

Contents

Value Creation Story	Environment	31
A History of Creating Value	Society	34
Corporate Philosophy		
The KAMEDA SEIKA Group's Purpose, Vision, and Values	Governance	
Global Network	Directors, Audit & Supervisory Board Members and Executive Officers	42
The KAMEDA SEIKA Group by the Numbers	A Conversation among Outside Directors	44
Our Businesses	Corporate Governance	48
Roadmap to Achieve Our Vision	Compliance	53
Message from the CEO	Risk Management	55
Message from the COO		
Message from the CFO	Data Section	
Value Creation Process	Financial Highlights (Consolidated)	57
Identification of Materiality (Material Issues)	Non-Financial Highlights	58
Feature: Becoming a Rice Innovation Company	11-Year Financial and Non-Financial Highlights (Consolidated)	59
	Shareholder and Investor Information	60
Sustainability at the KAMEDA SEIKA Group	Company Data	61
Materiality (Material Issues) Initiatives and Progress	Business Structure	

Editorial Policy

The KAMEDA SEIKA Group has published an integrated report since 2021. This report presents the Group's business model, goals 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* issued by the IFRS Foundation and *Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation* (Guidance for Collaborative Value Creation) issued 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.

Scope of Report

KAMEDA SEIKA CO., LTD. and its consolidated subsidiaries

Reporting Period: April 1, 2023 to March 31, 2024 (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.

Value Creation Story

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.

The KAMEDA SEIKA Group’s Purpose is to contribute to a nice lifestyle with the blessings of rice to further refine the value of excellent flavor, health, and excitement. We aim to be 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.

Net Sales

1946

Founded during the food shortages in Japan immediately after World War II as a consignment processing plant for *mizuame* starch syrup

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

1950-

Following incorporation in 1957, rapidly grew into Japan’s leading rice cracker company, forming the foundation of the business

Domestic Rice Cracker Business



1990-

Aggressive overseas expansion aimed at becoming a "Global Food Company"

Domestic Rice Cracker Business



Overseas Business



2010-

Transitioning from a rice cracker and snack manufacturer into a food company providing value through "Better For You" food

Domestic Rice Cracker Business



Overseas Business



Food Business



2023-

Transitioning from a rice cracker and snack manufacturer into a "Rice Innovation Company" and revamping our Corporate Philosophy to make a new start

FY2023 Net Sales
¥95,534 million

Purpose

Better For You

Contributing to a nice lifestyle with the blessings of rice to further refine the value of excellent flavor, health, and excitement

Vision

Rice Innovation Company

Transforming from a snack manufacturer into a Rice Innovation Company, maximizing the potential of rice to create new value and new markets around the world.

Values

Kameda's Craftsmanship

Filled with love for people and nature
Full of Humanity

Applying the finest ideas and technologies
Be Professional

Enjoy taking on new challenges
Enjoy the Challenge

Note: Consolidated net sales from FY2001. From FY2021, figures are presented after applying the Accounting Standard for Revenue Recognition.

Global Network (As of October 31, 2024)

Overseas Network



Domestic Network

● Niigata Prefecture, Japan



KAMEDA SEIKA CO., LTD.



Niigata

Niigata Yusou Co., Ltd.
Kameda Transport Co., Ltd.
N.A.S. Co., Ltd.



These companies provide distribution-related services centered on the core business of joint delivery of snacks, including the Company's products.

Niigata

TAINAI Co., Ltd.

Manufactures and sells 28-allergen-free rice flour bread, brown-rice bread and other products.



Fukui

Maisen Co., Ltd.
Maisen Fine Foods Co., Ltd.

Conducts mail-order sales of brown rice and other products, and manufactures and sells plant-based foods.



Niigata

Ajicul Co., Ltd.

Manufactures and sells rice crackers for various channels including souvenir shops and theme parks, and for use in novelty products.



Tochigi

Nisshin Seika Co., Ltd.

Manufactures and sells rice cracker products and gifts for high-end supermarkets.



Tokyo

Onisi Foods Co., Ltd.

Manufactures and sells long-life preserved foods including Alpha Rice, bread and rice cookies.



Osaka

Toyosu Co., Ltd.

Established in 1902. Develops brands for department stores, including Kakitane Kitchen and Arare Toyosu.



Mie

MASUYA Co., Ltd.*

Formed a capital and business alliance agreement in 2022. Became an equity-method affiliate in 2023.

Markets long-selling brands with a history of over 50 years, including Onigiri Senbei.



* Equity-method affiliate

The KAMEDA SEIKA Group by the Numbers

Scope: KAMEDA SEIKA and its consolidated subsidiaries

(As of March 31, 2024)

We continue to take on the challenge of becoming a "Better For You" food company that contributes to a nice lifestyle with the blessings of rice to further refine the value of excellent flavor, health, and excitement.

Financial



Net Sales

¥95,534 million

Operating Income

¥4,467 million

Operating Margin

4.7%



EBITDA

¥10,650 million

EBITDA Margin

11.1%



ROE

3.3%

ROIC

3.4%

Non-Financial



Share of Japan's Rice Cracker Market*

32.9%

* Calculated using data from INTAGE Inc.'s SRI+ (Nationwide Retail Store Panel Survey).
Scope: KAMEDA SEIKA and domestic consolidated subsidiaries.



Number of Employees

(KAMEDA SEIKA and consolidated subsidiaries)

4,040

Non-consolidated

1,404

Number of Group Companies

20

Consolidated subsidiaries

17 10 companies in Japan,
7 companies overseas

Equity-method affiliates

3 1 company in Japan,
2 companies overseas



Number of Long-Selling Brands Launched 50 or More Years Ago

5

Number of Brands with Sales of ¥5 Billion or More

3

Scope: KAMEDA SEIKA non-consolidated



Number of Patents

49

Japan

20

Overseas

29

Scope: Number of patents of KAMEDA SEIKA and consolidated subsidiaries

Number of Trademarks

983

Japan

834

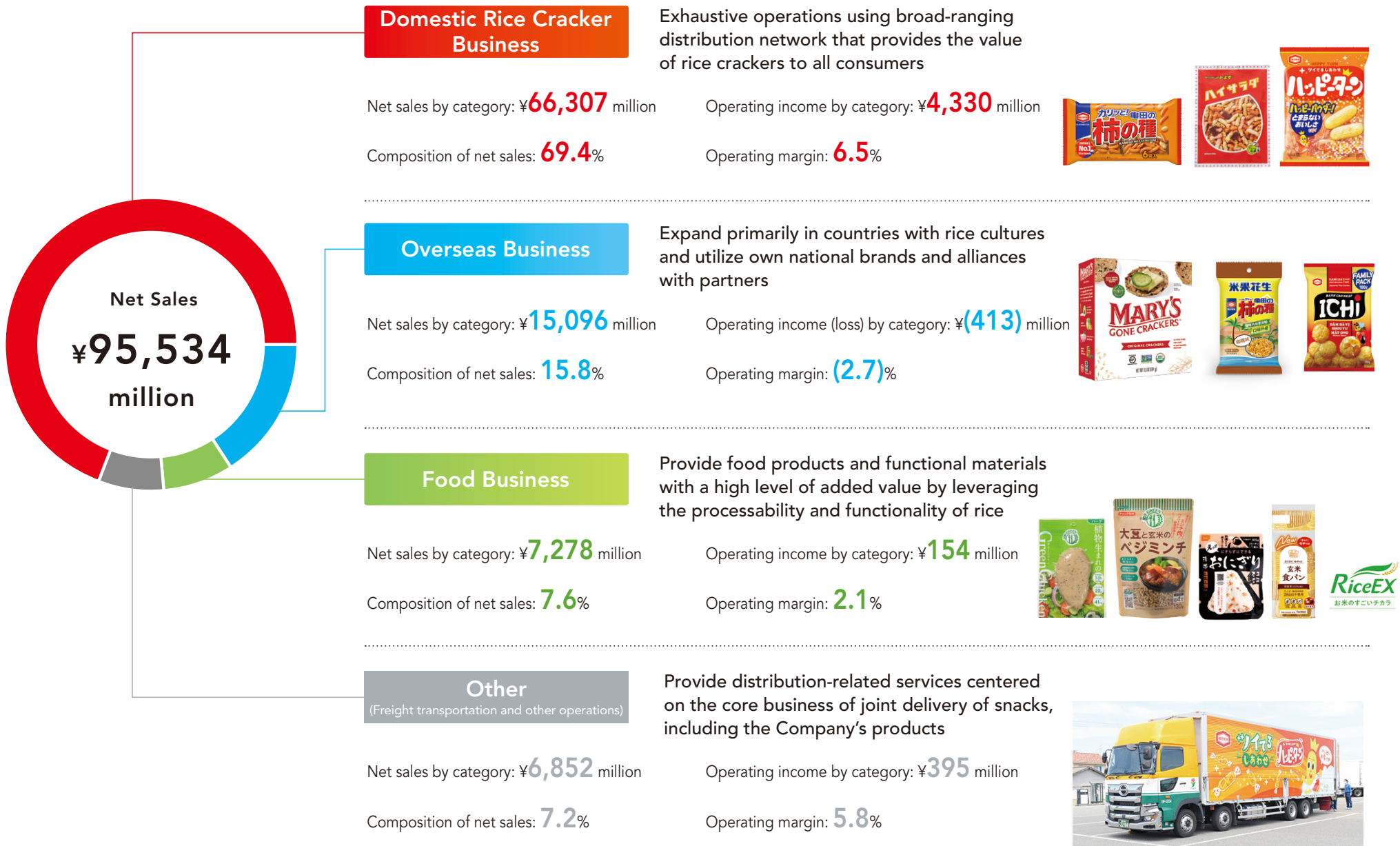
Overseas

149

Scope: Number of trademarks of KAMEDA SEIKA and consolidated subsidiaries



Our Businesses



Roadmap to Achieve Our Vision

KAMEDA 1.0

Focus mainly on rice crackers for the domestic market

Responding to changes in the environment and developing infrastructure

- Domestic rice cracker** Reshape Group with focus on unique value strategies
- Overseas** Expand into major foreign markets and create overseas network
- Food** Expand new platforms, shift to mass production, and develop functional ingredients

KAMEDA 2.0

Transforming from a snack manufacturer into a "Rice Innovation Company"
Expansion of business domains and regions

- Domestic rice cracker** Rebuilding brands
- Overseas** Restructuring of U.S. operations
- Food** Making recently developed platforms profitable

- Founding Philosophy
- Mission Statement
- Management Philosophy
- Basic Management Policy

Medium-Term Business Plan to 2026

FY2023

Operating income: ¥4.4 billion
Operating margin: 4.7%
Net sales: ¥95.5 billion
ROIC: 3.4%

FY2026

Operating income: ¥7.5 billion
Operating margin: 6.5%
Net sales: ¥115 billion
ROIC: 5.1%

KAMEDA 3.0

Evolution of business model Accelerate the growth of each business

Domestic rice cracker Promote value and strengthen brand power

Overseas Area expansion and business growth

Food Business expansion and global development

Long-Term Management Plan to 2030  Pages 8-17

FY2030

Operating income: **¥14** billion

Operating margin: **10.0%**

Net sales: **¥140** billion

ROIC: **8.0%**

Purpose

**Better
For You**

Vision

**Rice Innovation
Company**

Values

Kameda's Craftsmanship

 Page 1



Message from the CEO

Becoming a Unique “Rice Innovation Company” Based on the ALL KAMEDA Concept



Lekh Raj Juneja

Chairman & CEO

Progress of the Medium-Term Business Plan

I'm now in my third year as CEO of KAMEDA SEIKA. I would like to start by sharing our progress up until now, focusing on the medium-term business plan, which serves as a management compass, before talking about our future direction.

1 Gaining Momentum toward Achieving Our Vision

The KAMEDA SEIKA Group of today is the result of the dedicated efforts of its employees and past leadership, and the cooperation of all stakeholders. I am deeply grateful for the strong business foundation that everyone has helped to build.

We have attractive products and brands that delight our consumers, as well as strengths in the areas of technologies and expertise (i.e., “Kameda’s Craftsmanship”) that enable us to continue to create these products. And above all, the Group has an abundance of talented people who support these products and brands. I strongly believe that we have the potential to become a unique “Rice Innovation Company.” However, as we transition from traditional business development centered on the domestic rice cracker business to implementing our medium- to long-term growth strategy, the first priority is to promote and share our Corporate Philosophy. To become a “Rice Innovation Company,” we need to leverage Kameda’s Craftsmanship as a tool for maximizing the potential of rice while remaining committed to our Purpose, “Better For You.”



An element that will help to promote the Corporate Philosophy, and one that I think is invaluable for maximizing the Group's capabilities, is our ability to connect all the dots across each business and Group company to form lines of communication and frameworks for collaboration. The Group has countless strengths and merits, but I was concerned that these might not necessarily be in sync, and may only amount to isolated individual efforts. For example, the marketing of ICHI fried rice crackers, which have a large market share in Vietnam, was being conducted entirely in-house through our Vietnamese Group company, THIEN HA KAMEDA, JSC., without using any management resources from Japan. Amid an increasing competitive environment, we decided to utilize know-how developed in the Marketing Department in Japan and changed to a modern style of packaging. I thought that this kind of cross-divisional, cross-border collaboration would unlock our ability to leverage the Group's current capabilities. I have therefore been telling employees that they should try to think in terms of the ALL KAMEDA concept going forward, strengthen cross-divisional functions through communication and work to align everyone in the same strategic direction. Through persistent encouragement, individual employees are now finding success in their initiatives, and I can sense they are beginning to act independently. "Rice Innovation" will come about as a result of these activities. However, I would also like to uncover innovations that already exist within the Group. For example, I have been focusing on the concept of "instant rice balls," a project of Onisi Foods, Co., Ltd., a Group company that produces long-life preserved food. This product is a tasty triangular rice ball prepared simply by adding hot or cold water. On top of this, the rice balls can be stored for five years. A rice ball that can be consumed when there is no gas or electricity, for example during a disaster, and requires no utensils, is a truly unique concept.



This kind of innovation has the potential for global expansion. We are also investing capital to increase production capacity for Alpha Rice amid growing demand. We will leverage Kameda's Craftsmanship and continue to innovate in order to realize our Vision.



2 Business Model Evolution

In tandem with the promotion of our Corporate Philosophy, which I mentioned earlier, we are currently working to transform our business model. Our traditional business model, which is centered on our core domestic rice cracker business, involves creating attractive products in Japan, manufacturing them at Company plants built using our own investments, and delivering them to customers. Under this model, these capital investments are recovered through marginal profit. We call this model KAMEDA 1.0. Our current business model, which aims to expand our business domains and areas, can be called KAMEDA 2.0. I am looking ahead to the creation of a new business model, which will be KAMEDA 3.0.

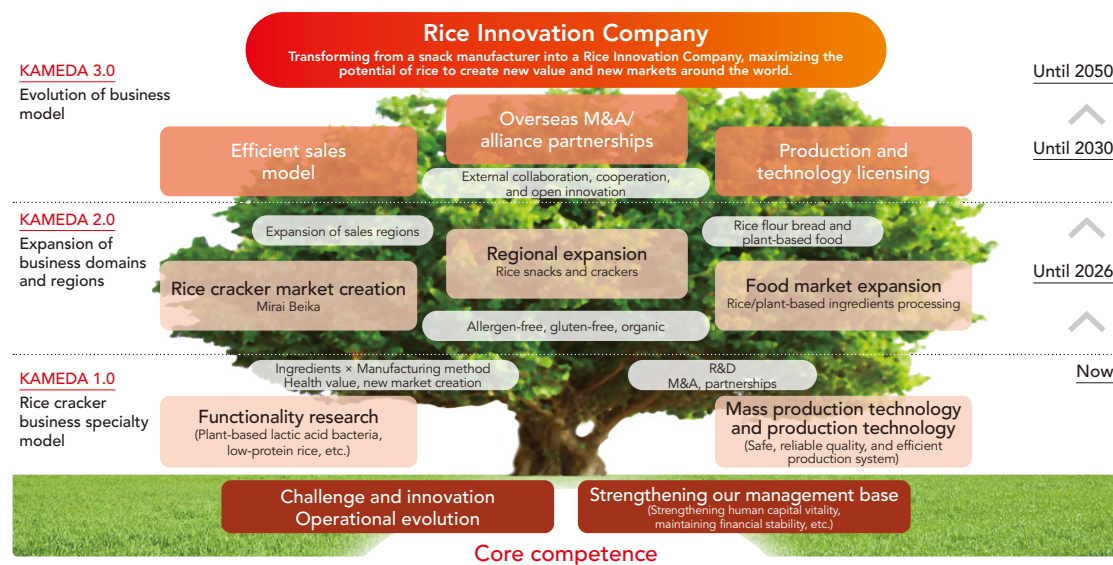
The key themes for this model are "unrivalled strengths," "an asset-light approach," and "shifting away from in-house production." This will involve utilizing our strengths (technologies and expertise) to obtain profit in the form of royalties and so forth, with minimal investment. Our licensing agreement for K-1 lactic acid bacteria with Kerry Group plc, a global leader in the areas of taste and nutrition, was a step in this direction. Going forward, I would like to explore ways to turn our manufacturing technologies for complex rice crackers and rice flour bread into profit as well.

Looking ahead to the evolution of our business model, we are strengthening our organization. We are currently only part of the way through the process, but the Group has set targets for resolving social issues in the areas of health and the environment through its business activities, and we aim to create a structure that is aligned with these goals. In transforming our organization, two important themes are "continuing to create products from the consumer's perspective" and "shifting away from in-house production and moving to a partnership model." Ensuring that we continue to create products from the consumer's perspective requires innovation in various processes. We must drive innovation not only in product development, but also in our purchasing, production, and sales divisions. Furthermore, we also need to better involve our overseas locations and spark innovation with regard to the organizational operation of the entire Group.

For example, the Global Rice Innovation Center (GRIC) was established as an organization to drive innovation in R&D. Here, we actively promote linkage between diverse technical human resources within the Group with the goal of creating synergy between employees. In addition, we are working to generate innovation by crossing boundaries. One example is having domestic business personnel tackle issues faced by overseas companies.

With a view to strengthening functions across the organization, from spring 2024 the Marketing Department has been taking care

Evolution and Winning Scenarios for the KAMEDA SEIKA Group: Change and Innovation System Diagram



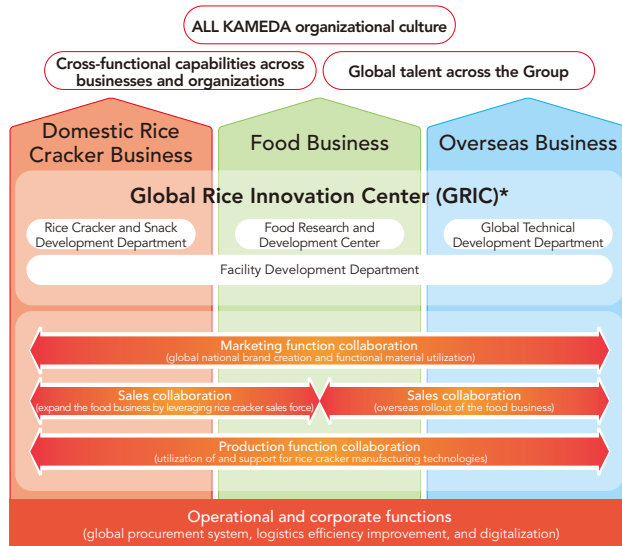
of marketing for the food business in addition to its existing focus on rice crackers made by KAMEDA SEIKA in Japan. In the overseas business, the Overseas Business Department and the Marketing Department collaborate. In the food business, we consolidated the sales functions of Group companies Maisen Fine Foods Co., Ltd. and TAINAI Co., Ltd. to build a more efficient structure.

These organizational reforms and proactive capital investments in the food business are not a matter of simply expanding business scale. We constantly ask ourselves what the Group's core competences are, and then work to contribute to maximizing corporate value. As we continue to make reforms, it is people who are directing their implementation. Valuing our employees is something I have particularly focused on since my appointment as CEO.

With the further promotion of our Corporate Philosophy coinciding with organizational and operation reforms, centered on cross-organizational functions, I can really feel that the Group's earning capabilities are gradually recovering. This is not a return to the state that reflected how we were at earlier stages of the Company's history, but rather a move toward something stronger

Global Structure for Achieving Our Objectives

An organizational structure that co-creates value through cross-functional capabilities, both internally and externally



* To promote the creation of new value from a medium-term perspective, this facility will reinforce the Group's R&D functions using a cross-organizational approach with the aim of enhancing the entire KAMEDA SEIKA Group's ability to create added value.

and leaner aimed at the next growth stage. We are proud of being the leading manufacturer of rice crackers in Japan; but in order to achieve sustainable growth in a challenging business environment, it is essential that we continue to change and evolve. We will carry out various measures to achieve our Vision of becoming a unique "Rice Innovation Company." By continuing to deliver the simple message of "People, innovation, and profit," we will ensure the success of our transformation.

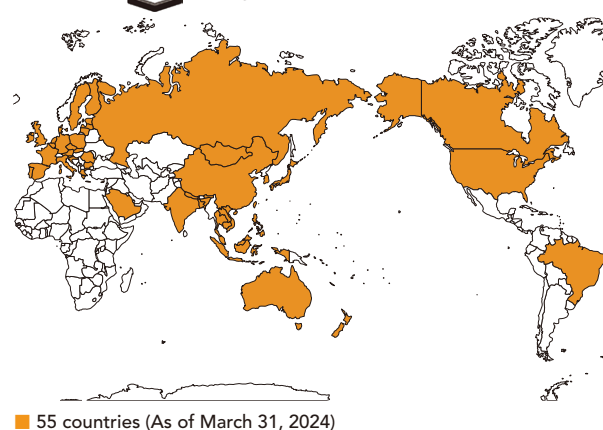
Toward Future Growth

The results of our efforts to transform will lead to the creation of profit and enhanced brand value. In addition, we will accelerate our initiatives for sustainable growth and work to increase corporate value.

1 Strengthening Intangible Assets Such as Brand Power, a Testament to Our Unique Value

Our corporate brand and various products, such as KAMEDA Kaki-no-Tane, are household names in Japan, where they have high brand value. From a global perspective, however, they still have a long way to go. Since we have production and sales bases worldwide, with large numbers of active employees, I think we have enormous untapped potential. Up until now, we have prioritized development of locations in major countries, and we have had only limited opportunities to give employees at overseas Group companies a sense of belonging to the KAMEDA SEIKA

Number of Countries Where the Turtle Shell Mark (KAMEDA) Is Registered as a Trademark



Group. Through the Top Caravan initiative, I have continued to emphasize the importance of being aware of the ALL KAMEDA concept, including promotion of the revamped Corporate Philosophy, and this approach is being embraced by directors and executive officers who will continue it going forward.

With the COVID-19 pandemic subsiding and inbound tourism increasing in Japan, we are working to enhance brand recognition. For example, since KAMEDA Kaki-no-Tane is a distinctive Japanese brand that is also sold overseas, we have put "KAMEDA" as a tag line below the Corporate turtle shell logo. We have also added the brand name in Roman lettering as well.



In February 2024, we renewed packaging for the first time in eight years, putting Roman lettering of the brand name and "JAPAN'S No. 1" on the packages to emphasize our position as a snack brand that represents Japan to the world.

We created the slogan "NICE! RICE!" as part of our goal of becoming a "Rice Innovation Company," and going forward we will also promote this slogan externally. In addition to promoting our product brands, we will communicate the Group's philosophy and overall business approach so that stakeholders can understand our true essence. This effort to better articulate the Group's unique value will also strengthen our global corporate brand.

In addition, we will also bolster initiatives to strengthen other intangible assets besides our brands. Since its founding, the Group has accumulated a host of technologies and expertise through its efforts to expand the possibilities of rice and create delicious flavors. We will take stock of these assets and refine them as intellectual property to further enhance the Group's corporate value.

See pages 24 to 27 for details.

2 Flexible Response to Rapid Changes in the Business Environment

I have been talking from a medium- to long-term perspective, but in terms of our immediate operating environment, issues that need resolution are mounting day by day. Rising geopolitical risk has become a factor driving rapid yen depreciation and energy cost increases. The high prices of raw materials (inflation) are also a serious concern. In addition, we are facing pressing issues in our overseas business, where Mary's Gone Crackers recorded impairment losses for the fiscal year ended March 31, 2024. It is important to tackle each of these issues carefully one by one. However, efforts to promote our Corporate Philosophy and strengthen our organizational structure/cross-organizational functions have helped to increase the speed and flexibility with which we can respond to challenges.

Promotion of Sustainability Management

Contribute to a sustainable society across the entire value chain through change and innovation. Mitigate risks and seize opportunities through strategy execution and evolve into a "Rice Innovation Company."

Materiality (Material Issues) and Main KPIs

Contribute to a nice lifestyle through "Better For You" food

Joy, enrichment, health, taste, excitement, safety and security, food culture, and food diversity

(FY2030 Target)

Expansion of the Mirai Beika product lineup	
Reduction of sodium in products	15% reduction (compared with FY2021)
Expansion of overseas share of the food business	30%
Increase allergen-free, Halal and Kosher products	

Environmentally friendly manufacturing

Reduction of environmental impact, conservation of environmental resources, and reduction of plastic use

(FY2030 Target)

Reduce greenhouse gas emissions	40% reduction (compared with FY2017)
Reduce water consumption	10% reduction (compared with FY2017)
Reduce plastic usage	30% reduction (compared with FY2017)

Sustainable procurement

Respect for human rights, stable procurement, and response to food insecurity

(FY2030 Target)

Development of a diversified procurement system for major raw materials	
Expansion of plant-based food	
RSPO-certified palm oil usage ratio	100%

Human capital management

Health management, DE&I, and human resource development

(FY2030 Target)

Improved self-care and employee wellbeing	
Ratio of female managers and supervisors	30%
Investment in human resource development	80% increase (compared with FY2021)

Governance befitting KAMEDA SEIKA

Enhance corporate governance
Implement thorough risk management

Enhance corporate value through appropriate operation of the Board of Directors	
Risk map-based visualization and countermeasure implementation	
Reinforce information security systems	

Harmony with the community

Expand local hiring, collaborate with local agriculture groups, and engage in dietary education

(FY2030 Target)

Expand number of employees at overseas sites	2,500 employees
Increase production of rice flour bread made from rice grown only in Niigata Prefecture	1,200 tons
Promote communication through food	

Note: The material issues above are organized into six categories and 19 specific issues.

For example, in addressing high raw material prices, it is necessary to deploy comprehensive profit improvement strategies, such as efficient cost management, price adjustments, and cost reductions. Relying solely on top-down directives when issues arise can lead to delayed responses. However, organizational and operational reforms have been effective in promoting a bottom-up response, and we aim to continue enhancing our responsiveness going forward.

3 Promoting Sustainability Management

To drive the sustainable growth of the Company, we are also paying attention to our social responsibilities. As an initiative to promote sustainability, I am personally leading our efforts as chairperson of the committee on our response to materiality

(material issues), and I will ensure that we make significant progress. As a CEO who was born overseas, I have substantial personal experience regarding the importance of ensuring and promoting diversity. A company that has had no diversity in terms of nationality or gender for many years cannot expect to see much breadth of discussion. Currently, the Company's directors come from a rich variety of backgrounds, and we will continue striving to secure the diversity of the Board of Directors so that we can have healthy, lively discussion and enhance the Board's effectiveness. The same applies to our employees, so we will continue to make efforts to promote diversity in hiring and assignments.

We are also engaged in reforms from a governance perspective, including the establishment of a voluntary Nomination and Remuneration Committee.

Going forward, we will continue working to secure financial results and ensure that we remain a company that contributes to society and is recognized for its efforts.

See the following pages for details: 23, 28–30, 34–39, and 48–53.

To Our Stakeholders

As a result of our various initiatives, recently employees have shared that the atmosphere in the Company has become even more open. I think we are starting to see the development of a positive, optimistic sense of tension within the Company. One of my favorite sayings (that I expound both inside and outside the Company) is "Pressure makes diamonds." By this, I mean that rather than allowing myself or the organization to stay in the comfort zone, I think it is better to apply the right amount of pressure in order to transform "carbon" into "diamond." It is very important to have a vision or aspiration of what kind of person you want to become.

I would like each employee to have their own individual aspirations and feel proud to be members of the KAMEDA SEIKA Group. My hope is to see everyone engage in their daily tasks with a sense of pride, confidence, and enjoyment, working together toward the same goal.

We will continue striving to become a corporate group that brings significant value to society as a "Rice Innovation Company." My own dream is that we will become a unique "Rice Innovation Company" that is known throughout the world. Please look forward to the Group's activities as we work together enthusiastically with our employees to realize this dream.

Message from the COO



Fully Utilizing Our Human Resources and Reinvigorating the Organizational Culture to Execute the Medium- to Long-Term Growth Strategy

Masanori Takagi
President & COO

Progress of the Medium-Term Business Plan

FY2023 was a year in which we had to make difficult decisions in terms of strategic direction amid significant changes in the operating environment. As the COVID-19 pandemic began to wind down, signs of recovery in movement emerged. However, the yen continued its slide and raw material and fuel costs remained a challenge. Overall, the recovery in private consumption was lackluster, and the recovery of the Company's operating results also showed a recurring pattern of advance and retreat.

In this business environment, the Group took its first steps toward becoming a "Rice Innovation Company." At the core is the development of businesses that create unique value through the combined strengths of the Group. In particular, we have been focusing on a bottom-up approach and enhancing collaboration between divisions. This shift from a "price" to a "value" focus is gaining traction, especially in the domestic rice cracker business, strengthening our revenue base. A breakdown of each business, including the overseas and food businesses, is as follows.

 See pages 4 to 5 for details.

Domestic Rice Cracker Business

During the first half of FY2023, significant fluctuations in supply and demand in the domestic rice cracker market impacted the Company as we have a large market share. We focused primarily on restructuring supply chain management, which meant temporarily holding back on making customer proposals. During the second half, we took steps to establish a resilient and efficient operating structure centered on our key brands. We rebuilt our product portfolio by strengthening our four key brands—KAMEDA Kaki-no-Tane, Happy Turn, KAMEDA Tsumami Dane, and Mugen—and by pursuing high-value-added projects. We also swiftly implemented strategic price adjustments and specification changes, which helped put earnings on a recovery track. These measures are only partially complete, but we are gradually transitioning from an emphasis on "quantity" to one on "quality."

From FY2024, we have added the Waza no Kodawari and Kotsubukko brands to our key lineup of products. We now have six key brands, and we will focus on strengthening communication with consumers and brand promotion.

Six key brands



Overseas Business

In the overseas business, sales increased year on year, mainly due to strong performance in Asia. However, profitability did not improve, partly as a result of Mary's Gone Crackers, Inc. (MGC) in the U.S. recording impairment losses for a second consecutive fiscal year. Having stemmed losses in the overseas business, the top priority is now achieving profitability as we continue with restructuring.

Food Business

In the food business, sales increased year on year, mainly due to sales channel expansion for plant-based lactic acid bacteria and rice flour bread, although results in our core company, Onisi Foods Co., Ltd., stalled temporarily. On the other hand, profit decreased year on year, partly reflecting an increase in upfront investments aimed at future growth. However, the foundation for growth is becoming firmer. In the second half of FY2023, there was an increase in demand for long-life preserved foods, driven by greater disaster prevention awareness following the Noto Peninsular Earthquake and seismic activity offshore Chiba Prefecture. We are building a production system capable of responding to this demand.

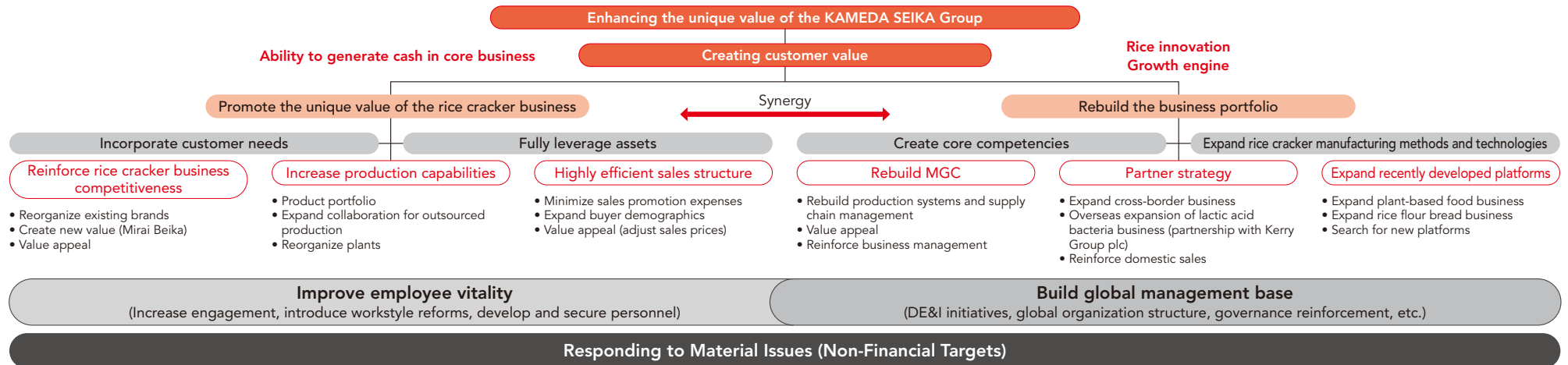
Business Portfolio



Key Points of the Medium-Term Business Plan

"Rice Innovation Company"

In order to achieve sustainable growth in a rapidly changing business environment, the Group will come together and unite as a "Rice Innovation Company," representing a shift to a business strategy focused on creating unique value.




Structural Reforms under the Medium-Term Business Plan

In the medium-term business plan, the Group has laid out its initiatives for transforming its business model from KAMEDA 1.0 to KAMEDA 3.0. Building on the domestic rice cracker business, which we have operated since our founding, we aim to expand into overseas markets and the food industry. After that, we want to establish a model (KAMEDA 3.0) that utilizes the Company's intellectual property, such as technologies and expertise, to drive licensing and collaboration.

Up until now, we have basically insisted on in-house operations, but we now intend to pursue a more flexible approach to business development under the themes of external collaboration, alliances, open innovation, and asset light.

By implementing various reforms, we aim to achieve record-high profit by FY2026 as one of the milestones. To this end, it is essential to not only strengthen our three current business domains, but also to utilize our accumulated core competences to become a "Rice Innovation Company." I consider it the role of the COO to lead business strategy, strengthen human resources, and transform the organizational culture in order to accomplish this goal.

 See pages 6 to 7 for details.

1 From "Price" to "Value"

In the domestic rice cracker business, we have developed a marketing strategy based on the themes of "upgrade" (enhancing brand value) and "update" (evolution), and are working to strengthen our product portfolio. "Upgrade" entails deepening the product value of our existing brands to enhance brand value, while "update" involves new value creation in rice crackers.

The Company's rice crackers have a long history, and include strong, customer-supported brands such as KAMEDA Kaki-no-Tane and Happy Turn. However, in recent years, we have been so focused on increasing net sales that we have mainly relied on offering new flavors and pricing strategies. As a result, we may have missed opportunities for "upgrades" to strengthen the KAMEDA brand itself. Our mainstay brands still hold great potential, and we have also developed new brands such as Mugen Ebi. We will refocus on strengthening brand power, while pursuing further possibilities in rice crackers.

Up until now, we have pursued scale based on a high-mix, high-volume production model. However, as times and customer

needs change, we have reached a point where we must carefully consider what value means to customers. To put it another way, we will change our approach from volume growth (price appeal) to quality growth (value appeal). We have identified six brands that we will concentrate on, and by focusing our efforts on expanding these brands, we can also reduce the number of SKUs. Going forward, we will also create more original value in the rice cracker business. For example, rice crackers come in a variety of textures and variations, such as hard, soft, thick, and thin. They can also be flavored in many different ways that utilize the taste of rice. I think we can still create deeper value through our craftsmanship series, which is supported by core customers, and by combining existing products with our proprietary functional ingredients. Of course, simply reducing the number of products would lead to a state of diminishing returns. We will therefore focus product development and marketing investments on our key brands to create a strong, robust pipeline. Main examples

Domestic Rice Cracker Business Specific Initiatives

Shift from emphasis on price to emphasis on value and begin transition to a business strategy focused on uniqueness

Upgrade Enhancing value of flagship brands/products

1 Raise composition ratios of six key brands

- Raise composition ratios of six key brands in stages



2 Promote value in conjunction with price and specification revisions

- Prices and specifications were revised for 27 products, including KAMEDA Kaki-no-Tane and Potapota Yaki in August and September 2023. Retail prices are expected to rise between 6% and 16%.
- Renovate brands (packaging and other characteristics)

3 Reinforce consumer communication and brand value

- Strengthen social media strategy, and create new day-to-day points of contact with the next generation of customers
- Enhance uniqueness and profitability by adding new, higher-end products
- Stimulate demand by addressing the creation of new eating occasions

4 Increase production capacity

- Increase production capacity for key brands by streamlining product portfolio and utilizing OEM partnerships

2 Collaboration between Divisions in the Domestic Rice Cracker Business

When attempting to introduce new strategies, a vertically structured organization can hinder efforts as individual division interests may take precedence. Our sales and production divisions have grown stronger through many years of business development, which has reinforced this vertical structure. To address this issue,

Update Creation of new value for rice crackers (Mirai Beika)

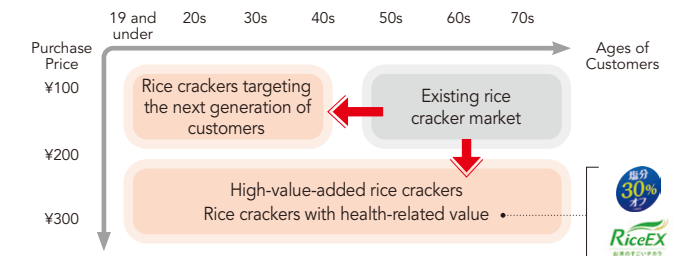
1 Address changes in consumer value to expand market into new areas

1-1. Launch rice crackers with new value to capture the next generation of customers

- Utilize rice ingredients to create unique snacks that are distinct from existing snacks
- Create new sales space proposals, aiming to attract younger rice cracker customers

1-2. Develop high-value-added products with health-related value

- Launch high-value-added rice crackers, such as the craftsmanship series, made with our original manufacturing methods
- Develop products with health-related value by leveraging our unique functional ingredients



we needed three things: clear policies, a shared awareness among employees including executive officers, and a transition from top-down to bottom-up. Since the announcement of the medium-term business plan, we have been working to develop policies and a shared awareness through the Top Caravan initiative and dialogue between directors/executives and employees. I will talk about our initiatives to strengthen collaboration between divisions below, but the catalyst for the transition from top-down to bottom-up has really been the will of the management team, which I will explain in detail later.

Business structure reforms are carried out by people and organizations. We have focused in particular on strengthening collaboration in the domestic rice cracker business by taking a broad perspective of the entire supply chain. Traditionally, individual divisions have been highly specialized, with a strong sense of autonomy. However, under the overarching mission of changing our emphasis from “price” to “value,” marketing, sales, and

production divisions have been called on to discuss not only what is optimal for each division, but also for the Company as a whole. With our marketing strategy as a starting point, we aim to rebuild our product portfolio (which includes a reduction in SKUs), and make it stronger. We have also streamlined production lines, reducing the number from approximately 50 lines to 35 (from FY2022). Eliminating 15 production lines has freed up space in our plants. This new space has given us the option of using it to enhance production lines, potentially eliminating the need to construct a new building due to a shortage of production facilities. In the short-term, investment in a new building is now unnecessary. In addition, this has improved asset efficiency. On the sales front, we will also prioritize quality (profit margin) over scale (net sales), and we are working to achieve both value appeal and cost efficiency. The reduction in the number of SKUs conducted in FY2023 is also having a positive impact on supply chain management. By reducing the number of products we have to

manage, we can more easily analyze underlying issues, identify the root causes, and create a beneficial cycle aimed at problem solving.

In recent years, Japan’s economic structure has undergone changes, with inflationary pressures growing stronger. In many cases, this has led to a greater-than-expected change in raw material and fuel costs, which requires flexible countermeasures. In the past, when factors that weigh on profit became apparent, the response tended to be top-down. However, as we work to strengthen collaboration within the organization, there have been a growing number of situations in which proactive discussion of countermeasures has started autonomously, leading to clear direction setting. This is a new trend, but we are already seeing a positive response. We will continue to promote this initiative going forward.

3 Structural Reforms in the Overseas Business

In the overseas business, we have worked to expand by integrating each country’s food culture into items such as gluten-free rice crackers and deep-fried rice crackers. Looking ahead, we will strengthen collaboration between overseas subsidiaries and headquarters divisions with the aim of drawing out the latent potential of the market. In Thailand and Cambodia, we will grow our business through measures such as expansion of OEM products and exports. In Vietnam, we will renew and expand the lineup of the ICHI brand (which leverages frying technology) in order to accelerate business expansion in and outside of the country. In China, we will shift away from serving as an export base to Japan and focus on local sales expansion. In India, we will explore the next stage of development to follow the initial marketing phase.

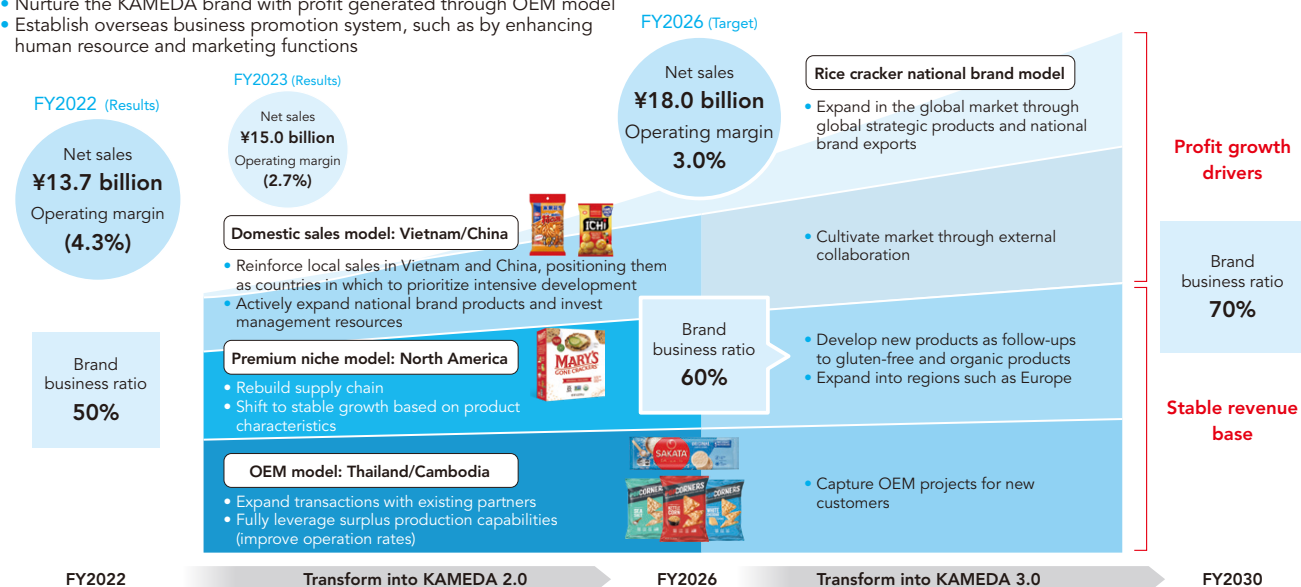
Globally speaking, competing manufacturers have appeared in China and South Korea, and I believe that the capacity to offer unique value will be the deciding factor in this arena. By leveraging the development and production technologies that we have accumulated over many years, we are able to supply high-quality rice crackers in various countries, and it is important that we increase our market presence through high-quality products.

We have also recognized that improving the profitability of Mary’s Gone Crackers, Inc. is an urgent priority. The company has revamped its management structure, and production is currently stable. As such, it has moved past the critical situation it faced in the previous fiscal year.

Overseas Business Key Points

Global development that meets demand for gluten-free snacks

- Achieve profitability by rebuilding Mary’s Gone Crackers, Inc.
- Nurture the KAMEDA brand with profit generated through OEM model
- Establish overseas business promotion system, such as by enhancing human resource and marketing functions



4 Growth Investments in the Food Business

In the food business, we have been building a business foundation for products that we refer to as “recently developed platforms,” such as rice flour bread and plant-based foods, as well as taking on the challenge of overseas expansion. We are already beginning to make capital investments: a new factory for plant-based foods (Maisen Fine Foods Co., Ltd.) started operations in September 2023, and construction of a new factory for rice flour bread (TAINAI Co., Ltd.) was completed in April 2024—a new production line that has three times the previous capacity commenced operations in September 2024. At Onisi Foods Co., Ltd., which manufactures long-life preserved foods, a new plant for boosting the production capacity of Alfa Rice is under construction with

completion scheduled for April 2025. We view FY2024 as a year for beginning a full-fledged recovery of capital investments we have made to date. For plant-based foods, it is important to secure development pipelines that will lead to sales in line with our investments, including through the performance of new factories. For functional foods, we aim to make a large-scale business entry in European and U.S. markets for plant-based lactic acid bacteria, and this will include collaboration with partners. We will also expand our sales channels through the development of new customers and drive development of new products using functional ingredients. Furthermore, in June 2024 we launched rice-derived peptide KP-1 as a follow-up to plant-based lactic acid bacteria.



New factory (Maisen Fine Foods)

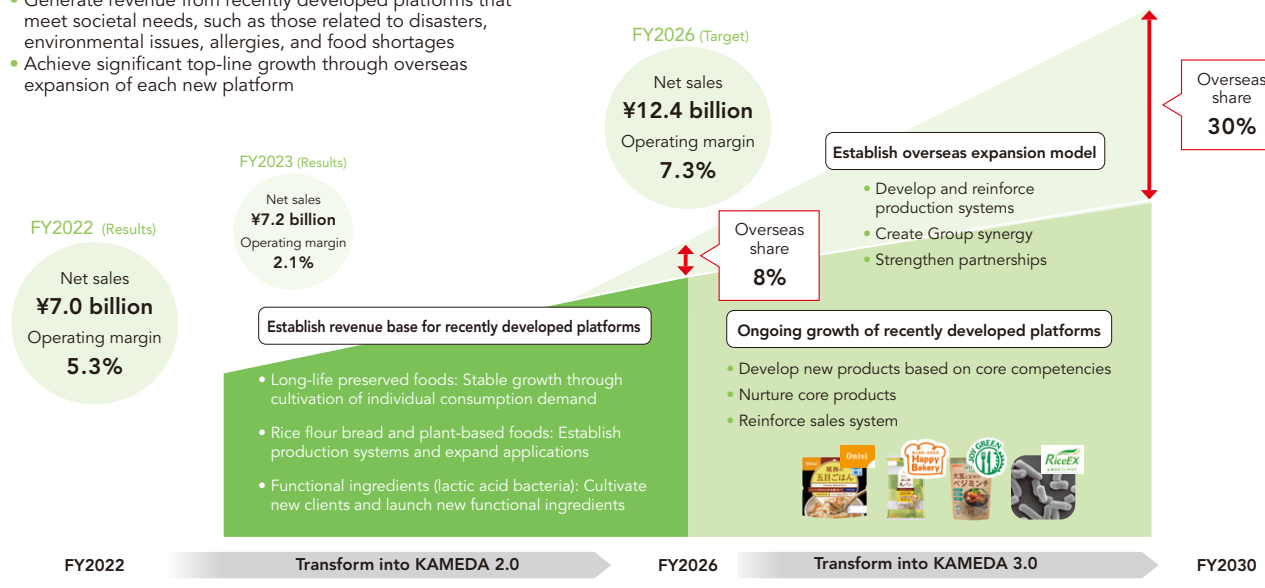


New factory (TAINAI)

Food Business Key Points

Establish revenue base for recently developed platforms that meet societal needs and take on the challenge of overseas expansion

- Generate revenue from recently developed platforms that meet societal needs, such as those related to disasters, environmental issues, allergies, and food shortages
- Achieve significant top-line growth through overseas expansion of each new platform



Our Vision Will Be Realized by People and Our Organizational Culture

1 Improving Employee Vitality

In its initiatives to prioritize people, nature, and society, the KAMEDA SEIKA Group aims to develop human resources who enjoy taking on challenges and creating value by leveraging the best ideas and technology. In order to achieve our ideal organizational structure, we have identified three key issues: developing human resources who support the business foundation; diversity, equity and inclusion; and managing employees' physical and mental health. It is important to implement a human resource strategy linked to our medium- to long-term growth strategy. By promoting the active participation of employees, we can become a "Rice Innovation Company," as articulated in our Vision, and enhance our corporate value. The key to our sustainable growth is global human resource development. In particular, the development of global talent is an urgent task. There are currently trainees from Vietnam studying in Japan, and going forward it will be important to bring over more trainees from overseas, while also making sure that development personnel in Japan have the knowledge and language skills that will enable them to operate on the global stage. Promoting global human resource exchanges is an issue to address going forward.

2 Transitioning to a Bottom-up Style Organizational Culture

The foundation of our business activities is the thoughts and actions of individual employees. As such, we believe that a free and open bottom-up style organizational culture is ideal. The Company has accumulated a wide range of knowledge and expertise through its people. As we work to draw out the Company's latent potential, it is of paramount importance to facilitate the expression of different opinions through a bottom-up approach. Delegation of authority to the front lines is essential for such an approach to function effectively. Since the people on the front lines have the best understanding of what is going on there, I have decided that in my role as COO, I will step back, present broad guidelines, focus on governance and internal control, and give executive officers directing the front lines discretion and indirect support so that they can perform their roles properly. When executive officers are given discretion, they can actively address issues that impact the entire organization as

well. For example, executive officers responsible for the domestic rice cracker business now have more opportunities to speak out about policies of the overseas business and food business, and vice versa. Furthermore, in 2024 we launched the KAMEDA Group Fan Creation Committee, which is also playing a role in the transformation of our organizational culture. Participation is voluntarily and employees work on their own to resolve Company issues. The "Re Kameda" project (upcycling activity) is another excellent example of a bottom-up initiative that has grown from the proposal of a single employee. In this way, we are gradually increasing the number of management members and employees who can think and act on their own initiative, but the structural reforms that will leverage a bottom-up style organizational culture are still in the early stages. Going forward, we will continue creating an environment that enables front line employees to participate freely and openly.



See pages 34 to 39 for details.

3 Strengthening the Global Management Base

Diversity, equity and inclusion initiatives, building a global organizational structure, and reinforcing governance are all important elements of strengthening the global management base, as set out in the medium-term business plan.

Reinforcing governance is an important management priority, and as a company with an Audit & Supervisory Board, we aim to strengthen functions for auditing and monitoring management while effectively utilizing the capabilities of Audit & Supervisory Board members.

We also consider the effectiveness of the Board of Directors, and our 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. Moreover, as a food manufacturer, we believe that the values and ideas of women are important, and that it is essential that women be included in the Board of Directors.

In Conclusion

Under the medium-term business plan, we are steadily promoting initiatives aimed at becoming a "Rice Innovation Company." By making upfront investments and passing on technologies not only in the domestic rice cracker business but also in the overseas and food businesses, we will work to expand into more countries and business domains. The Group will continue to grow, leveraging the technologies and expertise that it accumulates going forward as strengths. We will also utilize partnerships in Japan and overseas as we transition to an asset-light and high-profit business model. I encourage everyone to hold high expectations for the KAMEDA SEIKA Group as we evolve our business model toward KAMEDA 3.0 and continue to deliver value to our customers and society.



KAMEDA Group Fan Creation Committee
A new self-directed initiative launched with 63 participants



Akira Kobayashi

Senior Managing Director & CFO,
General Manager of Administrative Division

Becoming a “Rice Innovation Company” —the Financial Strategy

Review of FY2023 and Progress of the Medium-Term Business Plan

The KAMEDA SEIKA Group’s medium-term business plan, which was announced in August 2023, calls for a revision of the Group’s existing business model based on price appeal and scale expansion. It promotes the transformation of our business model to one based on the creation of unique value that leverages the Group’s core competencies centered on rice. As part of this effort, we are rebuilding the Group’s three key pillars: the domestic rice cracker business, the overseas business, and the food business.

FY2023 was the first year of the plan, and we focused on strengthening our management foundation. We dedicated ourselves to instilling management that emphasizes earnings, and also implemented structural reforms in all areas, including for products, sales, and production. These efforts have yielded positive results, with consolidated operating income increasing by 25.3% year on year to ¥4.46 billion and consolidated ordinary income up by 30.4% to ¥6.79 billion. I feel that the reforms we made to our business structure in FY2023 have set the stage for growth going forward. On the other hand, the Company’s business environment continues to change dramatically, with the further depreciation of the yen driving material and energy costs to much higher levels than expected, and we expect inflation to continue to have an impact on the Company over the medium term. To address these issues, we are working to increase our brand value from the consumer’s perspective and to improve productivity.

Financial Strategy and Investments for Medium- to Long-Term Growth

1 Increase Cash Generation Ability

In formulating our medium- to long-term growth strategy, we anticipated that the food industry would face wide-ranging and significant changes that represent both risks and opportunities. Risks include geopolitical risk, climate change, and natural disasters, which have a powerful impact on food security; while opportunities for the Group’s businesses include wellness-related demand and a rise in ethical consumption, both of which are trends primarily in developed countries. The Group has businesses and products that contribute to the resolution of social issues, and the long-term potential of these assets has been reconfirmed by the management team. In order to be able to continue to refine these strengths, we will emphasize stability in our financial approach. We will balance existing investments that include increasing production of rice crackers in Japan and overseas as well as maintenance, repairs, and facility improvements with shareholder returns. We will also make growth investments in areas such as increasing production in the food business, human resource development, and R&D. We will maintain a basic policy of making shareholder returns and investments within the scope of operating cash flow, while considering external funding as necessary for M&As and other initiatives. We will strengthen our cash generation ability through FY2026, laying a solid foundation to accelerate cash flow improvement from FY2027 onward.

Business Indicators: Main KGIs and KPIs

		FY2021 Results	FY2022 Results	FY2023 Results	FY2026 Target	FY2030 Target
Profitability	Operating income (Billions of yen)	4.83	3.56	4.46	7.50	14.00
	Operating margin (%)	5.7	3.8	4.7	6.5	10.0
	EBITDA (Billions of yen)	10.01	9.65	10.65	15.60	25.61
Growth	Net sales (Billions of yen)	85.16	94.99	95.53	115.0	140.0
	Rice innovation composition ratio* (%)	—	—	—	35.0	50.0
Efficiency and Safety	ROIC (%)	4.3	2.9	3.4	5.1	8.0
	ROE (%)	7.3	3.0	3.3	7.3	10.0

* Ratio of sales of new value creation (Mirai Beika) products, the overseas business, the food business, and others

I would like to explain in more detail our approach to cash allocation in the medium- to long-term growth strategy.

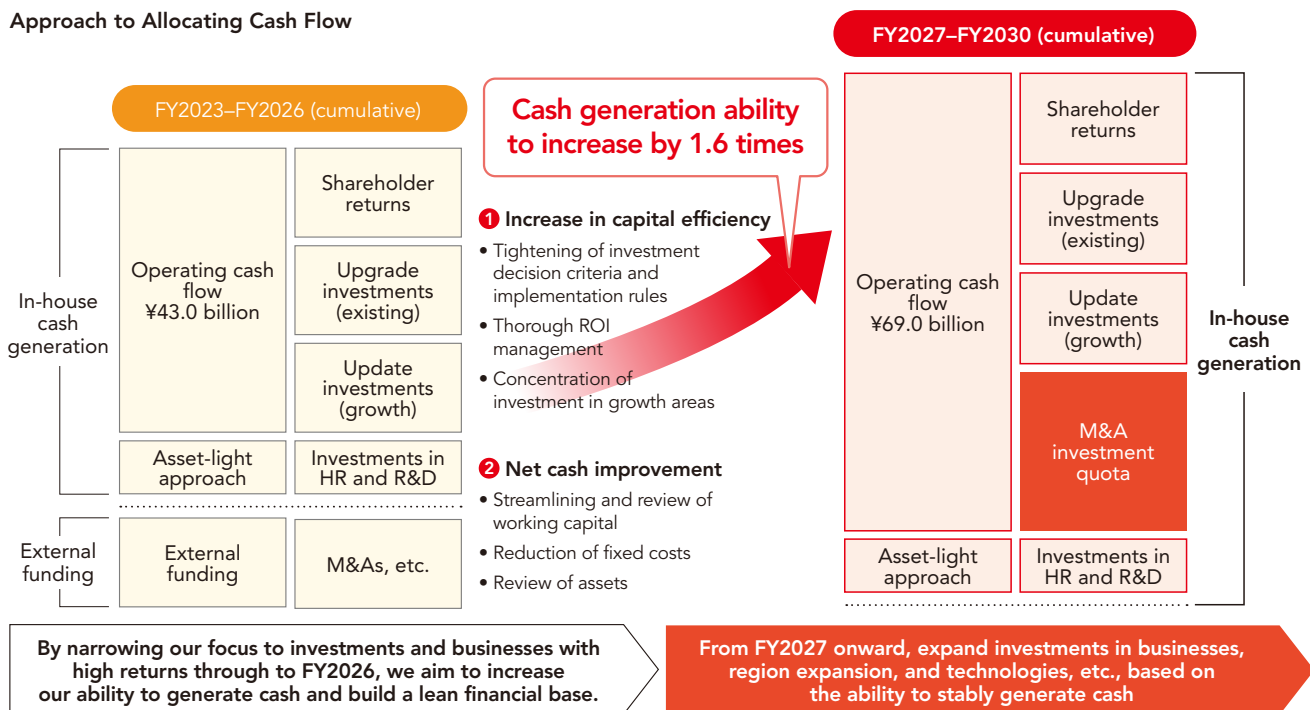
We think about medium- to long-term cash allocation in two phases: the four-year period of FY2023–FY2026 and the four-year period of FY2027–FY2030.

We plan to generate operating cash flow of ¥43.0 billion over the four years up to FY2026. We will make shareholder returns and implement existing and growth investments within this amount. It is therefore essential that we increase capital efficiency and improve the net cash situation. In FY2023, we revised the Group's overall investment criteria, setting a hurdle rate of 8%, and establishing stricter standards for determining whether or not to invest in a project. We also aim to increase investment efficiency by thoroughly managing return on investment (ROI) and concentrating investments in growth areas. Furthermore, to fund investments in human resource development, which we have outlined in the material issue of human capital management, and R&D investments for passing down technologies and accumulating expertise, we will improve net cash through measures such as streamlining working capital and reducing assets. This will free up cash that we can allocate in ways that will best benefit the Company. For strategic investments, such as M&As, we will

procure funds using the optimal method, depending on the details and scale of the investment target. During this period we will strengthen our cash generation ability, and from FY2027, we expect to have the capacity to invest in businesses, region expansion, and technologies due to our ability to maintain stable cash generation. We plan to move to a new phase where we can finance M&As using our own funds.

As a traditional Japanese manufacturer, KAMEDA SEIKA has continued to grow in both business scale and quality by utilizing its fixed assets, mainly in the domain of rice crackers. As we continue to expand our business fields and increase the number of countries in which we operate in the overseas business and food business, which are expected to be growth drivers, insisting on full in-house operations and keeping everything inside the Company would not be the right approach. In aiming to transition to the highly efficient KAMEDA 3.0 business model and a profitable asset-light approach, we will build on the foundation we have established through upfront investments, adding to the strengths and expertise that we have cultivated in rice crackers. We will also leverage partnerships with external companies. To achieve our goals, I recognize my top priority as the CFO is to strengthen the Group's overall cash generation ability.

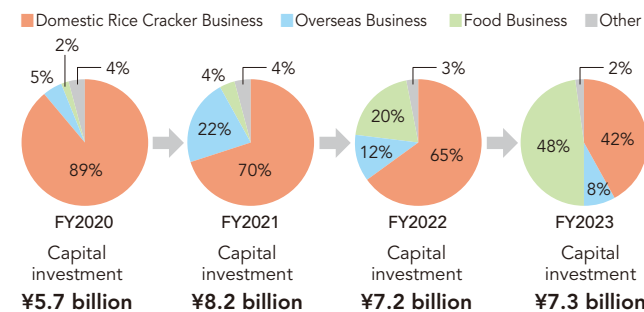
Approach to Allocating Cash Flow



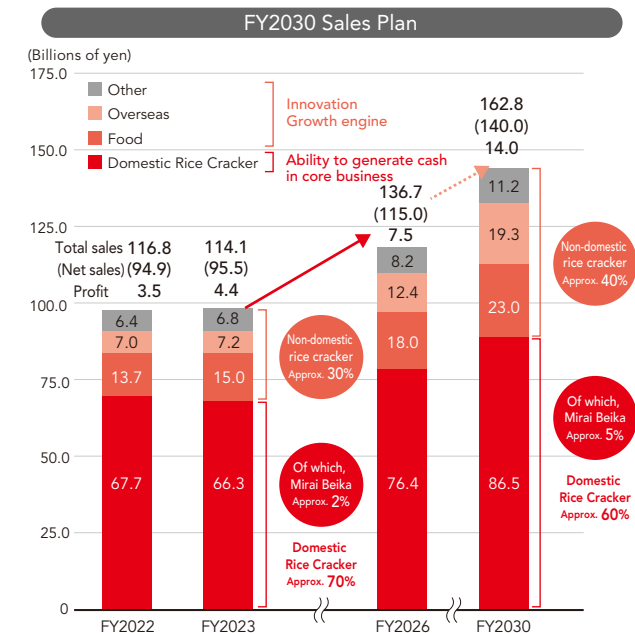
2 Business Portfolio and Growth Plan

Breaking down our capital investments by business, we spent ¥5.7 billion in FY2020, and 89% of that went to the domestic rice cracker business. In FY2021, capital investments amounted to ¥8.2 billion, with 22% going to the overseas business. In FY2023, capital investments totaled ¥7.3 billion, with 48% going to the food business, as we increased our focus on this business and transformed our portfolio to position it for sustainable growth.

Capital Investments by Business Category



Group Business Scale and Growth Plan for FY2030 (Financial Targets)



Under the medium- to long-term growth strategy, approximately 70% of net sales were attributable to the domestic rice cracker business (as of FY2023), but the FY2030 target for net sales is ¥140.0 billion, of which we expect 60% to come from the domestic rice cracker business, with the remaining 40% coming from non-domestic rice cracker businesses. For operating income, the plan is to shift from covering losses in the overseas business with profit in the domestic rice cracker business (as in FY2023) to having approximately 30% of the ¥14.0 billion operating income target for FY2030 provided by non-domestic rice cracker businesses.

In the overseas business, we have completed a round of business investments centered on Asia, and are gradually progressing to the return on investment phase. However, we plan to continue investing to strengthen production capacity and increase product quality.

In the food business, we are in a phase of upfront investments to lay the foundation for future earnings. We are increasing production capacity and efficiency for the next generation of growth products, which are long-life preserved foods, rice flour bread, and plant-based foods. We are also building new plants for the development of new products.

In the mainstay domestic rice cracker business, we will carry out rationalization that will help to improve profitability and productivity, as well as investments aimed at increasing efficiency, primarily plant improvements to ensure safe and secure production environments. We are also working to optimize production in line with output levels by making use of outsourced production through external partners in order to improve both production and capital efficiency. In addition, we will make even more

efficient and proactive investments in our brands, such as conducting promotions. We will work to create attractive product proposals centered around our six key brands.

3 Building a Solid Financial Base and Shareholder Returns

A priority issue for the Group is to accelerate return on investments, which is taking longer than expected.

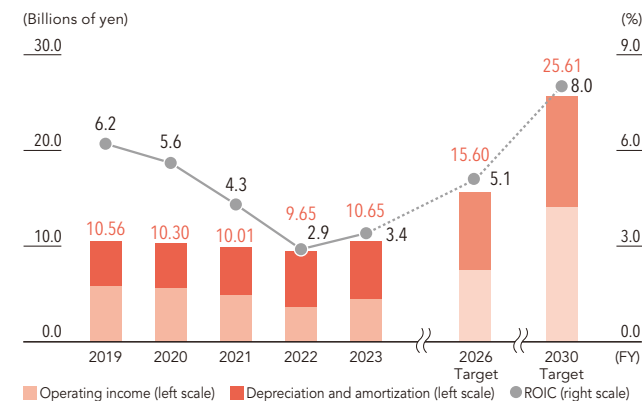
We have positioned EBITDA, which indicates our cash generation ability, and the operating margin, which shows business profit, as our main KPIs. Recently, depreciation has increased in the wake of aggressive investments, but as these investments have yet to generate profits, EBITDA remains persistently flat, while ROIC is in a slump following an increase in borrowings. The speed at which we can get return on our investments has a direct impact on financial aspects of our medium- to long-term growth strategy. As such, we confirm the progress of recovery at an annual investment review conducted by the Board of Directors for each project where we have made an upfront investment. After checking the situation of each investment, we make corrections as needed to get the business back on course, creating a cycle of monitoring and corrective action.

Our basic approach to shareholder returns is to increase earnings capability by steadily implementing the medium- to long-term growth strategy, and to pay stable and continuous dividends. We target a dividend payout ratio of approximately 30%. For future growth, we will expand our business while continuing to make investments, thereby increasing our corporate value and further enhancing shareholder returns.

Management Based on Capital Efficiency

Under the medium- to long-term growth strategy, we have set a target ROE of 10.0% and a target ROIC of 8.0% for FY2030. In FY2023, ROE decreased to 3.3% and ROIC decreased to 3.4%. This primarily reflects a decline in profitability of the domestic rice cracker business due to an increase in raw material and energy costs, as well as a decrease in net income attributable to owners of the parent due to recording impairment losses at our U.S. subsidiary. ROE fell below its five-year average of 7.3% and ROIC below its five-year average of 5.0%. Furthermore, we calculate the cost of shareholders' equity and weighted average cost of capital (WACC)* based on the capital asset pricing model (CAPM), which is the generally accepted calculation method.

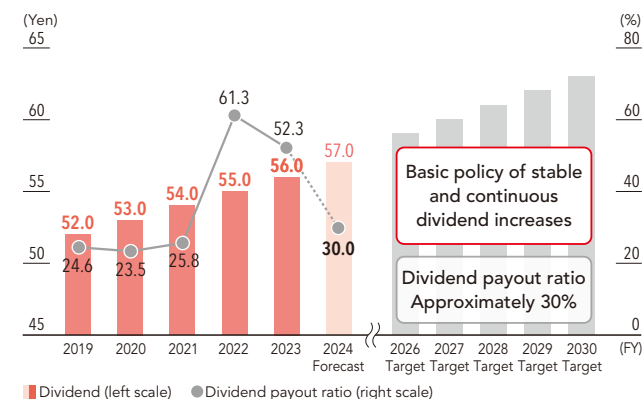
EBITDA and ROIC



Financial Plan

		FY2021	FY2022	FY2023	FY2026 Target	FY2030 Target
Balance Sheet	Total assets (Billions of yen)	103.42	111.18	120.51	130.47	155.99
	Net assets (Billions of yen)	66.04	67.99	73.71	81.74	111.23
	Interest-bearing debt (Billions of yen)	19.12	23.51	23.78	26.59	19.50
	Equity ratio (%)	61.3%	58.3%	58.0%	59.3%	67.4%
	D/E ratio (times)	0.30	0.36	0.34	0.34	0.19
Cash Flow	Cash flows from operating activities (Billions of yen)	8.30	8.28	9.73	12.18	20.58
	Cash flows from investing activities (Billions of yen)	(9.84)	(8.44)	(8.14)	(10.60)	(14.08)
	Free cash flow (Billions of yen)	(1.53)	(0.15)	1.59	1.57	6.49

Shareholder Return Performance and Plan



In the most recent two fiscal years, FY2022 and FY2023, ROE has been lower than the cost of shareholders' equity, and ROIC has been lower than WACC. The Group is therefore making a unified effort to improve profitability and capital efficiency.

In terms of improving profitability, we are conducting structural reforms at our U.S. subsidiary and working to normalize the supply structure. The associated impairment losses appear to be transitory. Furthermore, we will conduct price adjustments in our mainstay domestic rice cracker business and further streamline sales and production activities, while steadily implementing the medium- to long-term growth strategy to improve the operating margin. In addition, as part of efforts to improve capital efficiency, we aim to transition to an asset-light, high-earnings driven business model. To this end, as mentioned previously, we have tightened our investment criteria by setting the hurdle rate at 8% to increase investment efficiency. We will also reduce inventory and cross-shareholdings as well as strengthen partnerships with outside companies. Our goal is to create the optimal capital structure.

ROIC management is currently conducted uniformly across the entire Company, partly due to our business structure. However, we will foster awareness of the cost of capital and capital efficiency in each business and division. In the future, we plan to expand this ROIC management to individual businesses.

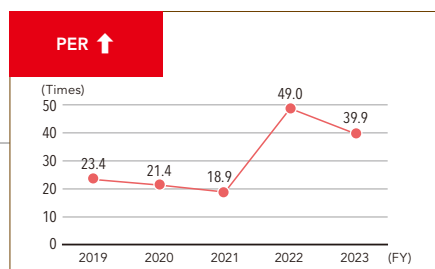
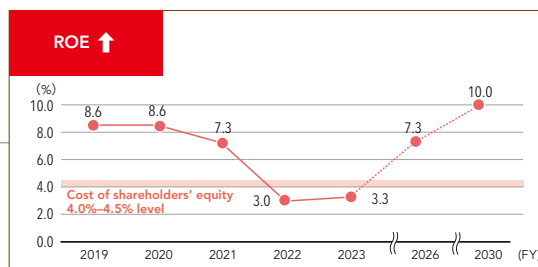
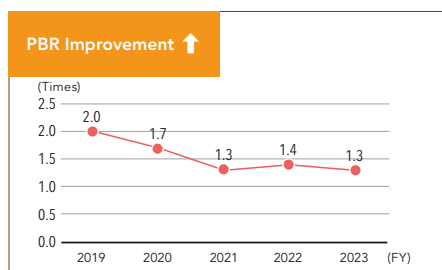
We are also taking steps to accelerate return on investment and make efficient use of capital in each business.

* The weighted average of the cost of debt and the cost of shareholders' equity based on a company's capital structure (at market value)

To Our Shareholders and Investors

From the perspective of the capital markets, our price-to-book ratio (PBR), which serves as an indicator of corporate value, has consistently exceeded 1.0 times. However, as of March 31, 2024 it stood at 1.3 times. While this matches the average PBR for food companies in the Prime Market,* it falls short of our five-year average of 1.7 times. This decline is primarily attributable to the recent decrease in ROE, despite what we believe to be a certain level of recognition for our efforts and the potential for business growth that is reflected in our stock price.

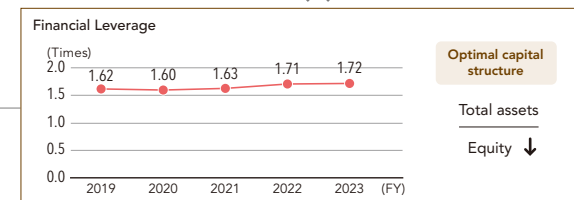
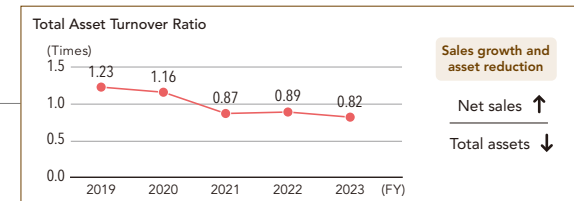
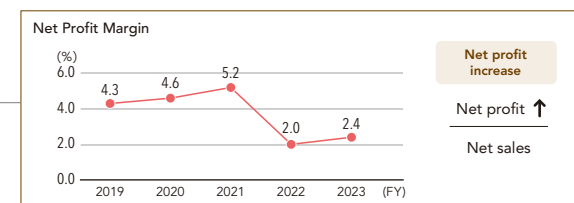
We have set targets for ROE of 7.3% in FY2026 and 10% in FY2030. To achieve this, we will improve profitability by steadily implementing the medium- to long-term growth strategy. We



aim to optimize our capital structure by reducing assets, and this will include improving the efficiency of working capital. In addition, we will strengthen shareholder returns through stable and continuous dividend increases. We will meet the expectations of our shareholders and investors by delivering results that earn their trust.

By achieving our Vision of becoming a "Rice Innovation Company," the KAMEDA SEIKA Group will be reborn as a globally unique corporate group that creates new value and new markets around the world. Please look forward to the Group's next steps as we continue working to increase our corporate value.

* Source: "Average PER and PBR (Consolidated and Non-Consolidated) by Size and Types of Industry," Japan Securities Exchange Group



Non-Financial Strategy Sustainability promotion
Response to each material issue

Information Disclosure Disclosures such as the medium- to long-term growth strategy (Strengthen IR activities)
Proactive dialogue with investors

Value Creation Process

Vision

Rice Innovation Company

Transforming from a snack manufacturer into a Rice Innovation Company, maximizing the potential of rice to create new value and new markets around the world

- 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
 - Heightening of geopolitical risks
 - Possibility of food shortages due to population increase

Input

Financial Capital

Financial standing and ability to generate stable cash flow (Equity ratio: 58.0%)

Human Capital

Diverse human resources (Number of employees: 4,040 (consolidated); Ratio of female managers: 13.8%)

Quality control system for safe and reliable products

Free and open corporate culture

Manufacturing Capital

Domestic and overseas manufacturing bases (9 companies in Japan, 7 overseas)

In-house logistics functions (2 companies in Japan)

Social and Relationship Capital

Long-selling brands

Relationships of trust with customers

Partnerships with suppliers and business partners

Industry-academia government collaboration

Relationships with local communities

Intellectual Capital

Knowledge and know-how relating to rice crackers and rice

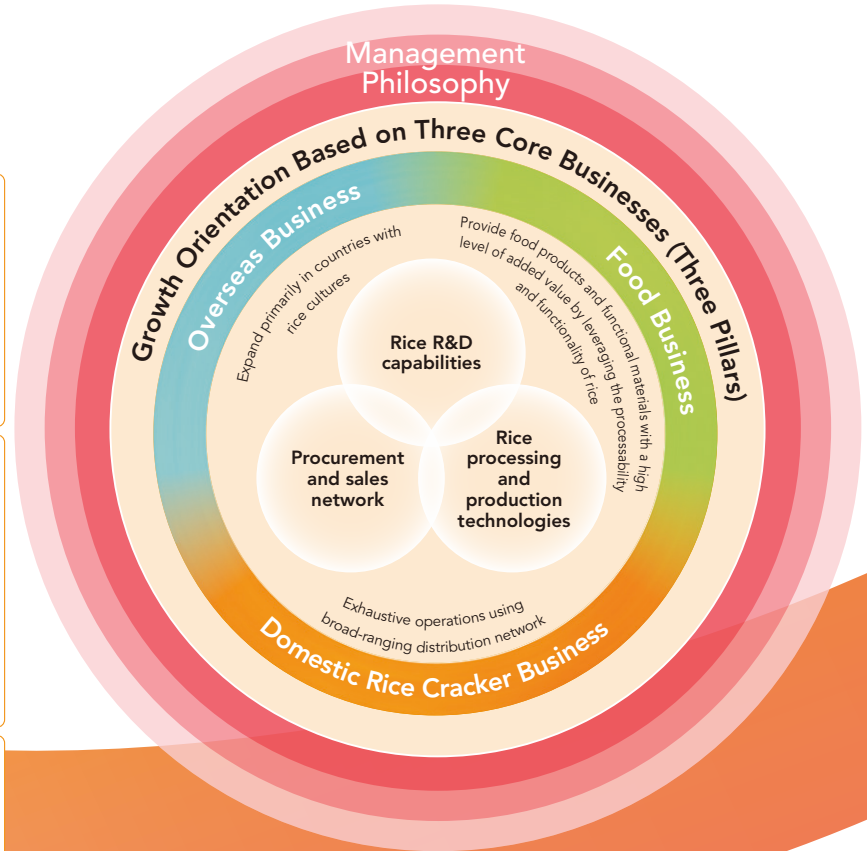
Product development and production/processing technologies

Patents related to functional materials

Natural Capital

Raw materials from nature's blessings (rice, peanuts, etc.)

Energy and water resources



- 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-based lactic acid bacteria
 - ECO-packages

Outcomes

- Harmony with local communities
- Provision of safe and reliable food
- Creation of "barrier-free" foods
- Contribution to enriched, healthy lives
- Development of a rice-based food culture
- Reduction of environmental impact from manufacturing
- Contribution to a circular economy
- Active participation of diverse human resources

Note: As of March 31, 2024

Materiality (Material Issues)

- Contribute to a nice lifestyle through "Better For You" food
- Environmentally friendly manufacturing
- Sustainable procurement
- Human capital management
- Governance befitting KAMEDA SEIKA
- Harmony with the community

Identification of Materiality (Material Issues)

The KAMEDA SEIKA Group recognizes that sustainability is a key management issue from the perspective of improving corporate value over the medium to long term. We launched the Sustainability Promotion Task Force based on the Basic Policy on Sustainability* that we formulated in 2021 (see the chart on the right).

In FY2022, we organized the results of the materiality assessment into six categories and 19 specific issues. [Pages 28-30](#)

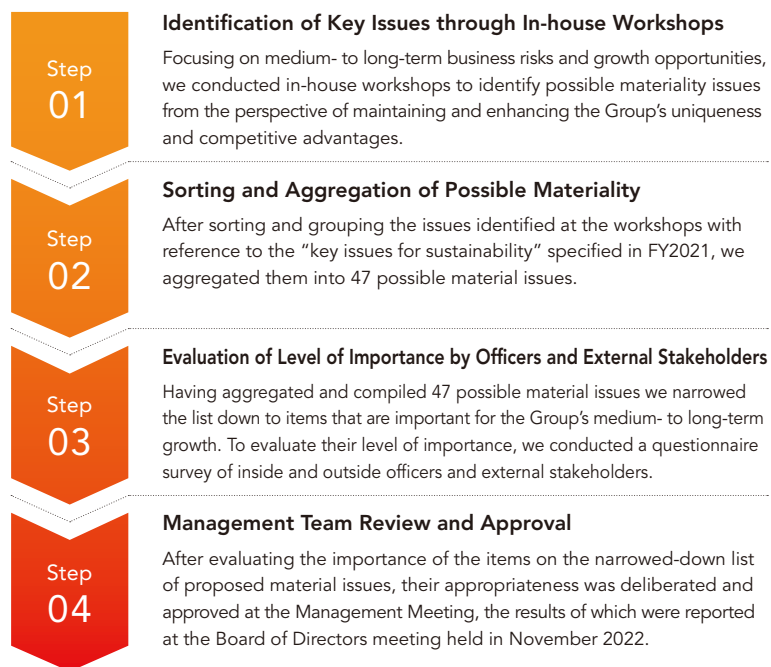
The Company held a Sustainability Promotion Task Force reporting session in September 2024 to give an update on the progress of addressing material issues in FY2023 and on the status of initiatives in FY2024 to the CEO. Following the meeting, we reported the findings at a Management Meeting and a Board meeting in October.

* The Basic Policy on Sustainability was revised in November 2023 to better align with the revamped Corporate Philosophy.

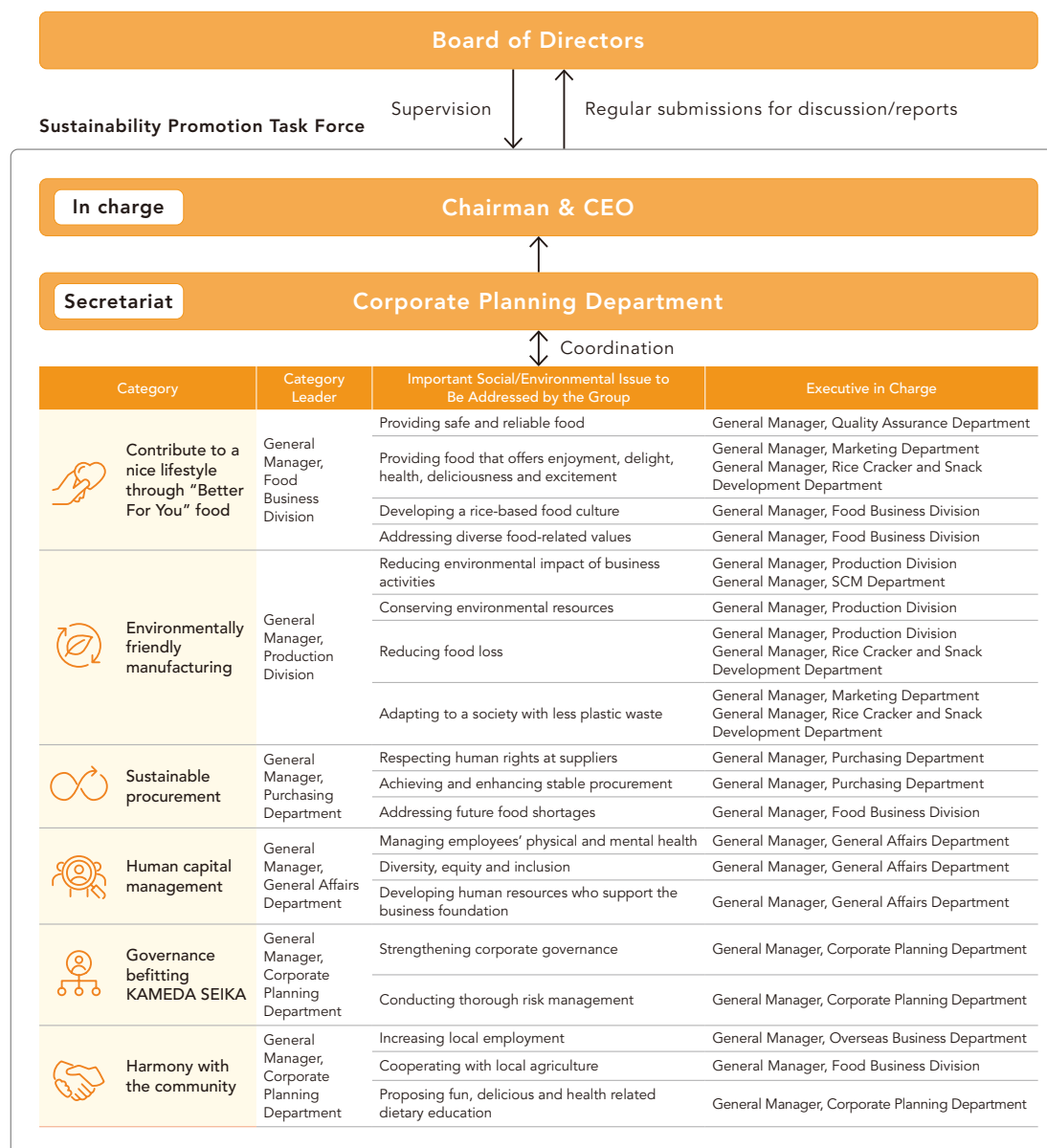
Basic Policy on Sustainability

The KAMEDA SEIKA Group is a “Better For You” corporate group that contributes to a nice lifestyle with the blessings of rice to further refine the value of excellent flavor, health, and excitement. The Group will contribute to a sustainable society by becoming a “Rice Innovation Company.”

Materiality (Material Issues) Identification Process



Sustainability Promotion Structure



Feature:

Becoming a *Rice Innovation Company*

Our Research and Development Capabilities and Intellectual Property Strategies for Expanding the Potential of Rice



Research and development laboratory around 1967

The Potential of Rice Is at the Core of Our Value Creation Activities

Our concept of “Rice Innovation” is an important element of sustainable value creation. It involves maximizing the potential of rice, and is the core of the Group’s value creation. Our intellectual capital, such as knowledge and know-how relating to rice crackers and rice, product development, production/processing technologies, and patents related to functional materials, and our social and relationship capital, including brands and trademarks, are some of the intangible assets of the KAMEDA SEIKA Group. These assets play a role in increasing our corporate value and helping us achieve our vision of becoming a “Rice Innovation Company.”

At the Food Research and Development Center, we aim to maximize the potential of rice and resolve social issues by conducting R&D to develop foods made from rice, plant-based foods that utilize our processing technologies, and the plant-based lactic acid bacteria business.

The technologies and insights we have cultivated through our research into rice over many years have resulted in the development of low-protein rice for people with chronic kidney disease and Fukkura Okayu (fluffy rice porridge), a food designed for everyone that is smooth and easy to eat. We have also verified the benefits of our plant-based lactic acid bacteria K-1, made from functional material rice, and our plant-based lactic acid bacteria K-2, made from sake lees. By widening the scope of applications for rice in this way, we are expanding the potential of the healthcare business.

In 2013, we made Onisi Foods Co., Ltd., which manufactures and sells long-life preserved foods, into a consolidated subsidiary. Amid rising awareness of disaster preparedness, the company’s rich line-up of products based on its reliable technologies have been used by a number of local governments, companies, and individuals. In 2019, we made Maisen Fine Foods Co., Ltd. into a consolidated subsidiary, and began providing plant-based foods—a market that is expected to grow given recent factors such the promotion of the SDGs and the global protein crisis (i.e., the shortage of protein-rich foods). In 2021, we made TAINAI Co., Ltd. into a consolidated subsidiary, strengthening our manufacturing and sales systems for rice flour bread that is free of the 28 ingredients

subject to labeling under Japanese law for safe consumption by people with food allergies.

Low-protein rice, plant-based lactic acid bacteria, plant-based foods, and rice flour bread all contribute to resolving social issues overseas as well, and these businesses have the potential for growth. Going forward, we will look to further establish our overseas business model, including the formation of partnerships, as we aim for sustainable growth as a “Rice Innovation Company.”

Features and Advantages of Research and Development for Bringing Out the Potential of Rice

Traditionally, the primary uses of rice have centered on starch, with a broad range of research centered on rice processing technology. As a result, it has come to be widely used in industries such as rice crackers, *wagashi* (traditional Japanese sweets), aseptic packaged cooked rice, frozen foods (fried rice and other items). On the other

hand, relatively little research has focused on aspects such as the health-related functionality of rice or rice protein, which makes up 7% of rice. Noticing this, we began research into the area around 30 years ago, and we have identified the potential of rice protein in helping to promote a body that is less prone to weight gain and the benefits of the lactic acid bacteria in rice on factors such as regulating intestinal action, improving skin moisture, and boosting the immune system. We have been working with rice for over 60 years, and by taking the lead in unexplored areas of research, we are bringing out the potential of rice.

Furthermore, rice is a grain that has long been a source of nutrition for Japanese people, and does not contain any of the 28 allergens subject to labeling under Japanese law. In other words, we are able to provide products made from rice that are safe for people with food allergies to eat. Rice has the competitive advantage of being a “barrier free” food in itself.

Expanding the Potential of Rice

Rice Processing and Production Technologies

We have achieved mechanization and mass production of rice cracker manufacturing, which was formerly an industry where operations were small-scale and manual.

In addition, we have established a competitive advantage based on our unique manufacturing technologies that utilize the know-how we have cultivated since our founding in 1946 as a rice cracker manufacturer.

Domestic Rice Cracker Business

- Reduced salt
- Hypoallergenic
- Incorporation of plant-based lactic acid bacteria



Overseas Business

- Organic
- Gluten-free
- Vegan



- Low-protein rice
- Rice porridge
- Plant-based lactic acid bacteria
- Rice protein
- Rice peptides



Food Business

We have utilized the technologies and know-how cultivated through many years of research into rice to develop products from the perspective of health. We have also established highly competitive technologies for scaling up operations in the food business.

- Long-life preserved foods
- Hypoallergenic products
- Halal certification
- Japanese food for consumption in space



- Plant-based foods
- Hypoallergenic products
- Halal certification



- Rice flour bread
- Brown rice bread
- Hypoallergenic products



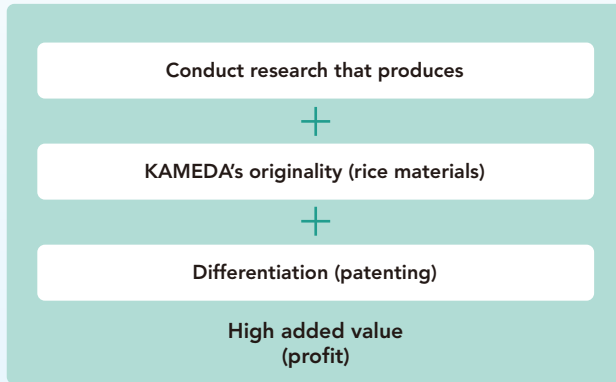


R&D

Hajime Takahashi
Executive Officer
Head of Food Research and Development Center



Food Research and Development Center Policy



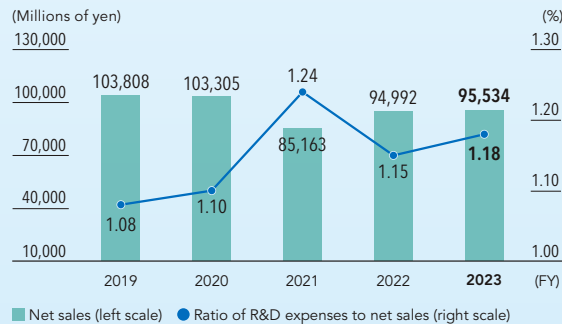
Our policy for research and development is to contribute to society by bringing out the potential of rice and creating our own unique added value. For example, we isolated the plant-based lactic acid bacteria K-1 and K-2 strains that originally existed in rice and sake lees and commercialized them. While rice is often considered an energy food, it still has endless untapped potential such as lactic acid bacteria. The unique added value that the Company creates includes contributing to human health as well as the patents and other intellectual property obtained through our research. Currently, we are securing rights for these assets not only in Japan but also in other countries. By 2030, we aim to expand our business through alliances and consulting contracts. In making effective use of unused resources, we convert the waste rice protein discarded in the starch production process into rice peptides, and we are continuing to research functionality. Recently, these peptides have been found to reduce fatigue and anxiety, and there are high expectations for further applications. We are also obtaining intellectual property with regard to the development of rice flour bread, which is free of the 28 allergens subject to labeling under Japanese law, as well as plant-based foods and long-life preserved foods, with a view to overseas expansion.

Food Research and Development Center Development System and Research Themes

The Food Research and Development Center is currently engaged in basic research on functional materials, product development of rice flour bread, plant-based foods, and long-life preserved foods, technology research, flavor and texture research centered on rice crackers, and technology research aimed at automation.



Ratio of R&D Expenses to Net Sales



Food Research and Development Center Patents

	Number of patents held	Details	Number of patents
Japan	16	Plant-based lactic acid bacteria related	4
		Rice protein related	5
		Rice peptide related	4
		Long-life preserved food related	1
		Plant-based food related	1
		Rice cracker and snack related	1
Overseas	24	Plant-based lactic acid bacteria related	15
		Rice peptide related	9
Total	40		



R&D Examples

Example 1: Plant-Based Lactic Acid Bacteria

KAMEDA SEIKA's K-1 and K-2 strains of rice-derived plant-based lactic acid bacteria are a result of many years of research. Both strains have been recognized for their health benefits under the Foods with Functional Claims framework. As the bacteria are sterilized, they have a wide range of potential applications, including for health foods, general processed foods, confectioneries, and beverages.

We are focusing not only on adding plant-based lactic acid bacteria to rice crackers, but also on BtoB areas where we sell materials to food manufacturers and other companies, thereby contributing to the health of consumers through a wide range of products.

Going forward, we will focus on domestic and overseas expansion of KAMEDA SEIKA's rice-derived functional material brand, RiceEX, with a view to further growth.



Plant-based lactic acid bacteria K-1
Function: Regulates intestinal action and improves skin health



Plant-based lactic acid bacteria K-2
Function: Effective against pollen allergy, reduces visceral fat volume, and supports weight loss



Plant-based lactic acid bacteria are included in the following rice cracker products



Example 2: Rice-Derived Peptides

It is becoming clear that rice protein extracted and refined from rice has health benefits such as improving blood cholesterol and suppressing the increase in blood sugar levels. Moreover, we have researched functionality based on converting rice protein into rice peptides. Recently, we have found that they can help reduce fatigue, tension, and anxiety, and there are high expectations for further applications. As a staple of the traditional Japanese diet, rice and its component rice peptides, may hold the secret to Japanese longevity. We will continue to develop these peptides as a material with the potential for use in various food applications.



Rice-derived peptide KP-1 launched in June 2024

Patent registration of rice-derived peptide in Japan and overseas

- Further information about KAMEDA SEIKA's Food Research and Development Center can be found on the Company's website <https://www.kamedaseika.co.jp/research/> (Japanese only)
- Major research papers and academic society presentations can be found on the Company's website <https://www.kamedaseika.co.jp/research/papers/> (Japanese only)



Intellectual Property

Basic Approach to Intellectual Property

The Group's core competence is the knowledge and expertise it has acquired over many years of research and development related to rice. To create new value and new markets through rice, the Group is actively promoting the creation, appropriate protection, and use of new intellectual property. In addition, the Group takes due care to respect the intellectual property of other companies and not infringe upon it.

Intellectual Property Strategy

Based on our medium-to long-term growth strategy, we aim to realize KAMEDA 3.0 "Business Model Evolution" in 2030. We will promote an intellectual property strategy aligned with our medium- to long-term growth strategy from the perspective of an intellectual property mix that combines various IP, such as patents, know-how, and brands according to the characteristics of the food industry. We are also promoting the formation, protection, and utilization of a range of intellectual property.

In addition, we will support the sustainable growth of the business through visualization and by passing on our manufacturing technologies and know-how. Through these activities, we will draw out the strengths of each business (domestic rice cracker, overseas, and food), and establish a business model that effectively utilizes intellectual property.

Patent Strategy

We will actively and strategically apply for patents and secure rights for the inventions that result from our research and development. The unification of our business strategy, technology strategy, and patent strategy, which is the core of our intellectual property strategy, will enable us to promote the acquisition of patents that contribute to the creation of new technologies and business.

Know-How Strategy

To secure the competitive advantage of our proprietary technologies, we are establishing a process for the visualization and appropriate management of our know-how, a Group strength, and for the effective use of that know-how.

Brand Strategy

The Group is promoting trademark application and acquisition to appropriately secure its brands in Japan and overseas, and to increase their value. Going forward, we will continue to promote trademark acquisition that is aligned with our business strategy, as we work for regional expansion, enhancement of product lines, and licensing.

Furthermore, to protect our brand value, we have established anti-counterfeiting months twice a year in which we conduct in-store investigations and take appropriate action, including legal measures, when necessary.

Intellectual Property Strategy Project

Background of the Intellectual Property Strategy Project

The rice cracker industry is not known for producing patents, and has tended rather to keep its know-how as a trade secret. Until now, the industry has not been active in seeking patent applications.

In August 2023, when we announced our medium- to long-term growth strategy, we shifted focus from the rice cracker industry to the rice industry, and set about building a business model that uses intellectual property. To this end, we launched the Intellectual Property Strategy Project to convey our technological strengths, create strategic intellectual property rights, and actively use them.

Objectives of the Intellectual Property Strategy Project

The Intellectual Property Strategy Project has two broad objectives.

1 Become a “Rice Innovation Company” and strengthen the foundation for innovation

- Organize and uncover the Company's intellectual property rights
- Systemize, accumulate, and transfer technologies and know-how
- Create systems for connecting intellectual property to business

2 Develop human resources specializing in intellectual property

- As the industry has not been active in seeking patent applications, establish a mindset among research and development personnel of celebrating new technological innovations and applying for patents
- Develop human resources specializing in intellectual property to establish inventions as patent rights
- Implement new measures such as holding study sessions and promote and establish an intellectual property mindset

Initiatives in FY2023 (Ongoing)



1 Lectures by experienced engineers

Experienced engineers who are considered legends of rice cracker manufacturing give lectures in order to help others discover and understand the technologies and know-how of the Company.



2 Development of human resources specializing in intellectual property through patent and trademark law study sessions

One of our initiatives to encourage research and product development personnel to constantly think in terms of intellectual property is holding regular study sessions on patent and trademark law, facilitated by a member of the Legal Department.



3 Provision of opportunities to create inventions

We hold regular meetings of the Invention Review Committee in accordance with the in-house Employee Invention Review Handling Regulations. The meetings are overseen by the general manager of the Rice Cracker and Snack Development Department. If a technician files a notice for an invention, the Invention Review Committee deliberates on whether to file for a patent or to protect the invention internally as know-how. In addition, the Invention Discovery Committee also regularly meets under the leadership of the Legal Department. The person responsible for intellectual property leads a discussion with engineers on how to move an invention to the patent right stage.



Koichi Iida

Executive Officer, General Manager of Rice Cracker and Snack Development Department and Global Technical Development Department

In the past, there was less awareness of patents when developing rice cracker technology. Following the announcement of our medium- to long-term growth strategy, it became imperative that we enhance our technology development capabilities to build a business model that better utilizes intellectual property. Creating new value will require a united effort by the entire KAMEDA SEIKA Group. Therefore, in July 2023 we established the Global Rice Innovation Center (GRIC), and transitioned to a structure that enhances R&D functions across the organization. To raise awareness among our engineers, we reviewed our reward system and regulations regarding inventions made at work. We hold regular meetings of the Invention Review Committee, which is comprised of members from multiple technology divisions. At the meetings, we identify and share technical challenges, and consider strategies for resolving them. Through these initiatives, we are deepening cooperation between the technology divisions and promoting product development by the entire KAMEDA SEIKA Group, both in Japan and overseas. Through linkage with the Intellectual Property Strategy Project, we are creating a framework for connecting intellectual property with business as we work toward KAMEDA 3.0.

Example of Know-How Strategy

KAMEDA Kaki-no-Tane Umashio

Launched in March 2024, KAMEDA Kaki-no-Tane Umashio encapsulates the Company's technical know-how.

First, it features the unique crunchy texture of KAMEDA Kaki-no-Tane. Through research into the internal structure of rice crackers, we found that the crunchy texture increased as the ratio of cavities in the rice cracker increased. By ensuring the thinness of the dough and baking it rapidly at a high temperature, the inside inflates and creates cavities. This is proprietary technical know-how of the Company.

Next, we applied a new manufacturing method of reapplying an umami blend oil. This creates an indescribable flavor overflowing with umami that our conventional products could not achieve. By reapplying a specially made umami blend oil combining garlic and spring onions, we created a satisfying umami flavor while keeping the spicy flavor profile of chili peppers at a subtle level.

The Invention Review Committee is discussing if this new manufacturing method should be protected as technical know-how of the Company.



The cavities are the secret to a crunchy texture.