Message from an Outside Director

The Board monitors management soundness through open and multifaceted discussions.

Wataru Sueyoshi
Outside Director
Audit and Supervisory Committee Member

The Riken Vitamin Board of Directors and Its Effectiveness

Since becoming an outside director in June 2021, I have accompanied Riken Vitamin on its journey of recovery from the impact of accounting issues at its Chinese subsidiary. The experience has reinforced my belief that the role of an outside director is to focus on the oversight of corporate management from different perspectives than those already covered by executives and inside directors. Our function is one of scrutiny; for instance, identifying blind spots in management decision-making or inadequacies in risk management. Board meetings are characterized by a free and open-minded atmosphere that fosters constructive debate, and outside directors are able to ask questions and voice opinions without reservation.

Recently, I was particularly impressed that I was able to participate online as an observer in internal meetings such as the Management Meeting and Business Strategy Meeting related to the formulation of Medium-Term Management Plan 2027. Seeing the decision-making process on matters before they're tabled at Board meetings helped me to understand the key points under discussion, and I found this approach to be highly rational.

Intellectual and Human Capital

I became a lawyer by fate rather than any personal aspiration. As a student, I was fascinated by science and that led to an interest in intellectual property. I therefore have a keen interest in Riken Vitamin's intellectual property, in which the Group leverages unique strengths to come up with specialty products and services, and I can offer advice accordingly. In particular, I think it is important to study past successes to understand the strategies that turned products like Fueru Wakame-chan and Chuka Hyakusen Mabo-chan into long-sellers. Intangible assets—which include intellectual property—are more than just formal knowledge. They include a complex mix of implicit knowledge and organizational culture. The product value inherent in recent hit items incorporates multiple forms of knowledge, including manufacturing methods, materials, naming, branding, and the experience and intuition of developers, and studying these things teaches us about different intellectual property strategies. In BtoB operations, we regard trade secrets gained through communication with customers as extremely valuable assets.

I am also aware that we face challenges in areas such as human resource development and diversity. For example, employees at the Group's production sites organize their own study sessions to drive improvements, but ad-hoc efforts like these alone are not sufficient. To create a workplace where diverse talent can thrive, it is essential to invest in production automation that enables manufacturing without relying on individual skills or physical strength. In this way, I hope to see the creation of a more efficient production framework that integrates cutting-edge technology and the wealth of implicit knowledge amassed through many years of experience. Moreover, given the need to attract a more diverse range of people to work at the Group's overseas business sites, it is essential to establish internal regulations (in local languages) that comply with local laws. Following on from the previous medium-term management plan, in which we made considerable progress in strengthening global governance, I believe it is vital that the Group continues to protect local values and prevent trade secret leaks. As such, we must reinforce our global management foundation.

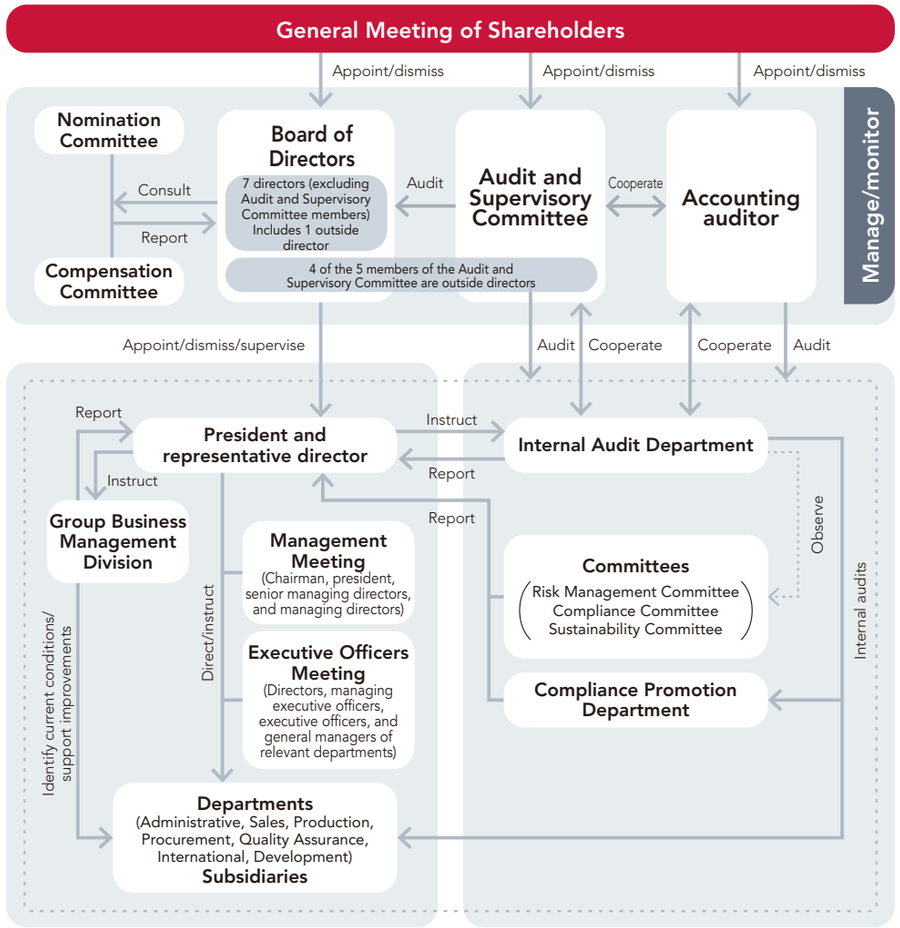
Expectations for Increasing Corporate Value

Medium-Term Management Plan 2027 prioritizes initiatives to enhance corporate value, including restructuring the production framework and expanding overseas operations. Naturally, the Company needs a balance of short-term and long-term returns, but I believe it is important to be able to make adjustments and realign this balance as appropriate. Riken Vitamin is perfectly positioned to do so with a stance that allows for prompt adoption of new approaches and improvements in response to the business environment. At the same time, it is dedicated to preserving its heritage. It is imperative that the Group defines this organizational strength—embodying the spirit of learning from the past to innovate for the future—as corporate value and presents it as a compelling narrative. I have high hopes that these strengths will help Riken Vitamin boost corporate value even in a rapidly changing business environment.

Corporate Governance

Riken Vitamin aims to achieve sustainable growth and increase its corporate value over the medium to long term through business activities based on its Management Philosophy. In order to achieve this goal, our basic approach to corporate governance is to establish a system that enables prompt, decisive, and risk-conscious decision-making, and to strive to earn the trust of shareholders and various other stakeholders.

Governance Framework (As of June 24, 2025)



Evaluation of Board of Directors Effectiveness

Since FY2016, Riken Vitamin has been analyzing and evaluating the effectiveness of the Board of Directors based on self-evaluations by each director and the opinions of the Audit and Supervisory Committee members and outside directors. To evaluate how we performed in FY2024, in April 2025 we conducted a survey with the following evaluation items. After receiving opinions from the Audit and Supervisory Committee regarding the results, the Board of Directors analyzed and evaluated its overall effectiveness at a meeting on May 14, 2025.

Evaluation items: 1. Board composition and operation; 2. Management strategy and business strategy; 3. Corporate ethics and risk management; 4. Management evaluation and compensation; and 5. Dialogue with shareholders and other constituents

Results of FY2024 Evaluation	The Board of Directors was rated highly on issues that are fundamental to corporate governance, such as basic operations of the Board and efforts to reduce cross-shareholdings, and improved its score with respect to other matters discussed by the Board, such as management and business strategies. The evaluation results generally indicated that the Board of Directors was operating effectively.

Our Evolution in Enhancing Governance

(FY)		Systems	Other Initiatives
2005	Company with a Board of Company Auditors	Abolished the retirement benefits system for officers	—
2006		Instituted executive officer system	—
2007		—	Implemented takeover defense measures (by shareholder resolution)
2008		—	Implemented takeover defense measures (by shareholder resolution)
2009		—	Abolished takeover defense measures
2015		Appointed an outside director and appointed a female corporate auditor	—
2016		—	Instituted evaluation of Board of Directors effectiveness
2017	Company with an Audit and Supervisory Committee	Voluntarily established the Nomination and the Compensation Committee Implemented performance-linked share compensation plan	—
2019		Implemented managing executive officer system	—
2021		Appointed an outside director (other than members of the Audit and Supervisory Committee) to the Board of Directors Appointed outside directors as the chairs of the Nomination Committee and the Compensation Committee	—
2022		—	Determined targets for reducing cross-shareholdings
2023		Increased the number of female directors by 1 (total of 2)	Instituted evaluation of effectiveness of Board of Directors by an external organization
2024		—	Achieved targets for reducing cross-shareholdings

Corporate Governance

Skills Matrix

Our corporate governance guidelines delineate the people we require as directors, and we are committed to ensuring overall balance, diversity, and scale. The skills matrix shows the knowledge, experience, and abilities of directors spread across 10 categories, taking into account their relevance to our material issues.

Director Skill Sets and Relevance to Material Issues

Skills	Material Issues								Type of Skills
	Technology-Based Value Creation			Contributing to the Global Environment		Well-Being for People and Society			
	Create value through research and development	Provide safe and reliable products	Contribute to health and a rich dietary life	Address climate change	Contribute to the transition to a circular economy	Build a resilient supply chain	Promote diversity and inclusion	Provide a safe and healthy working environment	
Corporate Management	○	○	○	○	○	○	○	○	Experience as a representative of the Company, its subsidiaries, or other companies
Global Affairs		○	○			○			Experience as a representative or auditor of an overseas subsidiary of the Company, and experience as a department head or corporate officer in charge of an overseas-related department
Legal Affairs and Risk Management		○		○		○		○	Attorney-at-law, etc., with knowledge of laws relevant to certified professional services, and experience as a department head, audit and supervisory committee member, or corporate officer in charge of a related department
Finance and Accounting				○	○	○			Certified tax accountant, certified public accountant, etc., with knowledge of finance and accounting, and experience as a department head or corporate officer in charge of an accounting-related department
Human Resources and General Affairs					○		○	○	Experience in execution of authority pertaining to human resources or facility management, and experience as a department head or corporate officer in charge of human resources or general affairs at the Company or other companies
Sustainability and ESG				○	○	○	○	○	Experience participating in internal committees related to sustainable business operations, and experience as department head or corporate officer in charge of a related department
Sales and Marketing		○	○			○			Experience as a department head or corporate officer in charge of a department related to production, procurement, sales, development, quality control, etc.
Development	○	○	○	○	○				
Production and Procurement	○	○	○	○	○	○			
Quality Assurance	○	○	○			○			

Skills Matrix

Name	Responsibility	Skills									
		Corporate Management	Global Affairs	Legal Affairs and Risk Management	Finance and Accounting	Human Resources and General Affairs	Sustainability and ESG	Sales and Marketing	Development	Production and Procurement	Quality Assurance	Expertise
Kazuhiko Yamaki	Chairman and Director	○	○	○		○	○	○				
Tsutomu Mochizuki	President & Representative Director	○	○					○	○	○		
Takahisa Nakano	Senior Managing Director & Representative Director	○		○		○	○	○	○		○	Doctor of Agriculture
Nobuo Dotsu	Senior Managing Director & Representative Director			○			○	○	○	○	○	
Takahiro Tomitori	Managing Director			○	○		○					
Masaaki Nakano	Director		○					○	○			
Shinichi Hirano	Outside Director	○	○			○		○				
Takehiko Makinodan	Director, Full-time Audit and Supervisory Committee Member			○						○	○	
Satoshi Fujinaga	Outside Director, Full-time Audit and Supervisory Committee Member	○	○	○		○						Pharmacist
Towa Sueyoshi	Outside Director, Audit and Supervisory Committee Member			○								Attorney-at-Law
Wataru Sueyoshi	Outside Director, Audit and Supervisory Committee Member			○								Attorney-at-Law
Ayumi Ujihara	Outside Director, Audit and Supervisory Committee Member		○	○	○		○					CPA
Shinichi Koyama	Managing Executive Officer		○				○			○		
Takumi Aoki	Managing Executive Officer							○	○			
Takeo Yotsuzuka	Managing Executive Officer	○	○				○			○		

Officer Compensation

Policy for Determining Officer Compensation

The following policy for determining officer compensation is based on a resolution of the Board of Directors of Riken Vitamin made at a meeting on February 25, 2021.

1. The officer compensation system shall be designed to motivate officers to contribute to sustainable growth and medium- to long-term improvement of corporate value.
2. Officer compensation shall be limited to the total compensation determined by resolution of the General Meeting of Shareholders. The Board of Directors shall determine compensation for directors pursuant to deliberation by the Compensation Committee, which shall comprise a majority of outside directors.
3. Compensation for directors shall be determined and paid according to the standard for their positions and based on maximum employee compensation. Standard compensation for each position shall be determined after comprehensively considering factors including general industry standards, business performance, individual contribution, and comparative relationship with employee compensation.

Process for Determining Officer Compensation

The process for determining officer compensation shall be objective and transparent. The Compensation Committee, which is an advisory body to the Board of Directors, shall deliberate on proposed compensation from a variety of perspectives including consistency with the policy for determining compensation, and report its findings to the Board of Directors. The Board of Directors shall give due consideration to this report and approve compensation for officers individually.

Compensation System for Outside Directors

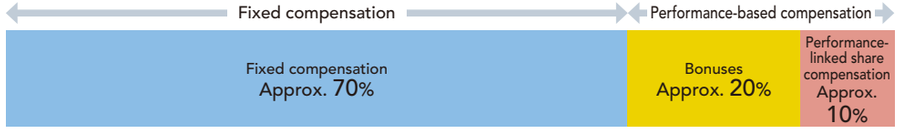
Outside directors shall be paid fixed compensation only.

Compensation System for Directors on the Audit and Supervisory Committee

Directors on the Audit and Supervisory Committee only receive fixed compensation, and they determine individual compensation through discussion among themselves.

Compensation System for Directors (Excluding Audit and Supervisory Committee Members)

▶ Make-Up of Compensation (Assumes Pay-Out Rate of 100% When Targets Are Met)



Fixed compensation	Comprehensive consideration of factors including business performance, employee compensation increases, individual contribution, officer tenure, comparative relationship to employee compensation, variance among positions and prevailing norms.
Bonuses	Total bonus compensation shall be calculated by multiplying baseline bonus as per the above compensation policy using a coefficient that represents the percentage of performance targets achieved. This coefficient shall be the midpoint between the percentage of the targets achieved (as set in the medium-term management plan and for each fiscal year) for consolidated operating profit and profit attributable to owners of parent.
Performance-linked share compensation	Eligible officers receive point awards based on the percentage of business performance targets achieved for each fiscal year. Upon retirement, directors receive Riken Vitamin shares according to the cumulative number of points awarded. Point calculation formula: (Amount of share compensation determined by position ÷ Average unit price of Riken Vitamin shares acquired by the Trust) x Performance-linked coefficient* * The performance-linked coefficient ranges from 0% to 200% according to the percentage of the targets achieved (as set in the medium-term management plan and for each fiscal year) for consolidated operating profit and net income attributable to owners of parent.

Total Director Compensation (FY2024)

Officer Category	Total Compensation (Millions of yen)	Total Compensation by Type (Millions of yen)			Number of Eligible Officers
		Fixed Compensation	Performance-Based Compensation		
			Bonuses	Non-Monetary Compensation	
Directors (Excluding directors on the Audit and Supervisory Committee)	223	153	45	24	6
(of whom, outside directors)	10	7	2*	—	1
Directors on the Audit and Supervisory Committee	68	68	—	—	5
(of whom, outside directors)	50	50	—	—	4

* Compensation for outside directors (excluding directors on the Audit and Supervisory Committee) is divided into two parts: Fixed compensation paid monthly, and two separate payments paid at pre-determined times of the year. The separate payments that form the latter of the two aforementioned parts are included under "Bonuses" in the table above for convenience, but these are not linked to performance.

Risk Management

We have established a risk management framework to appropriately address potential material risks related to our business. Under this framework, we work to prevent risks from arising during normal operations and in the event of a management crisis. We also strive to protect the Group's assets, ensure operational effectiveness and management efficiency, and maintain the credibility of the Group.

System for Identifying and Monitoring Material Risks

We have identified nine main risks that we believe have the potential to have a material impact on the Group's financial position, operating results, and cash flows.

- Market fluctuation risks
- Exchange rate fluctuation risks
- Natural disaster risks
- Safety risks
- Intellectual property right risks
- Regulatory risks
- Raw material procurement risks
- Information and management system risks
- Overseas business risks

Risk Management Committee	
Chairperson	Director in charge of general affairs
Members	Riken Vitamin general managers (excluding members of the Internal Audit Department), presidents of affiliated companies, and others deemed necessary
Secretariat	General Affairs Department
Number of meetings	3 (FY2024)

Business Continuity Plan

We have established a business continuity plan (BCP) to ensure the safety of employees and their families and enable the Group's businesses to continue operating appropriately in the event of a serious management crisis. The previous plan was based on assumed crisis situations such as large-scale earthquakes and outbreaks of novel strains of influenza, and it set forth guidelines for ensuring an appropriate response in such emergencies. However, in recent years, risks that could impact business operations have become more diverse due to factors such as climate change and geopolitical developments. Therefore, we decided to undertake a fundamental review of our BCP starting in FY2025. We will engage outside experts to help us identify current issues and develop a more effective crisis response system.

Media Training


Media training at the Chiba Factory in September 2024

Every two years, we conduct media training with the support of a consulting firm to help prevent criticism from delays in public statements during emergencies such as product recalls or a factory fire. The training session in FY2024 was based on the scenario of an explosion at one of our production facilities. Employees in management positions such as factory head and manufacturing division managers were put through their paces at mock press conferences and media scrums. Based on that experience, we revised our response manuals and have established a system that enables departments to work cohesively in emergency situations to respond swiftly and accurately.

Important Lessons Learned at Media Training


Tsuyoshi Shibata
Executive Officer
General Manager of Production Planning and Development Unit
(Head of Chiba Factory at the time of training)

The media training session in September 2024 opened my eyes to a variety of issues, including the sheer difficulty of formulating a message with the media reaction in mind and delivering it without causing any misunderstandings; the difficulty of correcting a previous statement; and the importance of establishing a clear line about what is appropriate to say when speaking on behalf of the whole organization. It was a good opportunity to review how to sort and disclose information promptly and appropriately, and I believe it was a meaningful way for those at the management level to gain practical experience.

Compliance

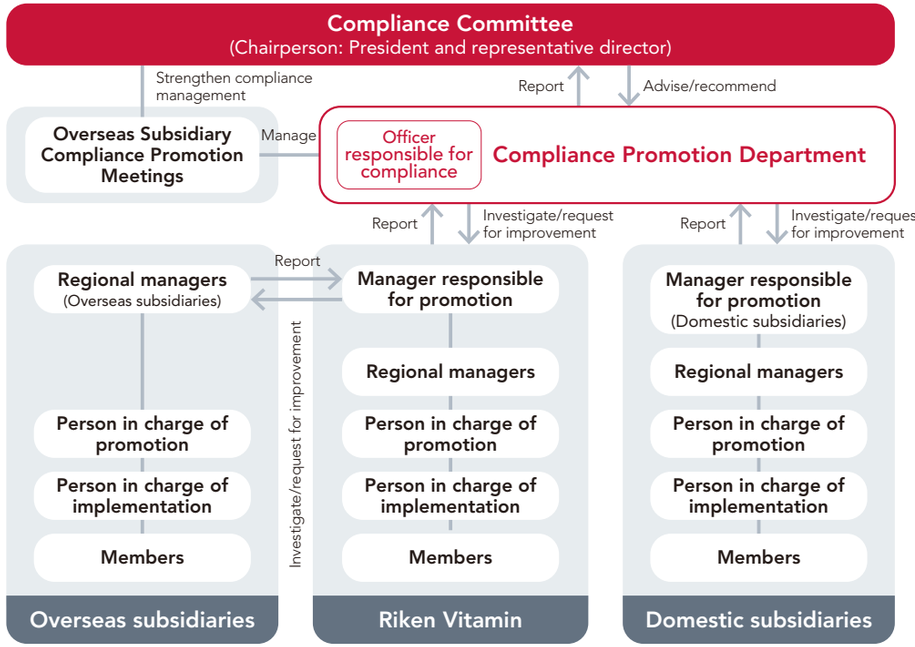
In addition to establishing a Code of Conduct as a practical standard for compliance, the Group has also created a Compliance Program as its compliance management system, and conducts ongoing education and development for all members in accordance with that program.

Code of Conduct
https://www.rikenvitamin.jp/corporate/sustainability/compliance/#head09 (Japanese only)

Promotion Framework

We have established a Compliance Committee (chaired by the president and representative director), which conducts quarterly assessments to ensure that the system is being properly maintained. In addition, each unit has placed people in positions responsible for promoting compliance and implementing compliance activities as well as maintaining and improving compliance awareness. We also work to strengthen collaboration with overseas subsidiaries through Overseas Subsidiary Compliance Promotion Meetings.

Compliance Framework



Education and Development

In the Riken Vitamin Group, people in charge of implementing compliance activities hold regular compliance study sessions, and distribute compliance training and educational materials to improve compliance awareness. We also conduct an annual compliance awareness survey at Group companies in Japan and overseas, as a means of monitoring implementation and understanding of the Code of Conduct.

Tier-Specific Training and Awareness Survey (FY2024)

New Employees	Managers	Executives
New employee training Topic: Compliance and social media risks Number of participants: 39 Note: Includes an oath of compliance with the Code of Conduct.	**Training for newly appointed managers** Topic: Harassment Number of participants: 23	
	CSR training Topic: Information security and risks of social media posts Number of participants: 322 Topic: Practicing diversity management and how to overcome unconscious biases Number of participants: 314	
Compliance study sessions		
Compliance awareness surveys Main survey questions: Holding of compliance study sessions, psychological safety in the workplace and awareness of hotline Responses: 1,856 (91.3%) Scope: Riken Vitamin Group		

Internal Whistleblower System

The Group has established a Corporate Ethics Hotline that employees can use to consult on issues such as harassment and compliance violations. The hotline is managed through three channels: internal and external contact points, a global contact point that supports local languages, and an Audit and Supervisory Committee contact point that is independent from the business execution line. To ensure privacy, consultations can be made anonymously, and we have established internal regulations to ensure that people who make use of the system are not subjected to disadvantageous treatment.

Number of Reports and Cases of Disciplinary Action

	Type	FY2022	FY2023	FY2024
Number of reports	Harassment	5	8	5
	Workplace environment	2	4	3
	Bribery and abuse of dominant bargaining position	0	0	0
	Other	2	1	1
Disciplinary action	Reprimand or pay cut	0	0	0
	Suspension from work, disciplinary transfer, or demotion	0	0	0
	Requests for resignation or disciplinary dismissal	0	0	0

Scope: Riken Vitamin Group

Management Team (As of June 24, 2025)

1 Kazuhiko Yamaki
Chairman and Director

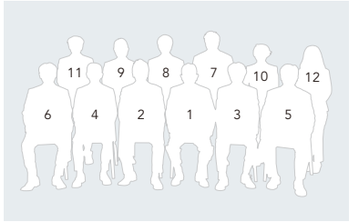
2 Tsutomu Mochizuki
President & Representative Director

3 Takahisa Nakano
Senior Managing Director & Representative Director
In charge of Administration (Compliance, General Affairs, and Human Resources) and Chemicals Business

4 Nobuo Dotsu
Senior Managing Director & Representative Director
In charge of Business Strategy, Procurement, and Health Care Business

5 Takahiro Tomitori
Managing Director
In charge of Administration (Sustainability, Accounting, and Information Technology) and Corporate Strategy

6 Masaaki Nakano
Director
In charge of Food Improving Agents Business and International Business



7 Shinichi Hirano
Outside Director

8 Takehiko Makinodan
Director
Full-time Audit and Supervisory Committee member

9 Satoshi Fujinaga
Outside Director
Full-time Audit and Supervisory Committee Member

10 Towa Sueyoshi
Outside Director
Audit and Supervisory Committee Member

11 Wataru Sueyoshi
Outside Director
Audit and Supervisory Committee Member

12 Ayumi Ujihara
Outside Director
Audit and Supervisory Committee Member

Management Team

1 Kazuhiko Yamaki
Chairman and Director

Tenure as director: 16 years
Attendance at Board of Directors meetings: 16/16

2 Tsutomu Mochizuki
President & Representative Director

Tenure as director: 4 years
Attendance at Board of Directors meetings: 16/16

3 Takahisa Nakano
Senior Managing Director & Representative Director
In charge of Administration (Compliance, General Affairs, and Human Resources) and Chemicals Business

Tenure as director: 14 years
Attendance at Board of Directors meetings: 16/16

4 Nobuo Dotsu
Senior Managing Director & Representative Director
In charge of Business Strategy, Procurement, and Health Care Business

Tenure as director: 4 years
Attendance at Board of Directors meetings: 16/16

5 Takahiro Tomitori
Managing Director
In charge of Administration (Sustainability, Accounting, and Information Technology) and Corporate Strategy

Tenure as director: 5 years
Attendance at Board of Directors meetings: 16/16

6 Masaaki Nakano
Director
In charge of Food Improving Agents Business and International Business

Tenure as director: 1st year

7 Shinichi Hirano
Outside Director

Tenure as director: 5 years
Attendance at Board of Directors meetings: 16/16

Significant concurrent positions:
- Outside Director of GiG Works Inc.
- Outside Director of Sinko Industries Ltd.

8 Takehiko Makinodan
Director
Full-time Audit and Supervisory Committee member

Tenure as director: 1st year

9 Satoshi Fujinaga
Outside Director
Full-time Audit and Supervisory Committee Member

Tenure as director: 9 years
(11 years when term as outside corporate auditor is included)
Attendance at Board of Directors meetings: 16/16
Attendance at Audit and Supervisory Committee meetings: 15/15

10 Towa Sueyoshi
Outside Director
Audit and Supervisory Committee Member

Tenure as director: 9 years
(11 years when term as outside corporate auditor is included)
Attendance at Board of Directors meetings: 16/16
Attendance at Audit and Supervisory Committee meetings: 15/15

Other major concurrent posts:
- Mukai Law Office

11 Wataru Sueyoshi
Outside Director
Audit and Supervisory Committee Member

Tenure as director: 5 years
Attendance at Board of Directors meetings: 16/16
Attendance at Audit and Supervisory Committee meetings: 15/15

Other major concurrent posts:
- Partner at Sueyoshi & Sato
- Outside Director of Mitsubishi Estate Co., Ltd.

12 Ayumi Ujihara
Outside Director
Audit and Supervisory Committee Member

Tenure as director: 3 years
Attendance at Board of Directors meetings: 16/16
Attendance at Audit and Supervisory Committee meetings: 15/15

Other major concurrent posts:
- Representative of Ayumi Ujihara CPA office
- Outside Audit & Supervisory Board Member of Yamaha Motor Co., Ltd.
- Partner of Kagayaki Audit Corporation
- Outside Director, Audit & Supervisory Committee Member of Makita Corporation

Managing Executive Officers

Shinichi Koyama
In charge of Administration (Legal Affairs) and Quality Assurance

Takumi Aoki
In charge of Food Business

Takeo Yotsuzuka
In charge of Production