

## Corporate Governance Report

Last Update: April 1, 2024

ISEKI & CO., LTD.

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Securities Code: 6310

<https://www.iseki.co.jp/english/>

The corporate governance of ISEKI & CO., LTD. (the “Company”) is described below.

### I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

#### 1. Basic Views

The main purpose of the Company’s management system is to respond quickly and accurately to changes in the business climate and to maintain fair business operations. Achieving stable growth in shareholder value is another top priority of management. To maintain positive relations with stakeholders, including shareholders, business partners, members of regional communities, and employees, the Company endeavors to expand and improve its corporate governance. The Company acknowledges the importance of establishing an internal control system that provides stakeholders with important information in a timely manner and of reinforcing corporate governance throughout the ISEKI Group. Based on that recognition, it plans to establish administrative rules for Group companies and a reporting structure to maintain fair business practices and share information.

#### [Reasons for Non-compliance with the Principles of the Corporate Governance Code] [Updated]

All the principles of the Corporate Governance Code have been implemented.

#### [Disclosure Based on the Principles of the Corporate Governance Code] [Updated]

##### [Principle 1.4 Cross-Shareholdings]

- Policy on cross-shareholdings

The Company believes that maintaining and strengthening long-term, stable business relationships with trading partners through the process of manufacturing and selling farming machinery leads to the enhancement of the Company’s medium- to long-term corporate value and is crucial to stably deliver “products that satisfy consumer demand” as a full-line manufacturer specializing in farming machinery. For this reason, the Company holds shares in other companies where deemed necessary for the purpose of contributing to the enhancement of the Company’s medium- to long-term corporate value through the maintenance and reinforcement of harmonious business relationships vital for the Company’s business activities.

The significance of each shareholding, in terms of factors such as its benefits and risks, and with reference to the cost of capital, is validated each year by the Board of Directors. Where, as a result of this validation, it is deemed that a shareholding is not meaningful because it cannot be expected to contribute to enhancing the Company’s medium- to long-term corporate value, the sale of that shareholding will be considered.

- Criteria for the exercise of voting rights

The Company makes comprehensive decisions regarding the exercise of voting rights associated with each shareholding, based not only on the management policy and business status of the issuing company and

whether exercising voting rights will lead to the enhancement of the Company's medium- to long-term corporate value, but also through dialogue and other communication with the issuing company, as necessary, concerning whether this would contribute to the common good of shareholders.

[Principle 1.7 Related Party Transactions]

When the Company plans to engage in transactions or competitive transactions with its Directors, these are subject to debate by the Board of Directors in accordance with the Board of Directors Regulations. The Company follows the required procedures for transactions with major shareholders, in the same way as for other transactions.

The Company investigates related party transactions, including those with Corporate Officers and officers of Group companies, once each year, and discloses the results of these investigations in its annual securities reports.

[Principle 2.4 Ensuring Internal Diversity Including Promotion of Women's Active Engagement]

[Supplementary Principle 2.4.1 Ensuring Diversity in the Promotion of Women, Foreign Nationals and Mid-career Hires to Middle Managerial Positions]

(1) Approach to ensuring diversity

The Company has adopted a meritocracy based on the "abilities and qualifications system" as the core of its personnel system, and actively promotes capable personnel regardless of gender, nationality, or employment status. The Company recognizes that it must make maximum use of the abilities of diverse human resources in the context of the increasing specialization due to business globalization and technological innovation in order to achieve sustainable growth and enhance corporate value. In addition to setting targets to achieve this, the Company will endeavor to boost the abilities and promotion prospects for women, foreign nationals and mid-career hires through education and training targeting the personnel and their managers.

(2) The establishment and status of autonomous, measurable targets

- 1) Women: Increase the proportion of women in middle management positions to 7% or more by the end of 2025 (for the Company on a non-consolidated basis; 4.6% as of December 2023).
- 2) Foreign nationals: Increase the number of foreign nationals in middle management positions by the end of 2025 (for the Company on a non-consolidated basis; zero (0) as of December 2023).
- 3) Mid-career hires: Increase the proportion of mid-career hires in middle management positions to 7% or more by the end of 2025 (for the Company on a non-consolidated basis; 8.5% as of December 2023).

(3) Policies for human resource development and internal environment development aimed at ensuring diversity, and their implementation status

(Policy for human resource development)

The Iseki Group believes that it is "people" who solve problems, and that they are indispensable for the sustainable growth and value enhancement of the company. The Group will focus on securing core human resources to implement our business strategies, including the promotion of cutting-edge technologies and globalization, and we will develop human resources who have the determination to take on a challenge to bring out the best in each individual and bring about "change" by further enhancing our educational programs, including digital transformation (DX), with the aim of becoming Solution Provider for Agriculture and Landscape.

(Policy for internal environment development)

Based on the company motto, "A stable workplace to the employees," the Iseki Group aims to provide a safe and secure workplace to its employees and create a rewarding workplace. Based on the premise of respect for human rights and thorough compliance, we will work to improve engagement and create a sound and highly transparent internal environment rich in diversity to enable the Company and its employees to grow together.

Please refer to ISEKI Report for the implementation status of each policy.

ISEKI Report <https://www.iseki.co.jp/english/csr/report/>

[Principle 2.6 Roles of Corporate Pension Funds as Asset Owners]

The Company has a defined contribution corporate pension plan, where management of the corporate pension fund is entrusted to multiple trust banks and life insurance companies, which act as asset managers. By delegating decisions on the selection of individual investment targets and the exercise of voting rights to each asset manager, the Company ensures that conflicts of interest do not arise between the beneficiaries of the corporate pension plan and the Company.

The Personnel Department, which is responsible for the corporate pension plan, appropriately oversees the management status of the pension fund assets, including through quarterly reports from the asset managers on the status of management of the pension fund assets, and endeavors to raise internal expertise through initiatives such as participation in pension fund management seminars.

[Principle 3.1 Full Disclosure]

(1) Company objectives (e.g., management philosophy), business strategies and business plans

• Management philosophy

Ever since the Group was founded in 1926, it has contributed to the modernization of Japanese agriculture as a full-line manufacturer specializing in farming machinery, guided by the management philosophy expressed in its Company Motto:

■ Company Motto

Our management philosophy is to provide:

1. Products that satisfy consumer demand;
  2. A stable workplace to the employees;
  3. Appropriate dividends to the shareholders;
- and thereby we will fulfill our social mission”

The Group will mark the 100th anniversary of its founding in 2025. As it approaches its second century, the Group espouses the corporate philosophy of contributing to the creation of a prosperous and sustainable society through “providing innovative products and higher quality of services to the customers.” The Group will continue its activities aimed at satisfying customers through a focus on providing services (information, goods, functions, etc.) as well as products.

■ The aims of the Group

The Group’s long-term vision for 2030 is as follows: To be Solution Provider for Agriculture and Landscape — Supporting “the farming full of dreams” and “beautiful landscape,” creating the sustainable future of “Agriculture and Landscape.”

“Agriculture” protects “food” and “land,” making “people and society” affluent. The Group aspires to continue to support “agriculture” and “farmers,” and solve related issues.

• Management strategies and management plans

The Group has formulated and announced its “Mid-term Management Plan (2021-2025)” covering the five-year period from the fiscal year ended December 31, 2021 to the fiscal year ending December 31, 2025. The Group has faithfully inherited its founding philosophy “to free farmers from exhausting labor,” and has continued to work hand-in-hand with farmers. The Mid-term Management Plan (2021-2025) not only presents a vision for the period until the Group’s centenary in 2025 but also lays the foundations for the next 100 years. Amid dramatic changes in the business environment, the Group will strive to solve social issues based on the core of insight and experience it has cultivated as a full-line manufacturer specializing in farming machinery, and aim to create new value as a solution provider. Please refer to the Company’s website for details.

<Mid-term Management Plan> (Investor Relations Presentation Materials 「New Mid-term Management Plan (2021-2025)」) <https://www.iseki.co.jp/english/ir/library/ir5.html>

(2) Basic views and policy on corporate governance

As presented in section I. 1. “Basic Views” above in this report.

(3) Policies and procedures in determining the remuneration of the senior management and directors

As presented in section II. 1. “[Director Remuneration]” in this report.

(4) Policies and procedures in the appointment/dismissal of senior management and the nomination of Director and Corporate Auditor candidates

• Policy

Directors' appointment and dismissal proposals to the General Meeting of Shareholders and selection and removal of Representative Directors are considered in accordance with the following criteria.

1) Criteria for the appointment of Directors

- Has appropriate personalities as Director
- Has outstanding leadership
- Has abundant capability, knowledge, and experience in the specialized field
- Appointment is considered in a comprehensive manner taking into account the company's situation and governance structure at that time

2) Criteria for the selection of Representative Directors

- Fulfills the appointment criteria for Directors
- Has a company-wide perspective as well as abundant capability, knowledge, and experience in corporate management
- Experience in the overseas business is considered
- Appointment is considered in a comprehensive manner taking into account the company's situation and governance structure at that time

3) Criteria for dismissal of Directors and the removal of Representative Directors

- Upon committing an act that violates laws, regulations, and the Articles of Incorporation
- When acknowledged that it is difficult to perform duties due to deteriorating health
- When acknowledged to have significantly damaged the Company's corporate value
- When acknowledged to have lost the capabilities and quality stipulated by the appointment or selection criteria

The appointment of Corporate Officers is based on comprehensive consideration from the perspective of whether they will be able to execute management and business duties accurately and responsibly in accordance with the basic management policy decided by the Board of Directors.

Proposals to the General Meeting of Shareholders regarding the election of Corporate Auditors are based on comprehensive consideration from the perspective of whether candidates possess knowledge and experience in finance, accounting, and their fields of specialization, and whether they understand all aspects of the Company's business.

Proposals to the General Meeting of Shareholders regarding the election of Outside Directors and Outside Corporate Auditors are based on comprehensive consideration from the perspectives of whether candidates possess abundant knowledge and experience in their respective fields, and whether they will be able to utilize this knowledge and experience to strengthen the Company's supervisory function, in addition to the independence requirements stipulated under the Companies Act.

The Company's approach and criteria regarding the appointment of Independent Directors/Auditors are disclosed under II. 1. "[Independent Directors/Auditors]" in this report, and in the Company's annual securities report.

Proposals to the General Meeting of Shareholders regarding the dismissal of Corporate Officers and Corporate Auditors will be considered if dismissal is regarded as necessary in cases such as those where the individual concerned is deemed to have significantly damaged the Company's corporate value.

• Procedure

The Board of Directors makes a decision based on the policy described above. In the case of proposals to the General Meeting of Shareholders for the election and dismissal of Directors, the selection and dismissal of Representative Directors, and the appointment and dismissal of Corporate Officers, a resolution is made by the Board of Directors in accordance with a report from the Nomination and Compensation Committee.

(5) Explanation regarding individual appointments/dismissals and nominations for the appointment/dismissal of senior management and the nomination of Director and Corporate Auditor candidates

With respect to the appointments and nominations of Director and Corporate Auditor candidates, the individual career summaries, reasons for nomination, and other information on candidates for Director and Corporate Auditor are provided in the Reference Documents for the General Meeting of Shareholders.

[Supplementary Principle 3.1.3 Sustainability Initiatives]

The Group is committed to its corporate philosophy of “contributing to the creation of a prosperous and sustainable society through ‘providing innovative products and higher quality of services to the customers,’” in line with its founding aspiration “to free farmers from exhausting labor.” Together with all its stakeholders, it aims to create a sustainable society through “Agriculture and Landscape.”

The progress of the Group’s initiatives to address priority issues is managed by the ESG Committee, which is chaired by an Independent Outside Director, consists of Directors and Corporate Officers, and serves as a consultative body of the Board of Directors regarding ESG improvement of the Group. The Committee meets every month, as a rule, to discuss and deliberate on initiatives related to sustainability across the entire Group, primarily climate change response, respect for human rights, and employee health, from the perspectives of risks and growth opportunities. The results of the Committee’s deliberations are reported to the Board of Directors, and the Board of Directors deliberates and decides on basic policies, priority issues, and other important matters. Through this mechanism, the Group aims to strengthen the involvement of senior management.

In addition, the Group has positioned environmental preservation as one of the most important issues to enable the formation of a sustainable society, and has established an environmental policy and is practicing environmental management. In response to recent climate change and the need to realize a decarbonized society, in May 2022 we announced our endorsement of the TCFD recommendations, formulated a new environmental vision, and revised our existing basic environmental policy and medium- and long-term environmental targets. We will continue to further activate our efforts to realize a sustainable society.

Details of the Group’s sustainability initiatives, including its investment in human resources and intellectual property, and its disclosure in line with the TCFD recommendations are presented on the Company’s website and in the ISEKI Report.

The Company’s website (Sustainability): <https://www.iseki.co.jp/csr/> (Japanese only)

ISEKI Report: <https://www.iseki.co.jp/english/csr/report/>

[Principle 4.1 Roles and Responsibilities of the Board of Directors]

[Supplementary Principle 4.1.1 Scope of Matters Delegated to Senior Management by Directors]

In order to facilitate swift decision-making, the Company’s Board of Directors holds extraordinary meetings as necessary, in addition to regular monthly meetings.

The Company endeavors to ensure sound corporate management through the execution of duties, with Corporate Officers responsible for smoothly fulfilling their respective duties as specified by the Board of Directors. In addition, the Directors’ Operation Committee, composed of all Corporate Officers, as well as Deputy Division Managers and others nominated by the chairman of the Committee, meets at least twice monthly, in principle, to share the latest information and discuss and report on matters such as the state of business development, the existence of risks, and measures to prevent or mitigate them.

Given this structure, the Company has established the Board of Directors Regulations and the Authority Regulations. The Board of Directors decides on matters stipulated by laws, regulations, or the Articles of Incorporation, or otherwise deemed appropriate for resolution by the Board of Directors in light of factors such as their importance. Decisions on other matters are delegated to the Directors’ Operation Committee, Corporate Officers, or others, within the scope of normal business execution.

[Principle 4.9 Independence Standards and Qualification for Independent Outside Directors]

As presented in section II. 1. “[Independent Directors/Auditors]” in this report.

[Principle 4.10 Utilization of the Voluntary Mechanism]

[Supplementary Principle 4.10.1 Mechanism for Obtaining Appropriate Involvement and Advice from Independent Outside Directors]

As presented in section II. 1. “[Directors] Committee’s Name, Composition, and Attributes of Chairperson” in this report.

[Principle 4.11 Preconditions for the Effectiveness of the Board of Directors and the Board of Auditors]

[Supplementary Principle 4.11.1 Composition and Scale of the Board of Directors, and Policy and Procedures for the Appointment of Directors]

The Company’s Board of Directors is composed of Directors with a diversity of different fields of specialization and experiences. In accordance with the Articles of Incorporation, the scale of the Board of

Directors is kept to a maximum of 11 members, including both internal and Outside Directors, which is deemed an appropriate size to enable it to exercise its function effectively and efficiently. The policies and procedures for the appointment of Directors are presented in [Principle 3.1 (4)] above. Please refer to Reference: the Board of Directors Skill Matrix attached to this report for a summary of the knowledge, experience, and abilities of each Director in matrix format.

[Supplementary Principle 4.11.2 Disclosure of Concurrent Positions Held by Outside Directors and Outside Corporate Auditors]

Concurrent positions held by Outside Directors, Outside Corporate Auditors, and other Directors and Corporate Auditors are kept within reasonable limits from the perspective of ensuring that they are able to appropriately fulfill their roles and duties at the Company.

The Company discloses significant concurrent positions held by each Director and Corporate Auditor in its Business Report and the Reference Documents for the General Meeting of Shareholders.

[Supplementary Principle 4.11.3 Evaluation of Directors and the Board of Directors]

To further facilitate the roles of the Board of Directors, the Company has implemented a self-appraisal and analysis program for individual officers. Effectiveness has been evaluated through a third-party organization, with methods for canvassing personalized opinions such as individual questionnaires and individual interviews for all Directors and Corporate Auditors.

Questionnaire responses indicated a generally positive assessment of aspects such as the appropriate determination of deliberation matters, the appropriate supervision of appointment of Director candidates through the Nomination and Compensation Committee and the determination of specific amounts of remuneration. The Company considers the overall effectiveness of the Board of Directors to be assured.

At the same time, respondents shared their views on further strengthening the roles of the Board of Directors and revitalizing discussion, including aspects such as monitoring progress against management plans and supervising measures to invest in human resources and address labor and human rights issues.

The Company will continue to follow a PDCA cycle, striving to respond swiftly to issues after adequate consideration and further facilitate the roles of the Board of Directors on the basis of this effectiveness evaluation.

[Principle 4.14 Training for Directors and Corporate Auditors]

[Supplementary Principle 4.14.2 Training Policy]

The Company nominates Directors and Corporate Auditors from both inside and outside the Company who can perform their expected roles responsibly.

At the time of their appointment, Directors and Corporate Auditors acquire the necessary knowledge of the Company's business, finance, and organization, and are provided with the information and knowledge needed to supervise management. They are also provided with this knowledge and information while in office, and actively participate in training emphasizing compliance, in addition to various other training sessions.

[Principle 5.1 Policy for Constructive Dialogue with Shareholders]

The Company aspires to build long-term trusting relationships by providing shareholders with accessible explanations of its management policy and engaging in constructive dialogue.

(1) Designation of senior management and Directors to manage and supervise general dialogue with shareholders

General dialogue with shareholders is managed by the officers in charge of the Company's administrative departments (the Public & Investor Relations Section, Corporate Planning Department, Financial Department, and General Affairs Department). These officers and administrative departments actively engage with shareholders to achieve constructive dialogue through various initiatives including financial results briefings.

The Company has also established a dedicated section on its website where it presents information such as its management policy, business performance, and various initiatives in an easily accessible format.

(2) Measures to ensure positive cooperation between internal departments with the aim of supporting dialogue

The person in charge of IR cooperates with the department responsible for each topic of dialogue to actively promote measures to enhance dialogue, such as the preparation of disclosure materials and the sharing of information as necessary.

The Company also holds monthly meetings of the Public Relations Liaison Committee with the aim of sharing information with senior management.

(3) Measures to promote opportunities for dialogue aside from individual meetings

The Company holds financial results briefings for analysts and institutional investors, and briefings and office tours for individual investors online as forums for dialogue aside from individual meetings.

(4) Feedback to senior management concerning shareholder views learned through dialogue

The Company aims to share information on shareholder views by relaying the content of dialogue with shareholders to Directors, senior management, and related departments, as necessary, through measures such as reporting at meetings or the distribution of written reports.

(5) Measures concerning the control of insider information and information disclosure when engaging in dialogue

The Company has established rules concerning the control of insider information, and controls this information. The Company designates the period prior to the release of financial information as a silent period, and restricts dialogue with investors during this period. When disclosing information, the Company engages in fair, timely, and appropriate disclosure.

[Measures to realize management that is conscious of cost of capital and stock price]

[Status of dialogue with shareholders, etc.]

The current state analysis, management strategy, and initiatives aimed at realizing management that is conscious of cost of capital and stock price are posted on the Company's website, along with the specific status and details of dialogue with shareholders. Please also refer to the Company's website for information on the fundamental structural reforms and growth strategy under Project Z, which was launched in November 2023.

“Action to Implement Management that is Conscious of Cost of Capital and Stock Price”

<https://www.iseki.co.jp/global/english/ir/result/>

“Project Z Measures” <https://www.iseki.co.jp/global/english/ir/result/>

## 2. Capital Structure

Foreign Shareholding Ratio	Less than 10%
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### [Status of Major Shareholders] [Updated]

Name / Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,211,600	9.66
Mizuho Bank, Ltd.	1,070,800	4.68
Iseki kabushiki hoyukai (Company's Stockholding Co-op.)	981,554	4.29
The Norinchukin Bank	868,785	3.79
Custody Bank of Japan, Ltd. (Trust Account)	865,800	3.78
Sumitomo Mitsui Trust Bank, Limited	800,000	3.49
Iseki eigyo-hansya group syain mochikabukai (Business-selling Group Holdings)	728,200	3.18
The Iyo Bank, Ltd.	580,042	2.53
Sompo Japan Insurance Inc.	434,500	1.89
The Kyoei Fire and Marine Insurance Company, Limited	352,700	1.54

Controlling Shareholder (except for Parent Company)	-
Parent Company	None

Supplementary Explanation
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## 3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange Prime
Fiscal Year-End	December
Type of Business	Machinery
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	1000 or more
Sales (consolidated) as of the End of the Previous Fiscal Year	From ¥100 billion to less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 10 to less than 50

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

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## 5. Other Special Circumstances which may have Material Impact on Corporate Governance

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

### 1. Organizational Composition and Operation

Organization Form	Company with a Board of Auditors
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#### [Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	11
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Outside Director
<b>Number of Directors [Updated]</b>	8
Appointment of Outside Directors	Appointed
Number of Outside Directors	3
Number of Independent Directors	3

#### Outside Directors' Relationship with the Company (1) [Updated]

Name	Attribute	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	
Atsushi Iwasaki	CPA												
Eiko Kisogawa	From another company												
Fumiko Kishimoto	Attorney												

\* Categories for "Relationship with the Company"

\* "○" when the director presently falls or has recently fallen under the category;

"△" when the director fell under the category in the past

\* "●" when a close relative of the director presently falls or has recently fallen under the category;

"▲" when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiaries

b. Non-executive director or executive of a parent company of the Company

c. Executive of a fellow subsidiary company of the Company

d. A party whose major client or supplier is the Company or an executive thereof

e. Major client or supplier of the Company or an executive thereof

f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director

g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)

h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)

i. Executive of a company, between which and the Company outside directors/corporate auditors are mutually appointed (the director himself/herself only)

j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)

k. Others

Outside Directors' Relationship with the Company (2) [Updated]

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Atsushi Iwasaki	○	-	With extensive experience and knowledge as a certified public accountant, Mr. Atsushi Iwasaki supervises management from an independent perspective to contribute to enhancing the supervisory functions and ensuring transparency of the Board of Directors. He can be expected to contribute further in the future. He also plays an important role in the Company by chairing the Board of Directors, the Nomination and Compensation Committee, and the ESG Committee. The Company has designated him as an Independent Director as it deems that there is no risk of a conflict of interests with general shareholders.
Eiko Kisogawa	○	-	Ms. Eiko Kisogawa can be expected to utilize her management experience at a business company to supervise management from an independent perspective. She has extensive experience and expertise in corporate management and operational efficiency, including experience in leading business reforms, risk management restructuring, IT projects and digital transformation (DX) at a financial institution. The Company has designated her as an Independent Director as it deems that there is no risk of a conflict of interests with general shareholders.
Fumiko Kishimoto	○	-	With extensive experience and knowledge as an attorney, Ms. Fumiko Kishimoto can be expected to supervise management from an independent perspective to contribute to enhancing the supervisory functions and ensuring transparency of the Board of Directors. She has served as Outside Director (Audit and Supervisory Committee Member) at another company and has specialized and advanced knowledge in areas such as internal controls, compliance and corporate governance. The Company has designated her as an Independent Director as it deems that there is no risk of a conflict of interests with general shareholders.

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established
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Committee's Name, Composition, and Attributes of Chairperson

	Committee Corresponding to Nomination Committee	Committee Corresponding to Remuneration Committee
Committee's Name	Nomination and Compensation Committee	Nomination and Compensation Committee
All Committee Members	5	5
Full-time Members	0	0
Inside Directors	2	2
Outside Directors	3	3
Outside Experts	0	0
Other	0	0
Chairperson	Outside Director	Outside Director

Supplementary Explanation [\[Updated\]](#)

The Company has established the Nomination and Compensation Committee, composed of two Representative Directors and three Independent Outside Directors, as a consultative body of the Board of Directors. The Nomination and Compensation Committee advises the Board of Directors on matters including the remuneration of Directors and Corporate Officers, as well as nominations for proposals to the General Meeting of Shareholders concerning the election and dismissal of Directors, the appointment and dismissal of Corporate Officers, and the selection and removal of Representative Directors.

The Nomination and Compensation Committee

Roles: Deliberation on the following matters on request from the Board of Directors, and reporting back to the Board of Directors (the Board of Directors respects the Committee's recommendations when making decisions):

- (1) Drafting of proposals for the election and dismissal of Directors (for resolution by the General Meeting of Shareholders)
- (2) Appointment and dismissal of Corporate Officers
- (3) Selection and removal of Representative Directors
- (4) Representative Director succession plans
- (5) Amounts of remuneration for Directors and Corporate Officers
- (6) Composition and decision process of remuneration for Directors and Corporate Officers
- (7) Establishment and change of basic policy and criteria for deliberation of the above
- (8) Other matters recognized by the Board of Directors as necessary in association with each of the items above

The Committee was established in December 2018, and met 9 times during the fiscal year ended December 31, 2023. The main agenda items were as follows:

- Criteria for appointment of Directors
- Criteria for the selection of Representative Directors
- Criteria for dismissal of Directors and the removal of Representative Directors
- Independence Standards for Outside Directors/Auditors
- Policy for determining remuneration etc. for individual Directors
- Nomination of candidates for Director and the selection of Representative Directors
- Succession planning for the CEO and other officers
- Amendments to the officer remuneration system
- Directors Skill Matrix

**[Corporate Auditors]**

Establishment of a Board of Auditors	Established
Maximum Number of Corporate Auditors Stipulated in Articles of Incorporation	5
Number of Corporate Auditors	4

Cooperation among Corporate Auditors, Accounting Auditors, and Internal Audit Departments

Cooperation between Corporate Auditors and the accounting auditor  
 Corporate Auditors hold regular liaison meetings with the accounting auditor to exchange information on matters such as audit plans and contents. They also hold other meetings with the accounting auditor as necessary to share information on matters such as audit findings.

Cooperation between Corporate Auditors and the Internal Audit Department  
 The Company's Internal Audit Department is responsible for internal auditing in the Group. Its audit reports are all viewed by the Corporate Auditors. Corporate Auditors also hold meetings with the Internal Audit Department as necessary to share information.

Appointment of Outside Corporate Auditors	Appointed
Number of Outside Corporate Auditors	3
Number of Independent Corporate Auditors	1

Outside Corporate Auditors' Relationships with the Company (1) **[Updated]**

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Yasuji Fujita	From another company							△						
Kentaro Morimoto	From another company							△						
Mami Taira	CPA													

\* Categories for "Relationship with the Company"

- \* "○" when the Corporate Auditor presently falls or has recently fallen under the category;
- "△" when the Corporate Auditor fell under the category in the past
- \* "●" when a close relative of the Corporate Auditor presently falls or has recently fallen under the category;
- "▲" when a close relative of the Corporate Auditor fell under the category in the past

- a. Executive of the Company or its subsidiary
- b. Non-executive director or accounting advisor of the Company or its subsidiaries
- c. Non-executive director or executive of a parent company of the Company
- d. Corporate auditor of a parent company of the Company
- e. Executive of a fellow subsidiary company of the Company
- f. A party whose major client or supplier is the Company or an executive thereof
- g. Major client or supplier of the Company or an executive thereof
- h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a corporate auditor
- i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
- j. Executive of a client or supplier company of the Company (which does not correspond to any of f, g, or h) (the corporate auditor himself/herself only)

- k. Executive of a company, between which and the Company outside directors/ corporate auditors are mutually appointed (the corporate auditor himself/herself only)
- l. Executive of a company or organization that receives a donation from the Company (the corporate auditor himself/herself only)
- m. Others

Outside Corporate Auditors' Relationship with the Company (2) [Updated]

Name	Designation as Independent Corporate Auditors	Supplementary Explanation of the Relationship	Reasons of Appointment
Yasuji Fujita		Mr. Yasuji Fujita has served in The Iyo Bank, Ltd., which is one of the Company's main financial institutions.	He possesses abundant experience cultivated through his work at financial institutions and a wide range of insight, including expertise in financial matters. The Company has therefore deemed that he is able to appropriately audit the execution of duties by Directors.
Kentaro Morimoto		Mr. Kentaro Morimoto has served in The Norinchukin Bank, which is one of the Company's main financial institutions.	He possesses a wide range of insight, including extensive experience and expertise in finance and agriculture, forestry and fisheries in general, cultivated through his work at a financial institution. The Company has therefore deemed that he is able to appropriately audit the execution of duties by Directors.
Mami Taira	○	-	Ms. Mami Taira possesses expert insight and abundant experience concerning accounting and taxation as a certified public accountant and tax accountant, and the Company has therefore deemed that she is able to appropriately audit the execution of duties by Directors. The Company has designated her as an Independent Corporate Auditor as she has no special interests in the Company, and it considers that there is no risk of a conflict of interests with general shareholders.

**[Independent Directors/Auditors]**

Number of Independent Directors/Auditors	4
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Matters relating to Independent Directors/Auditors

In addition to the independence criteria prescribed by the Tokyo Stock Exchange, the Company requires Outside Directors and Outside Corporate Auditors to satisfy its Independence Standards for Outside Directors/Auditors. In addition, the Company selects candidates for the position of Outside Director or Outside Corporate Auditor who will be able to accurately advise and supervise the Company's management, with an emphasis on a high degree of specialization and abundant experience.

<Independence Standards for Outside Directors/Auditors>

The Company will decide that an Outside Director/Auditor or a candidate for Outside Director/Auditor is independent from the Company if they are deemed not to fall under any of the following items.

1. The Group's (\*1) executive (\*2) at present or in the past
2. The Company's major shareholder (\*3) or its executive in the most recent five fiscal years including the current fiscal year
3. The Group's major business partner (\*4) or its executive in the most recent three fiscal years including the current fiscal year
4. An entity whose major business partner is the Group (\*5) or its executive in the most recent three fiscal years including the current fiscal year
5. The Group's major lender (\*6) or its executive in the most recent three fiscal years including the current fiscal year
6. An entity who has received average annual donations of 10 million yen or more from the Group in the most recent three fiscal years including the current fiscal year (or its affiliate if the recipient is an incorporated entity, an association or any other organization)
7. A consultant, an accounting or legal expert who has received monetary or other proprietary benefits of approximately 10 million yen or more on average from the Group, apart from the remuneration for director/auditor, in the most recent three fiscal years including the current fiscal year (or its affiliate if the recipient an incorporated entity, an association or any other organization)
8. A spouse or a relative within the second degree of kinship of a key person (\*7) among the persons described in any of items 1 to 7 above
9. An executive of an entity with which the Company has an interlocking directorship (\*8) for outside officers
10. Other than the persons described in any of the above items, a person who has significant interests with the Group that raise concerns over his/her independence

(\*1) The Company, its subsidiaries, or equity method affiliates

(\*2) Executive director, executive officer, general manager or other employee

(\*3) A shareholder holding 10% or more of the Company's voting rights

(\*4) An entity making payments to the Group that accounts for 2% or more of the Group's consolidated net sales in business transactions with the Group

(\*5) An entity receiving payment from the Group for purchases that accounts for 2% or more of the consolidated net sales of the entity in business transactions with the Group

(\*6) A financial institution lending the Group an amount accounting for 2% or more of the consolidated total assets of the Group

(\*7) In items 1 to 6, an executive director, executive officer, or employee in a position equivalent to general manager or higher. In item 7, a certified public accountant affiliated to an audit firm or an attorney-at-law affiliated to a law firm

(\*8) A relationship where the executive of an entity where the Group's executive currently serves as an outside officer is appointed as the Company's Outside Director/Auditor

## [Incentives]

Incentive Policies for Directors	Performance-linked Remuneration
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Supplementary Explanation
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The Company has introduced “performance-linked and evaluation remuneration (cash)” paid once yearly in an amount determined in accordance with factors such as the level of performance indicators for each fiscal year and the degree of achievement of targets for indicators predesignated with reference to management issues for individual Director.

Moreover, a performance-linked stock-based remuneration plan utilizing a trust structure for Directors (excluding Outside Directors) of the Company was approved by the 98th Ordinary General Meeting of Shareholders held on March 30, 2022, and the Company also introduced a similar performance-linked stock-based remuneration plan for Corporate Officers. The Plan is designed to more clearly link the remuneration of Directors and Corporate Officers to the Company's performance and the value of its stock and to encourage Directors and Corporate Officers to contribute to improving medium- to long-term business performance and

increasing corporate value by ensuring that they share profits and risks from stock price fluctuations with shareholders.

Recipients of Stock Options

Supplementary Explanation

-

#### [Director Remuneration]

Disclosure of Individual Directors' Remuneration

No Individual Disclosure

Supplementary Explanation

Total remuneration paid to Directors and total remuneration paid to Corporate Auditors are separately disclosed.

Policy on Determining Remuneration Amounts and Calculation Methods

Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

[Basic policy]

It is the duty of senior management to “transform” the ISEKI Group, guide the Company towards sustainable growth, and to aim to increase medium- to long-term corporate value in order to realize the Group’s purpose and corporate philosophy of contributing to the creation of a prosperous and sustainable society through “providing innovative products and higher quality of services to the customers.”

The Company’s basic policy concerning Directors’ remuneration is to promote the fulfillment of these duties by clarifying the link between the remuneration of management and business performance, including over the medium and long term, and shareholder value, to make the remuneration system function as a sound incentive.

[Overview of remuneration for Directors]

In accordance with this basic policy, remuneration for Directors of the Company is composed of “basic remuneration (cash),” “performance-linked and evaluation remuneration (cash),” and “performance-linked stock-based remuneration,” in a standard ratio of 6:3:1, respectively. Remuneration for Outside Directors is composed only of basic remuneration (monthly remuneration), because of their independence from business execution. The overall level of remuneration is determined with reference to the levels of remuneration at other companies in the same industry or of a similar scale to the Company. The maximum total amount of basic remuneration and performance-linked and evaluation remuneration (up to 360 million yen per year) was established by resolution of the 98th Ordinary General Meeting of Shareholders held on March 30, 2022.

Basic remuneration is paid monthly in an amount determined with reference to factors including each Director’s duties.

Performance-linked and evaluation remuneration is paid once yearly in an amount determined in accordance with factors such as the level of performance indicators for each fiscal year and the degree of achievement of targets for indicators predesignated based on management issues for individual Director.

Performance-linked stock-based remuneration is based on a share delivery trust system. Within the remuneration limits determined by resolution of the 98th Ordinary General Meeting of Shareholders held on March 30, 2022 (up to 148 million yen in total to be contributed by the Company as funds for acquiring shares of the Company needed for delivery to Directors, excluding Outside Directors, during the four years from the fiscal year ending December 31, 2022 to the fiscal year ending December 31, 2025), the Company delivers to each Director a number of shares according to the aggregate number of points that have been awarded to each

Director each fiscal year, in principle, at the time of the Director's retirement, in accordance with the share delivery rules established by the Board of Directors. A certain proportion of these shares of the Company are sold, converted into cash within the Trust, and their value is paid as cash.

Remuneration for individual Directors is deliberated on by the Nomination and Compensation Committee, which is chaired by an Independent Outside Director and mainly composed of Independent Outside Directors. The results of these deliberations are reported to the Board of Directors, which ultimately resolves on remuneration for individual Directors in accordance with these reports. When determining the details of remuneration, etc. for individual Directors, the Nomination and Compensation Committee engages in a multi-faceted consideration of their consistency with the decision policy. The Board of Directors therefore generally respects the Committee's reports, and considers these details to conform with the decision policy.

[Overview of remuneration for Corporate Auditors]

A maximum amount of remuneration for Corporate Auditors of 8.00 million yen was resolved by the 85th Ordinary General Meeting of Shareholders held on June 26, 2009. Remuneration for individual Corporate Auditors is determined through discussion between Corporate Auditors.

Number of retired Presidents, etc. holding advisory positions (sodanyaku, komon, etc.)	1
Others	
-	

## 2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System) [Updated]

The Board of Directors is composed of 8 Directors, of whom 3 are Outside Directors. The Board of Directors decides on matters stipulated by laws, regulations, or the Articles of Incorporation, and other basic management matters. In order to facilitate swift decision-making, the Board of Directors holds extraordinary meetings as necessary, in addition to regular monthly meetings. The Board of Directors met 20 times in the fiscal year ended December 31, 2022. All internal Directors and Outside Directors attended all meetings of the Board of Directors.

The Company has established the ESG Committee, which is chaired by an Independent Outside Director, consists of Directors and Corporate Officers, and serves as a consultative body of the Board of Directors. The committee deliberates on matters regarding ESG improvement of the Group on request from the Board of Directors, and reports back to the Board of Directors. Corporate auditors are requested to attend the meetings as observers and state opinions as necessary.

The Company endeavors to ensure sound corporate management through the execution of duties, with Corporate Officers responsible for smoothly fulfilling their respective duties as specified by the Board of Directors. In addition, the Directors' Operation Committee, composed of all Corporate Officers, as well as Deputy Division Managers and others nominated by the chairman of the Committee, meets at least twice monthly, in principle, to share the latest information and discuss and report on matters such as the state of business development, the existence of risks, and measures to prevent or mitigate them.

Regarding transparent information disclosure, the Company aims to maintain fair business practices and share information by establishing systems to provide stakeholders with important information in a timely manner, as well as other systems such as Group-wide administrative rules and a reporting structure.

The Board of Auditors is composed of 4 Corporate Auditors, of whom 3 are Outside Corporate Auditors (of whom 1 is a certified public accountant). In addition to attending meetings of the Board of Directors and other important meetings, Corporate Auditors autonomously decide on audit policy and audit the business and assets of the Company and its subsidiaries in coordination with the Internal Audit Department and the accounting auditor. They also rigorously check important proposals made at the Directors' Operation Committee and other forums, and the status of the execution of duties by Directors.



The Company sets Directors' term of office to 1 year to further clarify Directors' management responsibility for each fiscal year and respond swiftly to changes in the management environment. The term of office for Corporate Officers is likewise 1 year.

In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Outside Directors and Outside Corporate Auditors to limit their liability for damages stipulated in Article 423, Paragraph 1 of the same Act. Under these agreements, the amount of liability is limited to the amount prescribed by laws and regulations.

### **3. Reasons for Adoption of Current Corporate Governance System**

The Company operates its management system with the main purpose of responding quickly and accurately to changes in the business climate and maintaining fair business operations.

The Company considers this system to be the most reasonable at the present time, from the perspective of ensuring the effectiveness of management supervision and corporate governance.

### III. Implementation of Measures for Shareholders and Other Stakeholders

#### 1. Measures to Vitalize the General Meetings of Shareholders and Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of General Meetings of Shareholders	The notice of convocation (matters to be provided electronically) is posted on the Company's website and the website of the Tokyo Stock Exchange at least 3 weeks prior to the date of the General Meeting of Shareholders. A document excluding some of the items provided electronically is sent to shareholders who have requested delivery of the document at least two weeks prior to the date of the General Meeting of Shareholders. Reference Documents and related materials (summary version of the notice of convocation) for the General Meeting of Shareholders are sent to shareholders who have not requested delivery of written documents at least two weeks prior to the date of the General Meeting of Shareholders.  The Company's website (Shareholders Information): <a href="https://www.iseki.co.jp/english/ir/stockholders/">https://www.iseki.co.jp/english/ir/stockholders/</a>
Scheduling General Meetings of Shareholders Avoiding Peak Days	The Company endeavors to avoid scheduling General Meetings of Shareholders on peak days, enhance the attendance environment, and operate the meetings with a focus on shareholders.
Allowing Electronic Exercise of Voting Rights	The Company has enabled the electronic exercise of voting rights since the 92nd Ordinary General Meeting of Shareholders held on March 25, 2016.
Participation in Electronic Voting Platform	The Company participates in the electronic voting rights exercise platform operated by ICJ, Inc., and endeavors to improve the environment for the exercise of voting rights by institutional investors, including those overseas.
Providing Convocation Notice in English	An English translation of part of the notice of convocation for the General Meeting of Shareholders is posted on the Company's website.
Other	The notice of convocation for the General Meeting of Shareholders, consolidated financial results, annual securities report, and other useful corporate information for investors are disclosed on the Company's website. <a href="https://www.iseki.co.jp/english/ir/">https://www.iseki.co.jp/english/ir/</a> The Company also prepares visualizations in the Business Report to help deepen shareholders' understanding.

#### 2. IR Activities [Updated]

	Supplementary Explanations	Explanations by Representatives
Preparation and Publication of Disclosure Policy	The Company has established a Disclosure Policy, which is presented on the Company's website. <a href="https://www.iseki.co.jp/ir/support/disclosure/">https://www.iseki.co.jp/ir/support/disclosure/</a> (Japanese only)	
Regular Investor Briefings for Individual Investors	The Company holds briefings for individual investors online. The Company endeavors to enhance the provision of information on its website that will help deepen shareholders' understanding, such as information for individual investors and IR reports concerning the Company. The Company's website (investor information): <a href="https://www.iseki.co.jp/english/ir/">https://www.iseki.co.jp/english/ir/</a>	Yes
Regular Investor Briefings for Analysts and Institutional Investors	The Company holds briefings quarterly and at the end of the fiscal year.	Yes

Posting of IR Materials on Website	The Company posts quarterly and annual financial results on its website, together with financial results briefing materials.	
Establishment of Department and/or Manager in Charge of IR	The Public & Investor Relations Section has been established as the section in charge of IR.	

### 3. Measures to Ensure Due Respect for Stakeholders [Updated]

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	The Company espouses the management philosophy expressed in its Company Motto: “to provide: 1. Products that satisfy consumer demand; 2. A stable workplace to the employees; 3. Appropriate dividends to the shareholders.”
Implementation of Environmental Activities, CSR Activities etc.	The Company reports on its activities through the publication of the ISEKI Report, which incorporates information on the implementation of environmental protection activities and CSR activities. The ISEKI Report is also available from the Company’s website. The Company’s website (sustainability): <a href="https://www.iseki.co.jp/english/csr/greeting/">https://www.iseki.co.jp/english/csr/greeting/</a> ISEKI Report: <a href="https://www.iseki.co.jp/english/csr/report/">https://www.iseki.co.jp/english/csr/report/</a>
Development of Policies on Information Provision to Stakeholders	The Company has established a Disclosure Policy, which is available from the Company website. <a href="https://www.iseki.co.jp/ir/support/disclosure/">https://www.iseki.co.jp/ir/support/disclosure/</a> (Japanese only)

## IV. Matters Related to the Internal Control System

### 1. Basic Views on Internal Control System and the Progress of System Development

The Company regards the establishment of a Group internal control system as a key matter of management policy. It has established the Basic Policy on Internal Control to develop the internal control system, and revises this policy as necessary. The Company has established systems to ensure the efficient execution of Directors’ duties, such as the establishment of regulations on the division of duties and the internal control system, and engages in a multi-faceted consideration of important matters through the Board of Directors. The Company endeavors to establish systems for the appropriate storage and management of information related to the execution of duties, such as minutes of meetings of the Board of Directors and approval documents, in accordance with the Board of Directors Regulations and the Document Regulations. Regarding the compliance system, the Company implements continuing compliance training led by the Legal & Compliance Department under the supervision of the officer in charge of compliance, endeavoring to prevent fraud and scandals by ensuring thorough compliance awareness among all officers and employees. The Internal Audit Department audits and monitors the operation of the internal control system at the Company and its manufacturing and sales subsidiaries. In addition, the ESG Committee deliberates and follows up on matters related to the development and operation of the internal control system and checks the status of thorough compliance. Please refer to the Corporate Governance System (Diagram) attached as an appendix to this report.

### 2. Basic Views on Eliminating Anti-Social Forces and the Implementation of Associated Measures

1. Basic Views on Eliminating Anti-Social Forces  
The Company has established the ISEKI Group Code of Ethical Behavior, working against any possibility of a relationship with anti-social forces or groups.
2. Establishment of Measures for Eliminating Anti-Social Forces

In addition to setting forth guidelines to combat anti-social forces in the ISEKI Group Code of Ethical Behavior, the Company has established internal systems to eliminate anti-social forces such as those listed below, with the aim of establishing corporate ethics at the Company and Group companies.

- a. The General Affairs Department is responsible for managing the response to anti-social forces, and discusses the response in each case with the departments concerned.
- b. The Company has established a structure to combat anti-social forces through regular coordination with the police, the Center for Removal of Criminal Organizations, attorneys, and other specialist external agencies.

The Company is also a member of Tokubouren, regularly receiving guidance and sharing information.

## V. Other

### 1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
Supplementary Explanation	
-	

### 2. Other Matters Concerning Corporate Governance System

The Company considers the timely disclosure of information to be vital for building positive relations with stakeholders. It therefore actively organizes forums such as quarterly financial results briefings. The Group as a whole is actively engaged in addressing environmental issues, including the regular publication of the ISEKI Report, and has been recognized as one of the “companies doing environment-friendly business activities progressively.”

[Overview of the timely disclosure system]

#### 1) The Company’s basic views on information disclosure

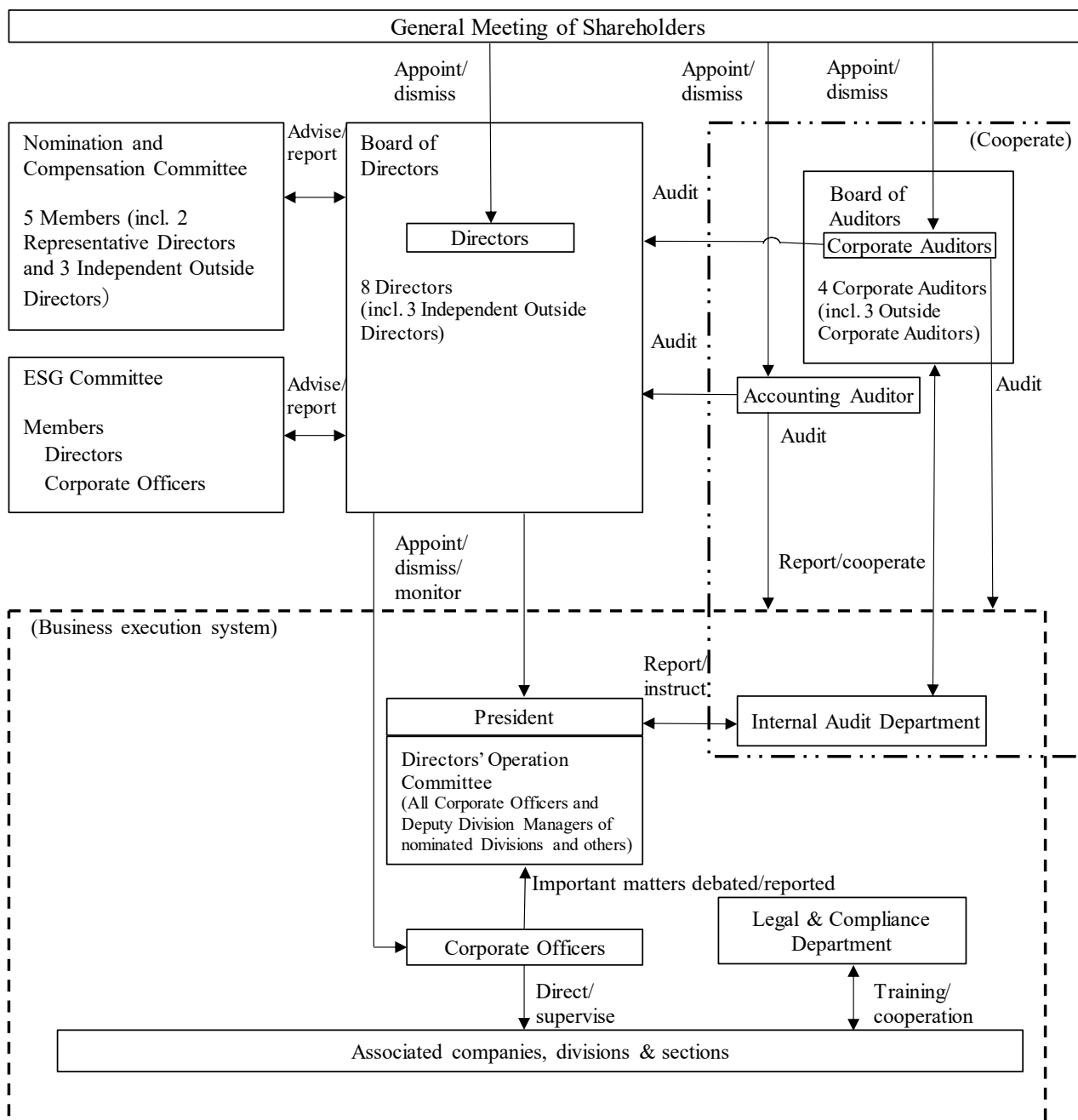
The Company discloses information based on “disclosing information properly to fulfill social accountability” and “promptly disclosing accurate information required from inside or outside of the Group in recognition of the importance of social accountability and thereby endeavoring to become a company with transparency,” which are the basic philosophy and standard of conduct, respectively, set forth in the ISEKI Group Code of Ethical Behavior.

To win fair evaluation from all its stakeholders, including shareholders, investors, customers, suppliers, local communities, and employees, and to ensure management transparency, the Company strives for fair, equitable, timely, and appropriate disclosure of management-related information in keeping with the purpose and meaning of fair disclosure rules.

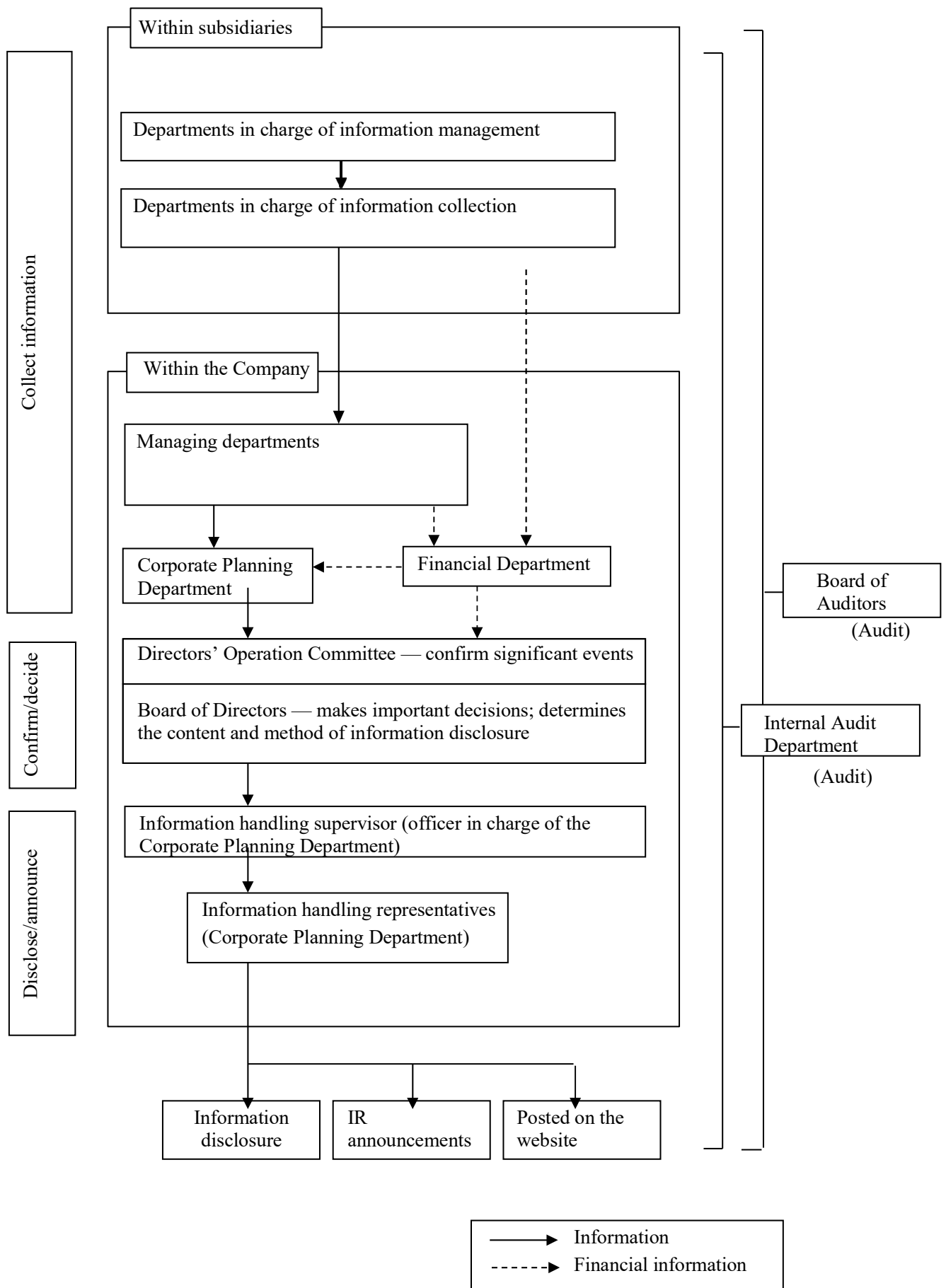
#### 2) Internal systems for the timely disclosure of corporate information

The system for reporting management-related information from major subsidiaries to the Company, and the company’s systems for information disclosure, are presented under Reference: the Overview of the Timely Disclosure System (Diagram) attached as an appendix to this report.

**Reference: Corporate Governance System (Diagram)**



**Reference: Overview of the Timely Disclosure System (Diagram)**



## Reference: Directors Skill Matrix

	Name	Title	Corporate Management/ Management Strategy	Finance	Sales/ Marketing	Overseas Business	Development and Manufacturing	Compliance/ Legal Affairs/ Audit	ESG/ Sustainability	Personnel	IT/ Data
Directors	Shiro Tomiyasu	Representative Director, President & Executive Officer	●	●					●		
	Hajime Odagiri	Representative Director & Senior Corporate Executive Officer	●		●	●	●		●		●
	Masayuki Fukami	Director & Senior Corporate Officer			●			●	●	●	
	Shuichi Jinno	Director & Senior Corporate Officer		●				●		●	●
	Kazuya Tani	Director & Senior Corporate Officer			●	●					
	Atsushi Iwasaki	Director	●	●				●	●		
	Eiko Kisogawa	Director	●					●	●		●
	Fumiko Kishimoto	Director						●	●		

\* The table above does not represent all types of knowledge held by each officer.