August 26, 2026

To All:

Company Name: FOOD & LIFE COMPANIES LTD.
Representative: Masahiro Yamamoto, President and CEO
Securities Code: 3563, Prime Market of the Tokyo Stock Exchange
Inquiries: Takaharu Matsuo, Senior Corporate Officer
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Notice Regarding Revision of System for Remuneration for Directors

FOOD & LIFE COMPANIES LTD. ("the Company") hereby announces that, at a meeting of its Board of Directors held today, it was resolved to revise the maximum compensation amount and system for remuneration for its directors (excluding outside directors) as follows, and that these revisions will be submitted to the 12th Ordinary General Meeting of Shareholders scheduled to be held on December 22, 2026.

1. Purpose of revision

The Company's basic policy is to have a remuneration system linked to shareholder interests so that it functions effectively as an incentive for the sustainable improvement of corporate value. The Company has reviewed its remuneration system using objective remuneration data from external expert organizations to ensure that it is at an appropriate level compared to the overall market and other companies that compete in business and talent acquisition.

These revisions are subject to approval by shareholders at the 12th General Meeting of Shareholders.

2. Overview of system revisions

(1) Abolition of Stock Options for Share-Based Remuneration with Stock Price Conditions system

At the Company's 3rd Ordinary General Meeting of Shareholders held on December 21, 2017, the amount of share acquisition rights-related remuneration in the form of Stock Options for Share-Based Remuneration with Stock Price Conditions was approved as "within 200 million yen per year." However, the Company will abolish the aforementioned provision for the amount of share acquisition rights-related remuneration in the form of Stock Options for Share-Based Remuneration and introduce performance share units and restricted stock units as new share-based remuneration (medium- to long-term incentives).

(2) Maximum remuneration amount

1) Remuneration for directors who are not Audit and Supervisory Committee members

Regarding fixed remuneration and bonuses (short-term incentives), the total annual amount is limited to 600 million yen (of which fixed remuneration for outside directors is limited to 100 million yen, and employee salaries are not included). Furthermore, regarding share-based remuneration (medium- to long-term incentives), the limit is 200,000 shares per fiscal year, and the amount is limited to the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day preceding the date of the Board of Directors' resolution concerning such issuance or disposition multiplied by the maximum number of shares granted to directors per fiscal year (200,000 shares).

2) Remuneration for directors who are Audit and Supervisory Committee members

Based on the resolution of the Ordinary General Meeting of Shareholders held on December 16, 2015, the annual limit is 100 million yen.

3. Overview of new remuneration system

(1) Remuneration structure

1) Remuneration for directors who are not Audit and Supervisory Committee members (excluding outside directors)

(i) Remuneration items/ratio

Remuneration consists of a base salary as a fixed remuneration, bonuses as short-term incentives, share-based remuneration as medium- to long-term incentives, and other remuneration. When performance indicators are achieved at 100%, the proportion of each type of remuneration for the president and CEO is base salary : bonus : share-based remuneration = 15% : 15% : 70%. For other positions, the proportion of bonuses and share-based remuneration increases with higher positions.

(ii) Base salary

The base salary for Company directors will be a fixed monthly salary, determined based on their positions and responsibilities, taking into account industry standards, performance, and employee salary levels.

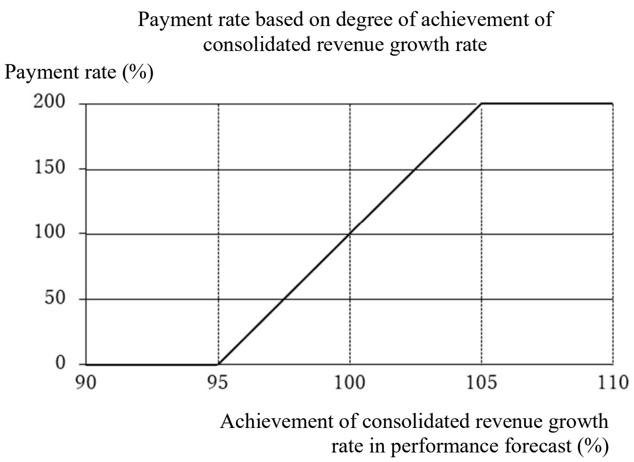
(iii) Bonuses (short-term incentives)

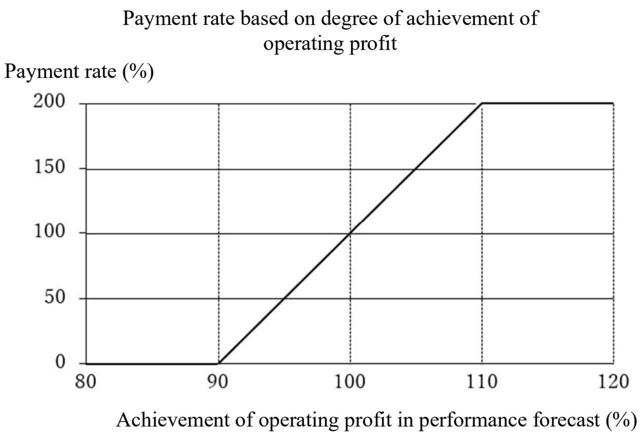
Bonus remuneration is calculated as follows: 70-100% of the base salary is paid when the targets set to improve performance (consisting of the degree of achievement of consolidated revenue growth rate and the degree of achievement of operating profit in the performance forecast) are achieved, with a maximum payment of 200% for the best performance and 0% for performance below the minimum performance level. The remuneration is calculated to be between 0% and 200% and is generally paid in a lump sum at a certain time after the performance is finalized.

Indicator	Ratio	Purpose	Payment rate
Consolidated revenue growth rate	50%	Motivation for expanding size and market share	0-200%
Operating profit	50%	Motivation for strengthening “earning power” in main business	0-200%

* The payment rate linked to each KPI is calculated based on the graph below (incentive curve).

This translation of the original Japanese notice is provided solely for information purposes. Should there be any discrepancy between this translation and the Japanese original, the latter shall prevail.





* The president and CEO's variable remuneration is based solely on Company-wide performance (100%). The variable remuneration for executive directors other than the president and CEO, however, is based on an evaluation of Company-wide performance (70%) and the individual director's performance (30%). The payment rate for the individual performance evaluation portion is derived by multiplying the payment rate for the Company-wide performance evaluation by the degree of achievement and the variable rate of each director's individual performance indicators.
* For those whose term of office is less than one fiscal year, the variable remuneration is calculated by multiplying the amount obtained from the calculation by the ratio obtained by dividing the number of months of office (for periods of less than one month, periods of 15 days or less are rounded down, and periods of 16 days or more are rounded up to one month) by 12 (rounded to two decimal places).

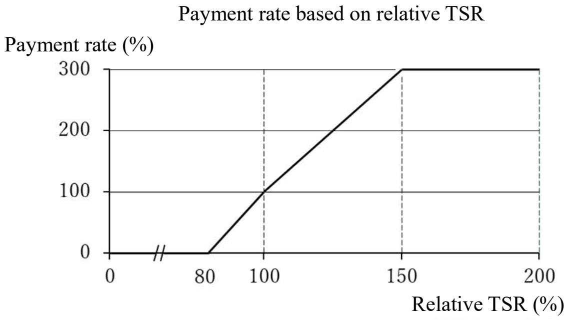
(iv) Share-based remuneration (medium- to long-term incentive)

To enhance its commitment to achieving its medium-term management plan and to improving corporate value in the medium to long term, the Company will introduce performance share units (“PSUs”) and restricted stock units (“RSUs”).
This system combines PSUs and RSUs at a 50:50 ratio to both enhance shareholder value and attract and retain top talent during the target period (3 years).
Both units will be granted to each director and executive officer during his or her term of office, and shares will be issued in proportion to the number of units held upon retirement. When issuing stocks, a certain percentage of Company stock to be issued will be converted into, and paid out in, cash to be used for tax payments.

Item	Indicator	Ratio	Purpose	Payment rate
PSU	Relative TSR (vs. TOPIX)	50%	Motivation for improving corporate value in the medium to long term relative to the market	0-300%
RSU	- (Continuous employment during the period covered)	50%	Balancing motivation for improving corporate value in the medium to long term with talent acquisition and retention	100%

- PSU portion (performance-linked: 50% of the total)
  To evaluate total shareholder returns that exceed the Tokyo Stock Price Index (TOPIX), the Company has adopted relative TSR (shareholder return) as its performance evaluation indicator.

* The payment rate linked to the relative TSR is calculated based on the graph below (incentive curve).



* Relative TSR = Absolute TSR / TOPIX growth rate
  - ✓ Absolute TSR = (End-of-period stock price + Total dividend amount) / Beginning-of-period stock price
    - ➢ End-of-period stock price: The average closing price of the Company's common stock on the Tokyo Stock Exchange on each day of the month preceding the month in which three years have passed since the unit grant date (or the date on which the director in question lost their position as a director or executive officer of the Company or its subsidiaries before three years have passed since the unit grant date) (excluding days on which no trading takes place).
    - ➢ Beginning-of-period stock price: The average closing price of the Company's common stock on the Tokyo Stock Exchange on each day of the month in which the unit was granted.
    - ➢ Total dividend amount: The total amount of dividends per share of the Company's common stock from the unit grant date to three years thereafter.
  - ✓ TOPIX growth rate = End-of-period TOPIX / Beginning-of-period TOPIX
    - ➢ End-of-period TOPIX: The average closing price of the TOPIX (Tokyo Stock Price Index) on each day of the month preceding the month in which three years have passed since the unit grant date.
    - ➢ Beginning-of-period TOPIX: The average closing price of the TOPIX for each day of the month in which the unit was granted.

  * In the above calculation, the average closing price is rounded to one decimal place.

- RSU portion (fixed period: 50% of total)
  To foster motivation to enhance corporate value over the medium to long term during a director's tenure, and to attract and retain talent, predetermined units will be granted subject to continued service during the specified period.

(v) Other remuneration

Company housing will be provided free of charge only in cases where directors are forced to live far from their homes due to commuting to the office or other related locations.

Furthermore, there is no retirement allowance system for directors. (However, this excludes payments that were decided upon before the abolition of the system.)

2) Remuneration for directors who are Audit and Supervisory Committee members and outside directors

Directors who are Audit and Supervisory Committee members and outside directors will be paid only their base salary, in light of their supervisory duties.

(2) Remuneration governance

1) Procedure for determining remuneration

Directors' remuneration is determined within the total remuneration amount approved at the General Meeting of Shareholders, after deliberation and recommendations from the Nomination/Remuneration Advisory Committee, a voluntary advisory body to the Board of Directors.

The Committee is composed of members selected by resolution of the Board of Directors, and the majority of its members are independent outside directors. Remuneration for directors (excluding Audit and Supervisory Committee members) is decided by the Board of Directors after consultation with the Committee.

2) Forfeiture clause

Regarding performance-linked share-based remuneration, the Company has a system in place that allows for the forfeiture of beneficiary rights to be granted if significant misconduct or violations occur, or if the Board of Directors resolves to make post-facto adjustments to financial statements due to significant accounting errors or fraud.