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Securities code: 3139

February 7, 2024

(Measures for electronic provision starts on: February 1, 2024)

To Shareholders with Voting Rights:

Motohisa Miura
President
Lacto Japan Co., Ltd.
2-11-2 Nihonbashi, Chuo-ku
Tokyo, Japan

**NOTICE OF
THE 26TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

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

Please be informed that the 26th Annual General Meeting of Shareholders (the “Meeting”) of Lacto Japan Co., Ltd. (the “Company”) will be held as described below.

When convening this Meeting, measures have been taken to provide information electronically, and matters to be provided electronically are posted on the following website.

The Company’s website: <https://www.lactojapan.com/en/ir/stock/meeting.html>

In addition to the Company's website, matters to be provided electronically are also posted on the website of the Tokyo Stock Exchange (TSE). Please access the website (TSE’s Listed Company Search) below, enter the name of the Company (Lacto Japan) or securities code (3139) to search, select “Basic information” and go to “Documents for public inspection/PR information,” to confirm the information.

TSE website: <https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

You may exercise your voting rights via postal mail or the Internet, etc. and whichever method you choose to use, please exercise your voting rights by 5:30 p.m. Japan time on Monday, February 26, 2024.

- 1. Date and Time:** Tuesday, February 27, 2024 at 10:00 a.m. Japan time
(Reception begins at 9:00 a.m.)
- 2. Place:** Royal Hall, 3rd Floor, Royal Park Hotel
2-1-1 Nihonbashi-Kakigara-cho, Chuo-ku, Tokyo, Japan
- 3. Meeting Agenda:**
Matters to be reported:
 1. The Business Report and Consolidated Financial Statements for the Company’s 26th Fiscal Year (December 1, 2022 – November 30, 2023) and results of the audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
 2. Non-consolidated Financial Statements for the Company’s 26th Fiscal Year (December 1, 2022 – November 30, 2023)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Five (5) Directors (excluding Directors who are Audit and Supervisory Committee Members)

- If attending the meeting in person, please submit the enclosed Form for Exercising Voting Rights at the venue’s reception desk. We would also like to ask you to bring this Notice of the General Meeting of Shareholders as agenda materials.
- Any revisions to the matters to be provided electronically will be posted on the websites above.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company positions the appropriate return of profits to shareholders as an important management issue. In addition, the Company aims to increase corporate value on a sustained basis and continue to increase dividends in a stable manner while ensuring internal reserve necessary for future proactive business development and further enhancement of management structure.

Upon consideration based on this policy, the Company intends to pay a year-end dividend for the fiscal year under review as indicated below.

As a result, the annual dividend for the fiscal year under review will be ¥48 per share, an increase of ¥8 from the previous fiscal year, including the interim dividend of ¥24 already paid.

1. Type of dividend property

Cash

2. Matters concerning allocation of dividend property and the total amount

Dividend per share of common stock of the Company: ¥24 Total: ¥238,947,552

3. Effective date of dividend of surplus



February 28, 2024



Proposal 2: Election of Five (5) Directors (excluding Directors who are Audit and Supervisory Committee Members)

The terms of office of all six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter the same shall apply in this Proposal) will end as of the conclusion of this Meeting. Accordingly, the Company proposes the election of five (5) Directors.

The candidates for Director are as follows.

No.	Name		Positions and responsibilities at the Company
1	Motohisa Miura [Reappointment]	Male	President Overall management, in charge of Internal Audit Office and Quality Assessment Office
2	Takashi Abe [Reappointment]	Male	Director Supervision of Asian business, Managing Director of LACTO ASIA PTE LTD.
3	Shin Kojima [Reappointment]	Male	Director Supervision of sales divisions
4	Kenji Bundo [Reappointment]	Male	Director Supervision of administrative divisions, and Head of Corporate Staff Division
5	Yasuhiro Ikeda [Reappointment] [Outside] [Independent]	Male	Outside Director

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
1	 Motohisa Miura (September 25, 1954) [Reappointment]	April 1978 Joined Toshoku Ltd. January 1999 Joined the Company May 2006 General Manager of Sales Division 1, Leader of Dairy Ingredients Team One, the Company April 2007 General Manager of Sales Division 1, the Company Managing Director, LACTO ASIA PTE LTD. June 2008 Executive Officer, General Manager of Sales Division 1, the Company Managing Director, LACTO ASIA PTE LTD. February 2011 Director, the Company February 2017 President, the Company (current position)	261,823
[Reason for nomination as candidate for Director] Mr. Motohisa Miura has extensive business experience as the person responsible for sales divisions and overseas subsidiaries, and as a Director since 2011 and as Representative Director and President since 2017, he has been deeply engaged in the Company's management. Mr. Miura possesses insight into overall management gained from global business experience and administration and operations, and the Company has judged him to be appropriate as a candidate for Director.			
2	 Takashi Abe (May 31, 1967) [Reappointment]	April 1991 Joined Toshoku Ltd. December 1998 Joined the Company April 2013 General Manager of Cheese Business Division, the Company April 2016 Executive Officer, General Manager of Cheese Business Division, the Company April 2018 Executive Officer, overall control of sales divisions, the Company March 2020 Senior Executive Officer, overall control of sales divisions, the Company April 2020 Senior Executive Officer, overall control of sales divisions, General Manager of Business Development Division, the Company February 2021 Director, the Company December 2021 Director, the Company Managing Director, LACTO ASIA PTE LTD. (current position)	124,663
[Reason for nomination as candidate for Director] Mr. Takashi Abe has been involved in dairy ingredients sales for many years, and has experience as the person responsible for domestic sales divisions. Presently, he is operating a trading company and the manufacturing business as the person responsible for Asian business divisions. Mr. Abe possesses extensive business experience related to domestic and overseas sales activities and manufacturing business operations, as well as knowledge related to the Group's administration and operations. Therefore, the Company has judged him to be appropriate as a candidate for Director.			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
3	 Shin Kojima (May 9, 1970) [Reappointment]	April 1994 Joined Toshoku Ltd. April 1999 Joined the Company April 2014 General Manager of Dairy Ingredients Division 1, the Company April 2016 Executive Officer, General Manager of Dairy Ingredients Division 1, the Company September 2016 Executive Officer, the Company Managing Director, LACTO ASIA PTE LTD. March 2020 Senior Executive Officer, the Company Managing Director, LACTO ASIA PTE LTD. February 2021 Director, the Company Managing Director, LACTO ASIA PTE LTD. December 2021 Director, the Company (current position)	172,063
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Shin Kojima has been involved in dairy ingredients sales for many years, and, since 2016, he has served as the person responsible for Asian business divisions, driving the growth of the business. Presently, as a Director, he is supervising domestic sales divisions and the new business division. Mr. Kojima possesses extensive business experience related to domestic and overseas sales activities and manufacturing business operations, as well as knowledge related to the Group's administration and operations. Therefore, the Company has judged him to be appropriate as a candidate for Director.</p>			
4	 Kenji Bundo (November 3, 1969) [Reappointment]	April 1992 Joined Toshoku Ltd. August 2003 Joined the Company April 2016 Deputy Division General Manager of Corporate Staff Division, General Manager of Human Resources & General Affairs Department, General Manager of Investor Relations Department, the Company April 2018 Executive Officer, Deputy Division General Manager of Corporate Staff Division, General Manager of Human Resources & General Affairs Department, General Manager of Investor Relations & Public Relations Department, the Company February 2021 Senior Executive Officer, Division General Manager of Corporate Staff Division, General Manager of Human Resources & General Affairs Department, the Company December 2021 Senior Executive Officer, Division General Manager of Corporate Staff Division, the Company February 2023 Director, the Company (current position)	32,451
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Kenji Bundo has supervised the administrative divisions, and possesses extensive experience and a wide range of knowledge related to general operations of administrative divisions such as accounting, finance, human resources, and investor relations. With his experience and insight, he can be expected to contribute to the Group's administration and operations and adequately fulfill a role in determining and supervising execution of the Company's important operations. Therefore, the Company has judged him to be appropriate as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
5	 Yasuhiro Ikeda (August 18, 1956) [Reappointment] [Outside] [Independent]	April 1979 Joined Nippon Reizo Inc. (current Nichirei Corporation) April 2007 Executive Officer, Executive General Manager of Marketing Unit, General Manager of Marketing Department, Deputy Executive General Manager of Sales Unit, Nichirei Foods Inc. April 2010 Managing Executive Officer, in charge of Research & Development Department, Executive General Manager of Marketing Unit, General Manager of Marketing & Products Development Division No. 1, Nichirei Foods Inc. June 2011 Representative Director, President and Executive Officer, Nichirei Foods Inc. Director, Executive Officer, Nichirei Corporation Director, Nichirei Fresh Inc. April 2017 Director, Chairman, Nichirei Foods Inc. June 2021 Counselor, Nichirei Foods Inc. (current position) June 2022 Outside Director, ITOCHU Techno-Solutions Corporation (current position) February 2023 Outside Director, the Company (current position)	-
[Reason for nomination as candidate for Outside Director and expected roles] Mr. Yasuhiro Ikeda has long-standing experience as a business executive in the food industry, as well as extensive experience and insight mainly in R&D, production, and sales, including consumer business in the food manufacturing industry. By leveraging his experience and insight, he has offered useful advice on how to strengthen supervision of the Company's management and on overall management. Therefore, the Company has judged him to be appropriate as a candidate for Outside Director.			

- Notes:
1. There are no special interest relationships between the candidates for Director and the Company.
 2. Mr. Yasuhiro Ikeda is a candidate for Outside Director.
 3. Mr. Yasuhiro Ikeda will have served as Outside Director for one year as of the conclusion of this Meeting.
 4. The Company has entered into an agreement with Mr. Yasuhiro Ikeda to limit his liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act to the minimum liability amount stipulated in Article 425, Paragraph 1 of the act in accordance with the provisions of the Company's Articles of Incorporation and Article 427, Paragraph 1 of the act. The Company intends to continue the same agreement with Mr. Yasuhiro Ikeda, if his election is approved as proposed.
 5. Mr. Yasuhiro Ikeda has been registered as an independent officer based on the rules of the Tokyo Stock Exchange, and if he is elected as proposed, he will continue to serve as an independent officer.
 6. The Company has entered into a directors and officers liability insurance agreement with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with directors (including Audit and Supervisory Committee Members) of the Company and its subsidiaries as the insured persons (excluding the Company's subsidiaries that have separately concluded directors and officers liability insurance agreements). If the candidates are elected, they will be covered by the said insurance agreement. The Company intends to renew the said insurance agreement with the same terms and conditions at the next expiry.

[For Reference]

The Company is aiming in the medium to long term to be a multifaceted food products company that develops trading and manufacturing operations on a global basis with dairy products as its core, and it will appoint Directors with skills that match each of its growth stages.

As of the present, the skills that the Board of Directors should possess and how this corresponds with the skills of each Director have been compiled as a skills matrix from the following three perspectives.

Knowledge and experience for appropriately leading management and business

Corporate management and management strategy: Experience in corporate management and as a corporate officer, and knowledge of and experience in formulating management strategy

Sales and marketing: Knowledge and experience related to product sales and marketing

International business: Global business experience, including overseas assignments

Industry knowledge: Knowledge and experience in the dairy products and meat industries and the manufacturing business

Knowledge and experience for establishing and maintaining an appropriate management foundation

Financial accounting and finance: Practical experience and expertise

Legal affairs and compliance: Practical experience and expertise

Personnel and human resources development: Practical experience and expertise

Overarching perspective for ensuring sustainability

Governance and sustainability: Governance knowledge for achieving soundness, transparency, and sustainable growth

Diversity and experience in other industries: Diversity in terms of gender, nationality, executive experience in other sectors, etc.

<Skills Matrix>

	Corporate management and management strategy	Sales and marketing	International business	Industry knowledge	Financial accounting and finance	Legal affairs and compliance	Personnel and human resources development	Governance and sustainability	Diversity and experience in other industries
■ Directors (excluding Directors who are Audit and Supervisory Committee Members)									
Motohisa Miura	●	●	●	●				●	
Takashi Abe	●	●	●	●				●	
Shin Kojima	●	●	●	●				●	
Kenji Bundo	●				●	●	●	●	
Yasuhiro Ikeda*	●	●		●				●	
■ Directors who are Audit and Supervisory Committee Members									
Kimiaki Abe	●	●	●	●				●	
Naofumi Hara*	●		●					●	●
Toshio Hoga*						●		●	●
Hiroko Sakamoto*					●			●	●

*Outside Director

[For Reference] Independence Criteria for Outside Directors

When selecting candidates for independent Outside Director, the Board of Directors shall determine their independence after verifying that the independence criteria established by financial instruments exchanges are met and also confirming whether or not any of items (1) through (14) below applies to the person involved either currently or within the past three fiscal years. In addition, the Board of Directors shall select as candidates for independent Outside Director the persons who can be expected to fulfill their roles and duties from an independent and objective standpoint upon consideration of the candidate's character, insight, abilities, relationship with the Company, and other factors.

- (1) A person for whom the Company is a main business partner, or its business executive
 - “A person for whom the Company is a main business partner” in the aforesaid refers to a person for whom payments by the Company in transactions with the Company in any of the past three fiscal years account for 2% or more of the consolidated net sales of that company in that fiscal year.
- (2) A main business partner of the Company, or its business executive
 - “A main business partner of the Company” in the aforesaid refers to a person for whom the Company's net sales to that company in any of the past three fiscal years account for 2% or more of the Company's consolidated net sales in that fiscal year.
- (3) A consultant, accounting specialist, or legal specialist receiving a large sum of money or other property from the Company other than executive compensation (if the person receiving such property is a corporation, union, or other such organization, then a person belonging to that organization)
 - A “large sum of money” in the aforesaid refers to a sum of ¥10 million or more per annum on average for the past three years if the person receiving such money is an individual, or in the case of an organization, a payment amount from the Company on average for (that organization's) past three fiscal years that is ¥10 million or more, or 2% or more of that organization's consolidated net sales, whichever is higher.
- (4) The representative partner or an employee of the Company's accounting auditor or another accounting specialist in charge of auditing the Company or a subsidiary of the Company
- (5) A major shareholder of the Company, or its business executive
 - “Major shareholder” in the aforesaid refers to a person who holds 10% or more of voting rights in the Company either directly or indirectly.
- (6) A director (limited to persons involved in business execution) or other business executives of an organization to which the Company makes large donations.
 - “Large donations” in the aforesaid refers to donations that exceed ¥20 million per annum on average for the past three fiscal years.
- (7) A major lender of the Company, or its parent company, or their business executives
 - A “major lender” of the Company in the aforesaid refers to a lender from whom the Company's borrowings exceed 2% of consolidated total assets.
- (8) A person who was a business executive of the Company or a subsidiary of the Company at any time during the ten years prior to appointment
- (9) A business executive of a company with a director from the Company
- (10) If an organization exists that corresponds to (1), (2), or (3) above at the time of appointment, then a person who belonged to that organization at any time during the three years prior to appointment

- (11) A person who corresponded to (4) above at any time during the three years prior to appointment
- (12) If an organization exists that corresponds to (6) above at the time of appointment, then a person who belonged to that organization at any time during the three years prior to appointment
- (13) A person who corresponded to (5) or (7) above at any time during the three years prior to appointment
- (14) A close relative of a person indicated in any of (A) to (C) below (excluding persons without significance)
 - (A) A person indicated in any of (1) to (3) or in (10) or (11) above. (Provided, however, that regarding (1) and (2), executive directors, executives, and executive officers are regarded as significant persons. Also, regarding (10), if the person belongs to an organization, then employees and partners of that organization are regarded as significant persons, and regarding (11), employees, partners and other accounting specialists directly in charge of auditing the Group are regarded as significant persons.) Provided, however, that this shall not apply when independence is deemed to be effectively ensured upon comprehensive consideration of the relationship of the person involved and the close relative involved, and the qualifications, attributes, and experience, etc. of the close relative involved.
 - (B) A business executive of a subsidiary of the Company
 - (C) A person who corresponded to (B) above or a business executive of the Company at any time during the year prior to appointment

*1. "Business executive" refers to persons stipulated in Article 2, Paragraph 3, Item 6 of the Ordinance for Enforcement of the Companies Act

*2. "Close relative" refers to a relative within the second degree of kinship.