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## Corporate Governance Report

CORPORATE GOVERNANCE

CERES INC.

**Last Update: March 31, 2026**

**CERES INC.**

Satoshi Takagi, President and Representative Director

Contact: +81 3 6455 3756

Securities code: 3696

<https://ceres-inc.jp/csr/English/>

The corporate governance of CERES (the “Company”) is described below.

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

### 1. Basic Views

As a listed company, CERES INC. (the “Company”) aims to establish a corporate governance system that maximizes corporate value from a long-term perspective. To achieve this, we are strengthening our management structure to enhance management efficiency and ensure compliance.

The Company operates in the internet-related industry, where the business environment changes rapidly. We recognize that ensuring management agility, transparency, and soundness—while maintaining the trust of stakeholders including shareholders, customers, users, and employees—is one of our most important management priorities.

We are committed to strict information management and timely, appropriate disclosure. We will continue to fulfill our accountability to stakeholders while strengthening internal audit functions and improving service quality through compliance initiatives, including adherence to PrivacyMark standards.

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

The Company has implemented all of the principles of the Corporate Governance Code.

### Disclosure Based on the Principles of the Corporate Governance Code

[Principle 1-4: so-called cross shareholding]

The Company's basic policy is to hold only a limited number of policy stock holdings after careful consideration of the synergies to be gained from business collaboration and information sharing with the target company. The Company will review its decision

to continue to hold such shares as appropriate, and will reduce the number of shares it holds if the significance of such holdings is insufficient. With regard to the exercise of voting rights in relation to shares held by the Company, decisions are made after considering (1) whether the target company has an appropriate governance structure and (2) whether the synergy effects described above will be maximized and the Company's corporate value will increase.

[Principle 1-7: Transactions between related parties]

The Company requires prior approval from the Board of Directors in accordance with the Companies Act and the rules of the Board of Directors when any transaction may be competitive or cause a conflict of interest (between related parties) with our officers or a corporation substantially controlled by our officers.

[Supplementary Principle 2-4-1: Securing diversity in the promotion of core human resources]  
As of December 31, 2025:

- Women account for 46.2% of total employees
- Women account for 19.0% of management positions

We recruit and promote talent regardless of gender, nationality, or hiring background. This policy also applies to core personnel. For details on our talent development policy, internal environment improvement policy, and their implementation to ensure diversity, please refer to our website: <https://ceres-inc.jp/csr/English/policies/social/diversity/>.

[Principle 2-6: Functioning as an asset owner of the corporate pension plan]

We have not introduced a corporate pension plan.

[Principle 3-1: Enhancement of information disclosure]

- (1) Our management philosophy is posted on our website (<https://ceres-inc.jp/company/vision/>).
- (2) Our basic philosophy and basic policies on corporate governance are described in "1. Basic Concept" of "I. Basic Concept on Corporate Governance, Capital Structure, Corporate Attributes, and Other Basic Information" in this report as well as in our website (<https://ceres-inc.jp/ir/governance/>) and in the securities report.
- (3) Our policies and procedures for determining director remuneration are described in "II.1. Directors' Remuneration Relations" of this report.
- (4) The selection of director candidates (excluding directors serving as members of the Audit and Supervisory Committee) is decided by the Board of Directors based on the recommendations of the Nomination and Remuneration Advisory Committee and the following standards.

- 1) Have the knowledge and experience to manage the Company appropriately, fairly and effectively.
- 2) Have the ability to objectively analyze and judge the business environment.
- 3) Have a thorough insight into compliance with laws and corporate ethics.

The Company selects candidates for directors from Audit and Supervisory Committee members after obtaining the consent of the Audit and Supervisory Committee. Candidates must possess a high level of expertise and a wide range of knowledge regarding law and finance. They must also be capable of contributing to sound management by conducting audits from an objective and neutral standpoint based on reports from the Nomination and Remuneration Advisory Committee.

Proposals for the dismissal of directors will be decided by the Board of Directors based on the recommendations of the Nomination and Compensation Advisory Committee in the following cases.

- 1) When there is an act contrary to public order and morality
- 2) When health issues make it difficult to continue assigned duties
- 3) When qualifications set forth in the selection criteria are not met

(5) Reasons for the appointment of candidates for outside directors are disclosed in the notice of convocation of the General Meeting of Shareholders.

**【Supplementary Principle 3-1-3. Initiatives for Sustainability】**

Under our mission, “Nurturing potential, enriching the future,” and our vision of “Enriching the world through internet marketing,” we are working to achieve sustainable growth and enhance corporate value through strengthening our business foundation and investing in growth areas.

We recognize that addressing sustainability-related issues, including responses to global environmental issues such as climate change and consideration for employee health and working conditions, is an important management issue that leads not only to risk reduction but also to revenue opportunities. To realize these initiatives, we have established a Sustainability Promotion Committee chaired by the President and Representative Director and will promote sustainability in a cross-functional and agile manner.

The materiality items identified by the Sustainability Promotion Committee are as follows:

- Contributing to the realization of an enriched society through our own services
- Contributing to solving social issues and economic development through open innovation
- Contributing to the fair operation of digital advertising and the sound development of the industry
- Providing products and services with consideration for the environment
- Active participation of diverse human resources
- Information security and privacy
- Strengthening corporate governance

For details of our sustainability initiatives, including our analysis of the impact of climate change-related risks and opportunities on our business activities and earnings, please refer to our website (<https://ceres-inc.jp/csr/English/>).

**[Supplementary Principle 4-1-1: Scope of Management and its Summary]**

The Company's internal regulations clearly define the authority of the Board of Directors and the management team. In addition to the matters stipulated by law and the Articles of Incorporation, the Board of Directors grants discretionary authority to the executive body in consideration of the size of the amount and the importance of management strategies, thereby ensuring flexibility and speed in the execution of operations.

**[Principle 4-9: Criteria and Qualifications for Independence of Independent Outside Directors]**

When appointing outside directors, we consider the requirements for outside directors stipulated by the Companies Act and the independence standards stipulated by the Tokyo Stock Exchange in accordance with the following independence criteria.

< Criteria for Independence >

We judge that outside directors are independent if they do not fall under any of the following items.

(1) Those involved with the Ceres Group

- A person who has previously worked for the Ceres Group
- A person whose family member has served as a director, executive officer, corporate auditor, or senior manager of the Ceres Group within the past five years

(2) Key business partners

A director, executive officer, or employee of an important business partner that has continuously accounted for 3% or more of the consolidated net sales of the Ceres Group over the past three years

(3) Professional service providers

A lawyer, certified public accountant, tax accountant, judicial scrivener, or other professional service provider who has received annual remuneration of ¥30 million or more from the Ceres Group during the past five years

(4) Others

- A person from a company with which the Company has a relationship of interlocking directorships
- A person who otherwise has a material interest relationship with the Ceres Group

[Supplementary Principle 4-10-1: Mechanism for Utilization of Voluntary Committees]

The Company has established the Nomination and Compensation Advisory Committee, the majority of whose members are independent outside directors, as a voluntary advisory body to the Board of Directors for the purpose of enhancing the corporate governance system by strengthening the independence, objectivity and accountability of the Board of Directors' functions regarding director nominations, compensation, and other matters. The Nomination and Compensation Advisory Committee deliberates on the election and dismissal of directors, the election and dismissal of representative directors (including succession planning), executive compensation, and other matters based on consultations with the Board of Directors, and reports the results of its deliberations to the Board of Directors.

[Supplementary Principle 4-11-1: Approach to Board Balance, Diversity and Scale]

Our Board of Directors is composed of directors with diverse knowledge, experience and abilities. It includes outside directors with management experience at other companies and deep knowledge of finance, accounting, and legal affairs. The Board of Directors makes decisions on director candidates after deliberation by the Nomination and Remuneration Advisory Committee, in which a majority of members are independent outside directors. The Company prepares a skill matrix that lists the knowledge, experience, and abilities of directors and discloses it in the notice of the general meeting of shareholders.

[Supplementary Principles 4-11-2: Status of Concurrent Directorships]

Our directors devote sufficient time and effort to their work to properly fulfill their roles and responsibilities. The status of concurrent positions held by important directors is disclosed in the annual securities report.

[Supplementary Principle 4-11-3: Outline of Analysis and Evaluation of the Effectiveness of the Board of Directors]

Our Board of Directors conducts a questionnaire-based evaluation of the effectiveness of each director and established a system for evaluating and analyzing the results. An outline of the assessment results for fiscal 2025 is available on our website (<https://ssl4.eir-parts.net/doc/3696/announcement/105826/00.pdf>).

Based on the results of this evaluation, as part of initiatives to further enhance the functions of the Board of Directors, the Company introduced media training by an external professional organization in February 2026. Through this initiative, the Company aims to further improve appropriate information dissemination and dialogue capabilities toward stakeholders. The Company will continue to proactively and continuously introduce the training necessary for directors to fulfill their roles and responsibilities.

[Supplementary Principle 4-14-2: Training Policy for Directors]

As part of our training for directors, we have a policy of helping newly appointed directors (including outside directors) acquire knowledge about the Company in briefings and business study sessions. We also help deepen directors' understanding of their roles and responsibilities by paying expenses for external education and training to learn the basic knowledge necessary to perform their duties.

[Principle 5-1: Policy on Constructive Dialogue with Shareholders]

For sustainable growth and medium- to long-term improvement of corporate value, the Company recognizes the importance of active dialogue with investors, including shareholders, and appropriately reflecting the knowledge gained in the management of the Company. The President and Representative Director and Administrative Headquarters established an IR system and are actively responding to inquiries from shareholders and engaging in dialogue with investors.

[Actions to Implement Management with Awareness of Capital Costs and Stock Price] [English disclosure available]

For details of the specific measures, please refer to “Actions to Implement Management with Awareness of Capital Costs and Stock Price,” which was disclosed on March 6, 2026.

Japanese Version: <https://ssl4.eir-parts.net/doc/3696/tdnet/2583136/00.pdf>

English Version: <https://ssl4.eir-parts.net/doc/3696/announcement/108132/00.pdf>

## 2. Capital Structure

Foreign Shareholding Ratio

Less than 10%

### Status of Major Shareholders

| Name or Company Name                                 | Number of Shares Owned | Percentage (%) |
|--|------------------------|----------------|
| Custody Bank of Japan, Ltd. (Trust Account)          | 1,209,794              | 10.48          |
| Juno&Co., Inc  | 1,180,000              | 10.22          |
| The Master Trust Bank of Japan ,Ltd. (Trust Account) | 815,200                | 7.06           |
| Satoshi Takagi                                       | 748,900                | 6.49           |
| CyberAgent, Inc.                                     | 500,000                | 4.33           |
| Toru Akaura  | 280,000                | 2.42           |
| Tetsuya Nozaki                                       | 223,400                | 1.93           |

|                    |         |      |
|--------------------|---------|------|
| Yasuhiro Kobayashi | 212,900 | 1.84 |
| Nobuaki Ota        | 174,900 | 1.51 |
| Nozomi Yachidate   | 152,400 | 1.32 |

|  |   |
|--|---|
| Name of Controlling Shareholder, if applicable<br>(excluding Parent Company) | — |
| Name of Parent Company, if applicable  | — |

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Supplementary Explanation

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### 3. Corporate Attributes

|   |  |
|---|--|
| Listed Stock Exchange and Market Segment                                      | Prime Market                                   |
| Fiscal Year-End   | December                                       |
| Business Sector   | Information & Communication                    |
| Number of Employees (Consolidated) as of the End of the Previous Fiscal Year  | 100 or more and fewer than 500                 |
| Net Sales (Consolidated) as of the End of the Previous Fiscal Year            | ¥10 billion or more and less than ¥100 billion |
| Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year | 10 or more and fewer than 50                   |

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

|   |
|---|
| — |
|---|

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

|   |
|---|
| — |
|---|

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

### 1. Organizational Composition and Operation

|                             |                                    |
|-----------------------------|------------------------------------|
| Corporate Governance System | Company with Supervisory Committee |
|-----------------------------|------------------------------------|

#### Directors

|   |                |
|---|----------------|
| Number of Directors Stipulated in Articles of Incorporation       | No upper limit |
| Directors' Term of Office Stipulated in Articles of Incorporation | 1 year         |

|                                 |           |
|---------------------------------|-----------|
| Chairperson of the Board        | President |
| Number of Directors             | 10        |
| Election of Outside Directors   | Elected   |
| Number of Outside Directors     | 5         |
| Number of Independent Directors | 5         |

#### Outside Directors' Relationship with the Company (1)

| Name               | Attributes           | Relationship with the Company* |   |   |   |   |   |   |   |   |   |   |
|--------------------|----------------------|--------------------------------|---|---|---|---|---|---|---|---|---|---|
|                    |                      | a                              | b | c | d | e | f | g | h | i | j | k |
| Hitoshi Tada       | From another company |                                |   |   |   |   |   |   |   |   |   |   |
| Shoko Sato         | From another company |                                |   |   |   |   |   |   |   |   |   |   |
| Yoshindo Takahashi | From another company |                                |   |   |   |   |   |   | ○ |   |   |   |
| Masataka Uesugi    | Lawyer               |                                |   |   |   |   |   |   |   |   |   |   |
| Sanae Okawa        | From another company |                                |   |   |   |   |   |   |   |   |   |   |

\*Categories for "Relationship with the Company".

(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

- Person who executes business of the Company or a subsidiary
- Person who executes business or a non-executive director of a parent company
- Person who executes business of a fellow subsidiary
- Person/entity for which the Company is a major client or a person who executes business for such person/entity
- Major client of the Company or a person who executes business for such client
- Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets in addition to director/Audit and Supervisory Board Member compensation from the Company
- Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business of the corporation)
- Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to self only)
- Person who executes business for another company holding cross-directorships/cross-auditorships with the Company (applies to self only)
- Person who executes business for an entity receiving contributions from the Company (applies to self only)
- Other

#### Outside Directors' Relationship with the Company (2)

| Name | Membership of Supervisory Committee | Designation as Independent Director | Supplementary Explanation of the Applicable Relationship | Reasons for Appointment |
|------|-------------------------------------|-------------------------------------|--|-------------------------|
|------|-------------------------------------|-------------------------------------|--|-------------------------|

|                       |   |   |   |   |
|-----------------------|---|---|---|---|
| Hitoshi Tada          |   | ○ | — | <p>Mr. Hitoshi Tada has been appointed as an Outside Director based on our assessment that, having served as a representative director and officer primarily at financial institutions, he possesses extensive experience and insight in corporate management practice, and that he will contribute to strengthening the Company's management oversight function by leveraging such expertise. In addition, as he has no special interest in the Company and no conflicts of interest with the Company's management, he is considered to have a high degree of independence and has been designated as an independent director with no risk of conflicts of interest with general shareholders.</p>   |
| Shoko Sato            |   | ○ | — | <p>Ms. Shoko Sato has been appointed as an Outside Director based on our assessment that her extensive experience and deep expertise in the fields of technical public relations and Developer Relations will contribute to the Company's management. We expect her to appropriately supervise management and contribute to the Company's sustainable growth and the enhancement of corporate value over the medium to long term. Furthermore, Ms. Sato has no special interest in the Company and has no conflicts of interest with the Company's management. Accordingly, she is considered to have a high degree of independence and has been designated as an independent director with no risk of conflicts of interest with general shareholders.</p> |
| Yoshindo<br>Takahashi | ○ | ○ |   | <p>Mr. Takahashi has been appointed as an Outside Director (Audit and Supervisory Committee Member) based on our judgment that, drawing on his extensive experience and broad insight, primarily in the financial sector, he will objectively supervise management and contribute to strengthening the Company's audit function. In addition, as he has no conflicts of interest with the Company's management, he</p>  |

|                 |   |   |   |  |
|-----------------|---|---|---|--|
|                 |   |   |   | is considered to have a high degree of independence and has been designated as an independent director with no risk of conflicts of interest with general shareholders.  |
| Masataka Uesugi | ○ | ○ | — | Mr. Uesugi has been appointed as an Outside Director (Audit & Supervisory Committee Member) based on our judgment that he can objectively supervise the relevance of management based on his professional expertise as an attorney-at-law, and utilize his qualifications to strengthen Ceres's auditing abilities. In addition, he has established a law firm, but it has no special relationship with Ceres and has no conflicts of interest with its management, so it has been judged that he has a high degree of independence and we have designated him as our independent director who is not likely to cause conflicts of interest with general shareholders. |
| Sanae Okawa     | ○ | ○ | — | Ms. Okawa has been appointed as an Outside Director who is an Audit and Supervisory Committee Member based on our assessment that, as a certified public accountant and tax accountant, she possesses professional expertise in finance, accounting, and tax matters, and that she will contribute to further strengthening the Company's governance framework by objectively  |

|  |  |  |  |  |
|--|--|--|--|--|
|  |  |  |  | supervising management from an independent standpoint. In addition, as she has no conflicts of interest with the Company's management, she is considered to have a high degree of independence and has been designated as an independent director with no risk of conflicts of interest with general shareholders. |
|--|--|--|--|--|

### Supervisory Committee

#### Composition of Supervisory Committee and Attributes of the Chairperson

|                       | All Committee Members | Full-time Members | Inside Directors | Outside Directors | Committee Chair |
|-----------------------|-----------------------|-------------------|------------------|-------------------|-----------------|
| Supervisory Committee | 4                     | 1                 | 1                | 3                 | Inside Director |

#### Appointment of Directors and/or Staff to Support the Supervisory Committee

Appointed

#### Matters Concerning Independence of Said Directors and/or Employees from Executive Officers

The Company has established the Audit and Supervisory Committee Secretariat in accordance with the "Audit Committee Regulations" to assist the Audit and Supervisory Committee in its duties, and employees engaged in internal control operations, etc. are appointed as assistants.

In order to ensure the independence of such assistants from executive directors, etc., the Audit and Supervisory Committee's Audit Standards stipulate the following

- The Audit and Supervisory Committee shall endeavor to ensure the independence of assistants from the person conducting the business.
- The Audit and Supervisory Committee shall have the right to direct and instruct the assistant employees.
- The Audit and Supervisory Committee shall have the authority to consent to personnel changes, personnel evaluation, and disciplinary action against the assistant employees.

#### Status of Coordination between Supervisory Committee, Accounting Auditor, and Internal Audit Department

The accounting audit of the Company is conducted by Deloitte Touche Tohmatsu LLC. The Audit and Supervisory Committee meets regularly with the accounting auditor to receive reports on audit plans and the methods and results of audits, and to exchange opinions as needed to strengthen cooperation.

Regarding internal audits, a dedicated internal audit group conducts audits based on a pre-established internal audit plan, reporting the results to the President and Representative Director and the Board of Directors, and sharing them with the Audit and Supervisory Committee.

Furthermore, the Audit and Supervisory Committee, the accounting auditor, and the internal audit group work together to enhance the coordination of the three-tier audit system. By sharing information obtained through their respective audits, they aim to improve audit effectiveness and strengthen the overall audit environment through mutual collaboration.

### Voluntary Established Committee(s)

|  |             |
|--|-------------|
| Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee | Established |
|--|-------------|

Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chair (Chairperson)

|  | Committee's Name                                | All Members | Full-time Members | Inside Directors | Outside Directors | Outside Experts | Other | Chairperson     |
|--|---|-------------|-------------------|------------------|-------------------|-----------------|-------|-----------------|
| Voluntarily Established Committee Equivalent to Nomination Committee   | Nomination and Compensation Advisory Committee, | 3           | 0                 | 1                | 2                 | 0               | 0     | Inside Director |
| Voluntarily Established Committee Equivalent to Remuneration Committee | Nomination and Compensation Advisory Committee, | 3           | 0                 | 1                | 2                 | 0               | 0     | Inside Director |

Supplementary Explanation

The Nomination and Compensation Advisory Committee, a voluntary advisory body to the Board of Directors, has been established. The purpose of this committee is to enhance the corporate governance system by strengthening the independence, objectivity, and accountability of the Board of Directors' functions regarding director nominations, compensation, and other matters.

## Matters Concerning Independent Directors

|                                 |   |
|---------------------------------|---|
| Number of Independent Directors | 5 |
|---------------------------------|---|

### Other Matters Concerning Independent Directors

The Company designates all outside directors as independent directors who fulfill the qualifications of independent directors.

## Incentives

|  |  |
|--|--|
| Implementation Status of Measures related to Incentives Granted to Directors | Status of implementation of measures related to incentives for Directors: Introduction of performance-linked remuneration and others |
|--|--|

### Supplementary Explanation for Applicable Items

The Company has introduced performance-linked bonuses as short-term incentives, as well as restricted stock compensation (RS) aimed at enhancing medium- to long-term corporate value and aligning interests with shareholders, for directors (excluding those who are Audit and Supervisory Committee Members and Outside Directors).

The stock option program previously in place expired in full during 2024.

Meanwhile, to drive sustainable growth across the Group, the Company introduced a stock option program (share acquisition rights) in 2025 for officers and employees of key subsidiaries, with the aim of enhancing motivation across the Group.

|                                    |      |
|------------------------------------|------|
| Persons Eligible for Stock Options | None |
|------------------------------------|------|

### Supplementary Explanation for Applicable Items

There are currently no unexercised share acquisition rights granted to the Company's directors.

Grants at subsidiaries are determined on an individual basis, taking into account the contribution and role of each relevant officer or employee.

## Director Remuneration

|  |  |
|--|--|
| Status of Disclosure of Individual Directors' Remuneration | Individual Remuneration is not disclosed |
|--|--|

### Supplementary Explanation for Applicable Items

The total amount of remuneration for directors for the 21st fiscal year (fiscal year ended December 31, 2025) is as follows:

Directors (excluding Audit and Supervisory Committee Members): 6 persons, ¥284,565 thousand (including 2 Outside Directors: ¥9,600 thousand)

Directors (Audit and Supervisory Committee Members): 3 persons, ¥17,910 thousand (including 2 Outside Directors: ¥8,700 thousand)

#### Disclosure of Policy on Determining Remuneration Amounts and the Calculation Methods

The Company established its “Directors’ Remuneration Policy” at a meeting of the Board of Directors held on February 19, 2021. In order to enhance the effectiveness of sustainability management and further clarify directors’ commitment to improving corporate value over the medium to long term, the Company revised this policy, effective March 30, 2026, following its approval at the 21st Annual General Meeting of Shareholders held on the same date.

An outline of the revised policy is as follows.

For Outside Directors, in light of their roles and independence, remuneration continues to consist solely of fixed compensation.

##### Directors' remuneration policy

##### 1. Basic policy on directors' remuneration policy

- Remuneration shall be determined based on each director’s experience, background, duties, and responsibilities, taking into account the Company’s performance and business environment.
- The structure shall incentivize directors to improve performance continuously over the medium to long term and contribute to enhancing the value of the Group.
- Climate change and supply chain sustainability are positioned as key management issues. Sustainability Performance Targets (SPTs) linked to these areas are incorporated into the remuneration framework to strengthen ESG initiatives and ensure the effectiveness of sustainability management.
- The Company aims to maintain competitive remuneration levels to attract and retain diverse and talented individuals capable of executing its corporate philosophy.
- Objectivity and transparency are ensured through deliberation and supervision by the Nomination and Compensation Advisory Committee, a voluntary advisory body with a majority of Outside Directors, not only for the remuneration structure but also for individual compensation.

## 2. Basic structure of directors' remuneration

From the perspective of strengthening corporate governance and implementing the basic policy, remuneration for directors (excluding Audit and Supervisory Committee Members and Outside Directors) consists of the following three components:

- (i) Fixed compensation (base salary)
- (ii) Bonuses as short-term incentives
- (iii) Stock-based compensation (pre-delivery type restricted stock) as medium- to long-term incentives

The composition ratio varies depending on the director's position.

Remuneration for Outside Directors consists solely of fixed compensation.

## 3. Policy for determining the amount of each type of remuneration, etc.

### (1) Basic remuneration (Fixed remuneration)

Decisions shall be based on comprehensive consideration of the position, full-time or part-time status, career, past salary and remuneration levels, areas of responsibility and duties, and remuneration levels in the same industry, etc.

### (2) Bonuses

Bonuses are designed as short-term incentives aligned with shareholder interests. The base amount is calculated based on the level of achievement of consolidated net income (profit attributable to owners of parent), which is approved by the Board of Directors and announced as a performance forecast each year (typically in February). The calculation also considers each director's position, base salary, contribution during the fiscal year, and the performance and growth of the business segment under their responsibility. The final bonus amount is determined by applying a coefficient linked to the achievement level of SPTs (non-financial indicators) to the calculated base amount. The SPT used for bonus determination is the CDP Climate Change Score<sup>\*1</sup>, an internationally recognized climate-related evaluation metric.

### (3) Stock remuneration (Pre-delivery type restricted stock)

To provide incentives for sustainable growth in corporate value and to further align interests with shareholders, monetary claims are granted as compensation for the issuance of restricted stock. The total amount of stock-based compensation is determined within the limits of 50,000 shares per year and ¥300,000 thousand per year, taking into account consolidated net income. The number of shares granted to each director and the corresponding monetary amount are determined based on base compensation, individual contribution, business segment performance and growth, and trends in the Company's share price. A coefficient linked to the achievement level of SPTs is applied to determine the final amount.

The SPT used for stock-based compensation is the EcoVadis medal score<sup>\*2</sup>, an internationally recognized assessment of supply chain sustainability.

#### 4. Process of determining directors' remuneration, etc.

For directors (excluding Audit and Supervisory Committee Members):

- Fixed compensation and bonuses are determined by the President and Representative Director, delegated by the Board of Directors, following:
  - mutual evaluation among directors
  - deliberation and proposal by the Nomination and Compensation Advisory Committee
  - determination of total remuneration by the Board of Directors
- Stock-based compensation is determined by the Board of Directors based on proposals from the Nomination and Compensation Advisory Committee

SPT performance is evaluated annually at the end of each fiscal year. Based on reports from the Sustainability Promotion Committee, the results are objectively reviewed by the Nomination and Compensation Advisory Committee and incorporated into the final remuneration determination.

#### \*1 CDP (Carbon Disclosure Project)

CDP is a global non-profit organization that promotes environmental disclosure by companies and governments. It evaluates responses to questionnaires covering climate change, water, forests, biodiversity, and plastics. Assessment is based on four areas: governance, strategy, risks and opportunities, and metrics and targets. Scores range from leadership level (A, A-) to D-. Linking CDP scores to remuneration demonstrates management's commitment toward achieving net-zero emissions by 2050 and reinforces global leadership.

#### \*2 EcoVadis

EcoVadis is a global sustainability rating provider that evaluates companies across four areas: environment, labor and human rights, ethics, and sustainable procurement. As of April 2025, it covers over 150,000 companies across more than 185 countries and 250 industries. Companies are assessed based on policies, certifications, systems, practices, and outcomes, and are awarded medal ratings (Platinum, Gold, Silver, Bronze). For the Company, EcoVadis serves as an objective indicator to mitigate supply chain risks and strengthen sustainability and resilience across the entire supply chain.

## Support System for Outside Directors

Support for outside directors is provided by the Corporate Planning Office. Specifically, when a meeting of the Board of Directors is to be held, the Office provides advance explanations of the agenda. When necessary, information is shared via e-mail or telephone, as appropriate.

## 2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System)

### (1) Board of Directors

As of the date of submission of this report, the Company's Board of Directors consists of 10 directors, including 4 directors who are Audit and Supervisory Committee Members, of whom 5 are Outside Directors. In addition to regular monthly meetings, extraordinary meetings of the Board of Directors are convened as necessary. The Board of Directors makes important management decisions, taking into account discussions at management meetings, and supervises the execution of duties by each director.

The members of the Board of Directors are as follows:

Chairperson: Satoshi Takagi, President and Representative Director

Members: Tetsuya Nozaki, Director and Vice President; Yasuhiro Kobayashi, Managing Director; Yusuke Shiga, Director; Hitoshi Tada, Outside Director; Shoko Sato, Outside Director; Kana Chitose, Director (Full-time Audit and Supervisory Committee Member); Yoshindo Takahashi, Outside Director (Audit and Supervisory Committee Member); Masataka Uesugi, Outside Director (Audit and Supervisory Committee Member); and Sanae Okawa, Outside Director (Audit and Supervisory Committee Member).

### (2) Audit and Supervisory Committee

As of the date of submission of this report, the Audit and Supervisory Committee consists of four directors, including three Outside Directors. In addition to regular monthly meetings, extraordinary meetings of the Committee are convened as necessary. Directors who are Audit and Supervisory Committee Members conduct efficient and effective supervision while coordinating with the internal audit group and the accounting auditor.

The members of the Audit and Supervisory Committee are as follows:

Chairperson: Kana Chitose, Director (Full-time Audit and Supervisory Committee Member)

Members: Yoshindo Takahashi, Outside Director (Audit and Supervisory Committee Member); Masataka Uesugi, Outside Director (Audit and Supervisory Committee Member); and Sanae Okawa, Outside Director (Audit and Supervisory Committee Member).

### (3) Nomination and Remuneration Advisory Committee

The Company has established the Nomination and Remuneration Advisory Committee as a voluntary advisory body to the Board of Directors, with a majority of its members being independent outside directors.

The purpose of the Nomination and Remuneration Advisory Committee is to enhance the corporate governance system by strengthening the independence, objectivity, and accountability of the Board of Directors' functions related to the nomination and compensation of directors. The Committee discusses the following matters in consultation with the Board of Directors and provides reports to the Board of Directors regarding the outcomes of these discussions.

- (1) Draft proposal for the general meeting of shareholders regarding the appointment and dismissal of directors
- (2) Draft proposal for the appointment and dismissal of Representative directors and executive directors with specific titles
- (3) Other matters deemed necessary by the Board of Directors regarding the appointment and dismissal of directors, the appointment and dismissal of representative directors and executive directors with specific titles
- (4) Draft proposal for the general meeting of shareholders regarding remuneration for directors, etc.
- (5) Draft policy for determining the details of cash remuneration and non-cash remuneration for individual directors (excluding Directors who are Audit & Supervisory Committee Members)
- (6) Other matters deemed necessary by the Board of Directors regarding remuneration for directors, etc. The members of the Ceres Nomination and Compensation Advisory Committee are as follows. Chairman: Satoshi Takagi, President and Representative Director; Committee Members: Hitoshi Tada, Outside Director; Yoshindo Takahashi, Outside Director (Audit & Supervisory Committee Member)

### (4) Management Meeting

The Company holds a management meeting once a week, chaired by Satoshi Takagi, President and Representative Director. In principle, the meeting is attended by full-time directors and the responsible persons of each department. The management meeting examines business plans and business performance and makes decisions on important business matters in accordance with the rules of Administrative Authority and Management Meeting. The status of each division's execution of operations is reported, and while sharing information, sufficient discussion is held.

### (5) Risk Management Committee

Based on the risk management rules, the Risk Management Committee, chaired by the director in charge of the Administrative Headquarters, oversees risk management. The Risk Management Committee analyzes and evaluates risks in our group,

continuously monitors perceived risks, and regularly reports to the board of directors on the status of activities. In the event of a risk that may have a significant impact on management, the Risk Management Committee considers countermeasures and makes recommendations to the Board of Directors. In the event of an emergency, the Risk Management Committee establishes a system for promptly communicating information and giving directions.

The Risk Management Committee also serves as the body responsible for overseeing compliance as set forth in the compliance rules. The committee formulates, develops, and checks the status of compliance measures and policies to minimize the risk of damage to the Company.

The members of our Risk Management Committee are as follows.

Chairman: Managing Director Yasuhiro Kobayashi; Members: Director (Full-time Audit and Supervisory Committee Member) Kana Chitose, and the head of the corporate planning office

#### (6) Sustainability Promotion Committee

Our group recognizes that addressing sustainability challenges—such as responding to global environmental issues like climate change and ensuring the health and working conditions of employees—is not only essential for risk mitigation but also presents significant revenue opportunities. The Company has established a Sustainability Promotion Committee, chaired by Satoshi Takagi, President and Representative Director, for the purpose of responding to these issues in a more cross-functional and flexible manner. The Sustainability Promotion Committee is responsible for driving our group's sustainability management strategy, formulating policies and initiatives, and addressing key material issues. It also reviews progress, discusses improvement plans, and provides reports and recommendations to the Board of Directors.

Committee Chair: President and Representative Director Satoshi Takagi

Committee member: Vice President and Director Tetsuya Nozaki, Managing Director Yasuhiro Kobayashi, Director Yusuke Shiga, Director (Full-time Audit and Supervisory Committee Member) Kana Chitose, 5 Executive Officers, and 1 Representative Director of Major Subsidiary

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

At the General Meeting of Shareholders held on March 24, 2021, a resolution was approved to amend the Company's Articles of Incorporation in order to transition to a company with an Audit & Supervisory Committee. Accordingly, the Company effectively transitioned from a company with a board of corporate auditors to a company with an Audit & Supervisory Committee, starting from the same date.

The purpose of this transition is to strengthen the auditing and supervisory functions of the Board of Directors by allowing directors who are Audit & Supervisory Committee members to have voting rights at Board of Directors meetings. At the same time, this transition is intended to further enhance the corporate governance system and promote a sustainable increase in the corporate value of the Company's group.

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

#### 1. Measures to Vitalize the General Shareholder Meetings and Facilitate Exercise of Voting Rights

| Supplementary Explanation   |  |
|---|--|
| Early Posting of Notice of the General Shareholders Meeting   | The Company strives to send the convocation notice as early as possible. Moreover, before dispatching the convocation notice, the Company discloses the information on TDnet and publishes it on the Company's website.  |
| Scheduling of the General Shareholders Meeting During Non-Peak Days   | Due to the fiscal year ending in December, the General Meeting of Shareholders is held on a date separate from the consolidated date.  |
| Electronic Exercise of Voting Rights  | A system for executing voting rights through the Internet has been in place since 2019.  |
| Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights | The Company has Participated in the Electronic Exercised of Voting Platform for institutional and other investors since 2022.  |
| Provision of Notice (or Summary of Notice) of the General Shareholders Meeting in English   | To facilitate overseas investors in exercising their voting rights effectively, the Company has prepared a concise English version of the Notice of Convocation for the General Meeting of Shareholders. This English version is disclosed on TDnet and posted on the Company's website. |
| Other   | At the Annual General Meeting of Shareholders, the Company uses video footage and narration to report on its operations to help shareholders better understand the results of operations and the status of its businesses  |


#### 2. Status of IR-related Activities

|  | Supplementary Explanation  | Explanation by a representative director or a representative executive officer |
|--|--|--|
| Formulation and Publication of Disclosure Policy:    | The Company has established and published its Disclosure Policy on its website, outlining its basic approach to information disclosure, disclosure methods, and quiet period. For details, please refer to the following:<br><br><a href="https://ceres-inc.jp/ir/English/disclosure/">https://ceres-inc.jp/ir/English/disclosure/</a> |  |
| Regular Investor Briefings held for Retail Investors | The Company regularly holds briefings and seminars for retail investors, at which the President and Representative Director or the Managing Director and General Manager of the Administration Division explains the Company's business performance and management policies.   | Held   |

|   |   |      |
|---|---|------|
| Regular Investor Briefings held for Analysts and Institutional Investors  | The Company holds semiannual earnings results briefings for analysts and institutional investors at the announcement of its full-year and second-quarter financial results. The President and Representative Director explains the earnings results and management strategy.        | Held |
| Online Disclosure of IR Information                                       | Financial results, timely disclosure materials, various explanatory materials, annual securities reports and quarterly reports are posted on the IR site of the Company's website. We are also actively translating IR materials into English for the benefit of foreign investors. |      |
| Establishment of Department and/or Placement of a Manager in Charge of IR | The IR function is managed within the Administrative Division. Person responsible for handling information: Yasuhiro Kobayashi, Managing Director & General Manager of Administration Division  |      |

### 3. Status of Measures to Ensure Due Respect for Stakeholders

|  | Supplementary Explanation  |
|--|--|
| Implementation of Environmental Preservation Activities and CSR Activities, etc. | <p>The Company promotes both the reduction of environmental impact and the enhancement of corporate value, with the Sustainability Promotion Committee playing a central role.</p> <p>Specifically, we are advancing strategic environmental initiatives, including participation in the “RE Action” initiative for 100% renewable energy aimed at achieving a decarbonized society, as well as financing through sustainability-linked loans that incorporate targets such as CDP scores.</p> <p>The Company will continue to contribute to the realization of a sustainable society through its business activities.</p> |
| Formulation of Policies, etc. on Provision of Information to Stakeholders        | The Company acknowledges the significance of delivering timely and relevant corporate information to its stakeholders. It is our policy to disseminate information through our website and company briefings as deemed appropriate.  |
| Other  | <p>The Company promotes diversity, recognizing that the active participation of diverse talent is a key driver of sustainable growth.</p> <p>In February 2026, the Company obtained the highest-level “Eruboshi (Platinum)” certification in recognition of its efforts to promote women’s empowerment.</p>  |



Going forward, we will continue to strengthen our organizational framework for the accumulation of human capital, including expanding work-life balance support systems with the aim of obtaining the “Kurumin” certification under the Act on Advancement of Measures to Support Raising Next-Generation Children.

## **IV. Matters Concerning the Internal Control System**

### **1. Basic Views on Internal Control System and Status of Development**

The Company's Board of Directors has established the "Basic Policy for Establishment of Internal Control System" and based on this policy, the Company has established a system for the effective functioning of the internal control system. The outline of the policy is as follows.

[Basic policy for establishment of an internal control system]

(1) System to Ensure that the Execution of Duties by Directors and Employees Complies with Laws, Regulations, and the Articles of Incorporation

We will set forth the management philosophy, risk management rules, compliance rules, and other rules concerning the compliance system as standards for our directors and employees to follow in compliance with laws, regulations, and social norms. In addition, the Board of Directors shall endeavor to establish an internal control system and a system for legal compliance by us and our subsidiaries to ensure the execution of business by us and our subsidiaries is carried out properly.

(2) System to maintain and manage information relating to directors in the execution of their duties

The storage and management of information relating to the execution of duties by directors shall be kept in an appropriate manner and for an appropriate period of time in accordance with the document management rules and shall be maintained in a condition that can be accessed by directors.

(3) Regulations for managing risks of loss and relevant internal systems

The Risk Management Committee, chaired by the director in charge of the Administrative Headquarters, shall supervise the risk management of the Company and its subsidiaries in accordance with the risk management rules. The Risk Management Committee analyzes and evaluates risks to us and our subsidiaries, continuously monitors perceived risks, and regularly reports to the Board of Directors on the status of activities. In addition, in the event of a risk that may have a significant impact on management, the Risk Management Committee shall consider countermeasures and make recommendations to the Board of Directors. In the event of an emergency, the Risk Management Committee shall establish a system for promptly communicating information and giving directions.

(4) System for ensuring efficient execution of directors' duties

Regular meetings of the Board of Directors shall be held every month, and extraordinary meetings of the Board of Directors shall be held as necessary to make important management decisions and supervise the execution of business by the directors. In addition, management meetings composed of executive directors and division general managers are held weekly to conduct preliminary deliberations on matters to be discussed by the Board of Directors. In addition, matters to be decided by the Board of Directors are communicated to each division, and the status of business execution by each executive director and division general manager is monitored.

(5) System ensuring that the operations of the Company and its subsidiaries are adequate

The internal auditor group, who report directly to the President and Representative Director, shall, in accordance with the rules for internal audits, audit the status of business execution by employees of the Company and its subsidiaries and ensure the appropriateness of business operations.

The Board of Directors shall dispatch our officers and employees as directors of subsidiaries to establish a group governance system.

In addition, based on the rules governing the management of affiliated companies, the Corporate Planning Office, which is mainly supervising the subsidiaries, shall develop a system for receiving reports on important management matters from subsidiaries.

(6) Matters concerning employees requested by the Audit and Supervisory Committee to assist in their duties

The Audit and Supervisory Committee may request necessary assistance for audit operations from an employee in charge of internal audit group or the Administrative Headquarters. When assisting the duties of the Audit and Supervisory Committee, said employees shall comply with the instructions and orders of the Audit and Supervisory Committee and shall not be directed by the directors. In addition, the Audit and Supervisory Committee shall conduct personnel evaluations of the said employees (limited to those related to audit assistance operations) and the approval of the Audit and Supervisory Committee shall be required for personnel changes.

(7) System for directors (excluding directors who are Audit and Supervisory Committee Members), employees of the Company, as well as directors, auditors, and employees of subsidiaries to report to the Audit and Supervisory Committee

Directors (excluding directors who are Audit and Supervisory Committee Members), auditors, and employees of the Company and its subsidiaries shall promptly and appropriately report to the Audit and Supervisory Committee or directors who are Audit and Supervisory Committee Members not only statutory matters, but also matters that may have a material impact on the Group, the status of the implementation of internal audits, and other matters.

The Audit and Supervisory Committee may, whenever it deems necessary, request reports from the directors (excluding directors who are Audit and Supervisory Committee Members), auditors, and employees of the Company and its subsidiaries.

(8) System ensuring that persons who make reports as set forth in the preceding item are not treated disadvantageously as a result

The Company stipulates protection of whistleblowers in the rules for internal reporting and prohibits directors, auditors, and employees of the Company and its subsidiaries from giving unfavorable treatment on the grounds of the report set forth in the preceding paragraph.

(9) System ensuring that audits by the Audit and Supervisory Committee are conducted effectively

Directors who are Audit and Supervisory Committee members may attend meetings of the Board of Directors and other important meetings as necessary to grasp the process of important decision-making and the status of business execution of the Company, and may inspect documents related to business execution and request explanations from executive directors and important employees. In addition, the Audit and Supervisory Committee may utilize experts such as attorneys at law and tax accountants if necessary for conducting audits, and the Company shall bear the costs thereof. If a director who is an Audit and Supervisory Committee Member requests advance payment of expenses with regard to the execution of his/her duties, we shall promptly respond except in cases where it can be proved that the expenses, etc. pertaining to such a request are not necessary for the execution of the duties of the director who is an Audit and Supervisory Committee Member.

(10) System ensuring the appropriateness and reliability of financial reporting by the corporate group consisting of us and our subsidiaries

To ensure the appropriateness and reliability of financial reporting, necessary systems shall be established at the Administrative Headquarters, the effective functioning of control over operational processes pertaining to financial reporting shall be regularly

assessed, and any deficiencies shall be corrected as necessary. The process and results of the evaluation and the state of improvement shall be supervised by the Board of Directors.

(11) Basic approach to elimination of anti-social forces and its system

We and our subsidiaries shall always maintain an awareness of risk management and take a resolute stance as an organization against antisocial forces that pose a threat to social order and safety. In responding to anti-social forces, we will cooperate with external specialist organizations, such as police-related organizations and attorneys, to collect information, and the entire organization will respond to ensure the safety of employees.

## 2. Basic Views on Measures for Eliminating Anti-Social Forces and Status of Development

Our basic stance and progress toward eliminating anti-social forces are as described in (11) Basic Concepts Toward the Elimination of Anti-Social Forces and its Structure, 1. Basic Concepts Concerning Internal Control Systems and the Status of Development of the Internal Control System, IV Matters related to internal control system, etc.

## V. Other

### 1. Adoption of Anti-Takeover Measures

|                                    |             |
|------------------------------------|-------------|
| Adoption of Anti-Takeover Measures | Not Adopted |
|------------------------------------|-------------|

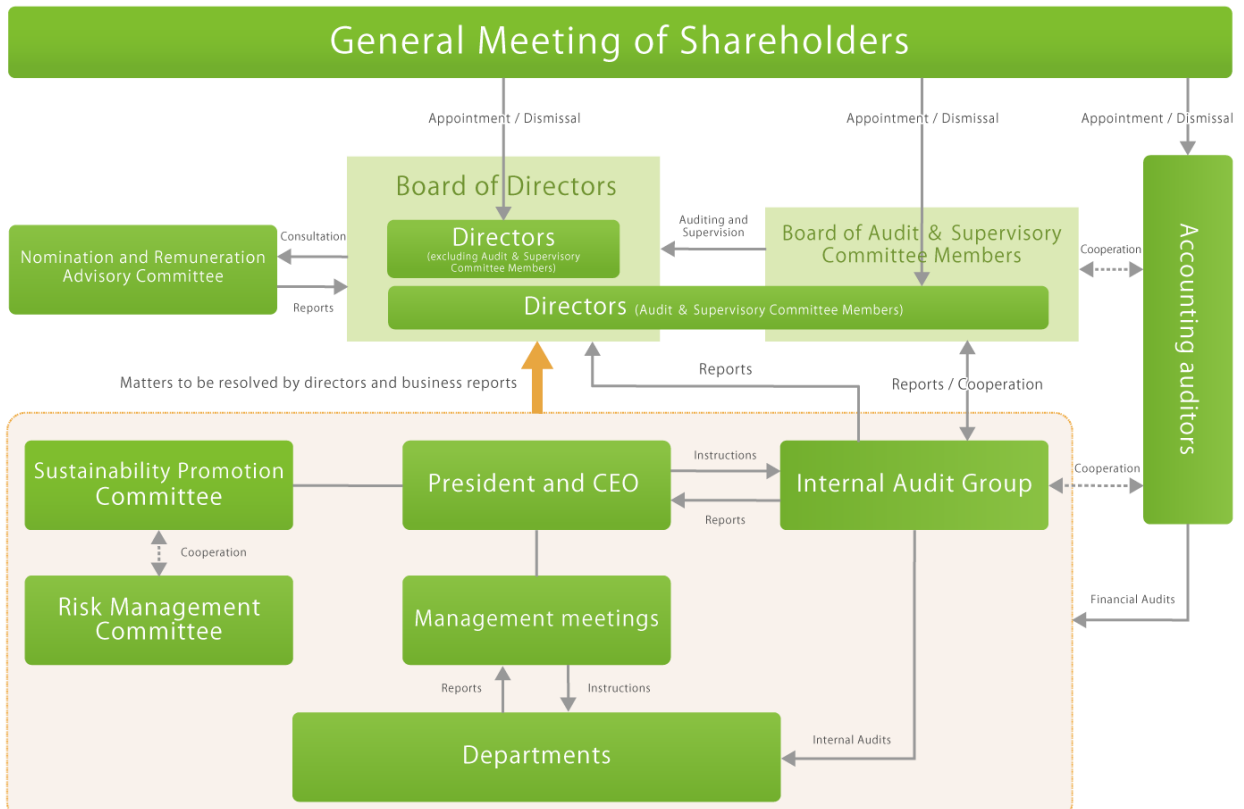
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Supplementary Explanation for Applicable Items

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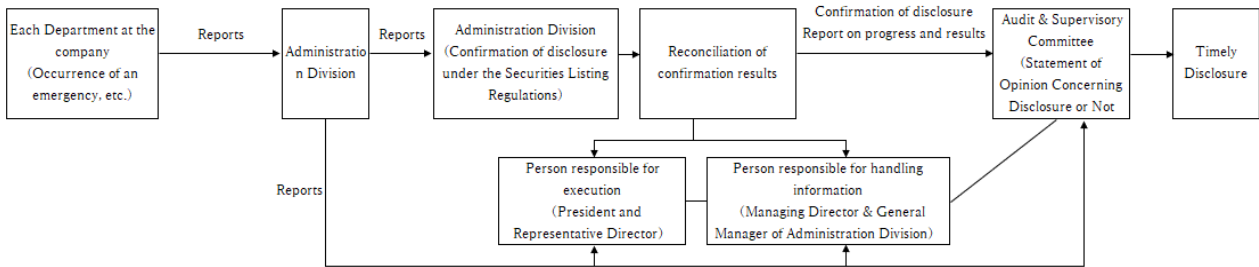
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## 2. Other Matters Concerning the Corporate Governance System

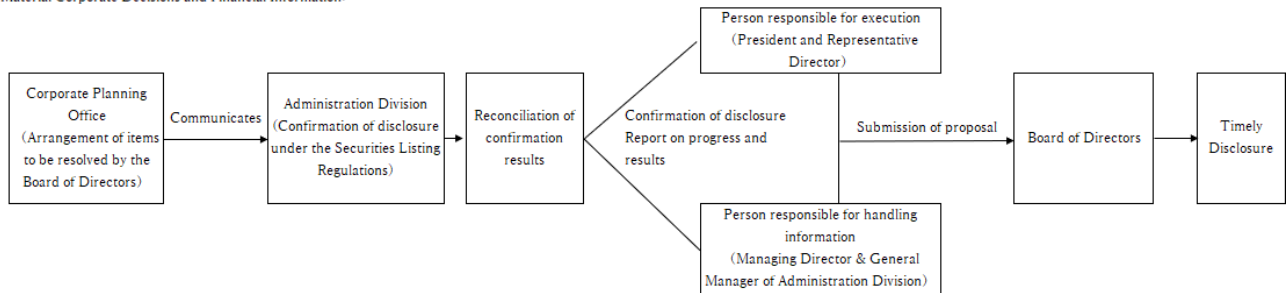


### 【Overview of the Timely Disclosure System (Diagram)】

<Occurrence of Material Facts >



<Material Corporate Decisions and Financial Information>



END