



KAMEDA SEIKA Group

Integrated Report

2021

KAMEDA SEIKA CO., LTD.

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Editorial Policy

This is the KAMEDA SEIKA Group's first integrated report. It presents the Group's business model, goal and initiatives for creating value to stakeholders in an easy to understand format, with the intention of enhancing communication that will generate further value. The KAMEDA SEIKA Group Integrated Report has been prepared with reference to the *International Integrated Reporting Framework* by the International Integrated Reporting Council (IIRC) and *Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation (Guidance for Collaborative Value Creation)* by Japan's Ministry of Economy, Trade and Industry.

Note: In this report, monetary amounts and numbers of shares held are rounded down to the nearest unit, and percentages are rounded to one decimal place.

“Better For You”

A major goal of the KAMEDA SEIKA Group is to expand its business field and become a “Global Food Company.” As we strive to achieve this goal, we will offer our customers the value of “contribution to a healthy lifestyle through the selection, eating and enjoyment of things that are delicious and good for the body.” Our target for FY2030 is to use the provision of this kind of customer value to evolve from a rice cracker and snack manufacturer into a “Better For You” food company.

Scope of Report

KAMEDA SEIKA CO., LTD. and its consolidated subsidiaries
Reporting Period: April 1, 2020 to March 31, 2021
(Some information from before and after this period is included.)

Note on Forward-looking Statements

Statements in this report pertaining to the future, such as forecasts of business performance, are estimates based on information available at the time of publishing and therefore contain inherent risks and uncertainties. Actual results may differ significantly from expectations due to various factors.

Corporate Philosophy

Founding Philosophy

During the food shortages in Japan immediately after World War II, our founder felt that **“Men can find pleasure in drinking, but there is no enjoyment for women and children. I want to give them something that can bring enjoyment and delight to their lives.”**

This became our founding philosophy, and KAMEDA SEIKA was born. With no prior experience, he began making *mizuame*—a thick, clear and sticky starch syrup.

Mission Statement

製菓展道立己 (*Seika-Tendo-Rikki*)

As a manufacturer and seller of rice crackers and snacks, we will explore the path to find our identity by seeking to grow through refining management and operations widely, including manufacturing technology, product development, and market development. Our identity refers to the Company itself and each individual employee making up the Company. We will work together to improve our social and economic standing.

Management Philosophy

- Respond to the needs of all those involved with the Company
- Ensure the Company flourishes forever

Basic Management Policy

- Manage the Company democratically
- Refrain from using the Company for personal gain
- Be dedicated to planned management

Our Mission

Making the most of nature's blessings, we will create health, deliciousness and excitement, and we will contribute to the greater enrichment of society by delivering enjoyment and delight to people's lives

Our Vision

We aim to become a brand loved by people all over the world by promoting innovation in traditional techniques we have developed in rice cracker production to date and harmonizing our products with regional food cultures



The office of KAMEDA Agricultural Products Cooperative Association, the predecessor of KAMEDA SEIKA and origin of the Company

A History of Creating Value

The history of the KAMEDA SEIKA Group began when we started to make *mizuame*—a thick, clear and sticky starch syrup—with an ambition to “deliver enjoyment and delight to people’s lives” during the food shortages in Japan immediately after World War II. With a mission to provide deliciousness and enjoyment through safe and reliable products, we aim to become a brand that is loved and trusted by people all over the world. In light of all the changes in the operating environment for food companies, we will continue to strive for sustainable growth and improved corporate value.

- ▶ Social Background
 - Rapid economic growth
 - Mass consumer society
 - Baby boom
 - Oil crisis
 - Rising awareness of food safety
 - Burst of Japan’s economic bubble
 - Diversifying consumer needs
 - Aging society
 - Rising health awareness
 - Adoption of the SDGs
 - COVID-19 pandemic

▶ KAMEDA SEIKA’s Path

1946-1980s	1990-2000s	2010 onward
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Rapid post-founding growth into Japan’s leading rice cracker company, forming the foundation of the business

Founded in 1946 as a consignment processing plant for *mizuame* starch syrup. Following incorporation in 1957, the Company grew rapidly by establishing a pioneering mass-production system for rice crackers, creating a nationwide sales network and developing technologies with the opening of a research center to become number one in sales in Japan’s rice cracker market in 1975. In 1984, it became the first company in the rice cracker industry to publicly list its stock. By leveraging its strengths, including product development tailored to contemporary conditions and a powerful distribution network, KAMEDA SEIKA established its position as the leading company in the industry.

Aggressive overseas expansion aimed at becoming a “Global Food Company”

In the 1990s, business performance weakened due to the recession that followed the bursting of Japan’s bubble economy and a market slump caused by a domestic rice shortage. The Company implemented structural reforms and began entering overseas markets to achieve sustainable growth. Starting in 1989 through a capital and business alliance with SESMARK FOODS, INC. (currently TH FOODS, INC.) of the United States, overseas expansion accelerated with the establishment of a joint venture in Vietnam and Group companies in China and the United States.

Transition from a rice cracker and snack manufacturer into a food company providing value through “Better For You” foods

Mary’s Gone Crackers, Inc. was a pioneer of the “Better For You” philosophy in the United States, and adding it to the Group has enabled further expansion overseas. Meanwhile, KAMEDA SEIKA has been working to expand its business into foods other than rice crackers, based on its many years of research into rice. In its medium-term business plan formulated in FY2018, the Company stated that it would make a full-scale expansion from the rice cracker and snack industry into the food industry and has been conducting initiatives for sustainable growth. It has also worked proactively to strengthen corporate governance, building a mechanism for ensuring management transparency, fairness, planning and speed.

▶ Business Portfolio Changes

Domestic Rice Cracker

Domestic Rice Cracker Overseas

Domestic Rice Cracker Overseas Food

▶ Net Sales

(Millions of yen)



- 1946 Established the KAMEDA Farmers’ Association consignment processing plant
- 1950 Reorganized into the KAMEDA Agricultural Products Cooperative Association
- 1957 Reorganized into KAMEDA SEIKA CO., LTD. Formulated Mission Statement, Management Philosophy and Basic Management Policy
- 1960 Opened research center
- 1966 Kaki no Tane with Peanuts released
- 1975 Reached No. 1 in net sales in the Japanese domestic rice cracker market
- 1976 Happy Turn released
- 1984 Listed on the Niigata Stock Exchange
- 1989 Capital and business alliance with SESMARK FOODS, INC. (currently TH FOODS, INC.)



- 1992 Niigata Yusou Co., Ltd. and Ajicul Foods Co., Ltd. (currently Ajicul Co., Ltd.) became Group companies
- 1993 Eunon Road Niigata KK (currently N.A.S. Co., Ltd.) became a Group company
- Capital participation in SMT Co., Ltd. (currently THAI KAMEDA CO., LTD.)
- 1996 Invested in HAIHA-KAMEDA JOINT VENTURE CO., LTD. (dissolved in 1998)
- 2000 Listed on the Second Section of the Tokyo Stock Exchange
- 2003 Established Qingdao Kameda Foods Co., Ltd.
- 2004 Toyosu Co., Ltd. became a Group company
- Nisshin Seika Co., Ltd. became a Group company
- 2005 Established Kameda Transport Co., Ltd.
- Established Tianjin Kameda Food Co., Ltd. (all equity transferred in 2012)
- 2008 Established KAMEDA USA, INC.



- 2012 Changed listing to the First Section of the Tokyo Stock Exchange
- Mary’s Gone Crackers, Inc. became a Group company
- 2013 Onisi Foods Co., Ltd. became a Group company
- Established THIEN HA KAMEDA, JSC.
- 2015 Formulated Mission and Vision
- 2017 Established Daawat KAMEDA (India) Private Limited
- 2018 Established LYL KAMEDA CO., LTD.
- 2019 Maisen Co., Ltd. and Maisen Fine Foods Co., Ltd. became Group companies
- 2020 Established Singha Kameda (Thailand) Co., Ltd.
- 2021 TAINAI Co., Ltd. became a Group company
- THIEN HA KAMEDA, JSC. became a consolidated subsidiary



FY2020 Net Sales
103,305
million yen

Note: Consolidated net sales from FY2001



Note: Items circled in red have been discontinued.

Message from the Chairman & CEO

製菓展道立己

**We aim to become a distinctive
global company by evolving into a
“Better For You” food company.**

Michiyasu Tanaka
Chairman & CEO

Basic Management Approach

For 75 years since its founding in 1946, KAMEDA SEIKA has consistently focused on providing rice crackers that its customers love.

As a result, we became Japan's top seller of rice crackers in 1975, but rather than becoming complacent with this achievement, we have been working to expand into new business areas. In recent years, we have been endeavoring to improve value for our customers, redefining our Mission as "Creating health, deliciousness and excitement, and contributing to the greater enrichment of society by delivering enjoyment and delight to people's lives."

Looking ahead, major changes in society will force companies to constantly transform themselves. However, even in these circumstances, some things must remain unchanged. In KAMEDA SEIKA's case, I believe one such thing is our Corporate Philosophy, which is imbued with what makes us unique.

What I cherish above all in that Corporate Philosophy is our Management Philosophy, which sets forth two foci of corporate social responsibilities: respond to the needs of all those involved with the Company; and ensure the Company flourishes forever.

"Respond to the needs of all those involved with the Company" shows our consideration for all stakeholders. It indicates KAMEDA SEIKA's awareness of society at large from the Company's very beginning. We initially gave top priority to employees among our stakeholders, and I think at the time that stance suited the Company, which has brought together many employees in the town of Kameda, Niigata, to roll out the rice cracker business throughout Japan. Nevertheless, I began to sense a potential crisis because our employees have not been consistently oriented toward customers, as evidenced by the lack of new hit products. We held discussions on this issue at the Board of Directors and other forums, and when the Corporate Governance Code was revised in 2018, we made it clear that our customers are the top priority among our stakeholders.

"Ensure the Company flourishes forever" demonstrates our awareness of the Company's objective of sustainable growth. A robust corporate constitution is required to succeed amid fierce competition. As a manufacturer, on a daily basis we continue to diligently embrace basic business activities, such as differentiating products, adding value and reducing manufacturing costs.

There have been strong calls in recent years for companies to make efforts for sustainability. The term "sustainability" refers to the sustainable development of humankind, society and the global environment, but there is no such thing as corporate development without consideration for society and the environment. People's values regarding food are becoming more diverse as their lifestyles are impacted by new outbreaks of COVID-19, climate change caused

by global warming, increasingly frequent natural disasters and changes in global demographics. As the head of the KAMEDA SEIKA Group, I believe that I should take the lead in addressing these issues.

I think that, as an operating company, KAMEDA SEIKA should work to resolve these increasingly complex social issues through its business activities. Our business originates from rice, and our rice processing technologies are our strength. Rice, which has advantages in dealing with allergies, holds limitless potential for resolving social issues into the future. In addition, our rice processing technologies can be applied to various grains, further expanding the range of social issues that can be addressed.

Headquartered in Niigata Prefecture, KAMEDA SEIKA, strives for coexistence with the local community. In conjunction with our

Aiming to Become a "Global Food Company"

Revolutionary Change of Customer Value

Evolving from a rice cracker and snack manufacturer into a "Better For You" food company

Better For You KAMEDA

Healthy Crackers & Foods

Choose, eat and enjoy tasty and healthy foods! We will contribute to such a healthy lifestyle!!

"Better For You" Foods

Utilizing the whole range of nutrients in raw ingredients that will provide delicious and healthy foods

— Using the nutrients inherent in the ingredients to make you healthy from within —

U.S. & European-style "Better For You"

Non-GMO, Organic, Gluten-Free,
Whole Grain, Vegan

business activities, we are also investigating the more environmentally friendly manufacturing that will be expected going forward, as well as sustainable procurement. As we maintain our focus on creating food that provides customers with health, deliciousness and excitement, everyone in the Group will be aware of sustainability in manufacturing and all other business activities in order to ensure sustainable growth.

The Ambition of Becoming a “Global Food Company”

To accelerate our overseas expansion, we decided in 2009 to become a “Global Food Company” that brings health and happiness to people around the world through rice crackers.

We continue to invest proactively in our overseas business as a growth driver for the entire Company. Our expansion overseas dates back to 1989, when we began manufacturing and selling rice

crackers in North America. More recently, the growing market for “Better For You” foods in North America suggests the emergence of a market larger than Japan’s rice cracker market. Features such as gluten-free, non-GMO and organic fit in very well with products made using rice cracker manufacturing methods, and can be sold as hypoallergenic for a wide range of allergies. We will continue giving top priority to investments for growth in this business.

Moreover, in addition to potential for growth in local demand, the countries of Asia possess abundant raw materials and ample human resources, making Asia another key region from which to export to the United States and other countries. Over the medium to long term, we intend to expand our local operations in the main countries of China, Thailand, Vietnam, Cambodia and India.

Rice crackers originated in Japan, but these healthy foods and the technologies for processing them are in demand worldwide. My first ambition is to see rice crackers from KAMEDA SEIKA, Niigata, Japan sweep the world and contribute to people’s lives in the near future.

The Ambition to Be “Better For You”: Medium-term Business Plan Changing Gears 2023

Amid our accelerating global expansion and changing social conditions, including rising awareness of health and the environment, in 2018 we formulated our medium-term business plan Changing Gears 2023 with an eye to the future.

The linchpin of the plan is expanding our business domain from the rice cracker and snacks industry into the food industry, in addition to furthering the global expansion we have accomplished so far. This direction is expressed in the phrase “Better For You,” which draws its origins from the lifestyle of millennials (the generation born from the 1980s to the mid-1990s, also called “Generation Y”) in the United States and Europe who choose to eat foods that are both delicious and healthy. Our first encounter with this approach came when we added Mary’s Gone Crackers, Inc. of the United States to the Group in 2012.

Mary’s Gone Crackers, Inc. was founded by a celiac disease sufferer who wanted to create healthy snacks that would enable people with the same condition to eat with peace of mind. Driving this was the founder’s ambition to facilitate a cycle that nourishes the whole person in body and mind through nutritious food. This ambition resonated with us, so we decided to acquire the company. Its crackers have ingredients that are gluten-free, non-GMO and organic, making them truly representative “Better For You” foods. Manufactured from various grains and seeds as well as rice, the products fit in well with rice crackers. This Group company gives us the impetus to provide customer value from our “Better For You” perspective under the medium-term business plan, which is aimed at contribution to a healthy lifestyle through the selection, eating and enjoyment of things that are delicious and good for the body.

The plan’s business strategy entails establishing our three pillars: the domestic rice cracker business, which aims to be the overwhelming number one; the overseas business, which aims to



dramatically expand in the United States; and the food business, which will establish a unique position with long-life preserved foods, hypoallergenic products and plant-based foods (meat analogues). By FY2030, we aim to balance sales from the overseas and food businesses with those of the domestic rice cracker business. I believe this structural transformation is indispensable for growing our business and improving corporate value in light of the social changes that lie ahead.

We are already seeing results. For example, Onisi Foods Co., Ltd., which we acquired in 2013 and added to consolidation, has grown steadily into a highly profitable company in the food business. Due in part to the increase in natural disasters in recent years, we expect further growth for the long-life preserved foods that this company handles. In addition, we will expand our lineup of 28-allergen-free rice flour bread and brown-rice bread to address the increase in food allergies. We will also expand into plant-based foods that utilize our rice cracker processing technologies with a view toward future food shortages and environmental issues. Through development in these and other areas, we will help resolve social issues while achieving business growth.

My second ambition is to evolve from a rice cracker and snack manufacturer into a “Better For You” food company by 2030 through these initiatives.

Our People, Organization and Corporate Governance

As I stated above, the changes in society that we foresee will force companies to undergo a significant transformation, and I realize that the KAMEDA SEIKA Group is now at a major crossroads. Our people and our organization are the driving force in confronting this challenging situation and leading the way. We will also need to adopt a more sophisticated approach to our corporate governance, which is the bedrock of corporate management.

An important feature of the Group’s governance is the presence



of outside directors, who make up the majority of KAMEDA SEIKA’s Board of Directors. Our diverse outside directors, who include managers from our own and other industries as well as a former diplomat, go beyond merely supervising management to support the Company in taking appropriate risks to grow. We conduct corporate governance suited to our Group, with a structure headed by the Board of Directors.

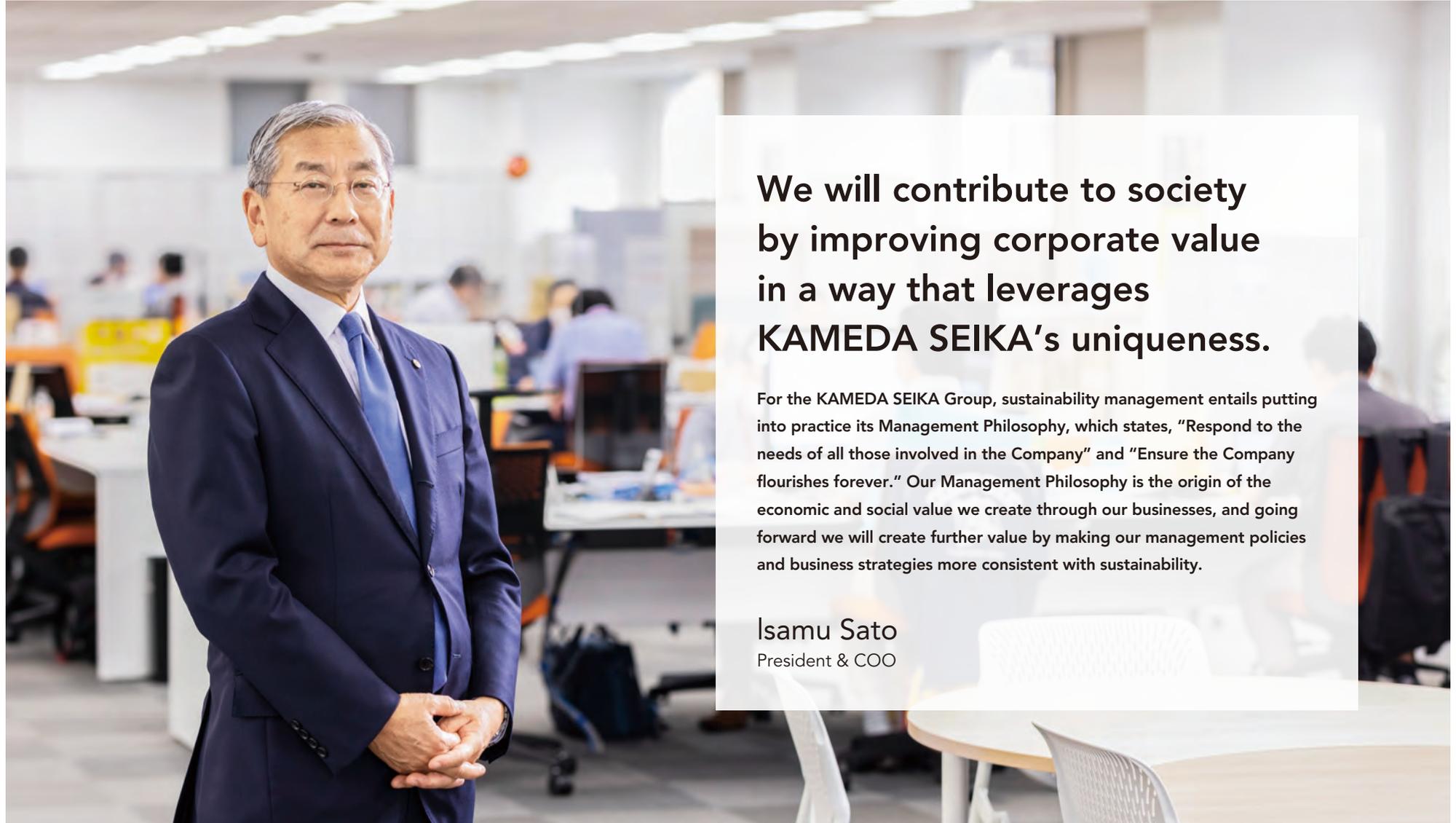
As for our human resources, we are working to energize our people and organization. Initiatives include promoting greater diversity through active participation by women and promotion of foreign-national employees and external human resources, the elimination of promotion and compensation based on seniority, and the active promotion of young employees. The KAMEDA SEIKA Wo Genki Ni Suru Project (the Energize KAMEDA SEIKA Project), which was launched by young volunteers, is a forum for developing human resources while working to reform the corporate culture from the bottom up through initiatives encompassing improvements to front-line operations and

proposals for businesses and systems. Middle management who will be our next generation of leaders set up the project in 2019 to look 20 and 30 years into the future and draw up their vision for the Company.

I am confident that combining the abilities of the human resources developed by the KAMEDA SEIKA Group with those of foreign-national employees and other external human resources through these measures will build a strong base of talent that will support our growth over the medium term.

I intend to move forward together with our customers, employees and all other stakeholders toward the future set forth in our medium-term business plan, based on a spirit of transformation and challenge to achieve my two ambitions: becoming a “Global Food Company” and evolving into a “Better For You” food company.

Message from the President & COO



**We will contribute to society
by improving corporate value
in a way that leverages
KAMEDA SEIKA's uniqueness.**

For the KAMEDA SEIKA Group, sustainability management entails putting into practice its Management Philosophy, which states, "Respond to the needs of all those involved in the Company" and "Ensure the Company flourishes forever." Our Management Philosophy is the origin of the economic and social value we create through our businesses, and going forward we will create further value by making our management policies and business strategies more consistent with sustainability.

Isamu Sato
President & COO

FY2020 in Retrospect and Future Direction

In the fiscal year ended March 31, 2021 (“FY2020”), due to the COVID-19 pandemic, we made it our core management task to fulfill our supply responsibilities, which is central to our business activities. We were able to do so while giving the highest priority to ensuring employee safety. Highly unsettled social conditions persist due to the pandemic, so we will continue taking measures that emphasize risk management in FY2021.

The Group’s core domestic rice cracker business focused on the manufacture and sale of its mainstay products due to increased demand related to drinking at home during the pandemic. As a result, sales of our lineup of savory snacks, including KAMEDA Kaki-no-Tane and Tsumami Dane, grew significantly. On the other hand, conditions remained difficult for Group companies that handle products for department stores and sell souvenirs due to concerns about a reemergence of COVID-19 as the effects of voluntary restraint on going out and restrictions on travel persisted, but there are signs of a gradual recovery in FY2021.

The overseas business achieved stable performance at Mary’s Gone Crackers, Inc. in North America, which we consider a key market, by continuing factory operations despite temporary restrictions due to the pandemic. In Asia, LYL KAMEDA CO., LTD. of Cambodia maintained steady performance by benefiting from demand from customers in Australia staying at home. Overall, from the second half of FY2021 we expect a gradual recovery from the pandemic-related slump, despite differences by country and region.

In FY2021 and thereafter, we will conduct strategic investments to expand the food business, utilizing the know-how and processing technologies we have cultivated from research on rice, with the aim of realizing our goal of becoming a “Better For You” food company in line with our medium-term business plan Changing Gears 2023.

Identification of ESG Issues and Status of Response

Among specific initiatives for addressing ESG issues, for the environment we are moving ahead with discontinuing plastic tray use from the perspective of environmental friendliness and transitioning in stages to slimmer ECO-packages for our existing mainstay products and new products in cooperation with major distributors. By spearheading this initiative as the rice cracker industry leader, we will contribute to reducing the environmental impact not just of our own company but of the entire industry. In addition to transitioning to ECO-packages, our initiatives include adopting our first paper tray for High Cheese, which we launched in March 2021, and switching to FSC-certified¹ cardboard boxes for shipping. In addition, in December 2002 we acquired ISO 14001 certification for environmental management at our headquarters and plants, and we are promoting business activities that keep environmental impact to a minimum and the creation of a system for those activities.

For society, we are working to establish an environment in which diverse human resources can fully display their skills. To that end, we are promoting greater participation by women, as well as hiring foreign-national employees and contracting external human resources. Initiatives include career training for women, creating networking opportunities for female employees, and efforts to balance work with childcare and nursing care. Due to the success of these efforts, we have received “Eruboshi” certification from the Ministry of Health, Labour and Welfare.

To manage our suppliers, before the start of the COVID-19 pandemic we checked directly with producers every two months to ensure that there was no child labor or low-wage labor, and confirmed that there were no problems. In 2019, we established a development center in Weihai, China, and we are currently cooperating with local staff to build a stringent system for

checking the status of the products we procure that includes inspection prior to shipment. For palm oil from Malaysia, we are addressing human rights and environmental matters in various ways, such as switching to RSPO²-certified palm oil.

As an occupational health and safety initiative, we make ongoing investments to improve the working environment for the health and safety of employees at our plants and endeavor to create more comfortable workplaces.

For governance, we are focusing on enhancing the functions of our outside directors and Advisory Board. To establish an acceptable management style suited to KAMEDA SEIKA, based on our unique approach and without the constraints of an externally imposed framework, we are emphasizing diversity in the composition of our directors, separation of director and executive responsibilities, and improvements to the effectiveness of the Board of Directors.

Recently, a shortfall in product supply capacity has occurred due to a labor shortage at our plants. We are addressing this crucial management issue by ramping up hiring and improving the efficiency of operations to meet rising demand from people staying at home. Taking the impacts of these measures into account, we have set clear priorities for our environmental and social initiatives and will move forward on the topics that are important to the Group.

In our overall supply chain, we will identify material ESG issues from the standpoint of the Group’s strengths and competitive advantages and steadily carry out measures with an understanding of positive and negative impacts.

1. Certified by the Forest Stewardship Council

2. Roundtable on Sustainable Palm Oil

The Medium-term Business Plan and Value Creation

The KAMEDA SEIKA Group has set the goal of becoming a “Global Food Company,” with the aim of evolving from a rice cracker and snack manufacturer into a “Better For You” food company.

As priority measures during the medium-term business plan through FY2023, we are working to strengthen our earnings base in order to solidify our overwhelming number one position in the domestic rice cracker business; to dramatically expand the U.S. operations in the overseas business; and to promote the growth of the food business through the expansion of “Better For You” foods. In doing so, we are aiming for autonomous operations by our three pillars that

will build relationships of trust with our customers through an evolution into a “Better For You” food company, thus achieving both economic and social value.

We have reviewed our rice cracker manufacturing process as the starting point for creating new value, and in the second half of 2021 we plan to begin test operation of an innovative processing line using new equipment that significantly shortens

the manufacturing process and cuts its energy consumption and footprint in half while maintaining the same output. As a medium-term cost reduction measure, we anticipate that this initiative will yield both economic and social benefits. The production line is a pioneering initiative in our industry, and I believe it will help us achieve our medium-term business plan and sustainability targets.

● Direction of Medium-term Business Strategy



1. Mary's Gone Crackers, Inc. 2. TH FOODS, INC.

KAMEDA SEIKA's Uniqueness and Strengths

KAMEDA SEIKA has always put the customer first in its ongoing efforts for product safety and reliability. Because we are a food manufacturer, quality assurance plays a crucial role in our business. In order to respond flexibly to customer values and the diversification of food, when establishing partnerships for production with other manufacturers, we work to maintain and improve product quality and brand value by putting product safety and reliability first, and make meeting our quality standards an essential condition.

All four plants operated by KAMEDA SEIKA in Niigata Prefecture have obtained FSSC 22000 certification for their food safety management systems. We are also successively obtaining the same certification for other Group company plants. Through ongoing improvements to our quality management system, we are continuing to produce the safe, reliable and high-quality foods our customers expect.

KAMEDA SEIKA has strengths that could not exist without the knowledge and technologies it has accumulated over many years, and which it will continue to leverage going forward. These include technology development to extend the life of long-selling products based on a thorough understanding of our customers' wishes and the continually changing market environment. Another strength is our product development capabilities for creating new occasions to enjoy rice crackers. Moreover, as the leading rice cracker company, we have established the infrastructure and know-how for mass production with uniform product quality, and a logistics and sales organization that covers the supply and sale of our products throughout Japan.

Since its founding, KAMEDA SEIKA has maintained a spirit of continuously incorporating new things and advanced, relatively unknown technologies to create quality products. Nowadays, diversifying customer preferences and values may sometimes necessitate difficult choices, but we will always take on new challenges and continue to offer customers our unique products and services.



Incorporating Sustainability in Management

In my opinion, a good company is one with high ethical standards. If a company's management makes its decisions with high ethical standards, in the long run it will not disappoint its stakeholders no matter how much society changes.

I believe that for us to remain needed by society, we need to constantly adhere to our Management Philosophy to "Respond to the needs of all those involved with the Company" and "Ensure the Company flourishes forever." We have formulated a Basic Policy on Sustainability as a guide to putting the Management Philosophy into practice and to better align it with our management policies and business strategies.

I think our concern for sustainability is already strongly evident in our Management Philosophy. Therefore, putting this philosophy into practice is the origin of the economic and social value we create through our businesses.

Applying our Management Philosophy on a daily basis leads to the qualities that make KAMEDA SEIKA unique among all companies in the world. As a manager, I will continue to share this philosophy with all our employees, as well as the path it lays out toward our goals.

This is the KAMEDA SEIKA Group's first integrated report. Its purpose is to inform shareholders, investors and other stakeholders inside and outside the Group about how we are improving our corporate value. As you read about these initiatives and the progress we are making in sustainability management and other matters, I hope you will better understand how KAMEDA SEIKA is growing in a way that maintains its uniqueness.

We will continue to put our Management Philosophy into practice to reinforce KAMEDA SEIKA's uniqueness while creating new value and continuing to grow by meeting the expectations of society and our stakeholders. We look forward to your continued support.

Value Creation Process

- Business Environment**
- Changes in global demographics
 - Worsening global environmental issues and increase in natural disasters
 - Rising awareness of safety, reliability and health
 - Diversification of food
 - Lifestyle changes

Goal

"Global Food Company"
From a rice cracker and snack manufacturer into a "Better For You" food company

Enjoyment and delight
Health
Excitement

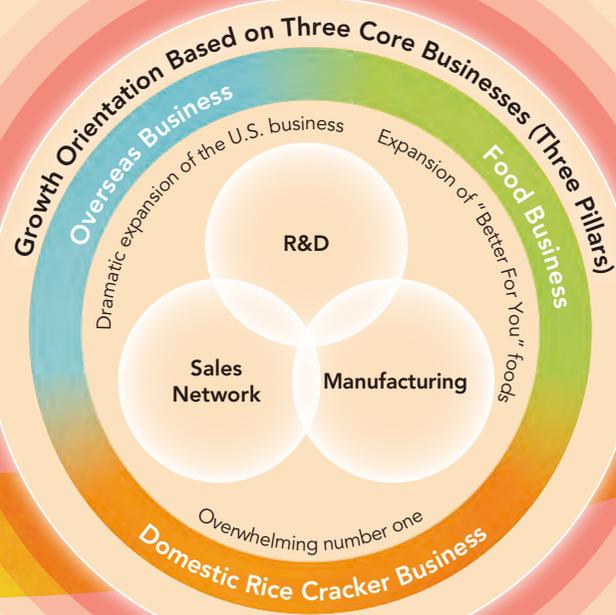
Deliciousness

Outcomes

Input

<p>Financial Capital</p> <p>Financial standing capable of stable cash generation (Equity ratio: 62.7%*)</p>	<p>Human Capital</p> <p>Diverse human resources (Number of employees: 3,362 (consolidated); ratio of female managers: 13.3%*)</p> <p>Quality control system for safe and reliable products</p> <p>Free and open corporate culture</p>
<p>Manufacturing Capital</p> <p>Domestic and overseas manufacturing bases (8 companies in Japan, 7 overseas)</p> <p>In-house logistics functions (2 companies in Japan)</p>	<p>Social and Relationship Capital</p> <p>Long-selling brands</p> <p>Relationships of trust with customers</p> <p>Partnerships with suppliers and business partners</p> <p>Industry-academia-government collaboration</p>
<p>Intellectual Capital</p> <p>Knowledge and know-how relating to rice crackers and rice (Rice Research Center)</p> <p>Product development and production/processing technologies</p> <p>Patents for plant origin lactic acid bacteria and rice proteins</p>	<p>Natural Capital</p> <p>Raw materials from nature's blessings (rice, peanuts, etc.)</p> <p>Energy and water resources</p>

Management Philosophy



Output

- Rice crackers—a traditional Japanese food
- Product lineup for all ages
- Hypoallergenic products
- Gluten-free and organic products
- Long-life preserved foods
- 28-allergen-free rice flour bread/brown-rice bread
- Plant-based foods (Meat analogues)
- Rice-derived plant origin lactic acid bacteria
- ECO-packages

- Provision of safe and reliable food
- Contribution to enriched, healthy lives
- Reduction of environmental impact from manufacturing
- Active participation of diverse human resources
- Coexistence with local communities and development of culinary culture

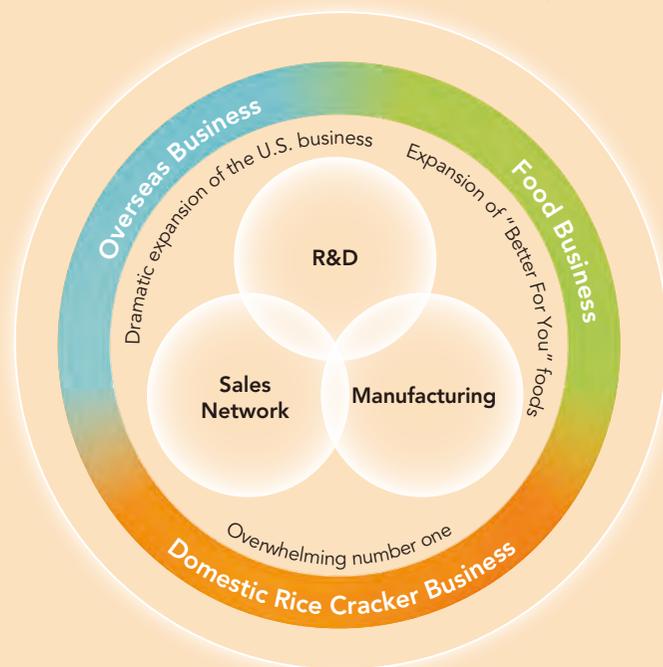
Key Issues for Sustainability

Creating new eating habits and health through "Better For You" foods	Environmentally friendly manufacturing	Sustainable procurement	Governance and diversity suited to KAMEDA SEIKA	Harmony with local communities
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*As of March 31, 2021

Mechanism for Creating Value: **Through evolution into a “Better For You” food company, we aim to deepen relationships of trust with our customers, and create both economic and social value.**

Direction of Growth Based on Three Core Businesses (Three Pillars): Business Model Analysis



A Distinctive Global Company

By further refining the three strengths it has cultivated since its founding—its R&D, manufacturing, and sales network—KAMEDA SEIKA will bolster the earnings base of the domestic rice cracker business and proactively invest the cash accumulated through these refinements in the overseas and food businesses, which it views as growth businesses, with the aim of sustainable growth.

The Company will firmly establish the direction of each of its three core businesses (three pillars): becoming the overwhelming number one in the domestic rice cracker business; dramatic expansion of the U.S. business in the overseas business; and expansion of “Better For You” foods in the food business. By balancing the sales of the domestic rice cracker business with those of the overseas and food businesses by FY2030, KAMEDA SEIKA will transform into a distinctive global company that is resilient to change.

R&D

Utilize the technologies and know-how cultivated through many years of research into rice to develop products from the perspective of health.
Establish highly competitive technologies and expand research areas into grains other than rice for full-scale development of the food business.

- Rice and rice cracker research, knowledge, and know-how
- Development of products originating from rice (Low protein cooked rice, plant origin lactic acid bacteria, Alpha Rice, rice flour bread and brown-rice bread)
- Rice processing technology (Seasoning, texture, blending, homogenization, etc.)
- Research of ingredients other than rice and development of products using these ingredients

Manufacturing

Achieved mechanization and mass production of rice cracker manufacturing, which was formerly a cottage industry. Solidified our competitive advantage by leveraging our unique manufacturing technologies that utilize the know-how we have cultivated over 75 years since our founding as a rice cracker manufacturer.

- Ability to create products attuned to the times
- Mass production technology for rice crackers and an efficient production system for 12 main brands
- Safe, reliable and high-quality products
- High barriers to entry (complex and detailed manufacturing processes)
- Knowledge of rice, and application of rice cracker manufacturing technologies (Group synergy)

Sales Network

Established a domestic sales network at an early stage. Utilize our logistics subsidiaries to maintain a stable supply network. Provide rice crackers to customers worldwide by developing an overseas network.

- Support in various sales channels through Group companies
- Flexible supply system that uses Group logistics subsidiaries
- Cross-border network infrastructure outside Japan
- Partnerships in Japan and overseas

Aiming for Supply Chain Sustainability: **Creating Health, Deliciousness and Excitement from Nature's Blessings**



Our Strengths Viewed through a Case Study: A Commitment to Quality That Supports Sustainable Growth

As the leader of Japan's rice cracker market, we work to create safe and reliable food products through thorough quality control of all processes from raw material procurement to product development, manufacturing and distribution. Our commitment to safety and reliability is the driving force that generates our unique know-how in manufacturing processes, constituting a strength that supports our

sustainable growth. For example, we use more than 10,000 tons of rice and some 7,000 tons of peanuts annually to manufacture KAMEDA Kaki-no-Tane, the top selling rice cracker in Japan, and through repeated technological innovations over the 55 years since the product's launch we have delivered consistent deliciousness to our customers.

「CLOSE-UP」 KAMEDA Kaki-no-Tane Manufacturing Process



Manufacturing Capital

- Manufacturing system
 - Combination of general-purpose equipment and equipment designed in-house
- At all key points, we have introduced equipment designed in-house to create the unique shape and crispy texture of KAMEDA Kaki-no-Tane.



Human Capital

- Taste inspectors
 - Employees involved in processes
- Each employee plays an important role in areas including process control, equipment inspection, and product inspection and measurement.



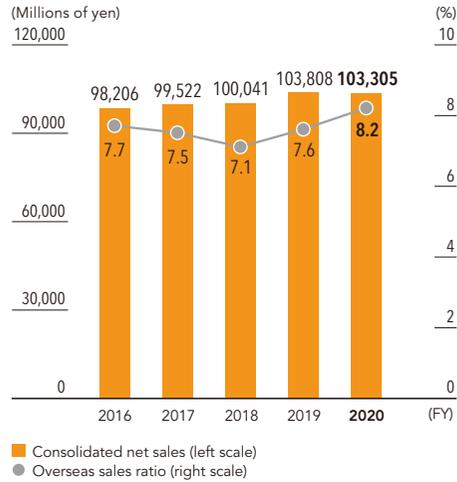
Intellectual Capital

- **Taste inspection system**
Taste inspectors who have passed an in-house test guarantee consistent quality at all times by checking for slight differences in taste, smell, texture and other factors that machines cannot differentiate.
- **Database of craftsman know-how**
The technologies and know-how our craftspeople have accumulated are converted into data and used as the basis for process control.
- **Operating manuals**
All important steps in process control, including operational and measurement procedures, are documented to eliminate inconsistencies among workers.
- **Technical standards and product specifications**
By documenting and strictly adhering to technical requirements for manufacturing products, we provide consistent deliciousness.

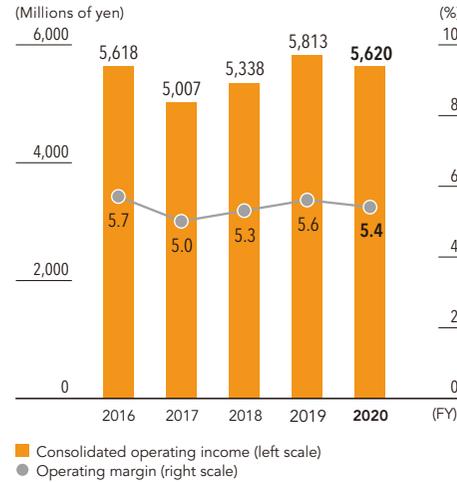
Safe and reliable
quality
and consistent
deliciousness

Financial Highlights

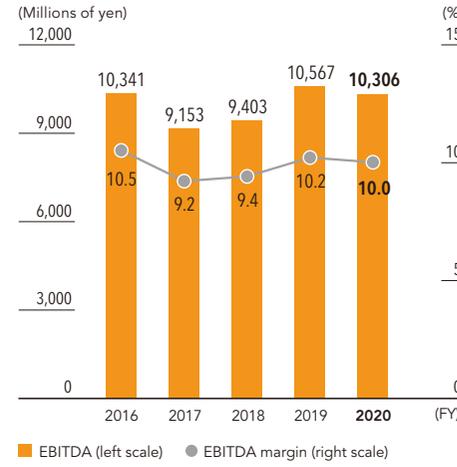
Consolidated Net Sales and Overseas Sales Ratio



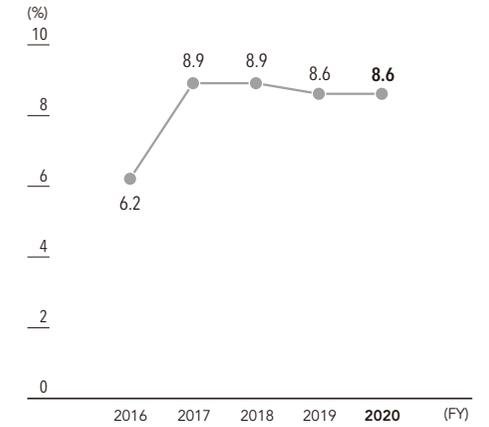
Consolidated Operating Income and Operating Margin



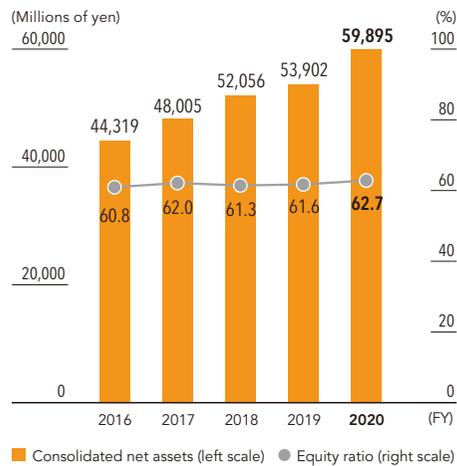
EBITDA and EBITDA Margin



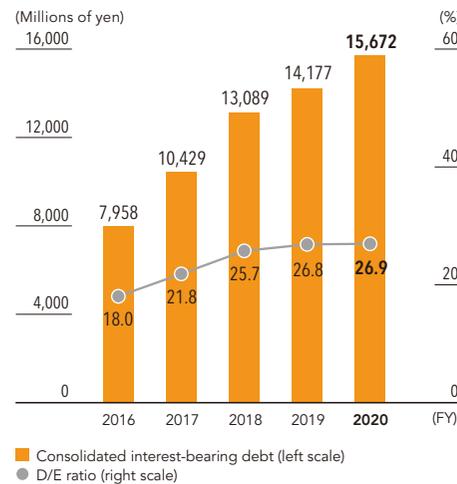
ROE



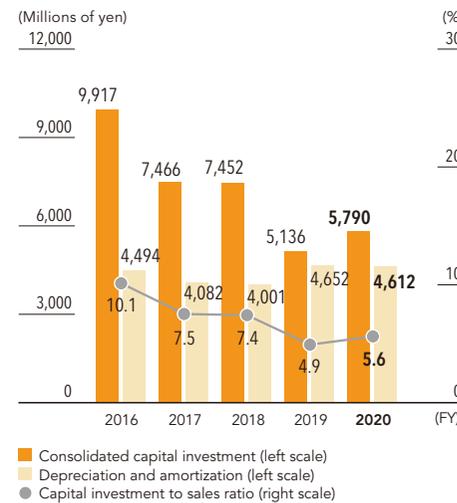
Consolidated Net Assets and Equity Ratio



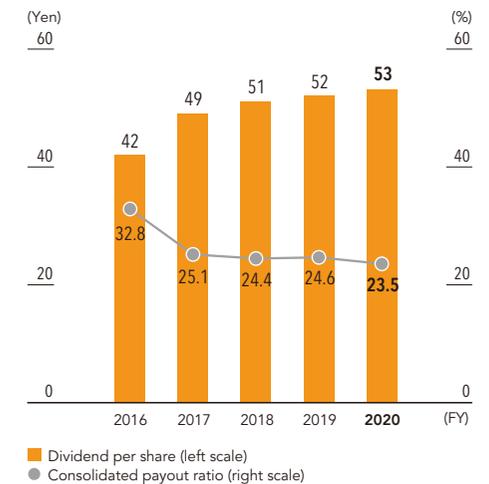
Consolidated Interest-Bearing Debt and D/E ratio



Consolidated Capital Investment, Depreciation and Amortization and Capital Investment to Sales Ratio

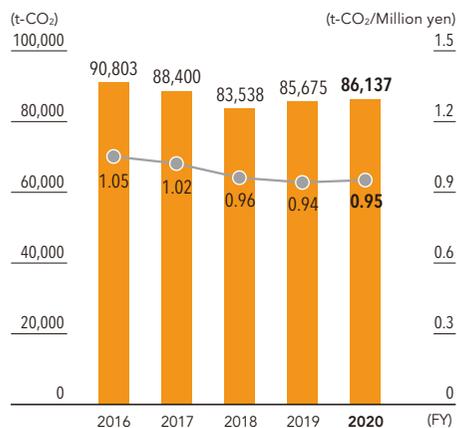


Dividend per Share and Consolidated Payout Ratio



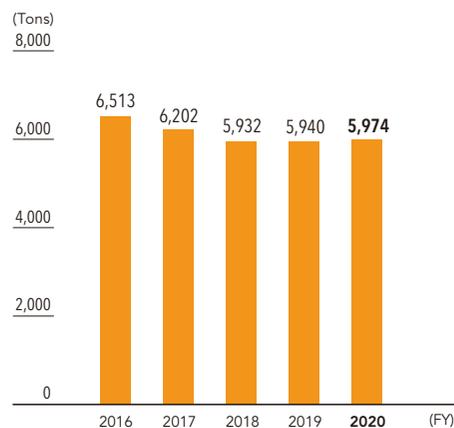
Non-Financial Highlights

CO₂ Emissions (Total and per Sales Unit)



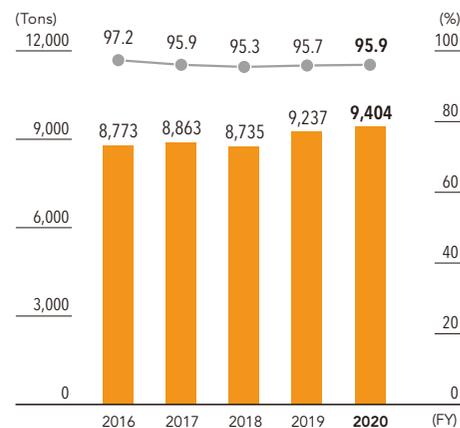
■ CO₂ emissions (total) (left scale)
● CO₂ emissions (per sales unit) (right scale)
Scope: Domestic Group plants

Amount of Plastic Used



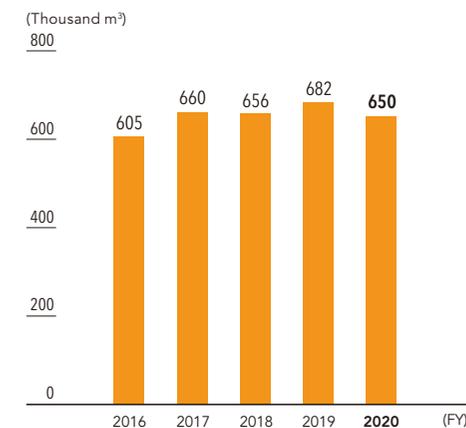
Scope: Domestic Group plants

Waste Generated and Recycling Rate



■ Waste generated (left scale)
● Recycling rate (right scale)
Scope: Domestic Group plants

Amount of Water Used



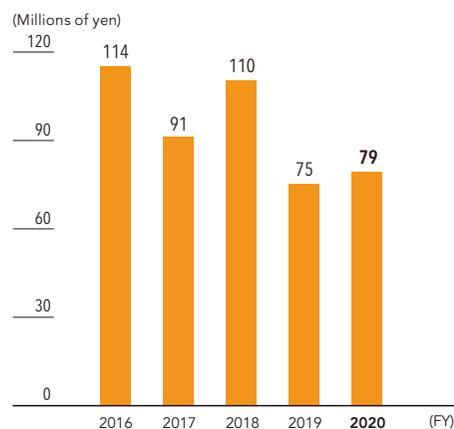
Scope: Domestic Group plants

Number of Female Managers and Female Manager Ratio



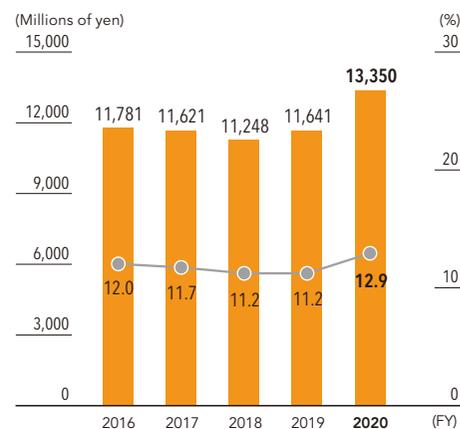
■ Number of female managers (left scale)
● Female manager ratio (right scale)
Scope: KAMEDA SEIKA CO., LTD.

Employee Training Expenses



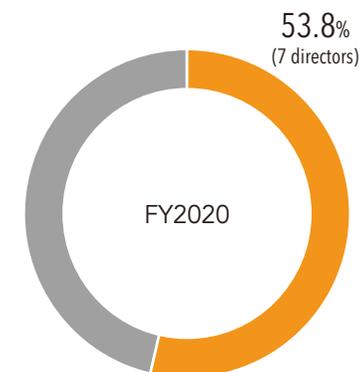
Scope: Consolidated companies

“Better For You” Food Sales and Percentage of Net Sales



■ “Better For You” food sales (left scale)
● Percentage of net sales (right scale)

Ratio of Independent Outside Directors



Message from the CFO



Akira Kobayashi
Director & CFO, General Manager,
Administrative Division

General Commentary on Finances

KAMEDA SEIKA has reached the midway point of its six-year medium-term business plan, one of the aims of which is to become the “Global Food Company” it envisions. Even during the COVID-19 pandemic, we have not wavered from the course we must take. At the beginning of FY2020, we revised the plan targets downward in light of changes in the external environment. This revision lowered the targeted growth trajectory so that we can establish our footing, with the intention of springing back with a more robust constitution for sustainable growth.

In FY2020, sales of KAMEDA Kaki-no-Tane and other mainstay products grew due to factors including increased stay-at-home demand in Japan and overseas. However, sales of highly profitable products for department stores and souvenirs were weak due to the impact of people voluntarily refraining from going out and restrictions on movement due to the pandemic. As a result, operating income was ¥5.62 billion, falling short of the plan and decreasing compared with the previous fiscal year.

Despite falling slightly behind the revised targets of the medium-term business plan, we expect to catch up by FY2023 by promptly identifying changes in the environment that could serve as opportunities to develop new sales channels, by conducting structural reforms of Group companies and by strengthening intra-Group cooperation.

Furthermore, in light of the uncertain outlook, in March 2020 we increased our committed credit line to a total of ¥12.5 billion, so we have no problem with financial soundness or liquidity.

Concerns remain about the impact of COVID-19 in FY2021, so flexible and agile leadership will be needed more than ever due to the new lifestyle that has become the norm and changes in consumer behavior. Business results have stabilized overall as stay-at-home consumption takes root. However, with factors such as rising raw material prices currently pressuring profits, we will work to achieve our plan by adjusting product specifications and improving productivity.

Longer term, we will work to achieve sustainable growth by establishing a foundation for growth and positive outcomes for the entire Group, and by gaining opportunities for further growth through expansion of our business domains.

The KAMEDA SEIKA Group is firmly supported by three pillars, consisting of the domestic rice cracker business, the overseas business and the food business, and is working to become a distinctive “Global Food Company” that is “Better For You.”

Medium-term Business Plan Numerical Targets for FY2023

	Unit	Initial Plan	Revised Plan
Consolidated net sales	(Millions of yen)	130,000	115,000
Operating income	(Millions of yen)	13,000	8,000
Operating margin	(%)	10.0	7.0
EBITDA	(Millions of yen)	19,200	13,900
EBITDA margin	(%)	14.8	12.1
ROE	(%)	12.0	9.4
Overseas sales ratio (including equity-method affiliates)	(%)	31.4	30.0

Note: Before application of the Accounting Standard for Revenue Recognition (ASBJ No. 29, revised 2020)

We have at last laid the foundations for profitability in the overseas business with the completion of an infrastructure upgrade at Mary's Gone Crackers, Inc. and the reorganization of our Thai subsidiaries. Moreover, we are looking to turn our equity-method affiliates into consolidated subsidiaries to further accelerate overseas growth with the aim of becoming a truly “Global Food Company.”

The food business is generally proceeding according to plan. It has been acquiring products with growth potential such as plant-based foods, rice flour bread and brown-rice bread through M&A and alliances focused on areas where contemporary trends intersect with our strengths and competitive advantages.

On the other hand, in the domestic rice cracker business, we have set the high hurdle of a 45% manufacturing cost ratio to strengthen cost competitiveness, and we are making efforts to achieve both quantitative and qualitative goals (build market share while reducing manufacturing costs). However, increased stay-at-home demand is putting pressure on production capacity, so we have prioritized supply. This has resulted in lower productivity and delays in various measures. In addition, raw material prices have risen since we drew up the medium-term business plan, so we will further review our product portfolio, reduce SKUs,* transfer and consolidate manufacturing processes, introduce innovative processes, and make sure that these and other measures we take lead to lower manufacturing costs. We will also work to efficiently deploy sales promotion expenses by selectively concentrating management resources on our main business partners and by establishing cooperative relationships.

* Stock-keeping unit. The smallest number of pieces of a product recorded for inventory management purposes.

Strategic Investment Portfolio Execution for Medium- to Long-term Growth and Policy Going Forward

Our medium-term investment plan sets a total investment budget of ¥50 billion during the six-year period from FY2018 through FY2023. During the three years through FY2020, in anticipation of future growth we used a cumulative total of ¥18.3 billion for capital investment, mainly for increases in production capacity for mainstay

brands with growth potential and production process innovations.

To reduce the manufacturing cost ratio, in FY2021 we have been consolidating the process functions dispersed among multiple plants and are starting to increase production capacity at growing Group companies. In addition, because the growth of a new product launched in spring 2021 has continued to exceed our expectations, we will expedite an increase in production capacity to further establish the product in the market. We plan to make a larger than usual annual investment in digitalization at sales and production sites for more efficient business operations.

To strengthen our foundation for growth, the Board of Directors discussed setting a budget of ¥15.0 billion for our strategic investment portfolio aside from our usual investments. This set of investments, which will involve taking on a certain level of risk, is aimed at achieving growth from a medium- to long-term perspective. We believe that speedy on-the-spot decision-making is required.

We determine the growth stage and the extent of the risk for each investment, classifying them broadly into projects that have growth potential over the long term, projects for expanding our business domains over the medium term, and projects for generating synergy in the short term. In allocating funds, we make decisions from multiple perspectives including the return on each investment. We made TAINAI Co., Ltd. a Group company and invested in Green Culture, Inc. as projects that have growth potential. Multiple projects currently underway fall into the category of investment for generating synergy in the short term, the first being the consolidation of THIEN HA KAMEDA, JSC.

Going forward, we expect demand for funds to increase, with the mounting number of equity-method affiliates we turn into consolidated subsidiaries and investments for medium- to long-term growth. Now is the time to diversify our funding beyond borrowing from banks, our main source so far. We will consider various financing methods that will support strategic investment while maintaining our financial soundness. This will involve itemizing funding requirements for projects where we can establish a short- to medium-term outlook and finding the appropriate financing method for each according to its size.

Key Points of the Medium-term Business Plan's Financial and Capital Strategies

For the medium-term business plan, we considered various management indicators from multiple perspectives. While improving profitability is our foremost priority, we also wanted to emphasize securing funds for stable dividends to shareholders and for our reinvestment cycle as a growing company. Given these perspectives, EBITDA is an important indicator.

The EBITDA target for FY2023 in the revised plan is ¥13.9 billion. However, if we take our growth potential into account, we could conceivably achieve our original target of doubling EBITDA from ¥9.4 billion in FY2018 to ¥19.2 billion by FY2023 by increasing our ability to generate cash.

To achieve our target, we have set an appropriate investment budget that allows for flexible response.

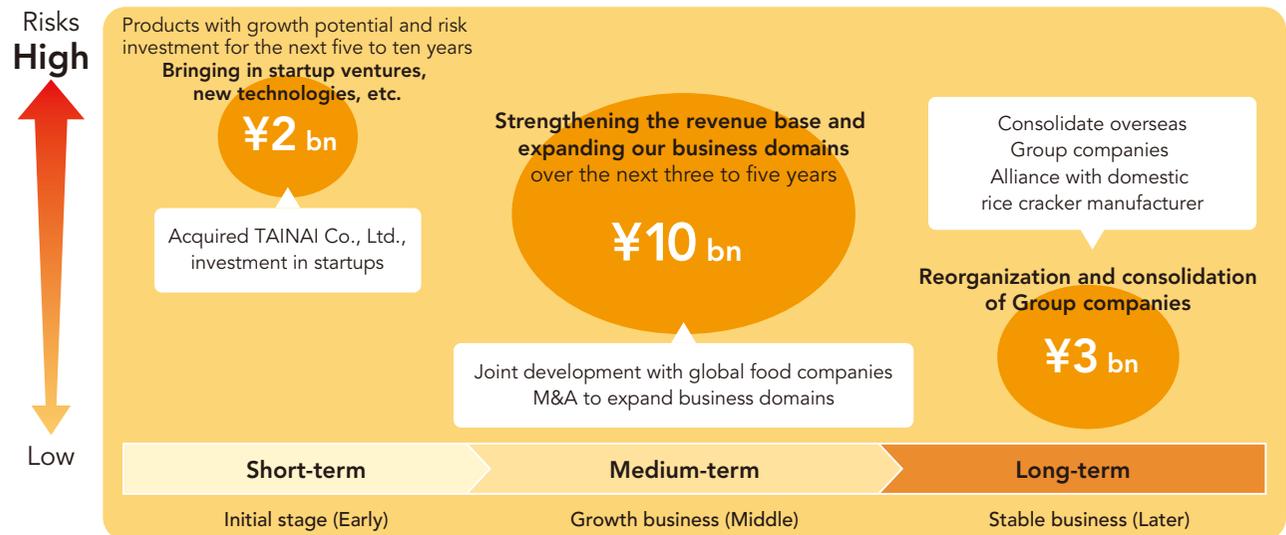
At present, COVID-19 has had no impact on our finances. By keeping ordinary investments within the bounds of operating cash flow, we can maintain the D/E ratio at 30% or lower, so financial soundness is not a problem.

Our longer-term goal is to achieve ROE of 10% or higher. However, we have set a target of 9.4% during the current medium-term business plan to exceed the cost of equity through profit growth while prioritizing our reinvestment cycle for growth.

As for shareholder returns, we intend to continue stable increases in dividends premised on our sustainable growth. Assuming that we continue to make investments for growth, we view a dividend payout ratio of between 20-29% as our yardstick for the time being, but our medium- to long-term target is 30%.

As CFO, I will continue working to improve corporate value by meeting expectations for the growth of the KAMEDA SEIKA Group.

Strategic Investment Portfolio



Medium-term Business Plan

Overview of Medium-term Business Plan Changing Gears 2023

We expect the Group’s operating environment to change significantly. The global population is growing and business opportunities are increasing in the United States and Asia. Our customers are also increasingly aware of health and the environment, so we need to evolve the value we provide. This is the mindset behind our medium-term business plan through FY2023, which was formulated by backcasting from our goal for FY2030.

The Group has a long-held goal of becoming a “Global Food Company,” and we designed our new medium-term business plan to further improve corporate value by providing even greater customer value. We intend to evolve from a rice cracker and snack manufacturer into a “Better For You” food company.

The Group specializes in processing rice, which offers infinite possibilities for addressing allergies. We can also apply the technologies we have developed to other grains to help resolve social issues.

Specifically, we will improve corporate value by continuing to grow our domestic rice cracker business and by dramatically expanding our overseas and food businesses to establish our three pillars presented on the right.

Performance Indicators

	Unit	FY2020		FY2023
Consolidated operating income	Millions of yen	5,620	▶	8,000
Operating margin	%	5.4	▶	7.0
EBITDA	Millions of yen	10,306	▶	13,900
EBITDA margin	%	10.0	▶	12.1
ROE	%	8.6	▶	9.4
Overseas sales ratio (including equity-method affiliates)	%	26.1	▶	30.0

Note: Before application of the Accounting Standard for Revenue Recognition (ASBJ No. 29, revised 2020)

Direction of Medium-term Business Strategy



Review and Identification of Issues

	Review	Issues Identified
Consolidated	Although below plan, sales and operating income increased steadily because we restructured the overseas business and expanded the food business	Expand businesses and enhance management foundation <ul style="list-style-type: none"> • Establish our three pillars • Generate Group synergies • Enhance management foundation to enable the Group to adapt to its rapidly changing operating environment
Domestic Rice Cracker Business	The COVID-19 pandemic made business difficult for Group companies, but sales and operating income increased because of growth in sales of core brands	Resolve issues through structural reforms <ul style="list-style-type: none"> • Restructure the product portfolio and nurture new products • Reduce manufacturing costs • Improve sales productivity
Overseas Business	Sales and operating income increased because of structural reforms	Make the entire segment profitable <ul style="list-style-type: none"> • Expand the U.S. business • Strengthen local sales businesses in Asia • Expand cross-border transactions
Food Business	Expand business domains to fully participate in the food industry	Execute growth strategies <ul style="list-style-type: none"> • Expand demand for long-life preserved foods • Enhance hypoallergenic food product lineup • Expand plant-based foods

Key Strategies for FY2021

The medium-term business plan positions FY2021 as a year of structural reform with a view to the future. To strengthen Group management, we will focus on selection and concentration for both businesses and products while establishing the foundation for growth and positive outcomes. Furthermore, we will make efforts to broaden our overseas business and food business domains to secure opportunities for sustainable growth.

To further strengthen its industry leadership, the domestic rice cracker business is concentrating on cultivating new customers and nurturing new products. We are also structuring an efficient sales

system that emphasizes linkages among respective initiatives and strengthening cost competitiveness through new capital investments and other means. In addition, we will contribute to society by growing our businesses with more environmentally friendly products that address social change.

Our overseas business is aiming for strong growth in North America by developing the sales channels of Mary's Gone Crackers, Inc. to increase sales and by stabilizing production operations. We have also reorganized our Thai subsidiaries to improve the profitability of Singha Kameda (Thailand) Co., Ltd. as quickly as possible and are reducing losses in the overseas business segment.

In the food business, Onisi Foods Co., Ltd. handles long-life preserved foods. It is working to increase its lineup of new products to meet greater demand during the public stockpile replacement cycle and to expand sales channels to include private as well as public demand. One result of these efforts was a smaller drop in sales following especially strong demand in the previous fiscal year. We are also ensuring future growth by pursuing Group synergies in ways such as enhancing our product lineup with rice flour bread that is 28-allergen-free, as well as healthy and delicious brown-rice bread, and by expanding plant-based foods.

Domestic Rice Cracker Business

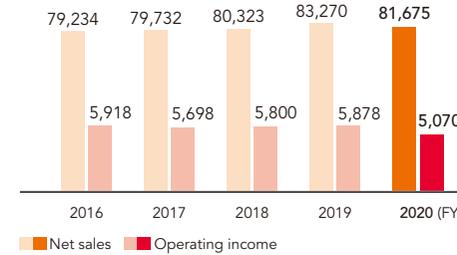


Overview

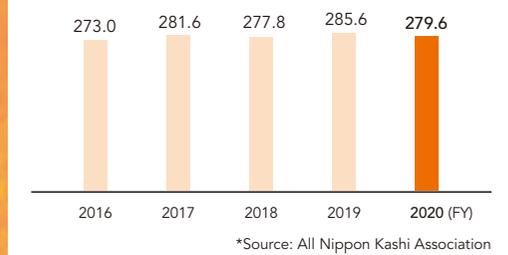
Major changes in customer lifestyles and values due to the COVID-19 pandemic depressed demand for department store products and souvenirs handled by Group companies but demand related to drinking at home and health consciousness are taking root. We expect this trend to continue once the pandemic is under control.

The Group expects its operating environment to continue to evolve. We will therefore leverage our robust operating capabilities and the strengths of our diverse Group companies and product portfolio to create customer value and generate sustainable growth.

Net Sales and Operating Income
(Millions of yen)



Market Size
(Billions of yen)



- Number one rice cracker market share in Japan
- Product development capabilities
- Brand equity

- Safety and reliability (quality assurance)
- Diverse, multichannel distribution



- Weak relationship with younger demographics
- Lack of flexibility in supply capabilities

- Large proportion of sales from main brands
- Large seasonal fluctuations

- Diversification of eating habits
- Rising health consciousness

- Firm demand related to drinking at home

- High raw material prices
- Pressure on prices from competitors

- Concerns about carbohydrates
- Contraction of customer base as Japan's population declines

KAMEDA SEIKA's Strengths in the Domestic Rice Cracker Business

1. Number One Share of the Domestic Rice Cracker Market (36.4% in FY2020*)

KAMEDA SEIKA entered the rice cracker business relatively late in 1957, but was a leader in industrializing what had been a cottage industry. We generated rapid growth by structuring a nationwide distribution network. The Company took the lead in the domestic rice cracker market in 1975 and has remained number one for more than 45 years by keeping abreast of diversifying customer needs and developing products with contemporary appeal.

* Source: SRI+® (Nationwide Retail Store Panel Survey) by INTAGE Inc.

2. Diverse, Multichannel Distribution

We have structured broadly diverse, multichannel distribution through which Group companies provide products for different channels and price ranges. Toyosu Co., Ltd. serves department stores, Ajicul Co., Ltd. distributes products to theme parks and handles souvenirs, and Nisshin Seika Co., Ltd. supplies merchandise for high-end supermarkets.

Business Environment and Medium-term Business Plan Progress

1. Business Environment

Population decline in Japan is impeding growth of the domestic rice cracker market, but as a result of the COVID-19 pandemic, demand related to drinking at home and health consciousness has taken root, further diversifying consumer needs.

2. Priority Initiative Progress and Issues

We are making steady progress in restructuring our product portfolio and reforming our sales organization. Regarding production reforms, because we have been prioritizing supply to address the COVID-19 pandemic, we are slightly behind schedule in reducing costs. However, we are making steady progress in other reforms including in the restructuring of production and other initiatives.

3. Policies for the Future

We are steadily reducing the manufacturing cost ratio, keeping the cost ratio down through process innovation, and increasing earnings through the development and sale of high-value-added products.

Main Initiatives

Initiatives for Becoming the Overwhelming Number One in Market Share

We are concentrating on high-value-added products. For example, we are stimulating demand by launching new products in growth categories such as fried and thin rice crackers, and by renewing existing savory snack lines, soft rice crackers and other categories in which we are strong. We also aim to attract new customers in ways such as creating hybrid products that combine rice and ingredients other than rice.

Sales initiatives include proposal-based marketing that leverages digital technology including the use of social network and point-of-sale data as well as motion boards and sales force automation.* We are also proactively promoting cross-merchandising to propose new eating suggestions for our products. In addition, we are working to efficiently manage costs through selection and concentration, which will further strengthen our services for priority companies and retail chains.

We will strive to further increase market share by differentiating ourselves from our competitors in terms of both products and marketing.

Lowering the Manufacturing Cost Ratio

Our goal is a manufacturing cost ratio of 45%. We are therefore making capital investments to increase productivity and improve factory-floor processes.

We are introducing and integrating manufacturing methods and equipment that differ from those for conventional rice crackers to reduce lead time and energy costs, while transitioning to innovative processes that will yield increased personnel efficiency and other benefits. We plan to begin test operation of this equipment and these methods and processes in 2021, and we will expand deployment as a key measure for reducing manufacturing costs. We are also improving the efficiency of existing production lines in ways such as consolidating upstream processes in rice cracker manufacturing.

We have pledged to devote efforts to securing production volume in order to fulfill our supply responsibilities resulting from the COVID-19 pandemic while proceeding with upgrades on the factory floor.

Building a Robust Management Organization

Ajicul markets products and souvenirs in specialized channels such as theme parks, and Toyosu markets products in the department store channel. Both companies suffered a pronounced negative impact on sales and operating performance during the first half of FY2020 because the COVID-19 pandemic led to restrictions on movement and to people voluntarily refraining from going out. The companies responded by implementing initiatives for robust management. Anticipating a prolonged impact from the pandemic, Toyosu closed unprofitable stores and expanded shelf space at major general merchandise stores. Ajicul curtailed fixed costs and cultivated sales channels in ways such as increasing shelf space at general supermarket chains.

We will build a framework that can address all forms of change because the end of the pandemic will not necessarily mean that customers will return completely to their former lifestyles and consumption patterns.

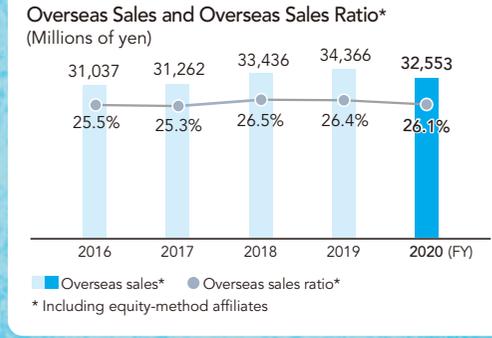
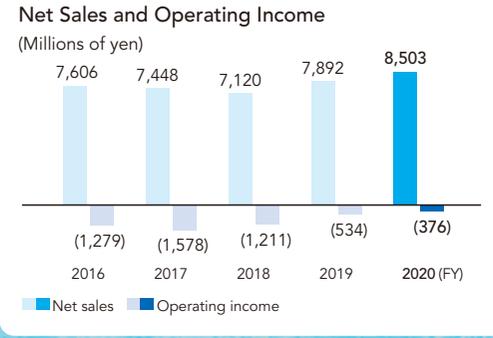
* An automated sales management support system



Overseas Business

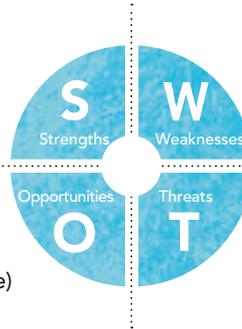
Overview

Rice crackers and “Better For You” foods are growth businesses for us because demand is rising steadily, backed by global population growth and rising health consciousness. We have been solidifying our earnings foundation in ways such as addressing management issues in our North American operations to make them profitable, reorganizing our Thai subsidiaries to improve profitability and launching a subsidiary in Cambodia at full production. We will continue building our overseas business by increasing cross-border transactions, and by expanding our local sales business, in addition to generating additional growth in North America.



- Product development that uses research and knowledge from Japan
- Reputation as Japan’s number one rice cracker manufacturer

- Partnership with foreign-capital companies
- Product portfolio



- Lack of knowledge about food outside Japan

- Insufficient marketing and product development personnel overseas

- Rising health consciousness
- Global population growth

- Growing appreciation of *washoku* (Japan's culinary culture)

- High raw material prices and tightening regulations for food

- Global supply chain disruptions and acceleration of local production for local consumption

KAMEDA SEIKA’s Strengths in the Overseas Business

1. Rising Health Consciousness and Reputation as the Leader in the Japanese Rice Cracker Market

Health consciousness is taking root as a new value, particularly among younger demographics, and gluten-free and *washoku* are of great interest internationally. The Company has a solid position as Japan’s number one manufacturer of rice crackers, which are aligned with this value.

2. Broad Product Portfolio and Ability to Provide Localized Products

We utilize a variety of technologies for texture, seasoning, and mass production of our diverse product portfolio. These technologies enable us to manufacture safe, reliable products at our locations outside Japan, and to create products that local consumers accept.

Business Environment and Medium-term Business Plan Progress

1. Business Environment

Values will change more quickly as a result of factors including global population growth, rising income levels, and increased awareness of immunity and health due to the COVID-19 pandemic.

2. Priority Initiative Progress and Issues

Achievements have included making our North American business profitable and reorganizing our Thai subsidiaries. Current initiatives target further earnings growth to make the entire overseas business segment profitable.

3. Policies for the Future

We will steadily capture demand from rising health consciousness and expand our overseas business by further growing our North American business, increasing cross-border transactions, and expanding our local sales businesses in Asia.

Main Initiatives

Achieve Further Growth in Our North American Business

Mary's Gone Crackers, Inc. successfully automated production processes during the factory relocation completed in 2018. In addition, the company achieved profitability in FY2020 as a result of an increase in demand due to growth of the gluten-free market, as well as the expansion of sales channels from natural supermarkets to general supermarkets. We are targeting sustainable growth in the U.S. gluten-free market, which we expect to expand over the long term. Strategies include the launch of even higher value-added products by applying the technology of Mary's Gone Crackers to graham crackers, a traditional U.S. confectionery.

KAMEDA USA, INC. will establish traditional Japanese rice crackers in the local market by stepping up transactions with major U.S. supermarket chains, and is playing a key role toward expansion of the global rice cracker market and generation of synergies through cross-border transactions within the Group.

In 2020, we purchased additional shares of TH FOODS, INC., acquiring 50.0% of all voting rights. Going forward, we will provide TH FOODS with technologies and know-how for rice cracker manufacturing to increase the company's product development and productivity.

Strengthen Local Sales Businesses in Asia

We are currently selling locally in China, Vietnam, and India. Going forward, the company foresees economic growth and outstanding potential for rice crackers in Asia.

China is a large market, but our market share has been limited because we have focused on supplying product ingredients to Japan. We intend to expand local market share by enhancing marketing and committing more resources to China.

Our market share and profitability are already strong in Vietnam, but we expect the market to continue expanding. We are aiming for further growth in this country by consolidating subsidiaries to generate synergies.

India was negatively impacted by the COVID-19 pandemic, but our business there is progressing largely as planned. Going forward, we will use new product development and other means to expand the business.

We also see strong market potential in Thailand, where we have completed the reorganization of our subsidiaries. We are considering entering new market segments with joint venture partners.

Increase Cross-border Transactions

We have been structuring a flexible cross-border supply system that features the supply of private-label brands to major U.S. supermarket chains and exports from Thailand and Cambodia to Australia. Going forward, we will work for further growth by implementing such initiatives on a larger scale, by enhancing our product portfolio with additional combinations of manufacturing and selling countries, and by expanding production volume. We will share the health, deliciousness and excitement of KAMEDA SEIKA's products with customers in global markets by developing and supplying products that local consumers accept.

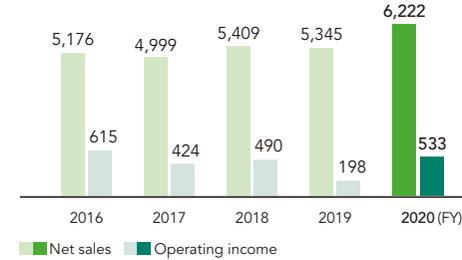
Food Business



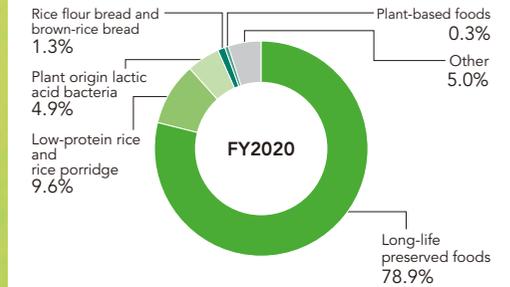
Overview

Group products such as long-life preserved foods, plant-based foods and plant origin lactic acid bacteria address various concerns, including customer concerns about the environmental impact of eating habits, disaster preparedness and rising health consciousness. Our goal is to evolve from a rice cracker and snack manufacturer into a food company by FY2030. We are therefore building the food business into a third core business—our third pillar alongside the domestic rice cracker business and overseas business—by acquiring, nurturing and rapidly commercializing promising ventures that will contribute to improving corporate value.

Net Sales and Operating Income
(Millions of yen)



Proportion of Sales by Category



- Knowledge of rice and ingredients originating from plants
- Number one market share for emergency processed rice products

- Texture and seasoning technologies developed though rice cracker manufacturing



- Competitiveness in raw material procurement

- Highly dependent on specific industries and customers

- Increasing awareness of climate change
- Rising health consciousness

- Increasing food diversity
- Increase in the number of people with food allergies

- Rapidly rising raw material prices

- Intensifying competition

KAMEDA SEIKA's Strengths in the Food Business

1. Number One Market Share for Emergency Processed Rice Products

Onisi Foods Co., Ltd. offers a wide range of products from staple foods to snacks such as pre-cooked rice, rice flour noodles, bread, rice cookies, and HaiHain as an emergency food. The company has the top share in the emergency processed rice product market, and its goal is to make foods, such as hypoallergenic and halal products, that anyone can eat with peace of mind.

2. Rice-Derived Plant Origin Lactic Acid Bacteria

We offer two kinds of plant origin lactic acid bacteria: K-1, which helps regulate intestinal action and has a skin moisturizing effect; and K-2, which has an antiallergic effect against atopic dermatitis and pollen allergies and an antiviral effect against influenza. These are plant origin lactic acid bacteria derived from rice that we discovered through many years of research on rice.

They are highly heat resistant because they have been inactivated, and can be incorporated into various foods. We are primarily supplying raw materials to *aojiru** and nutritional supplement manufacturers in Japan while developing overseas markets to further expand this business.

* A juice made from a variety of green, leafy vegetables, consumed as a health food

Business Environment and Medium-term Business Plan Progress

1. Business Environment

Eating habits are becoming more diverse and customer awareness of climate change and the environmental impact of their eating habits is steadily growing. We therefore expect that demand for plant-based and hypoallergenic foods will increase further.

2. Priority Initiative Progress and Issues

In addition to strengthening existing businesses such as long-life preserved foods and functional materials such as plant origin lactic acid bacteria, we are expanding our product portfolio with new offerings such as plant-based foods, 28-allergen-free rice flour bread and brown-rice bread.

3. Policies for the Future

While rapidly developing plant-based foods, rice flour bread and brown-rice bread as viable sources of earnings, we are expanding our business by creating Group synergies in sales and product development.

Main Initiatives

Hypoallergenic Product Initiatives

The number of people in Japan with food allergies increases every year, creating growing need for hypoallergenic foods. We have been meeting that need with hypoallergenic foods such as our HaiHain rice crackers for infants and Group company Onisi Foods' Alpha Rice and rice cookies. We are also expanding our product lineup through the addition of companies to the Group.

We added meat analogue and brown-rice bread companies Maisen Co., Ltd. and Maisen Fine Foods Co., Ltd. to the Group in 2019. In 2021, we further expanded our product lineup by adding TAINAI Co., Ltd., which owns factories that produce 28-allergen-free bread. We are stepping up collaboration among Group companies and creating synergies to expand into markets outside Japan, where demand for gluten-free foods is growing.

Plant-based Food Initiatives

Plant-based foods that do not use animal raw materials are attracting attention because of food issues associated with global population growth and climate change and growing concern about the environmental impact of the livestock industry. The market for meat analogues stands out because it is growing annually worldwide.

We are currently conducting business-to-consumer transactions centered on Maisen Co., Ltd., and intend to develop processed foods and expand into business-to-business transactions. We are also deploying the texture and seasoning technologies we have acquired through rice cracker manufacturing to develop products that are more delicious and easier to eat. In addition, the dry products we currently offer have a relatively long shelf life but require reconstitution with hot water, so we are also developing wet products to meet customer need for convenient instant foods.

Rice Research Center Initiatives

The Rice Research Center is currently focusing on functional materials such as plant origin lactic acid bacteria, rice proteins, and rice peptides, as well as plant-based foods and rice flour bread. Because rice is not subject to allergy labeling, rice protein has added value and advantages over soy protein as an ingredient in the increasingly competitive meat analogue market. The center is also collaborating in research with universities and other external institutions to explore the functionality of rice peptides obtained through enzymatic hydrolysis of rice proteins.

Moreover, we are helping to generate Group synergies through research to further add value to existing products.

This includes research to improve the texture of soy-based meat analogues and the shelf life of rice flour bread.

Promoting Sustainability

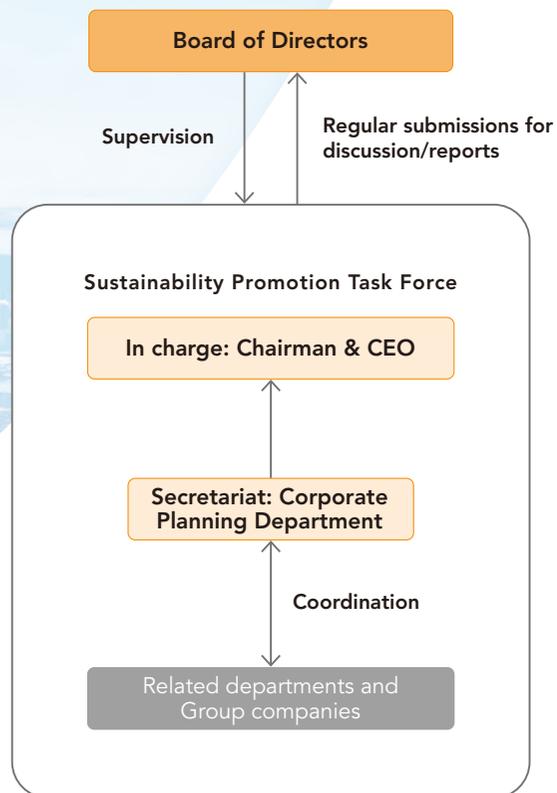
Basic Policy on Sustainability

The KAMEDA SEIKA Group will work for growth as it contributes to the realization of a sustainable society through its evolution into a “Better For You” food company, a concept that means contribution to a healthy lifestyle through the selection, eating and enjoyment of things that are delicious and good for the body.

The Group recognizes that initiatives for sustainability are a key management issue from the perspective of improving corporate value over the medium to long term.

Our sustainability initiatives are wide-ranging, and it is not always efficient to discuss, consider and supervise them all directly at Board of Directors meetings. To further promote such initiatives, we therefore inaugurated the Sustainability Promotion Task Force, based on the new Basic Policy on Sustainability that we formulated in 2021. The Chairman & CEO is in charge of the task force, which sets policies and detailed targets for the resolution of various issues related to sustainability, devises systems and specific execution methods for their implementation, and monitors the progress of measures being taken, among other activities. Details of the Sustainability Promotion Task Force’s activities are regularly submitted for discussion or reported to the Board of Directors. The task force will promote more objective and effective initiatives by incorporating stakeholder perspectives as necessary.

Sustainability Promotion Structure



Key Issues for Sustainability

The KAMEDA SEIKA Group focuses on medium- to long-term business risks and growth opportunities in dealing with long-term changes in society as well as changes in customer lifestyles and manner of consumption. The Group has identified the following key issues for sustainability, to be addressed from the perspective of maintaining and enhancing its strengths and competitive advantages.



In addition to delivering safe and reliable products to its customers as part of its Mission to provide deliciousness and excitement, the KAMEDA SEIKA Group conducts ongoing initiatives for sustainability, including reducing greenhouse gas emissions through energy-saving activities and improvements to distribution efficiency, and effectively using resources by promoting a shift to ECO-packages to reduce the amount of plastic it uses.

By appropriately allocating our human capital, R&D and other management resources and establishing our three pillars set forth in our long-term business strategy, we will evolve into a "Better For You" food company to build relationships of trust with our customers. In this way, we aim to work for both economic and social value.

The Sustainability Promotion Task Force will play a central role in setting detailed targets for resolving various issues, formulating specific execution methods, and disclosing such information via the Company website, IR materials and other media as required.

Environment

Environmental Policy and Management

● KAMEDA SEIKA Group Environmental Policy

- ① Our mission is to deliver health, deliciousness and excitement to our customers.
- ② As a corporate citizen, we contribute to and exist in harmony with local communities through ecological activities.

● Environmental Management System

The KAMEDA SEIKA Group conducts environmental management in accordance with its Environmental Policy, mainly through the Sustainability Promotion Task Force and the EMS Secretariat. In addition, since December 2002 the Group has acquired ISO 14001 certification of its environmental management systems at the headquarters and R&D Center (Production Division, Facility Development Department) of KAMEDA SEIKA CO., LTD., the Kameda Plant, the Motomachi Plant, the Suibara Plant and the Shirone Plant. The Environmental Committee of each certified location meets on a monthly basis, and the EMS Secretariat hosts a monthly EMS Meeting attended by representatives of each location to formulate environmental targets and manage progress.

Details of EMS meeting discussions are reported to and shared with the Sustainability Promotion Task Force and ongoing efforts are made to improve the environmental management system.

Response to Climate Change

Total Greenhouse Gas Emissions (FY2030 Target)



● Perception of Climate Change

The Group, which uses agricultural products as its main raw materials, recognizes that responding appropriately to climate change is a task of the utmost priority because it is likely to have a serious impact on the supply chain.

● Endorsement of TCFD Recommendations

In November 2021, the Company announced its endorsement of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and joined the TCFD Consortium.

We have begun studying climate change scenarios and identifying business risks and opportunities based on the four thematic areas of governance, strategy, risk management, and metrics and targets, as recommended by TCFD, and we are working to proactively disclose information.



● Reducing CO₂ Emissions and Energy Consumption

As an initiative in response to climate change, the Company has set a goal of reducing greenhouse gas emissions 40% by FY2030 compared with FY2017. We are working to curb emissions in the manufacturing process as well as during transportation, including

promoting a modal shift. In addition, we are drafting measures to calculate and reduce emissions throughout the supply chain.

Conversion to City Gas as an Energy Source

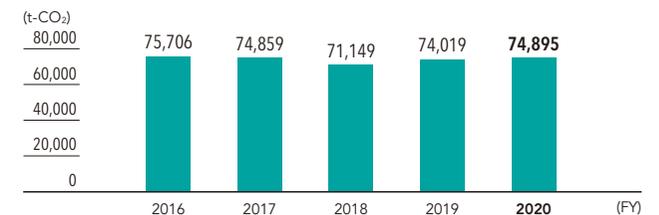
All four Company plants in Niigata Prefecture have converted from fuel oil A and liquefied petroleum (LP) gas to city gas to power their core machinery. City gas is a better energy source for the environment than other fossil fuels because it produces a smaller volume of CO₂ per unit of heat generated during combustion, and because compared with electricity, loss is minimized during transportation.

We will continue working to reduce energy consumption throughout the supply chain, including introducing energy from renewable sources.

Reduction of Energy Consumption in Manufacturing Processes

We are working to reduce energy consumption in rice cracker manufacturing processes, including through an upgrade to baking equipment with high thermal efficiency and reuse of waste heat. In addition, we expect process innovations scheduled for test operation from the second half of FY2021 to reduce energy consumption as a secondary benefit of reducing lead time. We will gradually expand these innovations to other plants going forward.

Total Greenhouse Gas Emissions (Scope 1 and 2)



Scope of data: KAMEDA SEIKA CO., LTD., Ajicul Co., Ltd., Toyosu Co., Ltd. (Niigata Plant)

Initiatives to Contribute to Establishing a Circular Economy

Amount of Plastic Used (FY2030 Target)



For the Group to conduct its business activities in a sustainable manner, it is essential to establish a circular economy that effectively uses limited resources and thus reduce its impact on the Earth. We will contribute to establishing such an economy by curbing the amount of waste generated in our business activities and by working to use resources efficiently.

● Our Use of Plastic

Awareness is growing worldwide about issues caused by single-use plastics, including the increase in marine plastic waste and the impact on the global environment from greenhouse gases released during plastic incineration.

As a manufacturer of consumer goods, the Group recognizes that reducing the amount of plastic it uses is a key issue that should be addressed as a priority.

Specifically, we are working to reduce the amount of plastic we use by eliminating plastic trays and switching to slimmer ECO-packages. By FY2030, we intend to switch to ECO-packages for all Company products, with the aim of reducing the amount of plastic we use by 30% compared with FY2017.

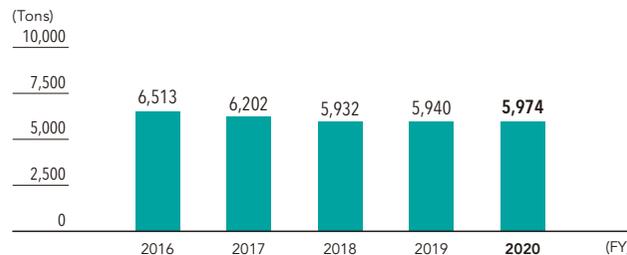
We will continue working to resolve issues through these initiatives and to drive change in the rice cracker industry as its leading company.



● Food Waste and Final Landfill Waste

The Group conducts initiatives to reduce the amount of food loss in its manufacturing processes. It is also working proactively to reduce food loss through eco-feed activities, in which rice cracker scraps are recycled as livestock and fish feed, and through donations of products to food banks. As a result of these initiatives, in FY2020 the recycling rate at Group plants in Japan and the food waste recycling rate both remained at the high levels of 95.9% and 82.0%, respectively.

Amount of Plastic Used



Scope of data: Domestic Group plants

Conservation of Water Resources

● Stance on Conservation of Water Resources

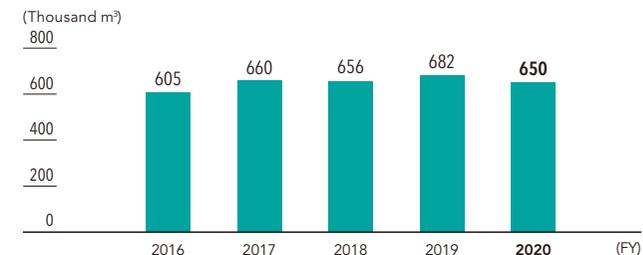
Water is an essential resource for growing rice, which is the Group's main raw material, and it plays a crucial role in product manufacturing as well. In conducting our business activities, we believe a key issue is properly understanding the impact of climate change and other factors on water resources and giving careful thought to their efficient use.

● Measures to Reduce Water Use and Results

Reduction of Water Used for Washing Rice

In the upstream of rice cracker manufacturing, we have been using a wet milling process in which rice is milled after soaking it in water, but we are introducing a new manufacturing method that can significantly reduce the amount of water used.

Amount of Water Used



Scope of data: Domestic Group plants

Society

Basic Approach

The KAMEDA SEIKA Group has set forth a basic personnel policy of “increasing the sense of active participation and growth among all employees.” We expect all employees to play an active part and feel their growth day by day as they help create a better world together with the Company.

Enhancing the Skills of Our Human Resources

● Enhancing the Skills of Our Human Resources

The KAMEDA SEIKA Group aims to increase its corporate value as a distinctive global company by establishing the three pillars, consisting of the domestic rice cracker business, the overseas business and the food business. We believe that human resources (employees) who can resolutely take on new challenges with a high-level perspective, the ability to get things done, and resourcefulness are indispensable for achieving this aim. We enhance resourcefulness through rank-based training tailored to growth, hone professional skills through practice and training, and elevate perspectives through selective training. We also establish programs to reinforce a spirit of challenge and assist in independent learning to support the growth of all employees.

High-level Perspective

Ability to understand what is best overall, not just for some

Ability to Get Things Done

Ability to resolve changing issues

Resourcefulness

Reliability among colleagues

1. Rank-based Training

Before entering the Company, new university graduate hires engage in e-learning to acquire the basics as working adults. After entering the Company, they learn the basics of their work, including business etiquette, roles in the Company, working procedures and training at production sites. After new employees are assigned to a department, senior employees offer guidance through Big Brother/Big Sister Training, and we provide support for second- and third-year employees to look back and develop

skills they will need going forward. Thereafter, we conduct training according to rank to cultivate management skills and resourcefulness others can rely on.

2. Professional Skill Improvement Training

We improve professional skills through on-the-job training, external lecturers and external training, and increase the ability to get things done for problem solving. We also opened a technical school to cultivate the leaders who will drive KAMEDA SEIKA’s manufacturing. Employees learn through classes and hands-on training on site and in the laboratory to acquire a wide range of theoretical and practical skills related to rice cracker production and manufacturing.

3. Selective Training

We elevate the perspective of future managers by conducting the KAMEDA Challenge Program for participants to learn the wide-ranging knowledge and problem-solving methods necessary for management. In addition, by actively utilizing external training for more advanced knowledge and

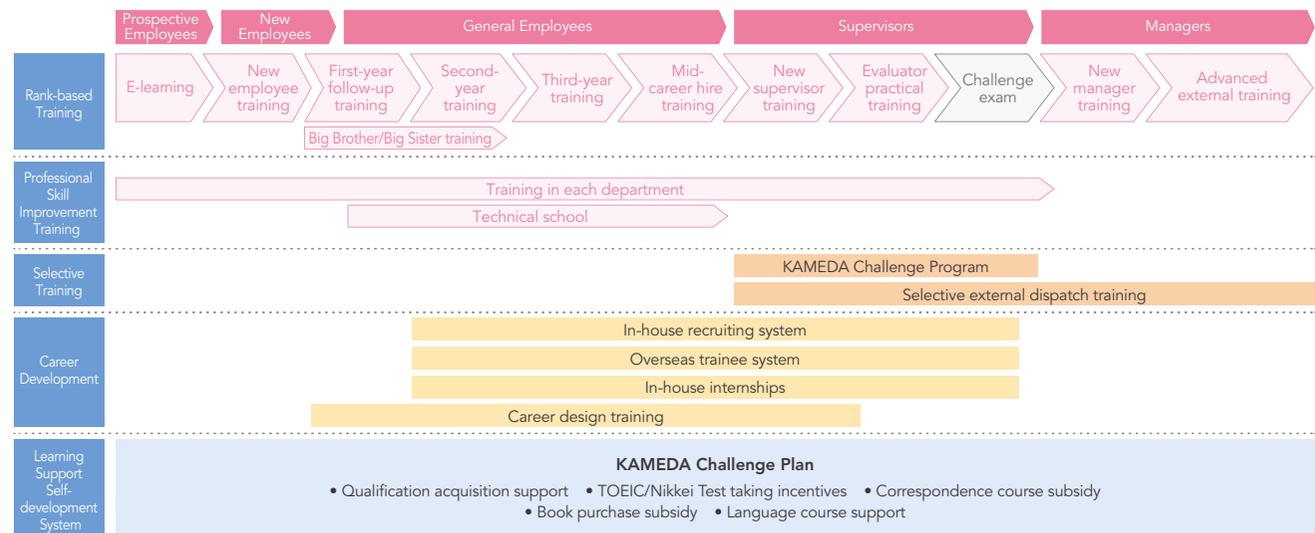
enhanced problem-solving techniques and team building capabilities, we create opportunities for participants to be inspired by their many colleagues inside and outside the Company, thus supporting their growth.

4. Learning Support (Self-development System)

We have established the KAMEDA Challenge Plan system to boost motivation and opportunities for growth through self-study by providing support for employee self-actualization including support for acquisition of qualifications, incentives to take the TOEIC or Nikkei Test, subsidies for correspondence courses and book purchases, and support for language courses.

5. Career Development

We offer training for employees to think about their careers and lay out their vision for the future, and in-house internships to learn about other departments for application to their own careers. We have established an in-house recruiting system and a short-term overseas dispatch (overseas trainee) system to facilitate practical career development that goes beyond training.



Diversity and Inclusion

To carry out our Mission to contribute to the greater enrichment of society by delivering enjoyment and delight to people's lives, we are working to create an environment where diverse human resources can demonstrate their abilities.

● Initiatives to Promote the Advancement of Women

We believe that the values and ideas of women are important for expanding our business domain from the rice cracker and snacks industry into the food industry, and we aim to increase our ratio of female managers and supervisors. We have received the "Eruboshi" Grade 2 certification from the Minister of Health, Labour and Welfare as a company that promotes women's participation and advancement in the workplace and the "Kurumin" certification as a company that supports child rearing.



Numerical Targets and Specific Measures

Numerical Targets

Ratio of Female Managers

13.3% ▶ **30%** (FY2030)

Ratio of Female Supervisors

12.0% ▶ **30%** (FY2030)

Specific Measures

To develop our human resources, we conduct training through interchange with women in other industries, training for women to become actively involved in planning their careers, networking meetings with role models and other activities. To improve the working environment, we are studying a telework system, offering work styles with limited shifts, and encouraging men to take childcare leave to support a balance between career planning and life events.

● Initiatives for the Advancement of Foreign-National Employees

The Group is expanding its business overseas with the aim of becoming a "Global Food Company." To accelerate our business development, we have increased the number of foreign-national employees to 12 from 6 in 2015, and we are continuing to secure suitable human resources. As a global company, we also communicate proactively with local employees overseas.

Specific Measures

To develop our human resources, we send employees overseas for training (including to Japan from other countries) and conduct in-house English training, among other programs. Our Global Integration Promotion Task Force, which brings together members from each department, is promoting global joint meetings in which all overseas Group companies participate, as well as projects in which the sales, production and technology departments of overseas Group companies exchange information and engage in discussions.

● Employment of People with Disabilities and Seniors

We appropriately deploy people with disabilities and senior human resources over the age of 60 to make them a vital force in our corporate growth.

Employment Rate for
People with Disabilities
(FY2020)

2.34%

Employment Rate
for Seniors
(FY2020)

Post-retirement
reemployment rate **84.1%**

● Work Style Reform and Support for Work-Life Balance

We are working to create an environment that harmonizes work and life so that employees can feel satisfaction and fulfillment in their work and lead healthy and prosperous lives.

Specific Measures

1. Happy Return System

We have introduced the Happy Return System for people returning to work after leaving, which supports diverse work styles. It gives employees who have left due to reasons including marriage, pregnancy, childbirth, childcare, nursing care, personal injury or illness, or the transfer of a spouse the opportunity to return.

2. HaiHain Leave System

We have introduced the HaiHain Leave System to give male employees whose spouses have given birth three days of paid leave for childcare, in addition to their paid annual leave. The leave can be used to care for children, bring the spouse home from the hospital or attend medical examinations.



Happy Turn



HaiHain

Respect for Human Rights

We believe that respecting the human rights of all people involved in the Group's business activities is a social responsibility we must fulfill as a corporation, as set forth below in our Code of Conduct. In our aim to become a "Global Food Company," we will work to consider human rights throughout the supply chain based on internationally recognized standards.

Code of Conduct

4. We respect human rights and do not discriminate or engage in sexual or power harassment.

Code of Conduct Bylaws

4-1 Respect for Basic Human Rights

We respect basic human rights, and do not discriminate against anyone because of gender, age, nationality, race, ethnicity, ideas, beliefs, religion, educational background, or physical or mental disability, etc.

● Employer Guidelines for Harassment Prevention

Harassment in the workplace is a socially unacceptable act that wrongfully harms the dignity of individuals, regardless of gender, and prevents workers from fully displaying their abilities. It is absolutely prohibited. It also leads to impediments to workplace discipline and operations, and is a problem with a negative impact on society.

Negative speech or behavior related to pregnancy, childbirth, childcare leave, nursing care leave or similar issues can be the cause of or context for harassment related to such matters, and speech or behavior based on perceptions of gender division of labor can be the cause of or context for sexual harassment. By reviewing our usual behavior from the standpoint of others, we work to create a sound and comfortable working environment free of harassment.

Quality and Product Safety

The Group considers it to be its mission as a food company to ensure safety at all stages from raw material procurement to consumption in order to deliver safe and reliable products to customers, and has established policies for quality and product safety. We are developing a quality assurance framework to ensure that we can deliver consistent deliciousness, and are working to further improve quality and safety.

● Quality Policy / Product Safety Policy

- ① Taking the point of view of our customers, we provide products that meet the legal and regulatory requirements for food supply chains from raw material procurement to consumption.
- ② To deliver safe and reliable products to our customers, we are developing a quality assurance framework by applying international standards such as FSSC 22000.
- ③ To be able to provide products that our customers can enjoy safely and with peace of mind, we work to improve quality in cooperation with the quality assurance departments of each Group company.
- ④ By communicating with our customers about the safety of our products and making improvements based on their feedback, we will increase customer satisfaction.

● Quality Assurance System/Measures to Ensure Traceability

We obtain documentation of raw material specifications for all products and raw materials we purchase. These documents specify the usage records of agricultural products, including the production area and any pesticides or antibiotics used, and the raw materials, additives and contaminants from the manufacturing process for processed products. In addition, we conduct our own inspection and analysis both in-house and externally. For rice used

as a raw material, its place of origin is labeled on the back of the applicable product, based on the Ministry of Agriculture, Forestry and Fisheries' Traceability System for Rice/Rice Products.

The KAMEDA SEIKA Group is working to enhance its quality assurance system, mainly through the Quality Assurance Committee, based on the KAMEDA SEIKA Group Quality Assurance Management Regulations. The committee meets once or more each quarter, in principle, to deliberate on basic quality assurance policies, raise issues for ensuring quality and safety, and verify the effectiveness of improvement measures. To enhance the quality assurance systems at Group companies, we hold a meeting of quality assurance staff from Group companies to understand issues at other companies and consider countermeasures.

As an additional initiative to establish a food safety management system, we are working to acquire FSSC 22000 certification, an international standard, at each Group plant.

● Policy on Advertising and Promotional Activities

The Group has set forth the policy below in the bylaws of its Code of Conduct to carry out responsible advertising and promotional activities that communicate its corporate activities to customers widely and properly, based on the Unfair Competition Prevention Act and the Act against Unjustifiable Premiums and Misleading Representations.

Code of Conduct Bylaws

1-2 Appropriate Advertising and Promotional Activities

In our advertising and promotional activities, we will not make any false or misleading descriptions or representations regarding the quality, performance or specifications of our products and services.

Supply Chain Management

To deliver safe and reliable products to customers, the KAMEDA SEIKA Group has established a Procurement Policy and a Code of Conduct to implement the Procurement Policy, and is promoting measures throughout the supply chain by collaborating with suppliers through the dissemination of the Procurement Policy.

● Procurement Policy

To realize the value of “Contribution to a healthy lifestyle through the selection, eating and enjoyment of things that are delicious and good for the body,” which we provide by being “Better For You,” we build relationships of mutual trust with our suppliers to deliver safe and reliable products and to procure raw materials and services that are friendly to the environment and to society.

● Code of Conduct to Implement the Procurement Policy

- ① We will conduct stable and continuous procurement of safe and reliable, high-quality raw materials to deliver health, deliciousness and excitement to our customers.
- ② To preserve the global environment, we will proactively work to use environmentally friendly materials, save energy and reduce greenhouse gas emissions.
- ③ We will comply with laws, regulations and rules, and conduct fair procurement in accordance with social common sense.
- ④ We will respect human rights and diversity, and promote procurement with consideration for improving working conditions, safety and health.
- ⑤ We will provide our suppliers with fair, impartial and transparent access to the market, and build long-term relationships of trust while working for mutual prosperity and continuity through good faith transactions based on contracts.

- ⑥ Together with our suppliers, we will help to realize a sustainable society by working for coexistence and harmony with local communities.
- ⑦ By conducting CSR surveys and audits of our suppliers, we will confirm the status of our efforts to ensure sustainability and strive to fulfill our mutual social responsibilities toward the realization of a sustainable society.

● Initiatives for Sustainable Procurement

The Group joined the Roundtable on Sustainable Palm Oil (RSPO) in March 2019. KAMEDA SEIKA CO., LTD., Onisi Foods Co., Ltd. and Mary's Gone Crackers, Inc. have been using certified palm oil since FY2020. During that time, the ratio of certified palm oil used was 11.8%.

We are also gradually switching to FSC-certified cardboard for use in our products.

Procurement of Peanuts

For procurement of peanuts, we opened a development center in Weihai, China, in 2019, and have established a quality control system with thorough pre-shipment inspections. In addition, before the start of the COVID-19 pandemic, we checked directly with producers every two months to ensure that there was no child labor or low-wage labor, and confirmed that there were no problems.

Promotion of Modal Shift

We have been promoting a shift from truck to railway freight transport, which has lower CO₂ emissions, and are certified as an Eco-Rail Mark company. In FY2020, the modal shift rate was 28.4%. Subsidiary Niigata Yusou Co., Ltd. is also certified as an Eco-Rail Mark company.

Harmony with Local Communities

● Initiatives for Coexistence with Society

We conduct dietary education and other initiatives for coexistence with society based on our belief that revitalizing local communities through activities that make the most of our businesses and cooperation with local governments and community organizations leads to improvement of the business environment.

● Initiatives for Dietary Education

Our Kameda, Suibara and Shirone plants conduct tours for neighborhood elementary school students and we have been offering classroom lessons at elementary and junior high schools. During the COVID-19 pandemic, we conducted online plant tours using a web conferencing system.

We also visit kindergartens and nursery schools to conduct activities that convey the appeal of rice and rice crackers through quizzes and other methods.

● Initiatives for Achieving the SDGs

KAMEDA SEIKA has participated in preparatory meetings for the SDGs Niigata Regional Revitalization Platform, which promotes corporate activities and regional development based on the SDGs.

In addition, Maisen Co., Ltd. and Maisen Fine Foods Co., Ltd. have formulated the “Maisen SDGs” and are registered as Fukui SDGs Partner in Fukui Prefecture and in the Sabae SDGs Glocal Club in Sabae City.



Directors, Audit & Supervisory Board Members and Executive Officers (As of November 30, 2021)

Directors



Apr. 1968 Joined The Long-Term Credit Bank of Japan, Limited (currently Shinsei Bank, Limited)
 Oct. 1998 Joined the Company
 Jun. 1999 Director, Deputy General Manager of Logistics Division of the Company
 Jul. 2003 Director, Senior Managing Executive Officer, General Manager of Corporate Management Division of the Company
 Jun. 2006 President, Executive Officer of the Company
 Jul. 2013 President of the Company
 Jun. 2015 Chairman & CEO of the Company (current position)

Michiyasu Tanaka
Chairman & CEO



Sep. 1989 Joined Taiyo Kagaku Co., Ltd.
 Jun. 1996 Director and Head of Research Department of Taiyo Kagaku Co., Ltd.
 Jun. 2000 Managing Director of Taiyo Kagaku Co., Ltd.
 Jun. 2003 Executive Vice President of Taiyo Kagaku Co., Ltd.
 Apr. 2014 Joined Rohto Pharmaceutical Co., Ltd.
 Jun. 2014 Executive Vice President
 Global Head of International Business and Research & Development Chief Health Officer of Rohto Pharmaceutical Co., Ltd. (retired in June 2020)
 Jun. 2020 Joined the Company
 Executive Vice President of the Company (current position)

Lekh Raj Juneja
Executive Vice President



Apr. 1970 Joined Chiyoda Chemical Engineering Company (currently Chiyoda Corporation)
 Jun. 1997 Director of Chiyoda Corporation
 Jun. 1998 Managing Director of Chiyoda Corporation
 Aug. 2000 Senior Managing Director of Chiyoda Corporation
 Apr. 2001 President and CEO of Chiyoda Corporation
 Apr. 2007 Chairman of Chiyoda Corporation (retired in March 2009)
 Jun. 2014 Outside Director of the Company (current position)

Nobuo Seki
Outside Director
Independent Officer



Apr. 1973 Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation)
 Apr. 2009 Executive Officer of Panasonic Corporation
 Apr. 2013 Managing Executive Officer of Panasonic Corporation
 Apr. 2014 Senior Managing Executive Officer of Panasonic Corporation
 Jun. 2014 Senior Managing Director of Panasonic Corporation
 Apr. 2017 Executive Vice President of Panasonic Corporation
 Jun. 2017 Representative Director and Executive Vice President of Panasonic Corporation (retired in June 2019)
 Jun. 2020 Outside Director of the Company (current position)

Yoshio Ito
Outside Director
Independent Officer



Jun. 2008 Executive Officer, Chief General Manager of Overseas Business Development Department of ACOM Co., Ltd.
 Apr. 2009 Joined the Company
 Deputy General Manager of Corporate Management Division of the Company
 Jul. 2010 Executive Officer, Deputy General Manager of Corporate Management Division of the Company
 Jul. 2011 Managing Executive Officer, General Manager of Sales Division of the Company
 Jun. 2012 Director, in charge of Business Development Group of the Company
 Jun. 2014 President of Onisi Foods Co., Ltd. (retired in March 2020)
 Jun. 2020 Executive Vice President of the Company (current position)

Yoshio Kodera
Executive Vice President



Apr. 1968 Joined Toyo Suisan Kaisha, Ltd.
 Jun. 1989 Director of Toyo Suisan Kaisha, Ltd.
 Jun. 1993 Managing Director of Toyo Suisan Kaisha, Ltd.
 Apr. 1999 Representative Senior Managing Director of Toyo Suisan Kaisha, Ltd.
 Jun. 2003 Representative Director and President of Toyo Suisan Kaisha, Ltd.
 Jun. 2012 Representative Director and Chairman of Toyo Suisan Kaisha, Ltd. (current position)
 Jun. 2014 Outside Director of the Company (current position)

Tadasu Tsutsumi
Outside Director
Independent Officer



Apr. 1982 Joined The Nippon Credit Bank, Ltd. (currently Aozora Bank, Ltd.)
 Oct. 2008 Executive Officer of Aozora Bank, Ltd.
 Oct. 2010 Joined Nishimoto Trading Co., Ltd., Senior Managing Director
 Mar. 2012 President and Representative Director of Nishimoto Trading Co., Ltd.
 Mar. 2016 Director, General Manager, Group Business Management Division, Nishimoto Wismettac Holdings Co., Ltd.
 Mar. 2017 President & COO of Nishimoto Wismettac Holdings Co., Ltd. (Retired in March 2020)
 Jun. 2020 Outside Director of the Company (current position)

Takayuki Kani
Outside Director
Independent Officer



Mar. 1976 Joined the Company
 Feb. 1998 President of HAIHA-KAMEDA JOINT VENTURE CO., LTD. (Vietnam)
 Jul. 2003 Executive Officer, General Manager of General Affairs Department of the Company
 Jun. 2007 Director, Managing Executive Officer, General Manager of Corporate Management Division of the Company
 Jun. 2012 Executive Vice President of the Company
 Jun. 2015 President & COO of the Company (current position)

Isamu Sato
President & COO



Apr. 1998 Joined the Company
 Jun. 2003 Director, General Manager of Product Development Division of the Company
 Jul. 2013 Director, General Manager of Quality Assurance Department, Rice Cracker Business Group of the Company
 Jun. 2017 Director, in charge of New Business Group of the Company
 Apr. 2018 Director, Head of Rice Research Center of the Company
 Jul. 2018 Director, in charge of Group Companies and Diversity of the Company (current position)

Naoko Koizumi
Director, in charge of Group Companies and Diversity



Jun. 1982 Joined Ministry of Foreign Affairs, Trade and Development of Canada
 Aug. 2000 Consul General of Canada in Osaka
 Aug. 2003 Minister, Embassy of Canada in Japan
 Aug. 2004 Minister and Deputy Head of Mission, Embassy of Canada in Japan
 Aug. 2009 Ambassador of Canada to the Republic of Indonesia, to the Democratic Republic of Timor-Leste and to the Association of Southeast Asian Nations (ASEAN)
 Nov. 2012 Ambassador Extraordinary and Plenipotentiary of Canada to Japan
 Jun. 2016 Outside Director of the Company (current position)

Mackenzie Clugston
Outside Director
Independent Officer



Apr. 1989 Joined SANYO Electric Co., Ltd.
 Jun. 2002 Vice President of SANYO Electric Co., Ltd.
 Jun. 2005 President of SANYO Electric Co., Ltd.
 Apr. 2011 Director, Vice President and Operating Officer of LIXIL Corporation
 Jun. 2016 Director of LIXIL Group Corporation (retired in June 2017)
 Apr. 2019 Member of Advisory Panel to Consider Management of the Company (retired in April 2020)
 Jun. 2020 Outside Director of the Company (current position)

Toshimasa Iue
Outside Director
Independent Officer



Mar. 1984 Joined the Company
 Jul. 2013 Executive Officer, General Manager of Corporate Planning Department of the Company
 Nov. 2014 Executive Officer, General Manager of Business Promotion Department of the Company
 Jun. 2016 Managing Executive Officer, General Manager of Production Division of Rice Cracker Business Group of the Company
 Jun. 2017 Managing Executive Officer, General Manager of Administrative Division of the Company
 Jun. 2018 Director, General Manager of Administrative Division of the Company
 Apr. 2021 Director & CFO, General Manager of Administrative Division of the Company (current position)

Akira Kobayashi
Director & CFO, General Manager, Administrative Division



Apr. 1976 Joined Kewpie Corporation
 Feb. 2003 Director of Kewpie Corporation
 Feb. 2010 Executive Managing Director of Kewpie Corporation
 Feb. 2011 President and Representative Director of Kewpie Corporation (retired in February 2017)
 Director of Nakashimoto Co., Ltd.
 Feb. 2017 Chairman and Director of Nakashimoto Co., Ltd. (retired in February 2021)
 Jun. 2018 Outside Director of the Company (current position)

Minesaburo Miyake
Outside Director
Independent Officer

Audit & Supervisory Board Members



Jun. 2006 Executive Officer of ShinGinko Tokyo Ltd.
 Jul. 2007 CFO of Showajisyo Inc.
 Jun. 2011 Full-time Auditor of Showajisyo Inc.
 Nov. 2012 Joined the Company
 Legal Manager of Corporate Planning Department of the Company
 Apr. 2016 Legal Affairs Team Senior Manager of Corporate Planning Department of the Company
 Jun. 2016 Full-time Audit & Supervisory Board Member of the Company (current position)

Michiya Kondo
 Full-time Audit & Supervisory Board Member



Oct. 1986 Joined the Company
 Apr. 2007 Manager of Customer Service Office of Customer Service Department of the Company
 Jul. 2013 General Manager of Administrative Division of Toyosu Co., Ltd.
 Jul. 2015 Assistant to General Manager of Accounting Department of the Company
 Jun. 2016 General Manager of Audit Department of the Company
 Jun. 2019 Full-time Audit & Supervisory Board Member of the Company (current position)

Jun Sasaki
 Full-time Audit & Supervisory Board Member



Apr. 1967 Joined The Daishi Bank, Ltd. (currently Daishi Hokuetsu Bank, Ltd.)
 Jun. 2004 Managing Director of The Daishi Bank, Ltd.
 Jun. 2005 Managing Director (Representative Director) of The Daishi Bank, Ltd.
 Apr. 2008 Senior Managing Director (Representative Director) of The Daishi Bank, Ltd.
 Jun. 2011 Deputy President (Representative Director) of The Daishi Bank, Ltd.
 Jun. 2012 Representative Director and President of The Daishi JCB Card Co., Ltd. (retired in June 2013)
 Representative Director and President of The Daishi DC Card Co., Ltd. (retired in June 2013)
 Jun. 2013 Outside Audit & Supervisory Board Member of the Company (current position)

Kenichi Yazawa
 Outside Audit & Supervisory Board Member
 Independent Officer



Apr. 1969 Joined NIPPON CHEMICAL INDUSTRIAL CO., LTD.
 May 1971 Joined Sony Corporation
 Jun. 2003 Corporate Senior Vice President and Group CFO, Corporate Executive Officer of Sony Corporation
 Dec. 2007 Managing Executive Officer of Zensho Co., Ltd. (currently ZENSHO HOLDINGS CO., LTD.)
 Jun. 2008 Director of Zensho Co., Ltd.
 May 2011 Managing Executive Director and CFO of Zensho Co., Ltd. (retired in January 2013)
 Jun. 2014 Outside Audit & Supervisory Board Member of the Company (current position)

Takao Yuhara
 Outside Audit & Supervisory Board Member
 Independent Officer

Executive Officers

- Managing Executive Officers**
- Hitoshi Arai**
(CMO, General Manager, Product Division and Manager, Marketing Strategy Department)
 - Toru Nishiyama**
(General Manager, Production Division)
 - Masanori Takagi**
(General Manager, Sales Division)
- Executive Officers**
- Yasuhiro Mayama**
(President of Toyosu Co., Ltd.)
 - Takeshi Fujii**
(General Manager, Overseas Business Division)
 - Koichi Iida**
(Manager, Technology Development Department, Product Division)
 - Shuji Matsui**
(President & CEO of Mary's Gone Crackers, Inc.)
 - Hajime Takahashi**
(Head of Rice Research Center)
 - Satoshi Torigoe**
(General Manager, Corporate Planning Department)
 - Hiroyuki Horita**
(In charge of Sales)
 - Hiroyuki Kaneko**
(General Manager, General Affairs Department, Administrative Division)

Skill Matrix¹

		Corporate Management ²	Global	Diversity	Sales/Marketing	Production/Development R&D/Quality	Accounting Finance	Legal Affairs/Compliance/Risk Management	Sustainability/ESG
Directors	Michiyasu Tanaka	○	○				○		
	Isamu Sato	○	○					○	
	Lekh Raj Juneja		○	○		○			
	Yoshio Kodera		○		○		○		
	Naoko Koizumi			○		○			○
	Akira Kobayashi					○	○	○	
	Nobuo Seki Outside	○				○			○
	Tadasu Tsutsumi Outside	○	○		○				
	Mackenzie Clugston Outside		○	○					○
	Minesaburo Miyake Outside	○		○	○				
	Yoshio Ito Outside		○			○			○
	Takayuki Kanai Outside	○	○				○		
	Toshimasa Iue Outside	○	○		○				
Audit & Supervisory Board Members	Michiya Kondo		○				○	○	
	Jun Sasaki				○		○	○	
	Kenichi Yazawa Outside						○	○	○
	Takao Yuhara Outside		○				○	○	

1. The above matrix shows areas where individuals can demonstrate expertise based on experience and other factors. It does not cover all their knowledge.
 2. Experience as president of a publicly listed company

A Conversation between Outside Directors

Full-Scale Start of Growth Strategy Implementation for Changing Times

Aiming to Create New Markets by Developing the Overseas Business

Seki In its medium-term business plan, KAMEDA SEIKA (hereafter, "KAMEDA") is currently working to evolve from a rice cracker and snack manufacturer into a food company under its slogan "Better For You." KAMEDA's management and employees are energetically working toward this ambitious goal. KAMEDA has a corporate culture of being open and courteous in everything it does, which makes my work as an outside director both easy and rewarding. The Company's employees are dependable and rigorously carry out what needs to be done, but perhaps they could have a greater spirit of challenge and stronger determination. From that perspective as well, KAMEDA is a promising company with growth potential. What is your opinion of the Company, its employees and the state of its transformation?

Clugston I sense that both the Company and its employees have the motivation and potential to take on and achieve this ambitious goal. KAMEDA is based in Niigata Prefecture, which is known for the production of delicious rice, and it has established the overwhelming number one position in the domestic rice cracker market. Currently, it is also focusing on developing its overseas business. As demand for healthier food grows worldwide, KAMEDA has the technological advantages that will enable it to manufacture and provide highly appealing products such as rice crackers and products with growth potential, such as plant-derived foods, to meet that demand. A key point for the Company will be sharing the direction of its evolution with its employees.

Seki That's true. For that direction, KAMEDA's management considered its vision for the Company in drawing up the medium-term business plan. Issues covered included the value KAMEDA offers to society, the kind of company it wants to be, and its ideal size. Management then backcast from its vision to formulate growth scenarios and measures. KAMEDA has now entered the implementation stage of its growth strategy and is making a full-scale start. As you mentioned, the Company needs to focus more on overseas expansion going forward, in addition to addressing the

qualitative changes that will be required in the Japanese market, which is expected to shrink in the medium to long term.

Clugston Making a contribution in that area is exactly the reason I am an outside director. I think that *arare* and *osenbe*, which are snacks and crackers made from rice, have appeal overseas. To gain a foothold in the United States and Europe for global expansion, KAMEDA must start by creating a new market in the United States. People outside Japan are very interested in *washoku* (Japan's culinary culture). Creating a new market is difficult even for a major corporation, but I believe that KAMEDA can do it.

New Product Development Capabilities Crucial for the Growth Strategy Becoming a Company Where Employees Respect Each Other

Clugston The ability to develop new products is crucial for KAMEDA's growth strategy. For example, both now and in the past, the characteristics young people and elderly people look for in rice crackers have been very different. While the Japanese market has matured and customer needs have diversified, in the rest of the world rice crackers are still a niche product. Focusing more attention outside Japan will increase business opportunities. In expanding overseas, developing or acquiring human resources capable of performing on the global level will be indispensable.

Seki I think many Japanese companies face issues with governance when expanding overseas. This is because they need managers who have sufficient management skills and human resources who can direct company operations when engaging in M&A or partnerships. How can KAMEDA develop such human resources and deploy them at its numerous bases overseas?

Clugston KAMEDA provides outside directors with the opportunity to evaluate candidates for the Company's next generation of management. I participate in these evaluations and talk directly with candidates, and there are many capable middle managers among them. To cultivate such middle managers, it would be good to have them gain experience overseas while they are still young.

Seki I would like to see KAMEDA proactively give opportunities to its motivated people. The COVID-19 pandemic



Becoming a Company That Naturally Fosters a Culture of Mutual Respect among Employees

Nobuo Seki
Outside Director

Creating Overseas Markets: KAMEDA Can Achieve What Is Difficult Even for Major Corporations

Mackenzie Clugston
Outside Director

has completely changed working styles, and I would like KAMEDA to be a company whose employees can work freely and realize their potential, even when the operating environment changes as it has. Even now, there is a project is under way made up of young volunteers who are energetically working to improve the Company and create an environment where they can play more active roles. There is a need to respond promptly and appropriately to changes in the operating environment, including working styles, and through this project, the volunteers have succeeded in doing so of their own volition. My ideal company is one that cultivates a corporate culture in which it is natural for employees to take their work seriously and discuss it with one other.

Clugston That sounds great. Employees working with peace of mind, giving free rein to their imagination and then acting on it, their own efforts leading to business expansion. At the same time, the Company will form strategic alliances. For example, to promote rice crackers as a healthy snack overseas, it would be effective to partner with a beverage manufacturer. I'd like to see a culture of beer and rice crackers spread and take the place of beer and hot dogs when Americans watch baseball.

A Corporate Culture of Acceptance Followed by Joint Consideration

Board of Directors Diversity Creates New Perspectives

Seki One example of where KAMEDA displays its strengths is its approach to corporate governance. Whenever the Financial Services Agency and the Tokyo Stock Exchange revise Japan's Corporate Governance Code, many companies tend to look around at what others are doing and do the same, but KAMEDA first comes to grips with what society requires from it. The Company thoroughly discusses what is best for it, then confirms its intention and moves forward. I think this strength sets KAMEDA apart from other companies. Grounded in this corporate culture, the Board of Directors is now actively discussing growth strategies for addressing new markets and the changing times. It is not even uncommon for Board members to hold additional meetings on weekends to discuss specific themes.

Clugston Outside directors account for the majority of KAMEDA's Board of Directors. This feature of the Company's governance shows the intent of its executive management team. The governance system makes it easy for outside directors with diverse backgrounds to speak up, and emphasis is put on applying our advice in management. Outside directors speak from their knowledge and experience, and it is evident that the Company respects us. What is your approach when attending Board of Directors meetings?

Seki I think from the standpoint of the shareholders and employees, with an awareness that I am representing various stakeholders. It is natural to check compliance, risk management and the like from a supervisory perspective, but it is also important to give opinions and ask questions about more casual doubts and concerns. At such times, I realize the usefulness of my many years of experience working with customers in various fields at an engineering company and the insight I have developed at other companies.

Clugston I am expected to provide a context that will help accelerate KAMEDA's overseas expansion. That includes trends in market conditions, the outlook for market entry by competitors, and advice on products for overseas markets. For example, I explained that there was no English on the KAMEDA Kaki-no-Tane package. I said that knowing only that they are rice crackers did not help with the product name, so customers who don't understand Japanese would be unable to make repeat purchases. I pointed out that if packages contained the English phrase "The Number One Rice Snack in Japan," these customers would have a better idea of what it is. This phrase is now printed on the package. The cumulative effect of providing small details such as that will be substantial during an overseas rollout.

Seki To contribute to sustainability, which is a crucial issue that KAMEDA shares with society in general, the Company is also making efforts to achieve the targets of the SDGs and to realize sustainability management. The high barriers to be overcome will make those efforts difficult, but KAMEDA will unstintingly contribute to society with consideration of its position and size. I proactively express my opinions to create links between these ambitious goals and what KAMEDA is capable of doing. Free and easy discussions in which diverse outside directors take part will generate new perspectives. That sums up KAMEDA's Board of Directors. Let's cultivate the potential that exists throughout KAMEDA.

Corporate Governance

Basic Approach

Corporate governance in the Company is a mechanism for ensuring management transparency, fairness, planning, and speed, and for organically linking business execution and supervision so that they function in a timely and appropriate manner, in order to realize the ideal corporate management to which the Company has aspired since it was founded (aiming to achieve sustained development of the business and enhancement of corporate value by building good relations with all stakeholders of the Company and meeting the needs of society), consistent with its corporate philosophy.

The Company considers strengthening and enhancing corporate governance to be an important management issue, and continuously works to build an effective governance system.

 **Corporate Governance Policy**
www.kamedaseika.co.jp/admin/images/ennews/upload/118.pdf

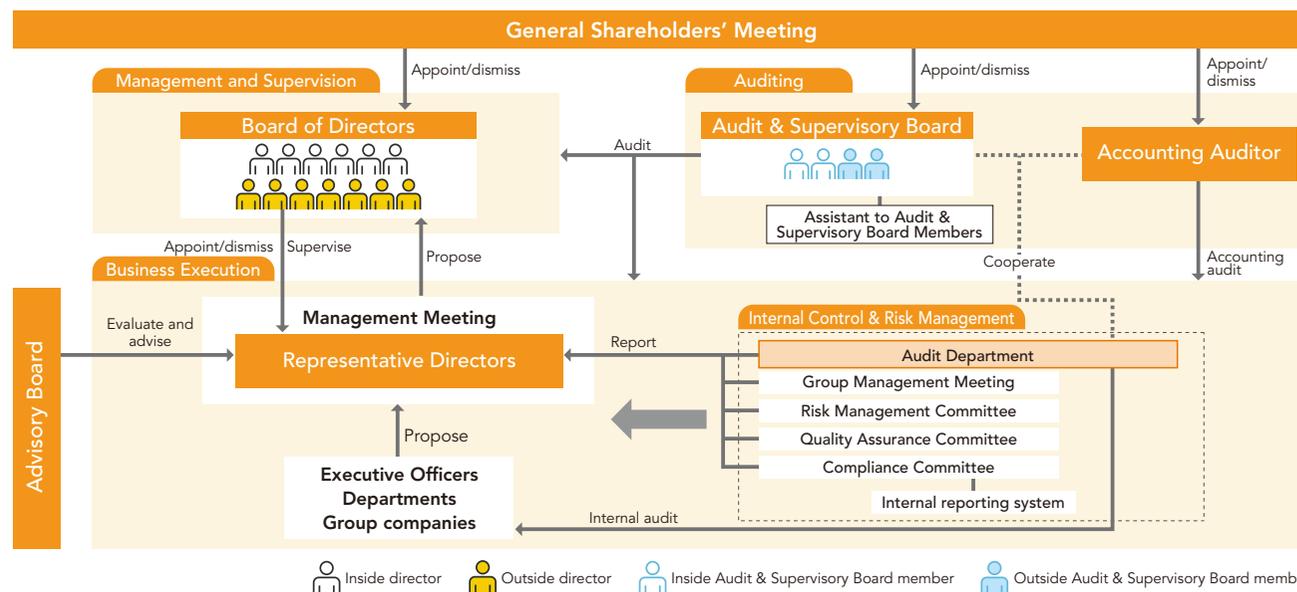
In order to build a sound management system for heightened risks associated with globalization and other trends, and to realize an advanced monitoring model using outside directors, the Company has made its own decision to have a Board of Directors with highly independent outside directors comprising a majority of directors in addition to clarifying the division of roles of management supervision and execution functions, and has introduced an Executive Officer system for increasing the speed of business execution. In addition, as a company with an Audit & Supervisory Board, the Company is strengthening functions for auditing and monitoring management while effectively utilizing the functions of Audit & Supervisory Board members.

Furthermore, Advisory Board meetings are periodically held by outside experts who provide evaluation and advice to the representative directors on business strategies and Group management in general.

Timeline of Main Corporate Governance Framework Improvements

	Details	Composition of Board of Directors	Ratio of Outside Directors
2002	Advisory Board established		
2003	Executive Officer system introduced		0%
2006	Outside director system introduced		40%
2012	Business group system introduced		22%
2014	Outside directors become a majority		57%
2015	Chief officer system introduced (CEO, COO)		63%
2018	Corporate Governance Policy established		60%
2020	Number of directors increased		54%
2021	Chief officers appointed (CFO, CMO)		54%

Corporate Governance Framework



Overview of Important Meetings

	Member Composition	Independence	Meeting Frequency	Main Topics of Discussion
Board of Directors	6 inside directors 7 outside directors	54%	Once a month in principle	Decision-making subjects: Management plans, capital investments, organization and personnel, etc. Report and review subjects: Business strategy, medium- to long-term vision, internal control monitoring, financial strategy, capital policy, etc.
Audit & Supervisory Board	2 full-time Audit & Supervisory Board members 2 outside Audit & Supervisory Board members	50%	Once a month in principle	Related to operational audits: Audit plans, reports on audit activities, advance confirmation of proposals to be considered by the Board of Directors Related to accounting audits: Quarterly and year-end audit review, consideration of KAM, ¹ evaluation of accounting auditor
Management Meeting	6 inside directors 11 executive officers (Audit & Supervisory Board members may also attend as observers)	—	Once a week in principle	Decision-making subjects: Discussion of policies (product policies, sales policies, etc.), capital investment and other items to be brought up in Board of Directors meetings Report and review subjects: Business report monitoring, etc.
Advisory Board ²	4 representative directors 4 outside experts	—	Three times a year	Exchange of views on the medium- to long-term vision, changes in the market environment (consumer sentiment), and management strategy, business strategy and various measures

1. Key Audit Matters

2. Did not convene in FY2020 due to the COVID-19 pandemic

Board of Directors

The Board of Directors formulates management policies and management plans that form the core of the Company's management, in addition to establishing corporate governance through management and supervision of business operations and deliberation and decision-making on important matters, along with the supervision of important matters in Group companies.

Audit & Supervisory Board

The Company has adopted the company with an Audit & Supervisory Board structure. Meetings of the Audit & Supervisory Board are held according to the annual audit plan to determine audit policies, review the content of audits, and conduct reviews, etc. based on reports from the accounting auditor. Audit & Supervisory Board members attend important meetings such as meetings of the Board of Directors and also conduct audits of divisions and subsidiaries. The appointment of an employee to assist the duties of Audit & Supervisory Board members helps to strengthen the audit functions of Audit & Supervisory Board members.

Management Meeting

In principle, Management Meetings are held weekly for inside directors and executive officers to make decisions on important

matters pertaining to business operations and to deliberate matters for submission to the Board of Directors.

Group Management Meeting

In principle, Group Management Meetings are held every six months. The meeting comprises inside directors and Audit & Supervisory Board members as well as the presidents of Group companies. In addition to receiving reports on the status of business operations of Group companies, it discusses common issues throughout the Group such as the strengthening of internal controls.

Advisory Board

The Company periodically holds Advisory Board meetings made up of the four representative directors and four outside experts who provide evaluation and advice to the representative directors on business strategies and management in general within the Group.

Quality Assurance Committee, Risk Management Committee, Compliance Committee

In principle, meetings of each of these committees are held at least once per quarter to resolve various issues within the Group with the aim of quality assurance, risk management, and ensuring compliance throughout the entire Group.

Diversity of the Board of Directors

The Company's Board of Directors is made up of officers with diverse values including gender and nationality.

The basic stance is for highly independent outside directors to comprise a majority of the Board of Directors to enable lively deliberation and swift decision-making. The Company believes that inside directors must comprise members with a sense of balance, accomplishments, decisiveness, and diverse specialties enabling them to understand operations in general and act accordingly.

For outside directors, the Company seeks a good balance of various kinds of knowledge, experience and abilities by appointing primarily business managers from the food industry and other industries to support its goal of expanding its business domain from the rice cracker and snacks industry into the food industry. The Company believes it is necessary for outside directors to be managers or people with management experience from a variety of industries who are independent and have diverse perspectives, abundant experience, high-level insight and expertise. As a result,

the Company believes it can expect an advanced monitoring model by outside directors, and that it can create a sound management system for heightened risks from globalization and other trends.

Furthermore, as a food manufacturer, the Company believes that women's values and ideas are important, and that it is necessary for women to be included among the members of the Board of Directors.

Appointment and Dismissal of Directors

Nomination Policy for Director Candidates

The basic stance is for the Company's Board of Directors to have a maximum of 14 members to enable lively deliberation and swift decision-making and for highly independent outside directors to comprise the majority.

When nominating director candidates, the Chairman & CEO makes proposals according to the following criteria, and submits these as proposals to the General Shareholders' Meeting. For outside directors, the Company adds independence criteria.

Appointment Criteria for CEO and COO

The Company will establish criteria for the appointment of the CEO and the COO as follows.

[Ability]

- Must understand and be able to implement the Company's corporate philosophy
- Must have the ability to ascertain medium- to long-term trends in global society, and to devise and execute medium- to long-term plans accordingly

[Leadership]

- Must be able to communicate sincerely with officers and employees
- Must be able to lead and take initiative

[Resourcefulness]

- Must have personal appeal, fortitude, depth, and generosity
- Must correctly understand own capabilities, and have a stance of supplementing own shortcomings by coordinating with others

In addition, the Company has formulated a successor development plan for the CEO and the COO, considers the state and results of its operation in each meeting of the Board of Directors, and determines the CEO and the COO in the Board of Directors by considering the opinions of management executives and outside officers and assessments such as 360-degree evaluations with reference to the content considered in the successor development plan and the CEO and COO appointment criteria.

If it is found that the CEO or the COO is not functioning adequately, if there are serious concerns with corporate governance such as a social scandal, if the Company's performance deteriorates significantly, or if qualification under the CEO and COO appointment criteria is lost, the Board of Directors will discuss and determine the dismissal of the CEO or the COO.

Successor Development Plan

The Company has formulated a successor development plan including evaluation of business operations and designated training, as well as assessments such as 360-degree evaluations and personal interviews with outside directors, and verifies the state and results (process) of the plan's operation in each meeting of the Board of Directors.

Attendance at Meetings of the Board of Directors and Audit & Supervisory Board (FY2020)

Title	Name	Board of Directors ¹	Audit & Supervisory Board
Chairman & CEO	Michiyasu Tanaka	10/10	—
President & COO	Isamu Sato	10/10	—
Executive Vice President	Lekh Raj Juneja	10/10	—
Executive Vice President	Yoshio Kodera	10/10	—
Director	Naoko Koizumi	10/10	—
Director	Akira Kobayashi	10/10	—
Outside Director	Nobuo Seki	10/10	—
Outside Director	Tadasu Tsutsumi	10/10	—
Outside Director	Mackenzie Clugston	10/10	—
Outside Director	Minesaburo Miyake	10/10	—
Outside Director	Yoshio Ito	9/9 ²	—
Outside Director	Takayuki Kanai	9/9 ²	—
Outside Director	Toshimasa Iue	9/9 ²	—
Full-time Audit & Supervisory Board Member	Michiya Kondo	10/10	14/14
Full-time Audit & Supervisory Board Member	Jun Sasaki	10/10	14/14
Outside Audit & Supervisory Board Member	Kenichi Yazawa	10/10	14/14
Outside Audit & Supervisory Board Member	Takao Yuhara	10/10	14/14

1. In addition to the above, three resolutions made in writing were deemed approved pursuant to Article 370 of the Companies Act.

2. Appointed at the 63rd Ordinary General Shareholders' Meeting held on June 17, 2020, and attended the nine meetings of the Board of Directors held since taking office.

Framework of Outside Directors

Highly independent outside directors comprise a majority of the Company's directors. To make the most of this characteristic, the Company operates as follows.

The Company has not established "meetings consisting solely of independent directors" for the following reasons.

- "Meetings consisting solely of independent directors" are thought to be effective for rectifying an environment where few directors are outside directors and it is difficult for their opinions to be reflected, but the Company has appointed seven outside directors, and believes it has created an environment where it is easy for outside directors to make comments and ensure their opinions are reflected in the matters being discussed.
- Outside directors are required to individually exercise their own outstanding expertise, but the Company believes that the establishment of "meetings consisting solely of independent directors" may result in a weakening of their independence, such as through forming a kind of common awareness, making it difficult to state opposing opinions.
- The Company believes that an effort can be made to ensure there is an adequate understanding by providing outside directors with information that is of the same quality and content, such as minutes and reports of the Company's important meetings, giving due consideration so that there are no discrepancies in the information provided to each individual.

The Company has not appointed a lead independent outside director for the following reasons.

- Appointing a lead independent outside director may foster a sense of seniority among independent outside directors and an awareness of being dependent on the lead independent outside director.
- The Company believes that unification of opinions of outside directors is not necessarily required because outside directors are required to have their own outstanding knowledge and to individually exercise their own outstanding expertise.

Evaluation of Effectiveness of Board of Directors

The Company analyzes and evaluates the effectiveness of the Board of Directors around once per year, and discloses an overview thereof.

Evaluation Methodology

Evaluations are performed based on the results of the Survey on the Effectiveness of the Board of Directors conducted for all directors and Audit & Supervisory Board members and on discussions in the Board of Directors.

Evaluation Results

It was found that 1) the Company's Board of Directors has a good overall balance of knowledge, experience, and ability for effectively fulfilling its roles and responsibilities, and proceedings are conducted while maintaining an appropriate size and diversity; and 2) the effectiveness of the Board of Directors as a whole is generally ensured at the present time because decisions are made based on lively discussion of high quality.

In the future, the Company will consider and prepare for regular evaluations of the effectiveness of the Board of Directors by a third-party organization.

Support for Outside Officers Officer Training

Support for Outside Officers

- The Company has established a Board of Directors Administrative Office in the Corporate Planning Department to ensure smooth operation of the Board of Directors and active deliberation, and provides the same degree of content of important meetings, etc. concerning information thought to be necessary to outside directors and outside Audit & Supervisory Board members.
- The Company has appointed one assistant to the Audit & Supervisory Board members to assist in the preparation of materials for the Audit & Supervisory Board and to provide audit assistance for various investigations and materials upon request.

The Company determines the annual schedule of the Board of Directors and the main agenda items for the year, and ensures there is time for deliberation of each matter on each meeting day to ensure that sufficient deliberation is possible. Furthermore, in principle, materials for meetings of the Board of Directors are distributed no later than three days before the meeting is held, and briefings are provided in advance for some agenda items.

Officer Training

When an outside director or an outside Audit & Supervisory Board member joins the Company, plant tours and other training activities are carried out to provide the necessary knowledge on the industry to which the Company belongs, the Company's history, an overview of the business, financial information, management strategies, organizations, and other matters. In addition, external and other organizations are utilized to conduct training to provide directors and executive officers with management skills in order to develop better leadership and skills for fostering management strategies. Furthermore, Audit & Supervisory Board members actively participate in various training sessions and meetings to exchange views with other industries in an effort to improve auditing and supervision skills related to operations and accounting.

Executive Remuneration

Basic Approach

The basic policies on the Company's executive remuneration are as described below, and the details thereof are being deliberated and resolved by the Board of Directors, which is composed of a majority of independent outside directors.

- To raise awareness among management of the emphasis on shareholder benefits through improvement of corporate value and sustainable growth.
- To ensure a high degree of linkage with business performance that incentivizes achievement of company performance goals.
- To ensure that the procedures used to determine remuneration are transparent and objective.

Overview of Remuneration System

Remuneration for directors other than outside directors is made up of base remuneration, which is fixed remuneration, and bonuses, which are linked to the Company's performance.

- Base Remuneration

The amount of base remuneration of each director is determined by the position that links to his or her roles and responsibilities, and is paid out as fixed monthly remuneration, within the limits prescribed at the General Shareholders' Meeting.

Outside directors and Audit & Supervisory Board members (both inside and outside members) occupy non-executive, independent positions, and as such they only receive fixed remuneration.

- Bonuses

Bonuses are assessed on indicators that include consolidated net sales, consolidated operating income, consolidated return on equity (ROE) and net income attributable to owners of the parent, emphasizing the link with the performance of Group companies, as well as corporate value and shareholder value.

Under the bonus system, the amount to be paid is calculated based on the degree to which the targets are achieved, varying between 0% and 150% with 100% being paid if targets are achieved, and the total amount of bonuses is proposed at the ordinary General Shareholders' Meeting for the applicable business year, and paid promptly after the resolution of the proposal.

- Remuneration Ratios

The ratio of performance-linked remuneration to total remuneration is designed to increase for higher-ranked positions, in accordance with each position's title, etc., and is generally around 30-50% if performance targets are achieved.

Procedures Used to Determine Remuneration

In order to ensure transparency and objectivity, remuneration levels and the suitability of remuneration amounts are determined by deliberation and resolution of the Board of Directors, which is composed of a majority of independent outside directors.

The Company does not currently provide remuneration linked to medium- to long-term performance or share-based remuneration. The Company believes that there should be a balance between remuneration of the management team and the improvement of the standard of living of employees, and believes that the current system of submitting proposals for bonuses based on the Company's performance to the General Shareholders' Meeting for approval is appropriate for executive directors.

With regards to the remuneration system, the Company will flexibly consider incentives, etc. paid in connection with contributions to the Company's performance.

Cross-Shareholdings

The Company holds shares of other companies for strategic purposes such as maintaining and developing good business relationships. Furthermore, the Company always reviews each holding of shares that is found not to have significant meaning.

Each fiscal year, the Board of Directors reviews the appropriateness of cross-shareholdings by reviewing the outlook of business relationships with the companies in which they are held, and carefully assessing whether the benefits and risks associated with holding them are commensurate with the Company's capital costs.

In principle, the Company exercises its voting rights for all cross-shareholdings from the perspective that appropriately exercising voting rights leads to enhancement of medium- to long-term value and sustained growth of the companies in which it invests. Furthermore, when voting, the Company makes specific decisions to approve or not for individual proposals.

Ratio of Cross-Shareholdings to Net Assets

(As of March 31, 2021)

Total consolidated net assets (a)	¥59,895 million
Total consolidated balance sheet amount (b)	¥2,178 million
Ratio (b÷a)	3.6%

Total Amount of Executive Remuneration (FY2020)

Executive Category	Total Remuneration (Millions of yen)	Base Remuneration (Millions of yen)	Performance-linked Remuneration (Millions of yen)	Non-cash remuneration	Number of people
Directors (excluding outside directors)	291	165	126	—	6
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	33	33	—	—	2
Outside officers	105	105	—	—	11

Compliance

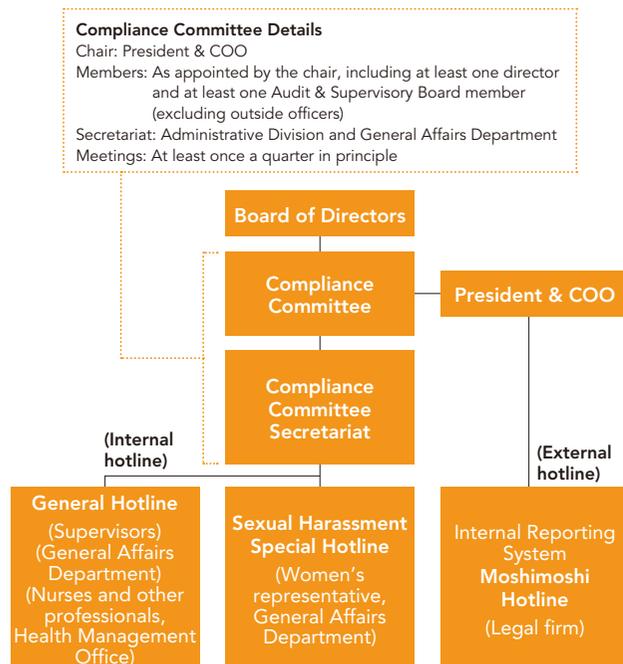
Basic Approach

Today, companies are called on not simply to fulfill their legal obligations, but to behave in line with values and ethics befitting a good corporate citizen and member of society.

Under its Mission, the KAMEDA SEIKA Group creates better products and services in order to bring customers health, deliciousness and excitement. The creation of better products and services must be backed by the conduct of each employee in practicing corporate ethics in compliance with all laws, regulations and internal rules that apply to our business activities, and in following social norms.

We have formulated the KAMEDA SEIKA Group Code of Conduct, as well as its bylaws, to ensure that the KAMEDA SEIKA Group's business activities are conducted in accordance with an appropriate legal and ethical direction. The code and bylaws set

Compliance Framework



out our policies for legal and ethically appropriate conduct by employees and officers, which are then effectively implemented by each individual.

KAMEDA SEIKA Group Code of Conduct:
www.kamedaseika.co.jp/cs/?p=company.companyCompliance
 (Japanese only)

Several measures help to cultivate and spread a compliance mindset within the Group. The *Compliance Guidebook* is distributed to the officers and employees of KAMEDA SEIKA and its domestic subsidiaries, and local translations of the KAMEDA SEIKA Group Code of Conduct are distributed at overseas subsidiaries, with the aim of promoting awareness and ensuring the practice of compliance. Furthermore, we have coined "Seven Key Phrases" that enable employees and officers to better relate the KAMEDA SEIKA Group Code of Conduct to their work. These are displayed and regularly recited at workplaces.

- Seven Key Phrases**
- 1 Be customer-oriented
 - 2 Look after nature
 - 3 Follow the rules
 - 4 Clearly distinguish public and private
 - 5 Tell the truth, never hide it
 - 6 Conduct fair business dealings and build fair interpersonal relationships
 - 7 Do not engage in, encourage or overlook misconduct

Anti-Bribery Initiatives

The KAMEDA SEIKA Group Code of Conduct states that, in its business activities, the KAMEDA SEIKA Group shall comply with laws and regulations, prohibit the provision of unfair profits or benefits to any particular person(s), and engage in fair and honest transactions. Furthermore, given growing global demand for stronger anti-bribery measures, the Group has established an Anti-Bribery Policy that aims to further advance initiatives under the Code of Conduct.

We work to prevent bribery, based on our Anti-Bribery Policy, and to maintain and further raise the level of public trust in the

KAMEDA SEIKA Group in Japan and all other countries and regions where we operate.

Internal Reporting System

To ensure the prevention and early detection of potential legal or regulatory violations and misconduct, the KAMEDA SEIKA Group has established Moshimoshi Hotline, an internal reporting system that connects to an external legal firm as a point of contact for reporting and consultation, and distributes the *Compliance Guidebook* to ensure employees are aware of the hotline. When a report or consultation is made, it is immediately reported to the President & COO of the Company, and relevant departments take responsibility for confirming facts and other investigations and report the results to the KAMEDA SEIKA Group Compliance Committee. Based on the results of the investigation, the President & COO or the director in charge decides on the necessary response.

In addition, the privacy of persons who contact the hotline and the confidentiality of their consultations are strictly maintained, with the exception of cases where the seriousness of the situation mandates public disclosure. Unfavorable treatment of whistleblowers is prohibited under the KAMEDA SEIKA Group Whistleblower Protection Rules.

Reporting Eligibility¹

Employees and officers of KAMEDA SEIKA

Employees and officers of consolidated subsidiaries²

Employees seconded to equity-method affiliates

1. Excludes temporary employees and dispatch staff

2. The system is still in the process of being introduced at some consolidated subsidiaries.

FY	Number of Consultations
2020	1
2019	1
2018	4
2017	0
2016	1

Risk Management

Basic Approach

The Group strives for more stable operations by implementing appropriate countermeasures that address the various risks affecting its business activities, as it works toward ensuring corporate sustainability and achieving management targets. We identify risks that could have a major impact on the Group's operations, prioritize them based on their likelihood of manifesting and the scale of potential damage, and implement countermeasures.

In recent years, heavy rainfall has caused flooding of plants and earthquakes have disrupted logistics and transport networks. These are among the major environment- and society-related sustainability risks that we recognize as threats to our business activities. These risks fall into four major categories—core process risks, disaster and accident risks, external environmental risks and compliance risks—

Risk Management Framework



and implement risk reduction activities for each category.

Risk management is led by the Company's Risk Management Committee, which convened four times in FY2020. In accordance with the Group Risk Management Regulations, each year the committee formulates specific action plans to manage major risks that may materialize and have a serious impact on operations in terms of the business continuity of the Company and individual Group companies. Doing so ensures the effectiveness of risk management activities. The committee also promotes activities and considers measures for preventing risks from manifesting.

In addition, we invite external experts to present Crisis Management Seminars to enhance officer and employee awareness of how to respond in a crisis. We have also introduced a Crisis Management Manual based on hypothetical risk scenarios and formulate plans and conduct simulation drills of procedures for specific risks and our business continuity plan (BCP) so we can respond rapidly and minimize damage.

In the event that a risk does materialize, we immediately establish a Crisis Response Headquarters and initiate prompt responses and disclosure as appropriate in accordance with the procedures stipulated in the Crisis Management Manual.

Business Continuity Plan (BCP)

The Group implements countermeasures against various risks that pose a threat to business continuity. In particular, the Group's headquarters functions as well as key production and distribution sites are concentrated in the Kaetsu region of Niigata Prefecture. If lifeline services are cut off due to a region-wide natural disaster or large-scale power outage, this could significantly impede the Company's overall operations.

Furthermore, if due to such circumstances, the Company is unable to fulfill its supply responsibilities, or unforeseeable issues arise in raw materials or manufacturing processes, a product recall or other event could have a significant effect on the Company's overall operations.

Information Security

Among the variety of regulations we have established to address information security risks are the Document Retention Regulations, the Personal Information Protection and Management Rules, the KAMEDA SEIKA Group Information Management Regulations and the KAMEDA SEIKA Group Information System Regulations. Furthermore, we conduct awareness-raising and other initiatives to prevent inappropriate information management and leakage of confidential information.

In addition, as we advance the use of IT, we recognize implementing security measures for Group-wide information system management as an important issue. We continue to investigate cybersecurity measures in our day-to-day operations and share information as appropriate among relevant personnel.

Key Business-Related Major Risks

Area	Risk	Countermeasures
Raw Material Procurement	<ul style="list-style-type: none"> Impact of factors such as weather, crop yields and market prices on procurement volume and cost, given that our main raw materials are agricultural products Impact on procurement cost from factors relating to raw materials in general, such as supply/demand trends and fuel costs 	<ul style="list-style-type: none"> Secure stable amounts/volumes and avoid overdependence on specific suppliers through diversified procurement in terms of raw material varieties, production regions and other factors Multi-year contracts for raw materials, etc. of specified varieties or production regions Switch to in-house production of some auxiliary materials
Raw Material and Product Safety	<ul style="list-style-type: none"> Cessation of production activities due to issues with raw materials or manufacturing processes Recall of products, suspension of sales or other problems due to the above issues 	<ul style="list-style-type: none"> Strengthen quality assurance system, primarily through the Quality Assurance Committee Hold Group Quality Assurance Personnel Meetings Obtain certification under the FSSC 22000 international standard for food safety management systems
Changes in Distribution and Competition	<ul style="list-style-type: none"> Loss of sales opportunities or reduced sales prices due to changes such as in the management environment or sales plans of specific companies or industries Product obsolescence or loss of sales opportunities due to launch of new products or sales campaigns by competitors 	<ul style="list-style-type: none"> Dispatch field staff to retailers for detailed follow-up Support sales floor development from a customer perspective through proposal-based marketing Strengthen framework for developing new products
Overseas Business	<ul style="list-style-type: none"> Issues such as reduction in demand, suspension of operations or supply shortage in the countries/regions in which we do business caused by dramatic changes in economic, political, social or other conditions, or due to food safety, climate change or natural disaster 	<ul style="list-style-type: none"> Dispatch core personnel from KAMEDA SEIKA Support management, oversight and operation of overseas Group companies through KAMEDA SEIKA's Overseas Business Division Strengthen auditing framework at overseas Group companies through KAMEDA SEIKA's Audit Department
Human Resources Retention and Development	<ul style="list-style-type: none"> Changes in the labor market and reduction in Japan's working population due to aging of society and low birthrate Difficulty in securing necessary personnel for business activities and delays to training plans 	<ul style="list-style-type: none"> Conduct internal training to develop female leaders Hire external talent and foreign nationals; build an organization that is independent of gender and age characteristics Promote participation in external training (exchanges with other industries) Introduce the Happy Return System to provide reemployment opportunities to former employees Introduce the HaiHain Leave System to support male childcare Open a technical school to cultivate leaders who will drive KAMEDA SEIKA's manufacturing

11-Year Financial and Non-Financial Highlights

Fiscal years ended March 31 of the following year

(Millions of yen)

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Business Results											
Net sales	79,859	78,789	81,323	92,832	94,849	97,316	98,206	99,522	100,041	103,808	103,305
Operating income	3,329	3,364	3,496	2,991	4,001	4,579	5,618	5,007	5,338	5,813	5,620
Operating margin (%)	4.2	4.3	4.3	3.2	4.2	4.7	5.7	5.0	5.3	5.6	5.4
Ordinary income	3,937	4,058	4,294	4,215	5,127	6,108	7,122	6,451	6,573	6,909	6,889
Net income attributable to owners of the parent	2,111	2,277	2,842	2,400	3,317	3,953	2,702	4,110	4,402	4,463	4,757
Financial Position											
Total assets	54,087	55,112	64,664	66,130	67,167	72,597	72,606	77,052	83,251	85,825	92,888
Net assets	29,197	30,586	34,328	37,726	43,000	43,451	44,319	48,005	52,056	53,902	59,895
Equity ratio (%)	53.6	55.1	51.9	56.1	63.2	59.4	60.8	62.0	61.3	61.6	62.7
Ratio of ordinary income to total assets (%)	7.4	7.4	7.2	6.4	7.7	8.7	9.8	8.6	8.2	8.2	7.7
Interest-bearing debt	5,870	5,035	7,602	7,301	5,679	7,594	7,958	10,429	13,089	14,177	15,672
D/E ratio (%)	20.3	16.6	22.7	18.1	13.4	17.6	18.0	21.8	25.7	26.8	26.9
Return on equity (ROE) (%)	7.4	7.7	8.9	6.8	8.3	9.2	6.2	8.9	8.9	8.6	8.6
Cash Flows											
Cash flows from operating activities	4,296	5,803	5,229	5,936	7,637	6,473	7,435	7,351	6,964	8,048	8,671
Cash flows from investing activities	(5,984)	(3,184)	(8,044)	(5,422)	(4,722)	(5,539)	(8,558)	(8,324)	(7,283)	(7,631)	(6,337)
Cash flows from financing activities	555	(1,836)	1,481	(1,627)	(2,595)	224	(1,001)	1,376	755	(161)	(257)
Free cash flow	(1,687)	2,619	(2,815)	513	2,915	934	(1,123)	(973)	(318)	416	2,333
Per-Share Indicators											
Earnings per share (Yen)	97.78	107.56	134.78	113.83	157.32	187.51	128.17	194.95	208.78	211.71	225.62
Net assets per share (Yen)	1,353.63	1,439.27	1,591.37	1,760.06	2,011.81	2,046.26	2,092.11	2,267.58	2,418.97	2,508.48	2,761.24
Dividend per share (Yen)	22.00	24.00	24.00	26.00	31.00	36.00	42.00	49.00	51.00	52.00	53.00
Payout ratio (%)	22.5	22.3	17.8	22.8	19.7	19.2	32.8	25.1	24.4	24.6	23.5
Other											
Capital investment	5,478	2,861	3,361	6,329	4,496	6,262	9,917	7,466	7,452	5,136	5,790
Depreciation and amortization	3,531	3,690	3,475	4,081	4,310	4,390	4,494	4,082	4,001	4,652	4,612
Research and development expenses	929	905	878	939	976	1,036	935	956	1,003	1,117	1,139
Ratio of research and development expenses to net sales (%)	1.2	1.1	1.1	1.0	1.0	1.1	1.0	1.0	1.0	1.1	1.1
Non-Financial Indicators											
Number of employees (Consolidated)	2,863	2,835	3,010	3,048	3,043	3,049	3,152	3,428	3,197	3,379	3,362
Female employee ratio (%) ¹	36.5	35.2	34.9	34.8	35.1	35.4	35.4	41.4	39.7	39.3	38.7
Female manager ratio (%) ²	3.3	5.3	5.9	3.9	6.5	8.4	11.0	10.6	10.4	14.7	13.3
Directors (Inside)	7	6	7	7	3	3	3	3	4	4	6
Directors (Independent outside)	2	2	2	2	4	4	5	5	6	6	7
Ratio of independent outside directors (%)	22	25	22	22	57	57	63	60	60	60	54

1. Figures for the female employee ratio from FY2010 to FY2016 are for KAMEDA SEIKA CO., LTD. only.

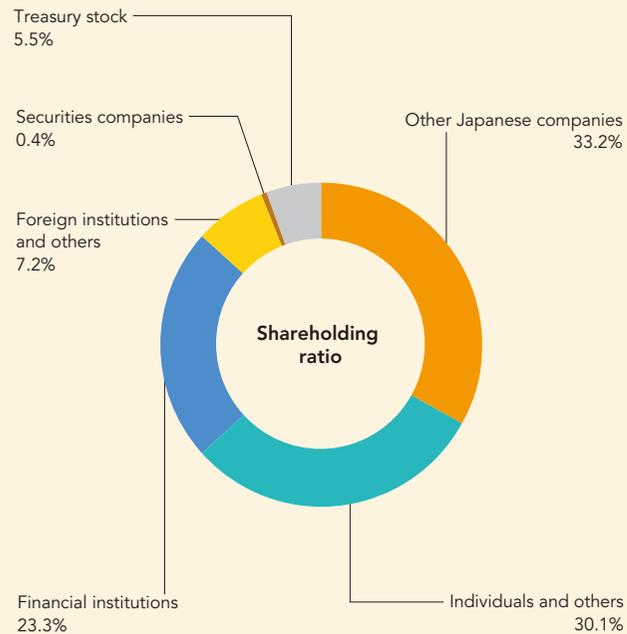
2. Figures for the female manager ratio are for KAMEDA SEIKA CO., LTD. only.

Shareholder and Investor Information (As of September 30, 2021)

Stock Information

Stock Exchange Listing	Tokyo Stock Exchange, First Section
Securities Code	2220
Number of Shares Authorized	59,251,000
Number of Shares Outstanding	22,318,650
Number of Shareholders	14,149

Shareholder Composition



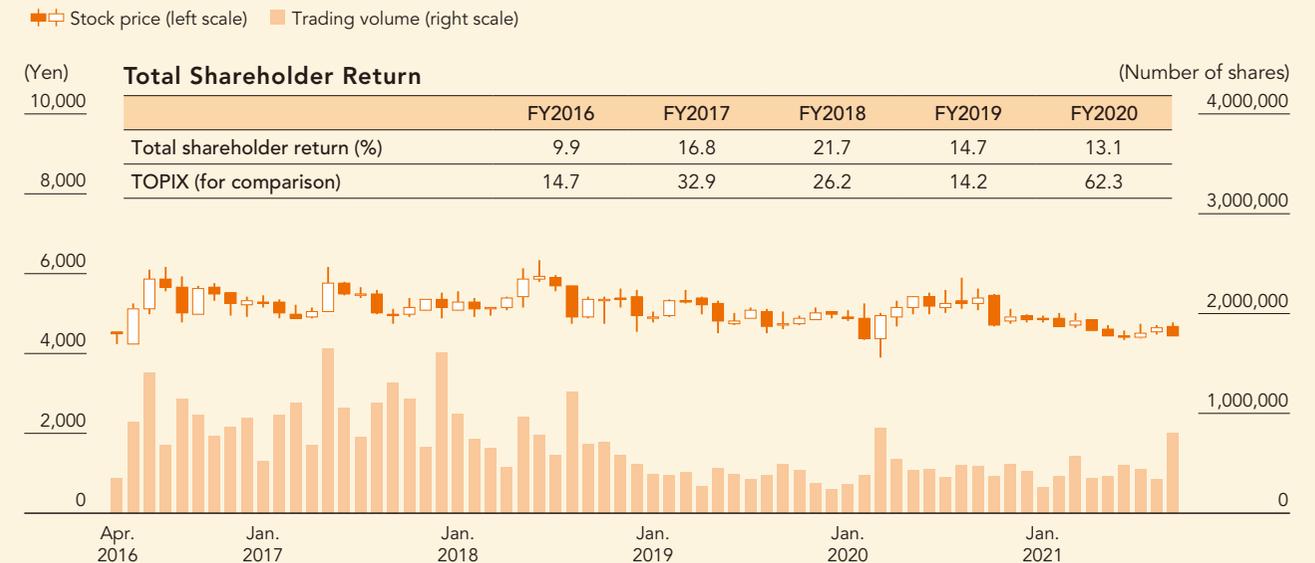
Major Shareholders¹

Name	Number of Shares Held (Thousands)	Shareholding Ratio (%) ²
EIKEI Corporation	2,102	9.96
Company's Kyoeikai	1,907	9.04
The Master Trust Bank of Japan, Ltd. (Trust account)	1,495	7.09
Daishi Hokuetsu Bank, Ltd.	1,039	4.92
Mizuho Bank, Ltd.	762	3.61
Custody Bank of Japan, Ltd. (Trust account)	737	3.49
Employees' Stockholding	471	2.23
NORTHERN TRUST CO. (AVFC) RE HCR00	445	2.11
HARASHIN Co., Ltd.	414	1.96
Kikkoman Corporation	347	1.64

1. The Company holds 1,234 thousand shares as treasury stock, but it is excluded from the above list of major shareholders.

2. Treasury stock is excluded from shareholding ratio calculations.

Stock Price and Trading Volume



Company Data

Company Overview (As of March 31, 2021)

Company Name	KAMEDA SEIKA CO., LTD.
Date of Foundation	September 1946
Date of Establishment	August 1957
Capital	¥1,946 million
Net Sales (Consolidated)	¥103,305 million
Main Business	Manufacturing and selling rice crackers and snacks
Headquarters	3-1-1 Kameda-kogyodanchi, Konan-ku, Niigata-shi, Niigata 950-0198, Japan Tel: +81 (0) 25-382-2111
Tokyo Office	2F, 3F and 4F, Prime Tower Tsukiji 3-3-8 Irifune, Chuo-ku, Tokyo 104-0042, Japan Tel: +81 (0)3-6858-7473 (Corporate Planning Department)
Plants	Kameda Plant (Niigata-shi, Niigata) Motomachi Plant (Niigata-shi, Niigata) Suibara Plant (Agano-shi, Niigata) Shirone Plant (Niigata-shi, Niigata)
Number of Employees (Consolidated)	3,362
Sales Offices	7 branches in Japan (Sendai, Niigata, Tokyo, Nagoya, Osaka and Fukuoka) and 21 bases

Group Companies (As of September 30, 2021)

■ Domestic Rice Cracker Business ■ Overseas Business ■ Food Business ■ Other

Company Name	Location	Main Business
Ajicul Co., Ltd.	Konan-ku, Niigata-shi, Niigata, Japan	Manufacturing and selling rice crackers and snacks
Toyosu Co., Ltd.	Ikeda-shi, Osaka, Japan	Manufacturing and selling rice crackers and snacks
Nisshin Seika Co., Ltd.	Utsunomiya-shi, Tochigi, Japan	Manufacturing and selling rice crackers and snacks
Mary's Gone Crackers, Inc.	Nevada, USA	Manufacturing and selling crackers and snacks
KAMEDA USA, INC.	Nevada, USA	Selling rice crackers and snacks
Singha Kameda (Thailand) Co., Ltd.	Samut Prakan Province, Thailand	Manufacturing and selling rice crackers and snacks
Singha Kameda Trading (Thailand) Co., Ltd.	Samut Prakan Province, Thailand	Manufacturing and selling rice crackers and snacks
Qingdao Kameda Foods Co., Ltd.	Shandong Province, China	Manufacturing and selling rice crackers and snacks
LYLY KAMEDA CO., LTD.	Phnom Penh City, Cambodia	Manufacturing and selling rice crackers and snacks
THIEN HA KAMEDA, JSC.	Hung Yen Province, Vietnam	Manufacturing and selling rice crackers and snacks
TH FOODS, INC.*	Illinois, USA	Manufacturing and selling rice crackers and snacks
Daawat KAMEDA (India) Private Limited*	Haryana State, India	Manufacturing and selling rice crackers and snacks
Onisi Foods Co., Ltd.	Minato-ku, Tokyo, Japan	Manufacturing and selling long-life preserved foods
Maisen Co., Ltd.	Sabae-shi, Fukui, Japan	Producing, processing and selling agricultural products
Maisen Fine Foods Co., Ltd.	Sabae-shi, Fukui, Japan	Manufacturing, selling, importing and exporting food products
TAINAI Co., Ltd.	Tainai-shi, Niigata, Japan	Manufacturing and selling rice bread crumbs and rice flour bread
Niigata Yusou Co., Ltd.	Konan-ku, Niigata-shi, Niigata, Japan	Freight transportation and warehousing
Kameda Transport Co., Ltd.	Konan-ku, Niigata-shi, Niigata, Japan	Freight transportation
N.A.S. Co., Ltd.	Agano-shi, Niigata, Japan	Selling and repairing automobiles

* Equity-method affiliate

Please see the following websites for more detailed information.



Corporate Website



www.kamedaseika.co.jp/cs/?p=en.enIndex



Investor Relations



www.kamedaseika.co.jp/cs/?p=en.investor.investorIndex