

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

(Securities Code: 2270)  
June 2, 2021

**To Shareholders with Voting Rights:**

1-1, Naebocho 6-chome, Higashi-ku,  
Sapporo City, Hokkaido  
MEGMILK SNOW BRAND Co., Ltd.  
Representative Director and President  
Keiji Nishio

**NOTICE OF  
THE 12TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are hereby informed that the 12th Annual General Meeting of Shareholders of MEGMILK SNOW BRAND Co., Ltd. (the “Company”) will be held for the purposes as described below.

As in the previous year, the meeting will be held in Tokyo at a different venue to prevent the spread of the new coronavirus infection. We place the highest priority on the safety of our shareholders and **sincerely ask you to refrain from visiting the venue to attend the Meeting.**

On the day of the General Meeting of Shareholders, **the number of seats will be limited compared to the size of the venue** in order to ensure social distance. **As we will be offering a live stream via the Internet on the day** so that the shareholders can view the General Meeting of Shareholders, please make use of it.

In exercising your voting rights in advance, please review the attached “Reference Documents for the General Meeting of Shareholders,” **indicate your vote for or against each proposal on the enclosed Voting Rights Exercise Form and return it, or exercise your voting rights via the Internet. Voting rights must be exercised by 6:00 p.m. on Tuesday, June 22, 2021, Japan time.**

**1. Date and Time:** Wednesday, June 23, 2021 at 10:00 a.m., Japan time  
(Reception begins at 9:00 a.m.)

**2. Place:** **Pegasus Banquet Room on 1st Floor, Hilton Tokyo Odaiba  
1-9-1, Daiba, Minato-ku, Tokyo**

The Meeting will be held at a location significantly further from the location used in the past, in light of the expansion of the new coronavirus infection, and as part of efforts to prevent the possibility that the movement of officers and staff across prefectures could spread the infection.

**3. Meeting Agenda:**

**Matters to be reported:** The Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements for the Company’s 12th Fiscal Year (April 1, 2020 - March 31, 2021) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements

**Proposals to be resolved:**

- Proposal 1:** Election of Six Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)
- Proposal 2:** Election of Two Substitute Directors Serving as Audit and Supervisory Committee Members
- Proposal 3:** Continuation of the Policy Against Large-scale Purchases of Shares in the Company (Buyout Prevention Measure)

**4. Matters Concerning Exercise of Voting Rights, etc.**

Please review “Matters Concerning Exercise of Voting Rights” on pages 3-4.

**5. Matters Concerning the Meeting**

- (1) For shareholders who have given consent to receive Notices of General Meetings of Shareholders via the Internet and indicated that paper copies of the Voting Rights Exercise Form are not required, the Company has not sent Voting Rights Exercise Forms. If you plan to attend on the day of the Meeting, please request a paper copy of the Voting Rights Exercise Form from the shareholder registry administrator (Transfer Agent Department, Mizuho Trust & Banking Co., Ltd.) by Tuesday, June 15, 2021 at 5:00 p.m., Japan time.
- (2) Votes may only be exercised via proxy if the proxy is a shareholder with voting rights in the Company. You may not designate more than one proxy. Additionally, in this event, the Voting Rights Exercise Form of the shareholder must be submitted accompanied by written documentation proving the authority of the proxy.
- (3) Shareholders who require assistance or Japanese interpretation are allowed to be accompanied by one caregiver or interpreter. However, unless these accompanying individuals are shareholders with voting rights, their speech and conduct will be limited to their capabilities as a caregiver or interpreter.

[Contact Information for Voting Rights Exercise Form Requests]  
Transfer Agent Department, Mizuho Trust & Banking Co., Ltd.  
8-4 Izumi 2-chome, Suginami-ku, Tokyo, 168-8507  
Telephone: 0120-288-324 (Toll free within Japan)  
Hours of operation: 9:00 a.m. to 5:00 p.m. (excluding Saturdays, Sundays, and holidays)

- 
- When attending on the day of the Meeting, please submit the enclosed Voting Rights Exercise Form to the receptionist. We also request that you bring these documents with you to as reference.
  - In the event that there are revisions to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements, or the Non-consolidated Financial Statements, the revised versions shall be posted on the Company’s website.
  - Of the documents to be provided with this Notice of General Meeting of Shareholders, the following items are posted on the Company’s website in accordance with laws and regulations and Article 16 of the Company’s Articles of Incorporation, and are not included in this booklet. As a result, the content of this booklet is a subset of the documents audited by the Audit and Supervisory Committee and the Accounting Auditor to prepare the Audit Reports.
    1. Basic Policies on Control of a Stock Company
    2. Consolidated Statement of Changes in Net Assets
    3. Notes to Consolidated Financial Statements
    4. Non-consolidated Statement of Changes in Net Assets
    5. Notes to Non-consolidated Financial Statements
  - Please note that the proceedings of this General Meeting of Shareholders will be conducted entirely in Japanese.

Company’s website (<https://www.meg-snow.com/>)

# Matters Concerning Exercise of Voting Rights

## 1. Exercise of Voting Rights via Mail

Please indicate your vote for or against each proposal on the enclosed Voting Rights Exercise Form, and **return it so that it arrives by 6:00 p.m. on Tuesday, June 22, 2021, Japan time.**

## 2. Exercise of Voting Rights via the Internet, etc.

### (1) Voting Rights Exercise Website

In lieu of exercising voting rights via writing, voting rights may be exercised on the “Voting Rights Exercise Website” (below) designated by the Company. For shareholders who wish to exercise voting rights via the Internet, please log in and follow the on-screen instructions by utilizing the voting rights exercise code and password printed along the right edge of the enclosed Voting Rights Exercise Form. For security purposes, you will be required to change your password upon initial login.

**<https://soukai.mizuho-tb.co.jp/>**

### (2) Exercise of Voting Rights

- a. **Votes exercised by 6:00 p.m. on Tuesday, June 22, 2021, Japan time are valid.**
- b. In the event that voting rights are exercised both via writing and the Internet, the vote cast via the Internet shall be deemed valid.
- c. In the event that voting rights are exercised multiple times via the Internet, the most recent vote cast shall be deemed valid.

### (3) Passwords

- a. Passwords (including those modified by shareholders) are valid only for this general meeting. New passwords will be issued for the next General Meeting of Shareholders.
- b. Passwords are an important method to verify the identity of shareholders that are exercising votes via the voting rights exercise website. Please ensure that other people do not know your password. The Company and the shareholder registry administrator (Transfer Agent Department, Mizuho Trust & Banking Co., Ltd.) will never request passwords from shareholders.
- c. After a certain number of failed login attempts, the password will become locked and invalid. If it becomes locked, please follow the on-screen instructions.

(4) Other Matters to Note

- a. Expenses to use the Internet (Internet service provider fees, transmission fees, etc.) are to be borne by the shareholder.
- b. The voting rights exercise website has been tested with typical Internet connection equipment, but the website may not be accessible depending upon your equipment.
- c. For any questions, please contact the organizations below.

[Contact Information]

1. Dedicated line for inquiries concerning using the voting rights exercise website, etc.  
Internet Help Center, Transfer Agent Department, Mizuho Trust & Banking Co., Ltd.  
Telephone: 0120-768-524 (Toll free within Japan)  
Hours of operation: 9:00 a.m. to 9:00 p.m. (excluding Saturdays, Sundays, and holidays)
2. Inquiries concerning questions other than 1. above  
Transfer Agent Department, Mizuho Trust & Banking Co., Ltd.  
Telephone: 0120-288-324 (Toll free within Japan)  
Hours of operation: 9:00 a.m. to 5:00 p.m. (excluding Saturdays, Sundays, and holidays)

◇ Exercise of Voting Rights via the “Electronic Voting Rights Exercise Platform” for Institutional Investors

Institutional investors that have applied to use the Electronic Voting Rights Exercise Platform operated by ICJ Co., Ltd. ahead of time may use the Platform as the electronic method for exercise of voting rights for this General Meeting of Shareholders of the Company.

## Live Streaming of General Meeting of Shareholders

We will be offering a live stream via the Internet so that the shareholders can view the General Meeting of Shareholders.

Available from:	Wednesday, June 23, 2021 at 10:00 a.m.	
How to watch the live stream:	Click on the “12th Ordinary General Meeting of Shareholders Live Streaming” button on the Company’s website, and enter your shareholder ID and password on the login screen to view the stream.	
	Streaming URL:	<a href="https://www.meg-snow.com/ir/stockinformation/live/">https://www.meg-snow.com/ir/stockinformation/live/</a>
	Shareholder ID:	“ <u>Shareholder Number</u> ” stated on the Voting Rights Exercise Form (9 digits)
	Password:	Shareholder’s “ <u>Postal Code</u> ” on the address registered on the shareholders registry current as of March 31, 2021 (7 digits, no hyphens)



### Important notes

[Important note for those attending the General Meeting of Shareholders in person]

- While we will make every effort to avoid showing attending shareholders on the stream, please be aware that you may be shown on the stream under unavoidable circumstances.

[Important notes for shareholders watching the live stream of the General Meeting of Shareholders]

- Unlike those attending the Meeting in person, those viewing the live stream will not be able to participate in voting on the day of the Meeting. Please exercise your voting rights in advance by mail or via the Internet (please see pages 3-4). In addition, please note that we will not be able to accept questions or comments from shareholders watching the live stream during the deliberation.
- Viewing the stream may not be possible depending on your computer, Internet connection, Internet traffic conditions, etc.
- The live stream may be unavoidably interrupted or suspended due to circumstances such as equipment or system trouble.
- Shareholders are responsible for any costs related to viewing the stream.
- It is prohibited to reproduce, publish, or reprint the video or audio data of the live stream, or to provide it to a third party.
- The sharing of shareholder IDs and passwords with third parties is strictly prohibited.
- In order to protect the privacy of shareholders attending the Meeting, only the areas near the Meeting chairperson and the officers will be shown in the live stream.

**< Announcement Regarding Response to the New Coronavirus Infectious Disease >**

We place the highest priority on the safety of our shareholders and sincerely ask you to refrain from visiting the venue to attend the Meeting.

We will implement the following measures to prevent the infection on the day of the Meeting.

- Please wear a mask when visiting the venue. Anyone without a mask will not be admitted.
- Alcohol sanitizers will be provided at the entrance of the venue. Please use it to disinfect your hands and fingers.
- We will take body temperatures of visitors at the entrance of the venue. Those who are found to have a fever of 37.5 degrees Celsius or higher by temperature-measurement will not be admitted. In addition, we may decline the entry of anyone who appears to be sick.
- The proceedings of this year's Meeting are likely to be shorter than usual.
- Souvenirs and beverages will not be provided at the Meeting.
- The number of seats will be limited compared to the size of the venue in order to ensure social distance.
- The Company's staff will handle the Meeting with masks on.
- The shareholders can view the General Meeting of Shareholders via a live stream on the day. For details, please see page 5. In addition, a video-recording of the Meeting will be uploaded onto the Company's website by around the end of June 2021.
- We will notify you on the Company's web site if there are any other measures or changes to prevent the spread of the new coronavirus infection.

Company's website (<https://www.meg-snow.com/>)

## Reference Documents for the General Meeting of Shareholders

### Proposals and References

**Proposal 1:** Election of Six Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

The term of office of five Directors (excluding Directors Serving as Audit and Supervisory Committee Members; hereinafter the same applies within this proposal) will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of six Directors is proposed.

In the event that the election of the Directors is approved, the term of office of Directors will be up to the conclusion of the next Annual General Meeting of Shareholders.

The candidates for Director were decided after deliberation by the Nomination Advisory Committee, which comprises of a majority of independent External Directors.

The candidates for Director are as follows:

No.	Name	Present positions at the Company	Present responsibilities at the Company	Candidate category
1	Keiji Nishio	Representative Director and President	Overall management	Reappointment
2	Shigeru Nishibaba	Representative Director and Executive Vice President	Overall management, assistance to the President, In charge of General Affairs and Internal Audit	Reappointment
3	Hideki Motoi	Representative Director and Executive Vice President	Overall management, assistance to the President, In charge of Secretarial Dept. and Personnel	Reappointment
4	Takehiko Inoue	Director and Managing Executive Officer	In charge of Production and Production Technology	Reappointment
5	Satoshi Inaba	Managing Executive Officer	In charge of Corporate Planning Div., Administration and Affiliated Company Control	New appointment
6	Hisa Anan	External Director		Reappointment External Director Independent Officer

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	<p>Reappointment Keiji Nishio (February 19, 1959)</p> <p>Record of attendance at Board of Directors meetings 18 out of 18 (100%)</p> <p>Years in office 8 years</p>	<p>April 1981      Joined Snow Brand Milk Products Co., Ltd.</p> <p>April 2002      General Manager, Dairy &amp; Grocery Foods Division of Snow Brand Milk Products Co., Ltd.</p> <p>October 2002    General Manager, Dairy, Grocery Foods &amp; Wine Marketing Dept. of Snow Brand Milk Products Co., Ltd.</p> <p>June 2003       Executive Officer and General Manager, Dairy, Grocery Foods &amp; Wine Marketing Dept. of Snow Brand Milk Products Co., Ltd.</p> <p>January 2004    Executive Officer and Deputy General Manager, Cheese Division of Snow Brand Milk Products Co., Ltd.</p> <p>June 2004       Managing Executive Officer and Chief Operations Officer, Kanto Regional Sales Division of Snow Brand Milk Products Co., Ltd.</p> <p>June 2009       Managing Executive Officer, General Manager, Sales Promotion Dept., and Chief Operations Officer, Kanto Regional Sales Division of Snow Brand Milk Products Co., Ltd.</p> <p>October 2009    Director, Executive Officer, General Manager, Sales Promotion Dept., and Chief Operations Officer, Kanto Regional Sales Division of Snow Brand Milk Products Co., Ltd.</p> <p>April 2011       Executive Officer and General Manager, Marketing Control Dept. of the Company</p> <p>June 2013       Director and Executive Officer</p> <p>March 2014      Director, Executive Officer, and General Manager, Milk Beverages &amp; Desserts Marketing Dept.</p> <p>April 2015       Representative Director and President</p> <p>May 2018        President and Representative Director of Japan Dairy Trade Co., Ltd. (current position)</p> <p style="text-align: right;">To the present</p> <p>(Responsibilities) In charge of overall management</p> <p>(Significant concurrent positions) Chairman of Japan Cheese Promotion Council Committee Chair of Japan Cheese Fair Trade Council President and Representative Director of Japan Dairy Trade Co., Ltd. Chairman of Japan Milk Fair Trade Conference</p>	Common stock 14,561 shares
<p>[Reasons for selecting the candidate for Director]</p> <p>Mr. Keiji Nishio possesses abundant experience and wide-ranging insight as a corporate manager and is familiar with the Company's business including management planning, sales planning, and product planning, and has shown leadership as a top executive by setting forth clear management policies and others. The Company has determined that he possesses experience and ability fitting of a Director of the Company and has reappointed him as candidate for Director.</p>			



No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
2	<p>Reappointment Shigeru Nishibaba (October 16, 1956)</p> <p>Record of attendance at Board of Directors meetings 18 out of 18 (100%)</p> <p>Years in office 3 years</p>	<p>April 1979      Joined National Federation of Agricultural Cooperative Associations (ZEN-NOH)</p> <p>February 2000      General Manager, Central Livestock Center Meat Dept. of ZEN-NOH</p> <p>February 2004      Manager, Meat Div., Headquarters Livestock Sales Dept. of ZEN-NOH</p> <p>September 2006      Managing Director and General Manager, Business Planning Dept. of JA ZEN-NOH MEAT FOODS CO., LTD.</p> <p>August 2007      Adviser of ZEN-NOH</p> <p>August 2010      Senior Managing Director of ZENNOH CHICKEN FOODS CORPORATION</p> <p>June 2011      Representative Director and President of ZENNOH CHICKEN FOODS CORPORATION</p> <p>August 2012      Adviser of the Company</p> <p>June 2013      Director and Executive Officer</p> <p>June 2014      Director, Executive Officer and General Manager, Institutional Foods Dept.</p> <p>April 2015      Director and Executive Officer</p> <p>June 2016      Managing Executive Officer</p> <p>June 2018      Representative Director and Executive Vice President</p> <p style="text-align: right;">To the present</p> <p>(Responsibilities) In charge of overall management, assistance to the President, General Affairs and Internal Audit</p>	Common stock 20,158 shares
		<p>[Reasons for selecting the candidate for Director] Mr. Shigeru Nishibaba possesses abundant experience and wide-ranging insight as a corporate manager and is familiar with management planning, marketing divisions, and others, and has shown leadership as a management executive. The Company has determined that he possesses experience and ability fitting of a Director of the Company and has reappointed him as candidate for Director.</p>	
3	<p>Reappointment Hideki Motoi (December 20, 1961)</p> <p>Record of attendance at Board of Directors meetings 18 out of 18 (100%)</p> <p>Years in office 5 years</p>	<p>April 1984      Joined The Norinchukin Bank</p> <p>July 2004      General Manager, Naha Branch of The Norinchukin Bank</p> <p>August 2005      General Manager of JA Sales Dept. of Mizuho Securities Co., Ltd.</p> <p>July 2007      Deputy General Manager, Credit &amp; Alternative Portfolio Planning Div. of The Norinchukin Bank</p> <p>July 2009      General Manager, Corporate Planning Dept. of Snow Brand Milk Products Co., Ltd.</p> <p>October 2009      General Manager, Corporate Planning Dept. of the Company</p> <p>April 2011      General Manager, Corporate Planning Div.</p> <p>July 2011      General Manager, Agriculture, Forestry, Fishery &amp; Ecology Business Planning Div. of The Norinchukin Bank</p> <p>June 2014      Managing Director of The Norinchukin Bank</p> <p>May 2016      Adviser of the Company</p> <p>June 2016      Director and Managing Executive Officer</p> <p>June 2019      Representative Director and Executive Vice President</p> <p style="text-align: right;">To the present</p> <p>(Responsibilities) In charge of overall management, assistance to the President, Secretarial Dept. and Personnel</p>	Common stock 5,160 shares
		<p>[Reasons for selecting the candidate for Director] Mr. Hideki Motoi possesses abundant experience and wide-ranging insight as a corporate manager and is familiar with the fields such as management planning, personnel, finance, information systems, and others, and has shown leadership as a management executive of the Company. The Company has determined that he possesses experience and ability fitting of a Director of the Company and has reappointed him as candidate for Director.</p>	

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
4	Reappointment Takehiko Inoue (December 15, 1965)	April 1989	Joined Snow Brand Milk Products Co., Ltd.	Common stock 854 shares
	Record of attendance at Board of Directors meetings 13 out of 13 (100%)	April 2015 April 2017 April 2019 June 2020	General Manager, Fukuoka Plant of the Company General Manager, Taiki Plant General Manager, Production Dept. Director and Managing Executive Officer	
	Years in office 1 year		To the present	
<p>(Responsibilities) In charge of Production and Production Technology</p>				
<p>[Reasons for selecting the candidate for Director] As Mr. Takehiko Inoue has abundant and wide-ranging experience in the production division, and is particularly familiar with the fields of production technology and production control, the Company has determined that he possesses experience and ability fitting of a Director of the Company and has reappointed him as candidate for Director.</p>				
5	New appointment Satoshi Inaba (December 20, 1963)	April 1987	Joined Snow Brand Milk Products Co., Ltd.	Common stock 2,754 shares
		October 2009	Deputy General Manager, Secretarial Dept. of the Company	
		April 2011	General Manager, Secretarial Dept.	
		June 2013	Deputy General Manager, Research & Development Dept.	
		June 2015	General Manager, Corporate Planning Div.	
		June 2018	President and Representative Director of Bean Stalk Snow Co., Ltd.	
		June 2020	Managing Executive Officer of the Company	
			To the present	
<p>(Responsibilities) In charge of Corporate Planning Div., Administration and Affiliated Company Control</p>				
<p>[Reasons for selecting the candidate for Director] As Mr. Satoshi Inaba has experience as President of a group company and is familiar with the fields of Corporate Planning Div., group management, nutrition business, and dairy products business, etc., the Company has determined that he possesses experience and ability fitting of a Director of the Company and has appointed him as candidate for Director.</p>				

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
6	<p>Reappointment External Director Independent Officer Hisa Anan (February 17, 1950)</p> <p>Record of attendance at Board of Directors meetings 18 out of 18 (100%)</p> <p>Years in office 6 years</p>	<p>June 1991 Director of CO-OP TOKYO</p> <p>June 1999 Director of Tokyo Consumers' Co-operative Union</p> <p>June 2001 Director of Japanese Consumers' Co-operative Union</p> <p>August 2003 Director of National Federation of Workers and Consumers Insurance Cooperatives</p> <p>October 2007 Secretariat of SHODANREN</p> <p>May 2008 Secretary General of SHODANREN</p> <p>August 2012 Commissioner of Consumer Affairs Agency</p> <p>August 2014 Retired from position as Commissioner of Consumer Affairs Agency</p> <p>June 2015 External Director of the Company</p> <p>December 2020 External Director of G-NEXT Inc. (current position)</p> <p>To the present</p> <p>(Significant concurrent positions)</p> <p>Representative Director of Association to Create a Society with Consumer Citizenship</p> <p>External Director of G-NEXT Inc.</p>	<p>Common stock 1,684 shares</p>
<p>[Reasons for selecting the candidate for External Director and outline of expected role]</p> <p>Although Ms. Hisa Anan has not been previously involved in corporate management directly, as she has abundant experience in consumer organizations and has served as the Commissioner of Consumer Affairs Agency, etc., and is particularly familiar with the field of consumer lifestyle and others, the Company has determined that she can draw on her background to provide guidance, recommendations and supervision for the Company's management from the point of view of management aiming to practice consumer centric management, and has reappointed her as candidate for External Director.</p> <p>[Independence as an External Director]</p> <p>Ms. Hisa Anan has been filed as an Independent Officer provided for by the Tokyo Stock Exchange and Sapporo Stock Exchange. If this proposal is approved and Ms. Hisa Anan assumes the position as External Director, she will continue to be an Independent Officer.</p> <p>She is not scheduled to receive large sums of money or property (excluding remuneration as a Director) from the Company or parties related to the Company, and has not received such items during the past two years. In addition, she is not a spouse, a relative within the third degree of kinship or the equivalent thereof of an executive officer or a non-executive director of the Company or a business entity that has a special relationship with the Company.</p>			

(Notes)

1. Mr. Keiji Nishio is President and Representative Director of Japan Dairy Trade Co., Ltd., of which the Company holds 30.1% of its stock, and there are competitive relationships between the Company and said company in the real estate leasing business. There are no special interests between other candidates and the Company.
2. The number of years in office for each candidate are as of the conclusion of this Annual General Meeting of Shareholders.
3. The Company has entered into a directors and officers liability insurance contract with an insurance company. A summary of the contents of the insurance contract is as shown on page 47 of the Business Report (available only in Japanese). If the election of the candidates for Director is approved, they will continue to be included as the insured under the insurance contract. The insurance contract is scheduled to be renewed with the same contents at the next renewal.
4. Ms. Hisa Anan is a candidate for External Director.
5. Ms. Hisa Anan is currently an External Director of the Company, and her term of office as External Director of the Company will be six years at the conclusion of this Annual General Meeting of Shareholders.
6. Conclusion of limited liability contract with candidate for External Director  
The Company has concluded a liability limitation contract pursuant to Article 423, Paragraph 1 of the Companies Act with Ms. Hisa Anan. The terms of the contract have stipulated that her upper limit of liability toward the Company is ¥10 million, or the amount provided by laws and regulations, whichever is greater. If she is reappointed Director, the Company plans to continue with said contract.
7. Designation of Independent Officers is made pursuant to the "MEGMILK SNOW BRAND Co., Ltd. Independence Standards for External Directors" on pages 14-15.



No.	Name (Date of birth)	Past experience and significant concurrent positions	Number of shares of the Company held
2	Tomohiko Manabe (October 3, 1963)	<p>October 1991      Joined Showa Ota &amp; Co. (currently Ernst &amp; Young ShinNihon LLC)</p> <p>May 2007        Partner of Ernst &amp; Young ShinNihon (currently Ernst &amp; Young ShinNihon LLC)</p> <p>July 2010        Partner of Certified Public Tax Accountants' Co. Takano Sogo Accounting Firm</p> <p>July 2013        Senior Partner of Certified Public Tax Accountants' Co. Takano Sogo Accounting Firm</p> <p>May 2015        Outside Director of Freund Corporation</p> <p>June 2015        Outside Corporate Auditor of NIPPON SHUPPAN HANBAI INC. (currently NIPPAN GROUP HOLDINGS, INC.) (current position)</p> <p>June 2017        Outside Corporate Auditor of Shuppan Kyodo Ryutsu Inc. (current position)</p> <p>March 2019      Corporate Auditor of Humans' Data Inc. (current position)</p> <p>June 2019        Councilor of the Nakabe Scholarship Foundation (current position)</p> <p>September 2020 Representative Partner of Certified Public Tax Accountants' Co. Takano Sogo Accounting Firm (current position)</p> <p style="text-align: right;">To the present</p> <p>(Significant concurrent positions)</p> <p>Representative Partner of Certified Public Tax Accountants' Co. Takano Sogo Accounting Firm</p> <p>Outside Corporate Auditor of NIPPAN GROUP HOLDINGS, INC.</p> <p>Outside Corporate Auditor of Shuppan Kyodo Ryutsu Inc.</p> <p>Corporate Auditor of Humans' Data Inc.</p> <p>Councilor of the Nakabe Scholarship Foundation</p>	Common stock 0 shares
<p>[Reasons for selecting the candidate for Substitute External Director Serving as Audit and Supervisory Committee Member and outline of expected role]</p> <p>Although Mr. Tomohiko Manabe has not been previously involved in corporate management directly, as he has a specialized and high degree of knowledge and wide-ranging experience as a certified public accountant, the Company has determined that he will be able to draw on his background in the supervision and auditing of Directors' business execution, and has appointed him as a candidate for Substitute External Director Serving as Audit and Supervisory Committee Member.</p> <p>[Independence as a Substitute External Director Serving as Audit and Supervisory Committee Member]</p> <p>Mr. Tomohiko Manabe is not scheduled to receive large sums of money or property (excluding remuneration as a Director Serving as Audit and Supervisory Committee Member) from the Company or parties related to the Company, and has not received such items during the past two years. In addition, he is not a spouse, a relative within the third degree of kinship or the equivalent thereof of an executive officer or a non-executive director of the Company or a business entity that has a special relationship with the Company.</p>			

(Notes)

1. There is no significant conflict of interest between the Company and each candidate.
2. Mr. Tomohiko Manabe is a candidate for Substitute External Director Serving as Audit and Supervisory Committee Member.
3. The Company has entered into a directors and officers liability insurance contract with an insurance company. A summary of the contents of the insurance contract is as shown on page 47 of the Business Report (available only in Japanese). In the event that the candidates are appointed as Directors Serving as Audit and Supervisory Committee Members, they will be included as the insured under the insurance contract.
4. Conclusion of limited liability contract with candidate for Substitute Directors Serving as Audit and Supervisory Committee Members  
In the event that each candidate assumes the position as a Director Serving as Audit and Supervisory Committee Member, the Company plans to conclude a liability limitation contract with each candidate pursuant to Article 423, Paragraph 1 of the Companies Act. The terms of the contract shall stipulate that each candidate's upper limit of liability toward the Company is ¥10 million or the amount provided by laws and regulations, whichever is greater.
5. Mr. Tomohiko Manabe meets the "MEGMILK SNOW BRAND Co., Ltd. Independence Standards for External Directors" on pages 14-15. If he assumes the position as External Director Serving as Audit and Supervisory Committee Member, he will be filed as an Independent Officer provided for by the Tokyo Stock Exchange and Sapporo Stock Exchange.

## Opinion of the Audit and Supervisory Committee

The Audit and Supervisory Committee carefully reviewed the proposal for election of Directors (excluding Directors Serving as Audit and Supervisory Committee Members) and their remuneration, including confirmation of discussions at the Nomination Advisory Committee and the Compensation Advisory Committee (where three External Directors, including two External Audit and Supervisory Committee Members, account for a majority the members).

The Audit and Supervisory Committee has judged that the candidates for Directors (excluding Directors Serving as Audit and Supervisory Committee Members) are suitable as candidates for Directors of the Company because they have been nominated through appropriate nomination procedures and they have a high level of expertise and abundant experience and have deep knowledge of the Company's management philosophy and management approach.

Furthermore, the Audit and Supervisory Committee has judged that the procedures for making decisions on remuneration for Directors (excluding Directors Serving as Audit and Supervisory Committee Members) were appropriate and that the content of the remuneration, etc. was appropriate based on the concept of the remuneration system, specific calculation method, etc.

### Reference Material

#### Nomination Policies for Candidates for Director

Under the premise that none of the candidates for Directors (excluding Directors Serving as Audit and Supervisory Committee Members) fall under any of the disqualifying reasons stipulated by the Companies Act, the candidates are appointed from among persons who possess high ethics, in addition to superior personality, insight, ability, and abundant experience for conducting overall corporate monitoring and supervision of business execution. They are appointed also in consideration of a well-balanced Board of Directors without an overabundance of specialties in any particular field.

Under the premise that none of the candidates for Directors Serving as Audit and Supervisory Committee Members fall under any of the disqualifying reasons stipulated by the Companies Act, the candidates are appointed from among persons who possess high ethics, in addition to superior personality, insight, ability, and abundant experience for conducting overall corporate monitoring and supervision of business execution. They are appointed also in consideration of whether they can secure their independence from officers with executive authority or whether they can maintain a fair and impartial attitude, etc. The candidates for Directors Serving as Audit and Supervisory Committee Members must include at least one person who has expertise in finance and accounting.

#### MEGMILK SNOW BRAND Co., Ltd. Independence Standards for External Directors

MEGMILK SNOW BRAND CO., Ltd. (hereinafter the "Company") and its subsidiaries (collectively, the "Group") judges External Directors (hereinafter "External Directors") to be sufficiently independent so long as they do not fall under any of the following.

1. The following individuals who have had business transactions with the Company or its subsidiaries in any of the past three fiscal years
  - (1) Of those who have the Company or its subsidiaries as a client, an individual who the Group has paid an amount totaling more than 2% of the consolidated net sales of that business partner or an officer or employee who executes business of that corporation such as an executive Director, an Executive Officer, or others (hereinafter "executives")
  - (2) Of those who the Company or its subsidiaries have as a client, an individual or their executives who pays to the Group an amount totaling more than 2% of the Group's consolidated net sales
  - (3) An individual or their executives whose loans to the Company or its subsidiaries total more than 2% of the Group's consolidated total assets
  - (4) A consultant, accounting professional, or legal professional who has received from the Company or its subsidiaries monetary or other assets totaling ¥10 million or 2% of total revenue, whichever is greater (excluding Director compensation), or in the event that an organization is acquiring said assets,

an individual belonging to that organization

2. The following individuals who have been major shareholders in the past three years
  - (1) An individual who possesses a proportion of 10% or more of the Company's voting rights (including indirect possession) or their executives
  - (2) An executive of a company whose voting rights the Company or its subsidiaries possesses a proportion of 10% or more of (including indirect possession)
3. Relatives of the Company, the Company's subsidiaries, the Company's business partners, or other related persons
  - (1) An individual who was a spouse or relative within the second degree of kinship of one of the following within the past ten years
    - 1) An executive Director or Executive Officer of the Company or its subsidiaries or a General Manager of Head Office
    - 2) A non-executive Director of the Company
  - (2) An individual who was a spouse or relative within the second degree of kinship of one of the following within the past three years
    - 1) An individual who corresponds to the aforementioned 1. (1), (2), or (3) or the aforementioned 2., and in the case that the individual is an executive, an officer who executes business of that corporation such as an executive Director or an Executive Officer, or an individual equivalent to a General Manager of departments
    - 2) An individual who corresponds to the aforementioned 1. (4) (limited in the case of an accounting professional to a certified public accountant, and in the case of a legal professional to an attorney-at-law (including associates))
4. Other related persons
  - (1) An individual who, in any of the past three fiscal years, has received donations from the Company or its subsidiaries in a single fiscal year equivalent to ¥10 million or 2% of total revenue, whichever is greater, or their executives
  - (2) An executive of a company in which, within the past three years, an individual from the Company or its subsidiaries has served as an external officer

**Proposal 3:** Continuation of the Policy Against Large-scale Purchases of Shares in the Company (Buyout Prevention Measure)

At the 9th Annual General Meeting of Shareholders held on June 27, 2018, the Company received approval from shareholders for the continuation of “Policy Against Large-scale Purchases of Shares in the Company (hereinafter the Policy),” but this will expire at the conclusion of this Annual General Meeting of Shareholders.

After considering the Policy after the expiration, the Company resolved at a Board of Directors Meeting held on May 18, 2021, with the unanimous approval of eight Directors including three independent External Directors, to propose the continuation of the Policy at this Annual General Meeting of Shareholders.

The basic approach of the Company’s corporate governance is to enhance corporate value by ensuring transparency in management, strengthening oversight functions from outside the Company, and establishing a management structure that can respond swiftly to changes in the market. Over the past three years, the Company has worked to strengthen corporate governance by establishing a Board of Directors structure with a one-third ratio of independent External Directors, and by establishing the Nomination Advisory Committee and the Compensation Advisory Committee. The Company will continue to work on strengthening corporate governance as it believes that stronger corporate governance will help to deter the management team from arbitrarily applying the Policy.

Under these circumstances, approval by shareholders of this proposal to continue with the Policy is requested.

Please refer to the following for the key points, purpose, necessity, changes and summary of the Policy.

**1. About the Policy**

The Policy refers to the rules for large-scale purchases (below, “Large-scale Purchase Rules”) established in advance in preparation for the emergence of a large-scale purchaser who holds an ownership ratio of 20% or more of the Company’s shares, etc.

\*Refer to 5. below for details on the rules for large-scale purchase.

**2. Purpose of the Policy**

The purpose of continuing the Policy is twofold.

**(1) To ensure sufficient information and time for consideration in order for shareholders to make an appropriate decision on whether or not to approve a large-scale purchase.**

The Company’s shareholders are not limited to general investors, but also include diverse groups consisting of dairy farmers, producer groups, related industries, and consumers. For such shareholders, we believe that the impact on the Company’s management philosophy, management policy, business activities, etc., as well as the impact on the dairy industry and related industries, are important factors to consider, in addition to the impact of a large-scale purchase of shares, etc. on the management of the Company, when deciding whether to approve a large-scale purchase of shares, etc.

**(2) To prevent buyouts that significantly harm the Company’s corporate value, and to ensure corporate value and shareholder interests.**

The evaluation and consideration of the information provided by the large-scale purchaser and the enacting of countermeasures shall be consulted with the Independent Committee, and shall be fully evaluated and considered by a third party.

**3. Necessity of the Policy**

**(1) Responsibility for shareholders**

The Company believes that, as long as the Company’s shares are listed on securities exchanges, its shares should be traded freely, and even in the event that large-scale purchases of shares are made without the consent of the Board of Directors, the final decision should be left to the shareholders.

However, recently in the capital market, some large-scale purchases of shares, etc., have been made without sufficient information disclosure to shareholders, investors and other stakeholders regarding the investment purpose, etc., and therefore it is not unlikely that such purchases (abusive acquisition) may damage the Company’s corporate value and shareholder interests. While the Financial Instruments and Exchange Act provides for certain restrictions regarding buyouts, such as the granting of questioning rights, large-scale purchases within the market are not subject to such restrictions. In addition, in cases such as abusive acquisition, it is assumed that it may not be possible to secure sufficient preparation time to consider information on a large-scale acquisition and the response policy, and as a result, it can be assumed that it may not be possible to provide sufficient time for shareholders to make decisions. In fact, in recent years, there have been cases in which a contingency-type buyout prevention measures was introduced in response to a large-scale purchase after the buyout prevention



measures had been abolished, and a resolution to activate the measure was passed at an extraordinary general meeting of shareholders.

In addition, there is an option to implement a third-party allotment or introduce buyout prevention measures on an emergency basis in the event of a contingency such as a large-scale purchase, instead of introducing buyout prevention measures in advance. However, there are questions as to the fact that such measures would dilute the value of stocks held by shareholders who did not receive the allotment, and that the introduction of emergency buyout prevention measures would not necessarily reflect the judgment of shareholders in an appropriate manner, as such matters are not stipulated in the rules of the stock exchange.

As stated in (1) of “2. Purpose of the Policy” above, the Company’s shareholders hold our shares in various capacities and for various purposes. Therefore, it believes that it is extremely important to secure the necessary information and a reasonable period of time for consideration in order for the shareholders to make an appropriate decision from their respective standpoints on large-scale purchases of shares. In the case of a so-called abusive acquisition, the information required by shareholders and a sufficient period of time for examination are not always guaranteed, and as a result, corporate value and the common interests of shareholders may be damaged. In preparation for this, the Company believes that it is desirable to ask shareholders to understand and approve the details and purpose of the anti-buyout measures in advance, and therefore requests the continuation of the Policy.

## **(2) Responsibility for society**

The Group has its roots in a dairy producers’ organization, and has been operating under the corporate philosophy of “contributing to dairy farming production,” in addition to “focus on customers” and “put our hearts into milk.” This corporate philosophy is the Group’s reason for being and social mission, and the Group believes that it will never change in the future.

In addition, dairy products are commodities with limited global trade volume, and there are concerns that supply-demand balances will tighten in the near future. Against this backdrop, in order to meet the expectations of many shareholders regarding the medium- and long-term enhancement of the corporate value, the Group intends to continue to contribute to the strengthening and sustainable development of the dairy production base, which is the source of the corporate value and development.

Therefore, the Company believes it is necessary to be prepared for companies, etc. that do not agree with the corporate philosophy of the Group and pursue short-term profits with no regard for the enhancement of corporate value over the medium to long term.

The Group will continue to play a considerable role in domestic dairy farming, and realize growth and development of the Company and dairy farming through the contribution to dairy production.

## **4. Changes**

The content is identical to that approved at the 9th Annual General Meeting of Shareholders, except for the effective period (until the conclusion of the 15th Annual General Meeting of Shareholders).

## **5. Large-scale Purchase Rules**

### **(1) Fundamentals of Large-scale Purchase Rules and definition of large-scale purchase**

The fundamentals of the Large-scale Purchase Rules under the buyout prevention measure are as follows.

- a. Sufficient information from the large-scale purchaser is provided in advance to the Board of Directors of the Company
- b. The large-scale purchase is commenced after the elapse of a fixed evaluation period of the Board of Directors of the Company in relation to the provided information

A “large-scale purchase” is defined as the following actions, and neither are applicable if the Board of Directors of the Company has given prior consent.

- a. Purchase of shares, etc.<sup>1</sup> with the intent to give a designated shareholder group<sup>2</sup> a share, etc. ownership ratio<sup>3</sup> of 20% or more

---

<sup>1</sup> Refers to shares, etc. pursuant to Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act.

<sup>2</sup> Refers to holders pursuant to Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act (including parties that are included in holders pursuant to Article 27-23, Paragraph 3 of the same Act) and joint holders pursuant to Article 27-23, Paragraph 5 (including parties that are included in joint holders pursuant to Article 27-23, Paragraph 6 of the same Act).

<sup>3</sup> Refers to share, etc. ownership ratio pursuant to Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Act.

- b. Public offering<sup>4</sup> of shares, etc.<sup>5</sup> with the intent to give a designated shareholder group<sup>6</sup> a share, etc. ownership ratio<sup>7</sup> of 20% or more

**(2) Submission of a Letter of Intent to Conduct a Large-scale Purchase**

In the event that a large-scale purchaser wishes to conduct a large-scale purchase, the large-scale purchaser must submit in advance to the Board of Directors of the Company a “Letter of Intent to Conduct a Large-scale Purchase” (hereinafter “Letter of Intent”) stating intent to comply with the Large-scale Purchase Rules. The Letter of Intent must include the “name and address of the large-scale purchaser,” “governing law of establishment,” “name of representative,” “domestic contact information,” “summary of proposed large-scale purchase,” “number of shares held by the large-scale purchaser and joint holders,” and “pledge to adhere to the Large-scale Purchase Rules.”

Upon receipt of a Letter of Intent from a large-scale purchaser, the Board of Directors of the Company will make prompt disclosure.

**(3) Provision of large-scale purchase information**

The large-scale purchaser must provide to the Board of Directors of the Company sufficient information (hereinafter “Large-scale Purchase Information”) such that shareholders and the Board of Directors of the Company can evaluate and consider the large-scale purchase.

Within five business days of receiving the Letter of Intent, the Board of Directors of the Company will submit an initial list of the Large-scale Purchase Information to the large-scale purchaser that must be provided to the Company with the deadline for a reply determined.

Additionally, the Board of Directors of the Company will swiftly provide initial information that is received to an Independent Committee. The Independent Committee will confirm the content of the initial information, and in the event that it finds that the information is insufficient as Large-scale Purchase Information, it will thereupon set a deadline for the reply, and recommend to the Board of Directors of the Company to acquire additional information until it has sufficient Large-scale Purchase Information.

Once the Independent Committee determines that it has received sufficient information, it will notify the Board of Directors of the Company to notify the large-scale purchaser in writing that the submission of Large-scale Purchase Information is complete, and to disclose the information. Additionally, if the Large-scale Purchase Information is deemed to be necessary for shareholders to make decisions, the Independent Committee will recommend to the Board of Directors of the Company to disclose the information, either in whole or in part, at an appropriate timing.

The Board of Directors of the Company, in line with recommendations from the Independent Committee, will disclose that the submission of the Large-scale Purchase Information is complete, and disclose the Large-scale Purchase Information, either in whole or in part.

**(4) Information to be requested by the Company**

Main items to be requested as Large-scale Purchase Information from the large-scale purchaser are as follows.

- a. Details of the large-scale purchaser and its Group
  - Specific name, capital structure or primary investors, past experience and history, business description, financial description, experience in similar company or business with the Company, segment information if in a similar business, and experience, target, and result of past large-scale purchases, etc. for joint holders or special related parties (for funds, including fund members and other members)
- b. Intent, method, and content of large-scale purchase
  - Intent, timing of purchase, method of purchase, price and type of compensation for purchase, structure for related transactions, legality of the method of purchase, etc.
- c. Basis for compensation for purchase
  - Calculation figures, facts serving as the basis for calculations, calculation methods, person or company responsible for calculations, price effect forecasted to result from the large-scale purchase and its calculation basis, and the portion of the former comprising the price effect appropriated to other shareholders and its calculation basis, etc.

---

<sup>4</sup> Refers to a public offering pursuant to Article 27-2, Paragraph 6 of the Financial Instruments and Exchange Act.

<sup>5</sup> Refers to shares, etc. pursuant to Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act.

<sup>6</sup> Refers to the purchaser and special related party pursuant Article 27-2, Paragraph 7 of the Financial Instruments and Exchange Act.

<sup>7</sup> Refers to share, etc. ownership ratio pursuant to Article 27-2, Paragraph 8 of the Financial Instruments and Exchange Act.

- d. Support for purchase funds
  - Method of raising funds, presence or not and specific name of party providing funds (including substantial provider of funds), transactions related to raising funds
- e. Management policy and business plan for the Company subsequent to completion of large-scale purchase
  - Feasibility and foreseeable risks of the business plans associated with intended management policy, business plan, financial plan, capital measures, and asset use measures of the Company and the Group
- f. Synergistic effects attained between the large-scale purchaser and the Company subsequent to growth in transactions after completion of the large-scale purchase
- g. Policy and effect for stakeholders (employees of the Company, partners, customers, regional societies) of the Company
- h. Specific measures to avoid conflicts of interest with other shareholders of the Company
- i. Other information that is reasonably required by the Board of Directors of the Company or the Independent Committee

**(5) Evaluation period**

Depending upon the content of the large-scale purchase, the Board of Directors of the Company will set a period to evaluate, consider, negotiate, form an opinion, prepare alternative proposals, etc. (hereinafter the "Evaluation Period") of the large-scale purchase of either a. or b. below. The large-scale purchase may only be implemented after the following periods have elapsed.

- a. 60 days: For purchases of the Company's stock, etc. that are market purchases with cash provided as compensation
- b. 90 days: Other large-scale purchases

The above periods include time required for the Independent Committee to consider the large-scale purchase and to recommend to the Board of Directors of the Company whether or not to implement countermeasures.

However, the Independent Committee recommendation to the Board of Directors to extend the Evaluation Period within the scope required for the Board of Directors of the Company to consider the content of the large-scale purchase, negotiate with the large-scale purchaser, prepare alternative proposals, etc. In the event that the Board of Directors of the Company resolves to extend the Evaluation Period, the reason for extending the Evaluation Period, the length of the extension, and other relevant items that should be disclosed shall be promptly notified to the large-scale purchaser and information disclosed after the Board of Directors Meeting at which the extension is resolved.

**(6) Opinions and alternative proposals by the Board of Directors**

Within the Evaluation Period, the Board of Directors of the Company, in cooperation with the Independent Committee, shall evaluate and consider the Large-scale Purchase Information provided by the large-scale purchaser from the viewpoint of whether or not the large-scale purchase will be profitable for the corporate value of the Company and its shareholders. The Board of Directors of the Company shall discuss and negotiate with the large-scale purchaser as required, request improvements to the large-scale purchaser regarding the content of the large-scale purchase proposal, or may present an alternative proposal to shareholders.

**6. Response in the event that a large-scale purchase is implemented**

If the Board of Directors of the Company, after evaluating and considering the content of the Large-scale Purchase Information, and discussing and negotiating with the large-scale purchaser, determines that any of the following apply to the large-scale purchase and that it is appropriate to enact countermeasures, countermeasures as defined in the buyout prevention measure can be implemented as shown below, regardless of whether or not the Evaluation Period has passed.

**(1) If the Large-scale Purchase Rules are not followed**

If the large-scale purchaser does not follow the Large-scale Purchase Rules, the Board of Directors of the Company, while fully respecting the recommendation by the Independent Committee described in 7. below, may enact gratis allotment of stock acquisition rights or other countermeasures allowed by the Board of Directors under by the Companies Act, other laws and regulations, and the Articles of Incorporation of the Company.

These countermeasures will not harm general shareholders, but the large-scale purchaser that does not follow the Large-scale Purchase Rules may be financially harmed, and the large-scale purchaser

will be warned not to begin a large-scale purchase while ignoring the Large-scale Purchase Rules.

**(2) If the Large-scale Purchase Rules are followed**

If the large-scale purchaser follows the Large-scale Purchase Rules, even if the Board of Directors of the Company is against the large-scale purchase, the Board of Directors of the Company will only announce its opinion against the large-scale purchase, present an alternative proposal to shareholders, and ask for understanding on an individual basis, and in principle shall not enact countermeasures. As a result, whether or not to comply with a purchase proposal from a large-scale purchaser shall be decided by the shareholders after comparison between the large-scale purchaser's purchase proposal, alternative proposals presented by the Board of Directors of the Company, and management policies for the medium to long term to improve the corporate value of the Company, etc. However, even if the Large-scale Purchase Rules are followed, if any of the following apply to the large-scale purchase, and there is a possibility that it will significantly harm the corporate value and shareholder interests of the Company, the Board of Directors of the Company, while fully respecting the recommendation by the Independent Committee described in 7. below, may enact appropriate countermeasures.

- a. Greenmailer: Without intent to engage in management of the Group, intent to artificially inflate the Company's stock price and sell the stock back to the Company
- b. Scorched earth management: After temporarily controlling management of the Group, intent to transfer the intellectual property, know-how, primary transaction partners and customers of the Group to the large-scale purchaser or its Group companies, etc.
- c. Asset diversion: After controlling management of the Group, intent to divert the assets of the Group as collateral for liabilities or resources for the large-scale purchaser or its Group companies, etc.
- d. Temporary high dividends: After temporarily controlling management of the Group, intent to sell or dispose assets of the Group such as real estate, securities, etc., and temporarily pay out high dividends, or to sell shares at a high price upon the stock price rising as a result of the high dividends
- e. Oppressive two-stage purchase: Failing to invite the purchase of all shares via the initial purchase and setting or not disclosing unfavorable conditions for the second purchase, etc., substantially forcing shareholders to sell their shares

**(3) Method to determine implementation of countermeasures**

Based on information obtained from the Large-scale Purchase Information provided by the large-scale purchaser and other research, the Board of Directors of the Company, while seeking advice from financial advisors, lawyers, etc., will consider factors such as if the large-scale purchaser is genuinely seeking to participate in management of the Company, and whether or not the large-scale purchase and proposal will be beneficial to the corporate value and shareholder interests of the Company, and while fully respecting the recommendation of the Independent Committee as described in 7. below, shall resolve at a Board of Directors Meeting of the Company whether or not to implement countermeasures.

If the Board of Directors of the Company resolves to implement or to not implement countermeasures against a large-scale purchaser, it will notify shareholders with appropriate information at an appropriate timing, stating its reasoning.

**(4) Cancellation of implementation of countermeasures**

Subsequent to resolution to implement a gratis allotment of stock acquisition rights as countermeasures, in the event that either a. or b. below apply, the Board of Directors of the Company may effectively cancel the countermeasures via methods such as the cancellation of the issuance of stock acquisition rights or the gratis acquisition and subsequent cancellation of the stock acquisition rights by the Company. In such a case, the Board of Directors of the Company will promptly disclose the information.

- a. In the event that after the Board of Directors of the Company implements countermeasures, the large-scale purchaser retracts its purchase, etc., causing there to no longer be a large-scale purchase
- b. In the event that underlying facts related to the implementation of countermeasures change, and the conditions set forth in 6. (1) (2) to implement countermeasures no longer apply to the large-scale purchase, or the Board of Directors of the Company determines that even though the conditions apply, approving of the issuance or exercise of stock acquisition rights is not appropriate

## **7. Independent Committee**

### **(1) Establishment of an Independent Committee**

In the event that the Board of Directors of the Company receives a letter of intent regarding a large-scale purchase or if there is the possibility of a large-scale purchase occurring, in order to ensure that countermeasures are not implemented arbitrarily by the Board of Directors of the Company, a convocation of the Independent Committee will be requested to the members of the Independent Committee as an organization that is independent of the Directors of the Company and the large-scale purchaser, and the Independent Committee shall inquire as to whether or not conditions for implementation of countermeasures, etc. set forth in 6. (1) (2) above apply to the large-scale purchaser. Additionally, concerning the convocation, matters for resolution, and items for resolution, please see [Attachment 1].

Members of the Independent Committee, which shall determine whether or not the large-scale purchase will be beneficial for the Company's corporate value and shareholder interests, shall be composed of three members, consisting of outside experts and External Directors of the Company.

As required, the Independent Committee shall have the authority to request attendance, provision of information, and explanations to the Independent Committee from Directors, employees, etc. of the Company, and shall deliberate and resolve on items related to its inquiries, making recommendations on the contents to the Board of Directors of the Company. Members of the Independent Committee are scheduled to consist of persons listed on [Attachment 2].

### **(2) Methods to make decisions in the Independent Committee**

In the event that the Independent Committee is convened, it shall resolve on recommendations, etc. according to the process below, and promptly disclose information on these recommendations, etc.

a. If the Independent Committee recommends implementation of countermeasures

If the Independent Committee determines that any of the conditions set forth in 6. (1) (2) above apply to the purchase by the large-scale purchaser and that implementation of countermeasures is appropriate, a recommendation to the Board of Directors of the Company will be made to implement countermeasures.

b. If the Independent Committee does not recommend implementation of countermeasures

If after considering the Large-scale Purchase Information provided by the large-scale purchaser and considering the content of negotiations between the Board of Directors of the Company and the large-scale purchaser, etc., the Independent Committee determines that neither of the conditions set forth in 6. (1) (2) above apply to the purchase by the large-scale purchaser or that the implementation of countermeasures is not appropriate even if the conditions do apply, a recommendation to the Board of Directors of the Company will be made not to implement countermeasures. However, if underlying facts related to the decision change and conditions set forth in 6. (1) (2) ultimately apply, a new recommendation may be made.

c. If the Independent Committee recommends an extension for the implementation of countermeasures

If the Independent Committee cannot resolve to make a recommendation regarding whether or not to implement countermeasures within the Evaluation Period as set forth in 5. (5) above, the Independent Committee may, within a reasonable range, resolve to extend the Evaluation Period, and make a recommendation to the Board of Directors of the Company.

The Board of Directors of the Company, after fully respecting the recommendations of the Independent Committee, shall resolve on an opinion as the Board of Directors, and disclose the contents of the information.

## **8. Content of Countermeasures**

### **(1) Issuance of stock acquisition rights**

If the Board of Directors of the Company conducts a gratis allotment of stock acquisition rights as a specific measure against large-scale purchases, as shown in [Attachment 3], it will issue stock acquisition rights that prohibit the large-scale purchaser from exercising the stock acquisition rights (hereinafter the "Stock Acquisition Rights"), and on a certain day to be determined and notified separately by the Board of Directors of the Company (hereinafter the "Allotment Date"), the stock acquisition rights will be allotted gratis to shareholders. Additionally, if the Stock Acquisition Rights are issued, an exercise period and exercise conditions that take into account its effects as a countermeasure shall be established.

**(2) Transfer of stock acquisition rights**

The transfer of the Stock Acquisition Rights shall require the consent of the Board of Directors.

**(3) Procedures for issuance and exercise of stock acquisition rights**

If the Stock Acquisition Rights are issued, it shall be necessary to be recorded in the shareholder registry of the Company by the Allotment Date if the stock acquisition rights are to be allotted. Concerning the exercise of the Stock Acquisition Rights, it shall be necessary to remit a certain amount during the set exercise period in order to acquire new shares.

Concerning specific details of the above process, shareholders will be notified pursuant to relevant laws and regulations at the time that it is resolved to actually issue the Stock Acquisition Rights.

**9. Effect on Shareholders and Investors, etc.**

**(1) Effect of the buyout prevention measure on shareholders and investors**

The buyout prevention measure only states that gratis stock acquisition rights may be granted, or that countermeasures may be implemented as allowed by the Board of Directors of the Company pursuant to the Companies Act, relevant laws and regulations, and the Articles of Incorporation of the Company, and at the time of its introduction, countermeasures will not be implemented, thus not having an immediate effect on shareholders and investors.

On the contrary, by continuing with the buyout prevention measure, it will secure sufficient information and time for shareholders and investors to decide whether or not to comply with large-scale purchases, via provision of Large-scale Purchase Information from a large-scale purchaser, alternate proposals from the Board of Directors of the Company, etc.

**(2) Effect of implementation of countermeasures on shareholders and investors**

If the Board of Directors of the Company resolves to implement specific countermeasures, appropriate information shall be disclosed at the appropriate timing, pursuant to laws and regulations and the Financial Instruments Exchange Act.

When countermeasures are implemented, the Company does not foresee shareholders and investors other than the designated shareholder group, which includes the large-scale purchaser, being significantly negatively impacted in any legal or financial sense, aside from the situations outlined in c. and d. below.

If the Board of Directors of the Company implements the gratis allotment of stock acquisition rights as countermeasures, the effects on shareholders and investors other than the designated shareholder group, which includes the large-scale purchaser, shall be as follows.

- a. To shareholders that are recorded in the shareholder registry as of the Allotment Date, to be separately set by the Board of Directors of the Company, one gratis Stock Acquisition Right shall be allotted for every one share of common stock held.
- b. For shareholders who have received the Stock Acquisition Rights via gratis allotment to exercise their rights and obtain new stock, payment of an amount set by resolution for gratis allotment of stock acquisition rights by the Board of Directors of the Company must be made within a certain time set by the Board of Directors of the Company for an amount of at least ¥1 for each Stock Acquisition Right.
- c. If the shareholder does not make payment of the exercise price within the rights exercise period and does not make arrangements to exercise the rights of the Stock Acquisition Rights, other shareholders will acquire new stock via exercise of their rights, causing the large-scale purchaser and the shareholder who does not make rights exercise arrangements to be subject to the effects of dilution in their ownership of the Company's stock.
- d. If after the shareholders who are to receive the Stock Acquisition Rights are determined, and the Board of Directors of the Company cancels the gratis allotment, or if the Company is to acquire gratis the Stock Acquisition Rights that were allotted gratis, dilution of the stock on a per-share basis will not occur, and investors that made transactions under the assumption that dilution would occur may be harmed due to changes in the stock price.
- e. At the time of acquiring gratis allotment of the Stock Acquisition Rights and receiving new stock as a result of the exercise of the Stock Acquisition Rights, taxation-related matters will not arise for shareholders. However, shareholders (including the large-scale purchaser) who have transferred their Stock Acquisition Rights to a third party after approval by the Board of Directors of the Company and shareholders who have transferred their new stock to a third party after exercising their Stock Acquisition Rights will be subject to taxation for the transfer.

**(3) Effect on large-scale purchaser**

The buyout prevention measure may cause financial harm to large-scale purchasers that do not follow the Large-scale Purchase Rules or large-scale purchasers that may significantly harm the Company's corporate value and shareholder interests.

The buyout prevention measure serves as a warning to purchasing activity that ignores the Large-scale Purchase Rules by preemptively stating the potential harm that may come from not following the Large-scale Purchase Rules.

**10. Procedures for Shareholders and the Company in line with the Gratis Allotment of Stock Acquisition Rights**

**(1) Procedures to record in the shareholder registry**

If the Board of Directors of the Company resolves for gratis allotment of stock acquisition rights, it will publicly announce the Allotment Date regarding the gratis allotment.

The gratis allotment of Stock Acquisition Rights shall be for shareholders that are recorded in the final shareholder registry as of the Allotment Date, making it a requirement for shareholders to be recorded in the shareholder registry by the Allotment Date.

Shareholders who are recorded in the final shareholder registry as of the Allotment Date shall become holders of stock acquisition rights on the effective date of the gratis allotment of Stock Acquisition Rights.

**(2) Procedures to exercise stock acquisition rights (acquire new stock)**

To shareholders who are recorded in the final shareholder registry as of the Allotment Date (excluding large-scale purchasers, etc. as shown in 8. (1) to (3) of [Attachment 3]), the Company shall issue exercise requests for the Stock Acquisition Rights (content and number regarding exercise of the Stock Acquisition Rights, required information such as the exercise date, etc. for the Stock Acquisition Rights, guarantees that shareholders are not large-scale purchasers, etc., and other oaths in a format to be determined by the Company) and other required documentation required for the exercise of the Stock Acquisition Rights.

After the gratis allotment of the Stock Acquisition Rights, shareholders shall be issued one share of common stock for every one Stock Acquisition Right held after submission of the required documentation within the exercise period, and after payment of an amount set by resolution for gratis allotment of stock acquisition rights by the Board of Directors of the Company, which shall generally be at least ¥1 for each Stock Acquisition Right.

**(3) Procedures for the Company to acquire stock acquisition rights**

If the Board of Directors of the Company resolves to acquire the Stock Acquisition Rights, the Company, pursuant to relevant laws and regulations, may acquire the Stock Acquisition Rights on a separate day set by the Board of Directors of the Company.

On the day set by the Board of Directors of the Company, the Company may acquire all Stock Acquisition Rights that have not been exercised by the day before the day set by the Board of Directors of the Company held by parties other than those who cannot exercise the Stock Acquisition Rights (large-scale purchasers, etc. as shown in 8. (1) to (3) of [Attachment 3]), and in return, the Company may allot one share of common stock in the Company for every one Stock Acquisition Right.

Additionally, if a party arises other than those who cannot exercise the Stock Acquisition Rights (large-scale purchasers, etc. as shown in 8. (1) to (3) of [Attachment 3]) after the day that the acquisition was made and is approved by the Board of Directors of the Company, as of a day set by the Board of Directors of the Company that is after the day that the acquisition was made above, all Stock Acquisition Rights held by the party in question that have not been exercised by the day before the day set by the Board of Directors of the Company may be acquired, and in return, the Company may allot one share of common stock in the Company for every one Stock Acquisition Right, and the same shall follow.

**(4) Cancellation of issuance of stock acquisition rights and retirement of stock acquisition rights**

If a reason exists under 6. (4) above, the Board of Directors of the Company may cancel the issuance of stock acquisition rights until the allotment, and after the allotment, it may retire the stock acquisition rights under the gratis acquisition method.

**11. Valid Period, Termination, and Revision of Buyout Prevention Measure**

The buyout prevention measure shall be valid for the three years from the conclusion of this General

Meeting of Shareholders until the 15th Annual General Meeting of Shareholders to be held in June 2024. However, even before the end of its valid period, if the Board of Directors of the Company resolves to terminate the buyout prevention measure, the buyout prevention measure shall be terminated at that time.

Additionally, even during the valid period of the buyout prevention measure, the Board of Directors of the Company may revise the buyout prevention measure, upon recommendation from the Independent Committee, for the following reasons.

- a. If laws, regulations, rules at securities exchanges, etc. relating to the buyout prevention measure are newly established, amended, or terminated, and it is appropriate to reflect these items in the buyout prevention measure
- b. If a new method of large-scale purchase becomes apparent, and it is appropriate to revise the content of the buyout prevention measure
- c. If additional explanation is required, or errors in print are discovered, and it is appropriate to fix them

If the Board of Directors of the Company terminates or revises the buyout prevention measure, it will promptly disclose the content, etc. of this information.

## **12. Reasonableness of the Buyout Prevention Measure**

The buyout prevention measure fulfills the three basic policies (policy of securing and improving corporate value and shareholder interests, policy of prior disclosure and shareholder intentions, and policy of securing of necessity and appropriateness) that were outlined in the “Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders’ Common Interests” published on May 27, 2005 by the Ministry of Economy, Trade and Industry and the Ministry of Justice. Additionally, it is also in line with the “Ideal Buyout Prevention Measure that Accounts for Recent Changes in Various Environments,” published by the Corporate Value Research Group of the Ministry of Economy, Trade and Industry on June 30, 2008, and [Principle 1.5 Anti-Takeover Measures] of “Japan’s Corporate Governance Code” announced by the Tokyo Stock Exchange on June 1, 2015.

### **(1) Policy of securing and improving corporate value and shareholder profit**

As stated in 2. above, the buyout prevention measure is implemented with the intent of providing sufficient information about large-scale purchases from large-scale purchasers to shareholders to evaluate large-scale purchases, providing the Board of Directors of the Company a method to evaluate and consider large-scale purchases and provide shareholders with opinions, and securing adequate time for the Board of Directors of the Company to present alternate proposals to shareholders as required.

### **(2) Policy of prior disclosure and shareholder intentions**

The contents of the buyout prevention measure are disclosed in advance to allow shareholders and investors and large-scale purchasers to enhance predictability, and to secure opportunity for shareholders to make appropriate decisions.

The Board of Directors of the Company believes that the final decision of whether or not to comply with a large-scale purchase should be left to shareholders, and unless the large-scale purchase would cause significant harm to the corporate value or shareholder interests of the Company, it will not implement countermeasures, and it is a structure that serves to confirm the wishes of shareholders when moving to a public offering. For a summary of the buyout prevention measure, please see [Attachment 4].

The buyout prevention measure are valid for the three years until the conclusion of the 15th Annual General Meeting of Shareholders to be held in June 2024, but the buyout prevention measure may be terminated through the election of Directors of the Company each year (excluding Directors Serving as Audit and Supervisory Committee Members).

As of the present, there are no proposals to conduct a large-scale purchase of the Company’s stock. For the current state of the Company’s stock, please see [Attachment 5].

### **(3) Policy of securing of necessity and appropriateness**

The buyout prevention measure are constructed by the following to ensure the securing of necessity and appropriateness.

- a. To prevent arbitrary decisions by the Board of Directors of the Company, an Independent Committee has been put into place, and the Board of Directors shall fully respect the recommendations of the Independent Committee. Additionally, the Independent Committee is



able to receive advice from independent specialists at the Company's expense. Through such efforts, it is a structure that will strongly ensure the fairness and objectivity of the decisions made by the Independent Committee.

- b. As long as the Large-scale Purchase Rules are followed, it is a structure that generally leaves the decision up to shareholders via public offering, etc.
- c. As stated in 6. (2) above, exceptional conditions within the buyout prevention measure for implementation of countermeasures despite the Large-scale Purchase Rules being followed are limited to the four cases set forth by the Tokyo High Court (Nippon Broadcasting System Incident, presided by the Tokyo High Court, March 23, 2005), and oppressive two-stage purchases.
- d. The buyout prevention measure have a structure that allows shareholders other than the large-scale purchaser to fairly acquire new stock by the exercise of stock acquisition rights in proportion to the amount of stock held.
- e. The buyout prevention measure are not so-called dead hand-type buyout prevention measure (buyout prevention measure which cannot be stopped despite the replacement of a majority of the members of the Board of Directors), or slow hand-type buyout prevention measure (buyout prevention measure which require time to be stopped as the replacement of members of the Board of Directors cannot be made all at once).

### Summary of Independent Committee

1. The Independent Committee shall be established via resolution of the Board of Directors of the Company.
2. The Independent Committee shall consist of three members (hereinafter “Independent Committee Members”).
3. Independent Committee Members shall be selected from outside experts and External Directors of the Company. Additionally, the outside expert must be a lawyer, certified public accountant, or person holding certification similar in nature, or a person with expertise in dairy, milk, or management, etc., and must conclude a commission agreement with the Company that includes items requiring duty of diligence.
4. The term of office for Independent Committee Members shall be from the conclusion of this Annual General Meeting of Shareholders until the conclusion of an Annual General Meeting of Shareholders in the final business year that ends within three years. However, this may not necessarily apply if the Board of Directors of the Company resolves to do differently.
5. The Board of Directors of the Company may request a convocation of the Independent Committee to each Independent Committee Member.
6. Independent Committee Members may convene the Independent Committee under the following circumstances.
  - (1) If a large-scale purchaser indicates to the Company intent to make a large-scale purchase (not necessarily the submission of a Letter of Intent)
  - (2) If a large-scale purchase of the Company’s stock becomes apparent
7. Independent Committee Members possess the following rights and duties.
  - (1) Collection, evaluation, and consideration of Large-scale Purchase Information, recommendation to disclose information to the Board of Directors of the Company
  - (2) Deciding if sufficient Large-scale Purchase Information has been obtained, and if the Large-scale Purchase Information is insufficient, recommend to the Board of Directors of the Company to request additional information from the large-scale purchaser
  - (3) As required, request attendance to the Independent Committee, provision of information regarding the large-scale purchase and alternate proposals from Directors, Audit & Supervisory Board Members, and employees, etc. of the Company and request explanations regarding these items
  - (4) Deliberation and decision on whether or not the large-scale purchase warrants implementation of countermeasures under the buyout prevention measure
  - (5) Recommend to the Board of Directors of the Company on whether or not to implement countermeasures
  - (6) Recommend to the Board of Directors of the Company to extend the Evaluation Period
  - (7) Recommend to the Board of Directors of the Company on revisions and termination of the buyout prevention measure
  - (8) Of other items that must be decided by the Board of Directors of the Company, items that have been inquired to the Independent Committee by the Board of Directors of the Company
  - (9) Other items that the Board of Directors of the Company have determined can be conducted by the Independent Committee
  - (10) Duty of diligence associated with the above items
8. The Independent Committee is formed by attendance of all Independent Committee Members, and resolves matters via a majority of those present.
9. The Independent Committee may receive advice from independent third party specialists (including financial advisors, lawyers, and other specialists) at the expense of the Company.
10. If a large-scale purchase, etc. of the Company’s stock occurs, the Independent Committee shall make a recommendation based on evaluation and consideration of the Large-scale Purchase Information, utilizing benefit to the corporate value and shareholder interests of the Company as an evaluation metric, and must not aim to achieve personal gain or gain for the Directors of the Company.

### Past Experience of Independent Committee Members

#### Nobuhiro Suzuki

Past experience:	April 1982	Joined Ministry of Agriculture, Forestry and Fisheries
	October 1996	Research Exchange Manager of Nousouken Corporation
	April 1997	Assistant Professor, Faculty of Agriculture of Kyushu University
	April 2004	Professor, Graduate Faculty of Agricultural Research of Kyushu University
	September 2006	Professor, Graduate School of Agricultural and Life Sciences of The University of Tokyo (current position)
	April 2011	Chief of Japan-Cooperative General Research Institute

#### Junichi Mizuo

Past experience:	April 1970	Joined Shiseido Company, Limited
	April 1999	Assistant Professor, Faculty of Economics of Surugadai University
	April 2000	Professor, Faculty of Economics of Surugadai University
	April 2001	Professor, Graduate Faculty of Economics Research of Surugadai University
	May 2003	Director of Japan Society for Business Ethics
	June 2006	Specially Appointed Professor, Graduate School of Engineering of Tokyo Institute of Technology
	April 2010	Visiting Researcher, School of Oriental & African Studies, University of London
	April 2011	Senior Researcher of Business Ethics Research Center
	June 2013	Vice Chairman of Japan Society for Business Ethics
	April 2015	Chief Researcher of Business Ethics Research Center (current position)
	April 2018	Representative of MIZUO Compliance & Governance Research Center (current position)
	May 2018	Professor Emeritus of Surugadai University (current position)
	June 2018	Outside Audit & Supervisory Board Member of Daicel Corporation (current position)
	October 2019	President and Chairman of Japan Compliance & Governance Research Center (current position)

#### Hisa Anan

Past experience:	June 1991	Director of CO-OP TOKYO
	June 1999	Director of Tokyo Consumers' Co-operative Union
	June 2001	Director of Japanese Consumers' Co-operative Union
	August 2003	Director of National Federation of Workers and Consumers Insurance Cooperatives
	October 2007	Secretariat of SHODANREN
	May 2008	Secretary General of SHODANREN
	August 2012	Commissioner of Consumer Affairs Agency
	August 2014	Retired from position as Commissioner of Consumer Affairs Agency
	December 2014	Representative Director of Association to Create a Society with Consumer Citizenship (current position)
	June 2015	External Director of the Company
	December 2020	External Director of G-NEXT Inc. (current position)

(Note) Ms. Hisa Anan is an Independent Officer provided for by the Tokyo Stock Exchange and the Sapporo Stock Exchange.

## **Summary of Stock Acquisition Rights**

### **1. Shareholders subject to assignment of stock acquisition rights and issue conditions**

To shareholders who are recorded in the final shareholder registry on a date set by the Board of Directors of the Company (hereinafter the "Allotment Date"), one stock acquisition right shall be allotted per one share of stock held (excluding treasury stock).

### **2. Type and number of stock subject to stock acquisition rights**

Stock subject to stock acquisition rights shall be common stock, and the number of share subject to one stock acquisition right shall be one share.

### **3. Total number of stock acquisition rights to be issued**

The total number of stock acquisition rights to be issued shall be the same number of issued shares (excluding treasury stock) of the Company as of the Allotment Date.

### **4. Issue price of each stock acquisition right**

The stock acquisition rights shall be issued gratis.

### **5. Amount required to be paid upon exercise of each stock acquisition right (execution price)**

Amount required shall be ¥1 or more for each stock acquisition right.

### **6. Limitations on transferability of stock acquisition rights**

The transfer of stock acquisition rights shall require the approval of the Board of Directors of the Company.

### **7. Execution period, etc. of stock acquisition rights**

The execution period, execution conditions, retirement conditions, and other required items shall be set separately by the Board of Directors of the Company.

### **8. Execution conditions of stock acquisition rights**

Shareholders to which any of the following apply shall not be able to execute stock acquisition rights.

- (1) Designated shareholder groups including the large-scale purchaser
- (2) Parties who received or were transferred stock acquisition rights from the designated shareholder group without the consent of the Board of Directors of the Company
- (3) Parties located abroad that require additional procedures upon exercise of stock acquisition rights due to foreign laws and regulations

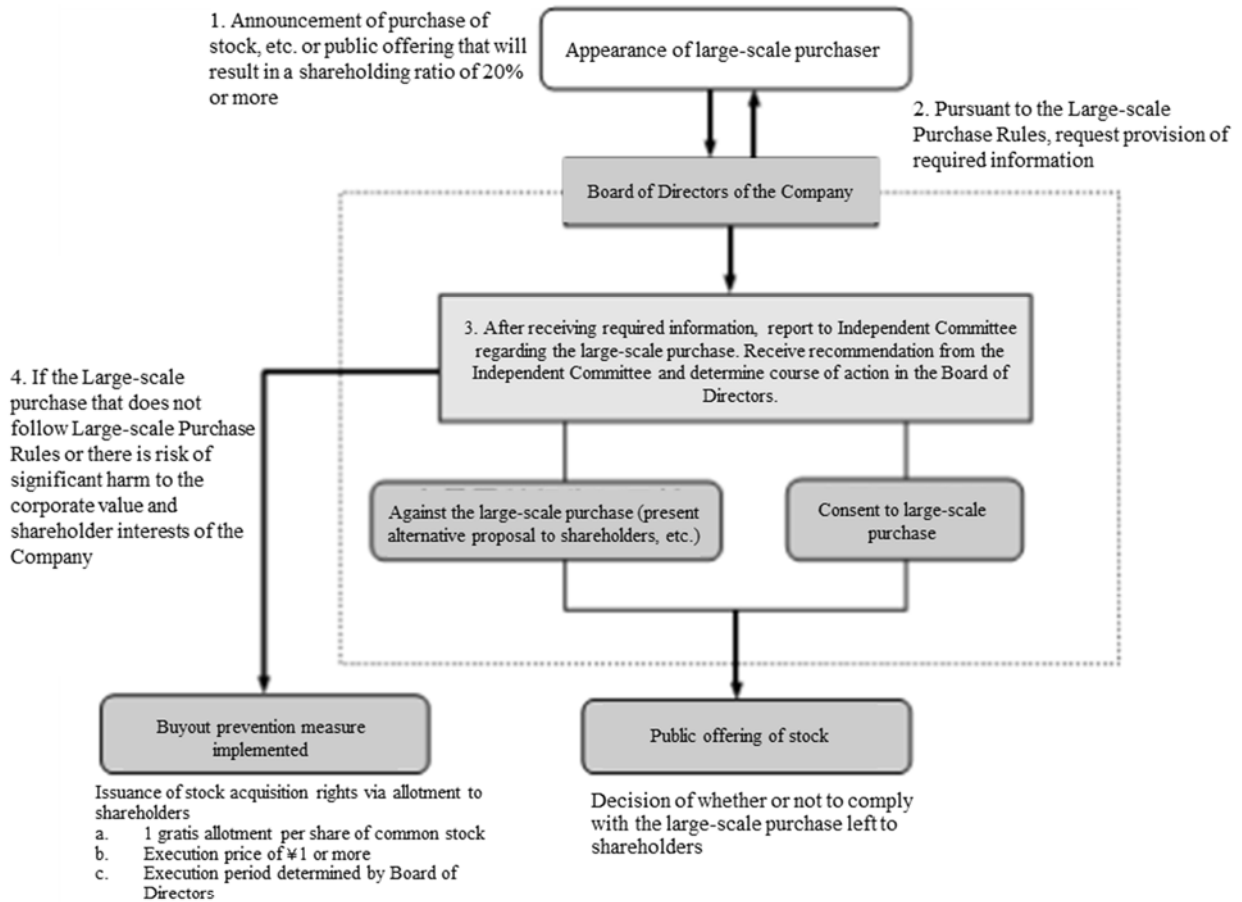
### **9. Acquisition of stock acquisition rights by the Company**

Of the stock acquisition rights held by shareholders other than to which 8. (1) (2) apply, the Board of Directors of the Company may acquire all unexercised stock acquisition rights by the day before the day set forth by the Board of Directors of the Company, and in return, may allot one share of common stock for one stock acquisition right.

### **10. Other measures regarding stock acquisition rights**

In the event that conditions warrant the cancellation of countermeasures, the Board of Directors of the Company may cancel the issuance of stock acquisition rights until the Allotment Date, and after allotment, may retire all stock acquisition rights via the gratis acquisition method.

### Summary Diagram of Buyout Prevention Measure



If the large-scale purchaser adheres to the Large-scale Purchase Rules: **Countermeasures are in principle not implemented**  
 If the large-scale purchaser does not adhere to the Large-scale Purchase Rules: **Subject to implementation of countermeasures**

\*Even if Large-scale Purchase Rules are adhered to, the following will result in implementation of countermeasures.  
 If the large-scale purchase may cause significant harm to the corporate value and shareholder interests of the Company (greenmail, scorched earth management, asset diversion, temporarily high dividends, oppressive two-stage purchase)

- Large-scale Purchase Rules
- Sufficient information provision regarding the large-scale purchase
    - (1) Details of large-scale purchaser
    - (2) Intent, method, and content of large-scale purchase
    - (3) Calculation basis of purchase price and support for purchase funds
    - (4) Intended management policy and business plan after completion of the large-scale purchase
  - Securing of Evaluation Period (60-90 days) regarding the large-scale purchase

**Status of the Company's Stock (as of March 31, 2021)**

- 1. Total number of shares**                      280,000,000 shares
- 2. Total number of issued shares**            70,751,855 shares
- 3. Number of shareholders**                      44,275

**4. Status of shares by shareholder type**

Shareholder Type	Shares Held (thousand shares)	Investment Ratio (%)
Individuals, Others	10,222	15.10
Government, Local Governments	37	0.06
Financial Institutions	38,904	57.47
Other Domestic Companies	5,724	8.46
Foreign Entities	12,131	17.92
Securities Companies	670	0.99
Treasury Shares	3,061	—
Total	70,751	100.00

**5. Status of major shareholders**

Shareholder Name	Shares Held (thousand shares)	Investment Ratio (%)
National Federation of Agricultural Cooperative Associations (ZEN-NOH)	9,237	13.64
The Norinchukin Bank	6,728	9.93
The Master Trust Bank of Japan, Ltd. (Trust account)	4,183	6.18
Custody Bank of Japan, Ltd. (in trust of Sumitomo Mitsui Trust Bank, Limited, trust account for retirement benefits of ITOCHU Corporation)	3,703	5.47
Custody Bank of Japan, Ltd. (Trust account)	3,490	5.15
STATE STREET BANK AND TRUST COMPANY 505001	1,589	2.34
MEGMILK SNOW BRAND Employee Shareholding Association	1,188	1.75
MUFG Bank, Ltd.	1,083	1.60
HOKUREN Group	1,074	1.58
National Federation of Dairy Cooperative Associations (ZEN-RAKU-REN)	1,008	1.48
Total	33,286	49.12

(Note) Although the Company holds 3,061,354 shares of common stock, the Company is excluded from the above list of major shareholders. Calculations of investment ratio exclude common stock.