and decisive decisions and supervises their execution of duties. The scope of delegation is set out in internal rules.
- The Board of Directors will monitor progress in the medium- to long-term management plan, including investments in sustainability, human capital, intellectual property, etc. If the Company fails to achieve targets, the Board of Directors will analyze the causes and responses and reflect the results of the analysis in plans from the next term
- The Board of Directors evaluates the results, etc. of the Company, and based on these evaluations, determines the remuneration and assignments of Directors and Executive Officers following objective and transparent procedures. The Board also supervises succession planning for the position of president as well as human resources development, etc.

(2) Members of the Board of Directors (4-6, 4-8, 4-11, 4-11(1)(2))

- The Articles of Incorporation stipulate that the maximum number of Directors shall be 20.
- To enhance the Board of Directors' supervisory functions, Independent Outside Directors shall be a third or more of all Directors.
- The Board of Directors shall have, as a whole, a balanced set of knowledge, experience and skills in accordance with management strategies, etc. to effectively fulfill its roles and responsibilities. The Board shall have an appropriate number of members who are diverse in terms of gender, internationality, career history, age, and other attributes. The knowledge,

experience, skills, etc. of each Director and policy regarding the selection of Directors shall be disclosed.

- The Company shall elect Independent Outside Directors including people with experience in management at other companies.

(3) Invigorating discussions at Board of Directors meetings (4-12, 4-12(1)(i)(ii)(iii)(iv)(v))

- The Board of Directors shall be managed in such a way that Directors, including Outside Directors, and Audit & Supervisory Board Members, including Outside Audit & Supervisory Board Members, participate in unfettered and constructive discussion and the exchange of opinions.
- An annual schedule of Board of Directors meetings and major agenda items shall be determined in advance. There shall be sufficient time for deliberation. Materials shall be distributed to the Directors and Audit & Supervisory Board Members in advance so that they can examine them thoroughly. Information they need shall be provided to them, and explanations shall be provided as needed.

(4) Evaluation of the effectiveness of the Board of Directors (4-11, 4-11(3))

- The Board of Directors shall analyze and assess the overall effectiveness of the Board every year based on each Director's self-assessment and so forth and use the results to enhance its functions. A summary of the results of the assessment shall be disclosed.

3. Audit & Supervisory Board

(1) Roles and responsibilities of the Audit & Supervisory Board (4-4)

- The Audit & Supervisory Board audits the Directors' execution of their duties from an independent and objective perspective and properly exercises its authority related to the appointment and dismissal of Audit & Supervisory Board Members and accounting auditors and audit fees to fulfill its fiduciary responsibility to the shareholders.
- The Audit & Supervisory Board sets audit standards for the Audit & Supervisory Board Members, formulates audit plans, etc., and establishes a system to ensure the effectiveness of the audits conducted by the Audit & Supervisory Board Members.
- The Audit & Supervisory Board exchanges information when appropriate with the Internal Auditing Department, the Representative Directors and the Outside Directors and works to cooperate with them.

(2) Members of the Audit & Supervisory Board (4-4(1), 4-11)

- The Articles of Incorporation stipulate that the maximum number of Audit & Supervisory Board Members shall be five.

- Outside Audit & Supervisory Board Members shall be half or more of all Audit & Supervisory Board Members. There shall be standing Audit & Supervisory Board Members.
- One or more Audit & Supervisory Board Members shall have appropriate experience and skills and necessary knowledge regarding finance, accounting and legal affairs, in particular, considerable knowledge regarding finance and accounting.

(3) Cooperation with accounting auditors and the Internal Auditing Department, etc. (3-2(1)(i)(ii), 3-2(2)(i)(ii)(iii)(iv))

- The Audit & Supervisory Board shall sufficiently cooperate with accounting auditors and the Internal Auditing Department and shall establish a system that enables audits to be carried out properly.
- The Audit & Supervisory Board shall set evaluation standards for accounting auditors and evaluate their independence, expertise and performance of duties.
- The Board of Directors and the Audit & Supervisory Board shall ensure sufficient time for accounting auditors to carry out high quality audits. They shall enable accounting auditors to meet and ask questions of management, including the President and the Director in charge of finance, and to exchange information and fully cooperate with the Internal Auditing Department and Outside Directors. If accounting auditors discover misconduct and request that appropriate actions be taken, or if they identify inadequacies or problems, the Board of Directors and the Audit & Supervisory Board shall respond appropriately.

4. Nomination & Remuneration Committee

(1) Role and responsibilities of the Nomination & Remuneration Committee (4-1(3), 4-10, 4-10(1))

- The purpose of the establishment of the Nomination & Remuneration Committee is to enhance the independence and objectivity of the functions of the Board of Directors and its accountability. For this reason, appropriate involvement of and advice from Independent Outside Directors shall be obtained when the nomination and remuneration of Directors and others, and important matters related to corporate governance are examined by the committee.
- Upon request from the Board of Directors, the Nomination & Remuneration Committee shall deliberate on the following matters and report the results to the Board of Directors.
 - (i) Policy concerning composition of the Board of Directors
 - (ii) Matters relating to the election and dismissal of Directors, Executive Officers, and Audit & Supervisory Board Members, and the proposal of candidates for Directors, Executive Officers, and Audit & Supervisory Board Members
 - (iii) Matters relating to proposals for the election or dismissal of Representative Directors and Directors and Executive Officers with special titles

- (iv) Matters relating to president succession planning
- (v) Matters relating to the remuneration system, remuneration limit and remuneration amount for Directors and Executive Officers and the remuneration limit for Audit & Supervisory Board Members
- (vi) Matters relating to the personnel affairs and remuneration of officers of major subsidiaries and affiliated companies
- (vii) Other matters relating to corporate governance

(2) Members of the Nomination & Remuneration Committee (4-8(1)(2), 4-10(1))

- The Nomination & Remuneration Committee shall consist of three or more Directors including Outside Directors of the Company as members, a majority of whom shall be Independent Outside Directors of the Company.
- Members shall be appointed by resolution of the Board of Directors, and the chairperson shall be elected from among the members who are Independent Outside Directors by resolution of the Nomination & Remuneration Committee.

5. Policy on Nomination of Directors and Audit & Supervisory Board Members(3-1(iv)(v), 4-3(1)(2)(3), 4-6, 4-8, 4-11, 4-11(1)(2))

(1) Directors

(i) Policy on nomination

- The Board of Directors shall establish the policy below for nominating Director candidates following deliberation by the Nomination & Remuneration Committee.

<Internal Directors>

- Persons who are well versed in the Company's business management, have abundant knowledge and experience and are morally qualified for being involved in the Company's management

<Outside Directors>

- Persons who have good insight into the Group's management principle and social responsibility and roles
- Persons who have abundant experience and extensive insight in corporate management, professional knowledge in legal affairs, financial accounting, tax affairs, finance and so forth and are expected to provide general advice and supervision over the Company's management from objective and professional perspectives
- Persons who meet the Company's standards for the independence of Outside Directors and are deemed unlikely to cause conflicts of interest with general shareholders

(ii) Procedures for nominating and dismissing Directors

- The Board of Directors shall nominate Director candidates under the nomination policy

above. A general meeting of shareholders agenda item shall be determined following the deliberation of the Nomination & Remuneration Committee.

- If any events occur that are deemed to make it difficult for a Director to properly execute their duties, including the violation of laws, regulations or the Articles of Incorporation, the Board of Directors shall make decisions regarding the removal of the Director from their position or other punitive actions and a proposal for the dismissal of the Director submitted to the general meeting of shareholders following the deliberation of the Nomination & Remuneration Committee.
- The reasons for nominating or dismissing Director candidates or Directors and their concurrent posts shall be included in the notice of the general meeting of shareholders.

(2) Audit & Supervisory Board Members

(i) Policy on nomination

- The Board of Directors shall establish the policy below for nominating Audit & Supervisory Board Member candidates with the consent of the Audit & Supervisory Board following the deliberation of the Nomination & Remuneration Committee.

<Internal Audit & Supervisory Board Members>

- Persons who have abundant knowledge of and experience in the Company's business management
- Persons who can audit the status of the execution of duties of Directors from a fair and objective standpoint and contribute to the improvement of soundness and transparency of management

<Outside Audit & Supervisory Board Members>

- Persons who have good insight into the Group's management principle and social responsibility and roles
- Persons who are thoroughly aware of their roles as Outside Audit & Supervisory Board Members, can audit the status of the execution of duties of Directors from neutral and objective perspectives by using their knowledge of and experience in corporate management, economy, legal affairs, accounting, tax affairs, audits and other areas, and can contribute to the improvement of soundness and transparency of management
- Persons who meet the Company's standards for the independence of Outside Audit & Supervisory Board Members and are deemed unlikely to cause conflicts of interest with general shareholders

(ii) Procedures for nominating and dismissing Audit & Supervisory Board Members

- The Board of Directors shall nominate Audit & Supervisory Board Member candidates following the nomination policy above. A general meeting of shareholders agenda item shall be determined with the consent of the Audit & Supervisory Board following the deliberation

of the Nomination & Remuneration Committee. Proposals regarding the dismissal of Audit & Supervisory Board Members submitted to the general meeting of shareholders shall be determined through the deliberation of the Nomination & Remuneration Committee.

- The reasons for nominating or dismissing Audit & Supervisory Board Member candidates or Audit & Supervisory Board Members and their concurrent posts shall be included in the notice of the general meeting of shareholders.

6. Policy for Determining the Remuneration of the Directors and the Members of the Audit & Supervisory Board(3-1(iii), 4-2(1))

(1) Directors

- The Company shall design a remuneration system to ensure that Director remuneration is a sound incentive for the sustainable growth and enhancement of corporate value in the medium to long term and formulate policy and procedures for the system (Annex 1).

(2) Audit & Supervisory Board Members

- The Audit & Supervisory Board Members receive only monthly fixed remuneration. The total amount of their remuneration shall be within the amount approved by resolution of the general meeting of shareholders. Individual remuneration for each Audit & Supervisory Board Member shall be determined upon discussions with each member at a meeting of the Audit & Supervisory Board.
- The Board of Directors shall determine a general meeting of shareholders agenda item setting the total amount of remuneration following deliberation by the Nomination & Remuneration Committee.

7. Internal Control(4-3, 4-3(4), 4-13(3))

- The Board of Directors shall formulate a basic policy on internal control systems and build compliance and risk management systems, a system to ensure reliable financial reporting and other systems. The Board of Directors shall supervise system operation in cooperation with the Internal Auditing Department, etc.
- The Compliance Committee chaired by the Director in charge of compliance shall monitor the awareness of compliance and the state of system operation and report to the Board of Directors.
- The Risk Management Committee chaired by the President shall identify risk information, the state of risk management and other information, and report to the Board of Directors.
- A basic policy regarding internal control over financial reporting shall be formulated for reliable financial reporting. The Internal Control Promotion Committee chaired by the Director in charge of internal control shall evaluate the status of development and operation of internal control and report to the Board of Directors.

- The Internal Auditing Department, which is under the direct control of the President, shall follow audit plans and audit overall operations. It shall also audit the status of the development and operation of internal control. The department shall report the audit results also to the Board of Directors and the Audit & Supervisory Board.

8. Directors, Audit & Supervisory Board Members and Independent Outside Directors

(1) Directors and Audit & Supervisory Board Members (4-4, 4-5, 4-11(2))

- Being aware of their fiduciary responsibility to the shareholders, the Directors shall execute their duties to enhance the Group's corporate value and contribute to the common interests of the shareholders, appropriately cooperating with stakeholders.
- Being aware of their fiduciary responsibility to the shareholders, the Audit & Supervisory Board Members shall audit the Directors and management's execution of duties and major subsidiaries to enhance the Group's corporate value and contribute to the common interests of the shareholders from an independent and objective perspective. The Audit & Supervisory Board Member shall share information with other members and properly state opinions at Board of Directors meetings or to the management.
- The Directors and Audit & Supervisory Board Members shall actively work to obtain the information necessary for the fulfillment of their roles and responsibilities and invest the time and effort required to execute their duties.

(2) Independent Outside Directors (4-7(i)(ii)(iii)(iv), 4-8, 4-8(1)(2), 4-9)

- The Independent Outside Directors shall provide advice to management, supervise management, and check conflicts of interest and shall properly reflect the opinions of stakeholders in discussions at Board of Directors meetings.
- The Independent Outside Directors shall hold meetings regularly to exchange information with each other and share views. They shall elect a head Independent Outside Director who will communicate and coordinate views with the President and management and will strengthen cooperation with the Audit & Supervisory Board Members.
- The Board of Directors shall set standards for the independence of independent officers (Annex 2) to enhance the transparency of management and their supervisory function.

9. Obtainment of Information and Support System(4-13, 4-13(1)(2))

- The Company shall create a system where it collects the information that the Directors and Audit & Supervisory Board Members need to fulfill their roles and responsibilities and provides it to them to support their execution of duties.
- The Directors and Audit & Supervisory Board Members may receive advice from external experts as needed at the expense of the Company.

- The Board of Directors and Audit & Supervisory Board shall check that the necessary information is provided to them.

10. Training of Directors and Audit & Supervisory Board Members (4-14, 4-14(1)(2))

- To ensure the Directors and Audit & Supervisory Board Members fulfill their roles and responsibilities appropriately, the Company shall explain the Group's management strategies and plans, an overview of the businesses, management issues and other matters at the time they assume office and on other appropriate occasions after assuming office.
- The Company shall provide them with training, etc. conducted by experts or opportunities to receive such training, etc. as needed. If they participate in external training, the Company shall pay training costs. The Board of Directors shall monitor the provision of the above opportunities and support.

11. Accounting Auditor (3-2)

- The Company is aware that the accounting auditors have a responsibility to the shareholders and investors and shall take appropriate action to ensure proper audits by the accounting auditors.

Chapter 3 Ensuring Shareholders' Rights and Equality

1. Ensuring Shareholders' Rights and Equality (1, 1-1, 1-1(1)(2)(3))

- To effectively ensure the rights of shareholders, the Company will create an environment in which shareholders can appropriately exercise their rights, giving due consideration to minority shareholders and foreign shareholders.
- Believing that every shareholder should be treated equally according to the class and number of shares they hold, the Company will effectively ensure the equality of shareholders.
- If a draft resolution proposed by the Company is passed at the general meeting of shareholders but there are a significant number of opposition votes, the Board of Directors will analyze the reasons and examine the appropriate steps to take, including dialogue with shareholders.
- If the Company proposes at the general meeting of shareholders the delegation of certain shareholders' meeting resolutions to the Board of Directors, the Board of Directors will consider the status of development of the corporate governance system.

2. General Meeting of Shareholders (1-1, 1-2, 1-2(1)(2)(3)(4)(5), 3-1(2))

- The Company believes that the general meeting of shareholders is a place for constructive

dialogue with shareholders and will create an appropriate environment for exercising rights at the general meeting of shareholders.

- The Company will set an appropriate schedule for the general meeting of shareholders and will publish a notice of the general meeting of shareholders on the websites of the Tokyo Stock Exchange and the Company no later than three weeks before the date of the shareholders' meeting to give the shareholders sufficient time to examine the agenda items. The Company will individually respond to shareholders' requests for delivering paper documents.
- The Company will provide accurate information that is considered to help shareholders make appropriate decisions as needed.
- To enhance institutional investors and overseas investors' convenience in exercising voting rights, the Company will use a platform for electronic voting. The Company will translate into English the notice of the general meeting of shareholders and reference documents for the general meeting of shareholders to create an environment that is more conducive to shareholders exercising voting rights properly.
- If institutional investors, etc. who hold shares under the names of trust banks, etc. ("Beneficial Shareholders") request in advance that they exercise their voting rights themselves instead of voting under the names of trust banks, etc. at the general meeting of shareholders, the Company will respond to the request in consultation with the shareholder registry administrator.

3. Basic Policy for Capital Policy (1-3, 1-6)

- To achieve sustainable growth and enhance corporate value, the Company will strive to continue stable cash flow generation. The Company will also endeavor to generate a profit exceeding the cost of capital, increase profitability, and invest in growth fields.
- On the shareholder return front, the Company aims for a consolidated total payout ratio of 40% or more. The Company will continue to make consistent dividend payments and acquire treasury shares to improve capital efficiency and implement flexible capital policy.
- To fulfill its accountability to shareholders, the Board of Directors of the Company adequately discusses the necessity and rationality of capital policy that will cause a change of controlling interest or significant dilution.

4. Policy on Cross-shareholding (1-4, 1-4(1)(2))

- As a general rule, the Company will hold no cross-shareholdings; provided, however, that the Company will conduct cross-shareholding if it is deemed as contributing to maintaining and strengthening business relationships or enhancing the Group's corporate value in the medium-to-long term.

- The Board of Directors will examine cross-shareholdings every year to determine whether the purpose of holding each stock is appropriate and whether a return on investment in each stock exceeds capital cost and thereby verifies the significance of cross-shareholdings. The Company will sell and reduce shareholdings in stocks if the economic rationality and significance of holding them are reduced in consultation with the issuers of the stocks.
- Regarding the exercise of voting rights of shares held in cross holding, the Company shall appropriately address the matter by closely examining each agenda and comprehensively judging if the proposed matter will contribute to the improvement of corporate value of the Company and the issuer.
- If a company that has a cross-holding in the Company (“Cross-shareholding Company”) shows an intention to sell, etc. the Company’s shares, the Company will not prevent the sale, etc.
- The Company will fully examine the economic rationality of transactions with the Cross-shareholding Company and will not conduct any transactions that will harm the interests of the Company or the common interests of the shareholders.

5. Concept of Anti-takeover Measures (1-5, 1-5(1))

- The Company has not taken any anti-takeover measures because it believes that it is important to enhance its corporate value by improving its business performance and deepening stakeholders’ understanding of the Company by building a closer relationship with all stakeholders.
- If the Company’s shares become subject to a takeover bid, the Company demands that the party offering the takeover bid explain their measures to increase the Group’s value and discloses the opinions of the Board of Directors.

6. Related Party Transactions (1-7, 4-3)

- When the Company conducts a transaction with its officers, major shareholders and others, it shall obtain the Board of Directors’ approval in advance in order to ensure that the transaction will not adversely affect the common interests of the Company and shareholders, excluding cases in which the terms and conditions of the transaction are clearly the same as those for general transactions.

Chapter 4 Relationships with Stakeholders Other Than Shareholders

1. Appropriate Cooperation with Stakeholders (2, 2-2, 2-2(1))

- The Company believes that it needs to cooperate with stakeholders appropriately to achieve

sustainable growth and enhance corporate value over the medium to long term. Based on the belief, the Company shall formulate and put into practice the ITO EN Group Code of Conduct, which sets forth the Company's values, including respect for the interests of stakeholders and its ethics of sound business activities, and a set of rules that the employees should follow.

- The Company will make the Code of Conduct known to the employees in the Group, and the Board of Directors will regularly check the employees' awareness of and compliance with the Code of Conduct. The Company will review the Code of Conduct regularly and revise it as needed.

2. Sustainability (2-3, 2-3(1), 3-1(3), 4-2(2))

- The Group shall formulate the ITO EN Group Basic Sustainability Policy based on the belief that sustainability issues are important management issues because addressing them may result in a reduction in risk and revenue opportunities, which may in turn enhance corporate value in the medium- to- long- term. The Company shall establish a Sustainability Promotion Committee chaired by the President to promote sustainability initiatives.
- Under the basic policy, the Company shall identify material sustainability issues in consideration of changes in the external environment. The Company shall address the material issues in management strategies, aiming to solve environmental and social issues and to enhance corporate value at the same time (the creation of shared value (CSV)).

3. Ensuring Diversity (2-4, 2-4(1))

- The Company believes that a company's most important assets are its people. Based on this belief, the Company shall formulate the ITO EN Group's Human Resources Policy and pursue initiatives to ensure diversity based on the belief that diverse perspectives and values of diverse employees in terms of gender, nationality, race, age, disabilities, experience, etc. give it an advantage in achieving sustainable growth.
- The Company shall disclose its views on ensuring diversity, including the promotion of women, foreign nationals, and employees hired in mid-career to managers, voluntary and measurable diversity targets, and a diversity policy (human resources development and improvement of the internal environment) and its implementation.

4. Internal Whistle-blowing (2-5, 2-5(1))

- The Company shall set up a "corporate ethics hotlines," an internal whistleblower desk and an external whistleblower desk (external lawyers), as a system to report violations of laws and regulations, etc. in the Group. The Board of Directors shall regularly check the operation of the corporate ethics hotlines.

- The Company shall set forth, in its internal rules on whistle-blowing, whistleblower confidentiality and the prohibition of disadvantageous treatment of the whistleblower.

Chapter 5 Appropriate Information Disclosure and Constructive Dialogue with Shareholders

1. Ensuring Information Disclosure and Transparency (3)

- Under the disclosure policy, the Company will disclose information properly under laws and regulations and will also actively provide information other than information disclosed under laws and regulations. The Company shall endeavor to ensure that the information is accurate, easily understood by users and highly useful.

2. Full Disclosure (3-1, 3-1(1)(2)(3), 4-1(2), 5-2)

- The Company will strive to provide easy-to-understand information that is considered to be useful for understanding the Group, such as management strategies, investment in sustainability, human capital, and intellectual property, etc., and its business portfolio, to ensure the transparency and fairness of decision making at the Company and achieve effective corporate governance. The Company will disclose necessary information in English as far as reasonably possible.

3. Constructive Dialogue with Shareholders (5, 5-1, 5-1(1)(2)(i)(ii)(iii)(iv)(v), 5-1(3))

- The Company shall maintain a constructive dialogue with shareholders with the aim of achieving sustained growth and improving corporate value over the medium to long terms. The Company will facilitate this dialogue in the following ways:

(1) Overview of dialogue with shareholders

The IR section, in particular, will communicate actively and flexibly with shareholders under the supervision of the officer in charge of IR.

(2) Organic cooperation that helps promote dialogue

To promote the dialogue, the IR section will play the leading role in communication and will cooperate with other departments, such as the finance and accounting and planning departments, according to the purpose of the dialogue.

(3) Means of dialogue other than individual meetings

To enhance means of communication, the Company will hold results briefings and other meetings where the President gives explanations. The Company will post results briefing materials, integrated reports, and other materials on its website to disclose information appropriately and in a timely manner and make information widely available to shareholders.

(4) Receiving feedback from shareholders

The IR section will report opinions, etc. of shareholders to the management when necessary and report them to the Board of Directors regularly.

(5) Management of insider trading

In dialogue with shareholders, the Company will appropriately manage information under internal rules on insider information to prevent information leakage.

- The Company will regularly conduct surveys to identify Beneficial Shareholders who cannot be identified on the shareholder register and identify the composition of shareholders.

4. Formulation and Announcement of Management Plans

(1) Medium- to long-term management plan (3-1(i), 5-2, 5-2(1))

- As a Health Creation Company, the Company has a long-term vision of being a “Global Tea Company.” To achieve sustainable growth and enhance its corporate value, the Company will identify the cost of capital, and based on that, will formulate and announce a medium- to long-term management plan, including targets for profitability and capital efficiency and a business portfolio.
- To implement growth strategies, the Company will create an optimal business portfolio, considering changes primarily in the business environment and comprehensively assessing the growth potential and profitability of brands, product categories, and areas.
- The Company will strive to provide easy-to-understand explanations to shareholders and others about the results of reviews of its business portfolio, progress in implementation of medium- to long-term plans, and reasons for any failure to achieve its targets.

(History)

Established on December 1, 2015

Revised on December 3, 2018

Revised on December 1, 2021

Revised on December 1, 2022

Revised on April 26, 2023(Annex 2)

Annex 1

<Policy for Determining the Remuneration of the Directors>

- Remuneration, etc. of Directors is deliberated by the Nomination & Remuneration Committee, which consists of a majority of Independent Outside Directors, to ensure objectivity and transparency in accordance with the Company's basic views on corporate governance and basic views on remuneration. The Board of Directors determines the remuneration, etc. of Directors, giving due respect to the report by the Nomination & Remuneration Committee.
- The Nomination & Remuneration Committee deliberates on the individual remuneration, etc. of Directors, including whether it is consistent with the basic policy and whether it has been evaluated based on the remuneration standards, and the Board of Directors determines the individual remuneration, etc. of Directors giving due respect to the report by the Nomination & Remuneration Committee.

<Basic policy>

1. Remuneration shall be such that it is in compliance with the management principle of the ITO EN Group, "Always Putting the Customer First," and will contribute to sustained corporate growth and development and the enhancement of corporate value.
2. Remuneration shall be determined in proportion to the significance of Directors' roles and responsibilities and their contribution to the Company's business performance.
3. Remuneration shall be closely linked to the share price of the Company's stock, so that Directors share the impact of share price fluctuations with the Company's shareholders and the remuneration serves as an incentive for management.
4. Remuneration shall be determined based on objective and fair deliberations and with references to external data

<Composition of remuneration>

- Remuneration, etc. of Directors (excluding Outside Directors) of the Company comprises fixed remuneration and performance-linked remuneration, and fixed remuneration accounts for about 70% and performance-linked remuneration accounts for about 30%. Remuneration, etc. of Outside Directors comprises only fixed remuneration.

1. Basic remuneration (fixed remuneration)

Fixed remuneration shall be monetary remuneration of not more than the

maximum amount of remuneration resolved at a general meeting of shareholders, and shall be paid monthly, in principle. The amount of remuneration of Outside Directors is determined taking into consideration the business performance and the degree to which the Company has achieved its plan.

2. Performance-linked compensation

Performance-linked remuneration shall be composed of performance-based remuneration and share-based remuneration, which makes part of the remuneration closely linked to the Company's share price and puts Directors in a position where they share the impact of share price fluctuations with the Company's shareholders, to enhance Directors' interest in its share price and business performance and further raise their motivation and morale for achieving higher share prices and better business performance of the Company.

Performance-based remuneration shall be monetary remuneration based on performance appraisal, and shall be paid monthly, in principle.

Share-based remuneration shall consist of share acquisition rights granted as performance-linked share remuneration-type stock options and the share acquisition rights to be granted to each Director shall be determined each year based on a strict assessment of performance.

(i) Determination of the performance-linked remuneration

The Company shall perform a comprehensive performance assessment in which, in order to link the business performance and remuneration, the Company designates management indicators as measures of performance, sets the standard ratio of consolidated performance to non-consolidated performance for each position, considers each Director's responsibilities, and awards points to each Director with respect to each management indicator.

(ii) Management indicators used to measure performance

The Company's management indicators used to measure performance shall include "net sales (growth)," "operating income (profitability)," "cash flows from operating activities (stability)," "earnings per share (profitability)," "return on equity (efficiency)" and "dividend on equity ratio (shareholder return)."

Annex 2

<Standards for Determining the Independence of Outside Directors>

Based on the standards for the independence of Outside Directors and Outside Audit & Supervisory Board Members specified by Tokyo Stock Exchange Inc., the Company's standards for the independence of independent Outside Directors and Outside Audit & Supervisory Board Members are as described below.

- Persons who do not fall under below and are deemed unlikely to have conflicts of interest with general shareholders
- (1) The Group's executive persons who has fallen under recently and in the past 10 years
 - (2) Those who have been listed in any of the following (i) to (viii) in the recent and past 5 years
 - (i) Persons whose major client is the Company or their executives
 - (ii) Persons who are major clients of the Company or their executives
 - (iii) Consultants, certified public accountants or legal specialists who obtain large amounts of cash or other property, other than officers' remuneration, from the Company (in cases in which persons obtaining the properties are corporate bodies, associations or other organizations, persons who belong to said organizations)
 - (iv) Employees, partners or associates of the Group's accounting auditor, the audit corporation
 - (v) Major Shareholders of the Company (if such major shareholder is a corporation, its executive person)
 - (vi) Executives of corporations in which the Company is a major shareholder
 - (vii) Executive person of the corporation with which the relationship of mutual appointment of directors is made.
 - (viii) Persons who have received donations or grants of a certain amount from our group (if the donor or grantee is a corporation, partnership, or other organization, the person who executes its business)
 - (3) Close relatives (only important person) listed in (1) or (2) above

(notes)

1. The term "the Group" means the Company and its subsidiaries.
2. "Executive persons" means executive directors, executive officers, other officers who execute the business of a juridical person, employees who execute the business of a juridical person, and other persons or employees who are equivalent thereto.
3. A "major customer of our group" is defined as a customer that has received payment from our group in an amount equal to 2% or more of the customer's consolidated sales (consolidated sales revenue) in the most recent fiscal year.

4. A "major business partner of our group" is a person who falls under any of the following categories.
 - Persons who have made payments to our group in an amount equal to or greater than 2% of our group's consolidated net sales in the most recent fiscal year.
 - Financial institutions and other major creditors that are essential to the Group's financing and on which the Group relies to the extent that there is no alternative.
5. A "large amount of money or other property" means, in the case of an individual, money or other property income of 10 million yen or more per year in the most recent fiscal year, or in the case of an organization, money or other property income of 2% or more of the total income of the organization in the most recent fiscal year.
6. A "major shareholder" is a shareholder that directly or indirectly holds 10% or more of the total voting rights.
7. Relationship of mutual appointment of officers" means a relationship in which an executive officer of the Minebea Group is an outside officer of another corporation and the executive officer of that other corporation is an outside director of Minebea.
8. A "certain amount" is defined as 10 million yen or more per year.
9. "Close relatives" means, a relative within the second degree of kinship, or a relative living in the same household.
10. "Important person" means, with respect to an executive person, a director or a department manager, and with respect to (iii) and (iv) above, a certified public accountant, an attorney, or a person who is objectively and reasonably judged to be of equal importance to these persons.