

Corporate Governance G

Basic Concept

For S&B Foods to become a company that can develop in perpetuity toward the achievement of our corporate philosophy in any type of business environment, we are always searching for the most effective business management framework for adapting to changing business environments. We strive to maintain a corporate governance framework that streamlines business, contributes to corporate compliance, and creates trust among all stakeholders involved in S&B Foods’ business activities.

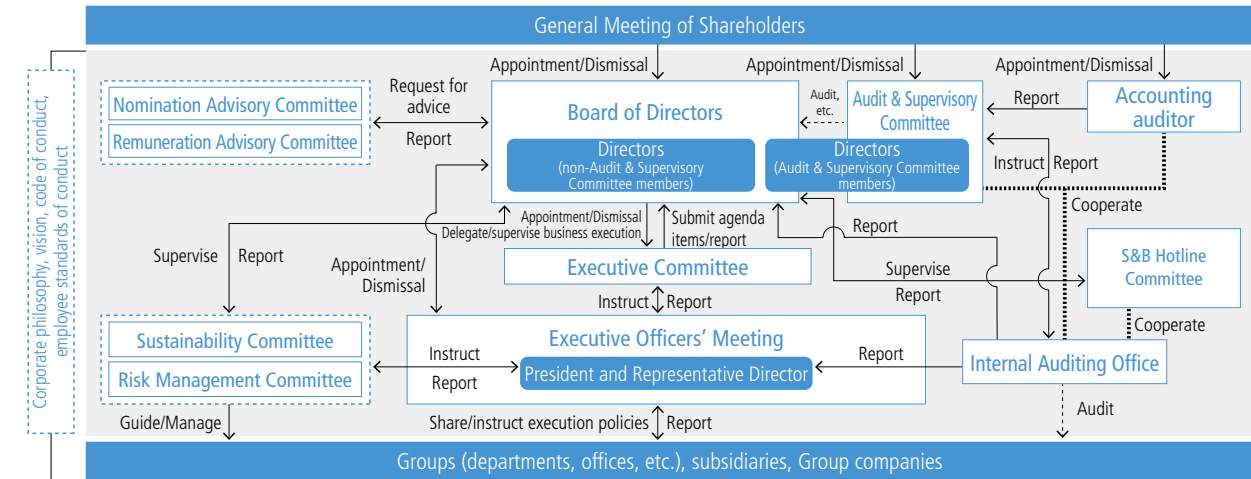
Governance Overview

Organizational design	Company with an audit and supervisory committee
Chairman of the Board of Directors	President
Number of directors (excluding directors who are members of the Audit & Supervisory Committee) / Of which, number of outside directors	8 / 2
Number of directors who are members of the Audit & Supervisory Committee / Of which, number of outside directors	4 / 3
Board of Directors meetings held per year	12 meetings Attendance rate: directors 99%, auditors 100%
Auditor meetings held per year	8 meetings Attendance rate: auditors 100%
Nomination Advisory Committee	The Nomination Advisory Committee, chaired by an independent outside director and composed of five directors appointed by resolution of the Board of Directors, drafts the original motion for the appointment and dismissal of directors and executive officers, as well as deliberates on the standards and process of appointment and dismissal, and reports to the Board of Directors. Number of meetings held per year: 3 Attendance rate: 100%
Remuneration Advisory Committee	The Remuneration Advisory Committee, chaired by an independent outside director and composed of five directors appointed by resolution of the Board of Directors, deliberates on the policy and decision process of individual director and executive officer remuneration, as well as the specific amount of remuneration for individuals, and reports to the Board of Directors. Number of meetings held per year: 4 Attendance rate: 100%

Corporate Governance Framework

The executive officer system has been introduced in order to separate management decision and auditing functions from business execution functions, with the Board of Directors in charge of the former and the executive officers in charge of the latter. This framework not only speeds up management and business execution-related decision-making and execution of duties, but also enhances the supervisory function and clarifies the authority and responsibilities of the Board of Directors and executive officers.

Corporate Governance Framework Diagram (as of June 27, 2024)



Our Approach to Diversity in the Board of Directors

In consideration of the scale of business and business domains, our Board of Directors, including outside directors, is balanced in terms of individual experience and capabilities without bias toward specific fields of expertise, and without favoring certain nationalities or genders.

Board of Directors Training Policy

We provide sufficient training opportunities so that directors’ functions of supervising management and directors who are Audit & Supervisory Committee members’ functions of management monitoring are sufficiently demonstrated, and we actively provide support by bearing seminar costs.

Board of Directors Effectiveness Evaluation

We hold regular and, as necessary, ad-hoc meetings of the Board of Directors to make prompt decisions on important business execution and to supervise the execution of duties by directors.

In addition, each director, excluding outside directors, conducts a self-evaluation and multifaceted

evaluation within the individual performance evaluation system.

The following is a summary of the methodology and results of the evaluation of the overall effectiveness of the Board of Directors.

1. Evaluation Method	
Period	April to May 2024 *To be deliberated at the Board of Directors meeting in June 2024
Format	Questionnaire
Eligible respondents	All directors and auditors
Questionnaire items	(1) Composition of the Board of Directors (number of members, composition, diversity, etc.) (2) Roles and responsibilities of the Board of Directors (leadership by the chair, supervision of business execution, sustainability initiatives, risk management initiatives, etc.) (3) Operation of the Board of Directors (frequency of meetings, environment upkeep, time for presentation and deliberation, setting of agenda items, quality of discussion and exchange of opinions, advance provision of information, support system for outside directors, etc.) (4) Operation of each advisory committee (Nomination Advisory Committee and Remuneration Advisory Committee) (5) Evaluation of the effectiveness of the Board of Directors (operation, evaluation items, etc.) (6) Execution of duties by directors and auditors themselves (realization of philosophy and vision, achievement of Medium-Term Business Plan targets, etc.) (7) Summary (effectiveness of the Board of Directors, areas for improvement, etc.)
2. Summary of Results	

Our Board of Directors, in discussions given the above, has assessed that the effectiveness of the Board of Directors is reasonably assured. We will continue to strengthen corporate governance and work to improve its effectiveness by invigorating discussions to resolve management issues from a medium- to long-term perspective.

TOPICS

The Transition to a Company with an Audit and Supervisory Committee

S&B Foods has executed a transition to become a company with an audit and supervisory committee in order to further accelerate decision-making and business execution by delegating the authority to make important business decisions from the Board of Directors to the directors, and to enhance corporate governance by improving the effectiveness of the Board of Directors and strengthening its supervisory function. We will continue to strive to enhance our global corporate value.