



# 2024 Sustainability Report



# PASSION in Seed

## The seed that delivers smiles to the entire world

One thing has remained constant from our founding in 1913 until today:  
our “PASSION in Seed.”

We do it to help improve lifestyles and cultures  
around the world by developing seeds for flowers and vegetables.

Based on the message that  
“vegetables nourish the body and flowers nourish the soul,”  
SAKATA Group will continue to deliver seeds to everyone everywhere.

### Table of Contents

<b>3 Corporate Philosophy</b>	<b>Strengths and Materiality</b>	<b>Sustainability Initiatives</b>
<b>4 Message From President</b>	16 Development	30 Environment
<b>Sustainability Management</b>	20 Production and Supply	32 Society
8 Value Creation Process	22 Sales	38 Corporate Governance
10 Business Model and Strengths	24 Popularization	42 <b>Corporate Information</b>
12 Sustainability Development Structure	26 Round-Table Discussion	
14 Materiality		

### Editorial Policy

This document is a report of SAKATA Group’s approach to and initiatives concerning sustainability in order to bring about a sustainable society. We are publishing this report to share information and communicate with a wider range of stakeholders.

Reporting organization: Sakata Seed Corporation and consolidated subsidiaries. Some information only covers a specific range, in which case the scope of coverage will be noted.

Date of publication: May 27, 2024

### Company Motto

## “Quality” “Reliability” “Service”

These three words are our Company Motto.  
They are filled with our passion.

The words of our founder Takeo Sakata are always with us in our good and bad times at work.  
“Our mission is very peaceful and the nature of our business contributes to peace and makes people happy.”

Since our beginnings, the motto created by Takeo Sakata has been passed down continuously to employees around the world together with these words that represent one of the essentials of the seed industry.

### Management Philosophy

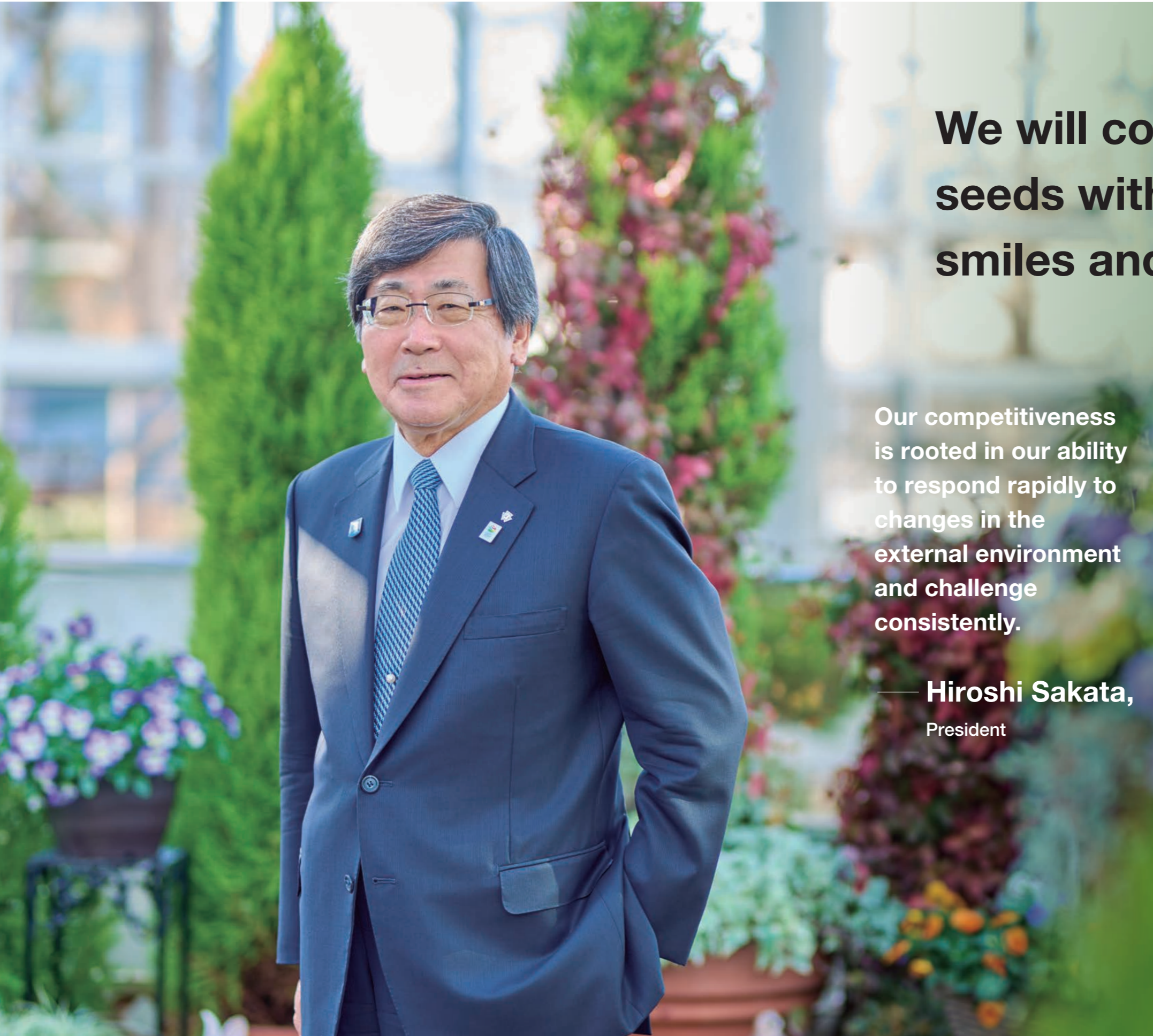
Our Management Philosophy consists of the following statement:  
“We contribute to the betterment of life and culture of the people around the world and aim to become the world’s leading seed company, with values created through our innovative flower & vegetable varieties and through our services,”  
together with the philosophies of “Mutual Prosperity,” where SAKATA Group seeks to prosper along with its clients and suppliers, “Mutual Interest,” where we seek the mutual prosperity of employees, management, and stockholders, and “Mutual Harmony” where we aim for continuous coexistence among nature on earth, society surrounded by nature, and companies as an integral part of the society.

### Corporate Group Slogan

## PASSION in Seed

- P**eople
- A**mbition
- S**incerity
- S**mile
- I**nnovation
- O**ptimism
- N**ever Give Up

SAKATA Group has adopted the corporate group slogan, “PASSION in Seed.”  
The slogan means, “the seeds we create are the crystallization of 100 years of passion,” and it was created on the occasion of the 100th anniversary of our founding.  
The seven letters in the word “PASSION” stand for the words on the left.



# We will continue to develop seeds with passion to deliver smiles and health to the world.

Our competitiveness is rooted in our ability to respond rapidly to changes in the external environment and challenge consistently.

— Hiroshi Sakata,  
President

### Thoughts on the Publication of this Sustainability Report

The world is undergoing a lot of change now. In addition to climate change and economic uncertainty due to geopolitical risks, factors such as soaring raw material prices and food shortages, advancements in science and technology and a rise in environmental consciousness may also be called forms of change.

Companies have a responsibility to respond to these circumstances and contribute to realizing a sustainable society. So what can SAKATA Group do? I believe the answer lies in the company's 111-year journey.

We are a research and development-based seed company that deals with living seeds and that conducts business in harmony with nature. Since our beginnings in 1913, we have continued to deliver seeds, the basis of agriculture and horticulture, in the face of various challenges. Nothing can begin without a seed, after all. I can confidently say that SAKATA Group's business itself is a green business that supports the sustainability of society.

We currently have 39 companies (consolidated subsidiaries and affiliates) in 23 countries and supply seed to over 170 countries, with about 70% of our sales coming from overseas. To fulfill our responsibility as a company that does business all over the world and also to satisfy the demands of the times, we felt the need to set out the relationship between our activities and sustainability, and to explain it once more to society and to all of our stakeholders. That is why we decided to publish this Sustainability Report.

⇒ P.42-43 Corporate Information

⇒ P.3 Corporate Philosophy

**SAKATA Group's Corporate Philosophy and Ideal Situation**

Our company's Corporate Philosophy consists of our Company Motto, Management Philosophy, and Corporate Group Slogan. Our Company Motto of "Quality, Reliability, Service" represented an unchanging spirit that we have carried on since our founding days. The "Quality" in the motto refers not only to the quality of our varieties but also the quality of all of our stages of R&D, production, distribution and sales. This is only natural, because the value of the varieties will change if even one of these stages is poorly carried out. For that reason, we also place great importance on the quality of our employees. Furthermore, the value of a seed cannot be known until it germinates and is harvested. Therefore "Reliability" is the absolute condition needed for our customers to trust us and purchase our seeds. "Service" stands for our intention to fulfill our responsibility to contribute to society as a company.

Our Management Philosophy states: "We contribute to the betterment of life and culture of the people around the world and aim to become the world's leading seed company, with values created through our innovative flower & vegetable varieties and through our services." The Philosophy consists of three points. Firstly, "Mutual Prosperity" where we aim for the prosperity of our clients, suppliers and the group itself. Secondly, "Mutual Interest" where employees, management and stockholders work together to flourish, and thirdly "Mutual Harmony" in which nature on earth, society surrounded by nature, and companies as an integral part of society aim to coexist sustainably. "Mutual Harmony" is the mindset permeating the company that we stated in writing in 2022.

⇒ P.3 Corporate Group Slogan

We have set "PASSION in Seed" as our Corporate Group Slogan. It was newly formulated on the occasion of the 100th anniversary of our founding as a rewrite of the "PASSION" advocated by the late Kazuo Inamori (founder of Kyocera and KDDI), with his permission. This slogan encapsulates our determination to create seeds with passion to deliver smiles and health to the world.

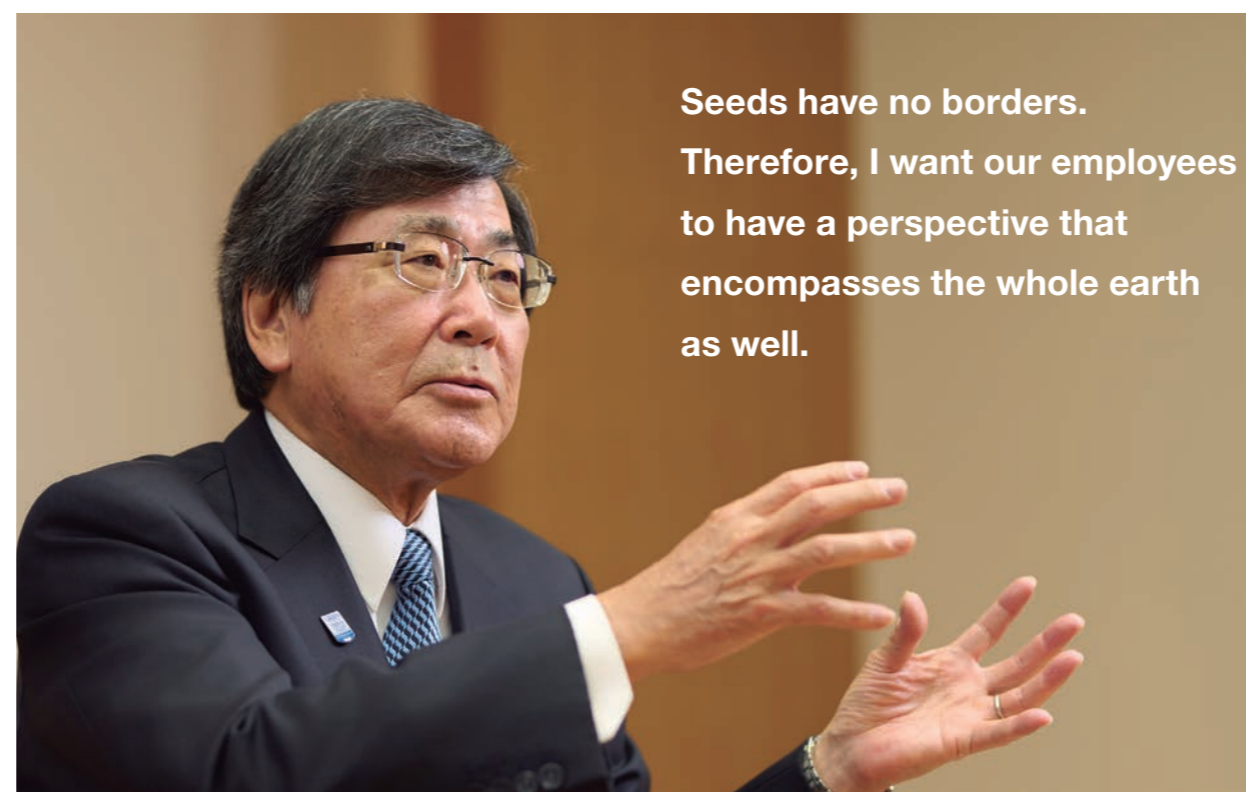
Sakata Seed Corporation has always had a culture of carrying out innovative experiments, and indeed, that spirit is built into the very DNA of the company. When we changed our name from "T. Sakata & Company," to "Sakata no Tane" in 1986, many were astonished by the uniquely direct name at the time. . We had already demonstrated our

presence as game changers by releasing "Prince," an improved oriental melon, in 1962, and releasing "Honey Bantam" in the 70s which completely changed the landscape by introducing sweetcorn to a market where chewy, mildly sweet corn was the norm. When it comes to development, since seeds are living things and we have nature to contend with, it is impossible to achieve 100% quality with a 100% germination rate. Nevertheless, we strive ceaselessly onwards with that 100% as our goal.

**Our Competitive Advantage and the Human Capital Development Measures that Underpin it**

The source of Sakata Seed Corporation's competitive advantage is, simply put, employees with the drive to take on challenges.

Although many experimental cross-breeds are developed in the process of breeding varieties, strong determination is required to keep only the most superior ones, a small percentage of the whole, and discard all of the others. We must do this because the professional growers who use our company's seeds demand nothing but very best. We must also continually work to improve new varieties even after they are released for sale. We gather information from near and far and constantly work on breeding new varieties while throwing away most of the experimental breeds we brought up with great care. This is only possible with an indomitable drive to take on challenges.



**Seeds have no borders. Therefore, I want our employees to have a perspective that encompasses the whole earth as well.**

Another factor behind our competitive advantage, in my opinion, is our focus on being in the field. Whenever I visit a region, I always try to visit the production fields where the actual growing takes place. I use the Japanese words "GENBA" and "KODAWARI" with our overseas employees as well and tell them, "If you feel lost, study the GENBA and think," and "Approach your duties with KODAWARI." To evaluate varieties and check for issues requires the use of all five senses: to see, smell, touch, hear, and taste. It would be even better if there were a sixth sense we could use—the ability to communicate with nature.

I endeavor to engage in dialogue with employees in order to encourage their drive to take on challenges and the attitude of working in the field. Whenever I go on a business trip, I try to speak directly to the local employees. I also repeatedly communicate the Company Motto, Management Philosophy and Corporate Group Slogan as well as the messages of "Be a challenger" and "Look at the GENBA" through video messages and company newsletters. Approximately 70% of the company's almost 3,000 employees are overseas. Therefore I believe that spreading our philosophy is useful for fostering employees' Group spirit as well.

**Our Sustainability Management and Global Strategy**

Steady supplies of seed are essential to the sustainable development of society, so we produce seed on a global basis, using the northern and

southern hemispheres in different ways.

To tackle sustainability management more thoroughly, SAKATA Group established a Sustainability Committee in June 2023. Matters discussed by the committee will be referred to the Board of Directors for even deeper level discussions.

The traits desired from flower and vegetable varieties are closely linked to the food and horticultural cultures of a region. Therefore, in order to understand needs more clearly, we usually recruit the Presidents of overseas subsidiaries locally and entrust them with management. The Presidents of the companies meet in Japan a few times a year, and I also visit them regularly to dialogue with them in an effort to strengthen governance.

We have four materialities, namely "Preserving the global environment," "Contributing to sustainable agriculture and horticulture," "Enabling prosperous lives," and "Strengthening our business foundations." Under "Strengthening our business foundations," we will aim to "focus on diversity and develop human capital," and we are conducting training to develop human resources that can succeed on a global level. Personnel recommended by each group company gather at the group's major offices, where they observe production fields and research stations, share information on market trends, and exchange opinions.

In 1988 I was posted to the Netherlands for six years, where I set up our European Representative Office. It was a challenging endeavor, but thanks to this experience, I learned about the logical business style of the Netherlands, which is one of the top exporters of agricultural and horticultural produce despite being smaller than Japan. It also trained my eye for looking at Japan objectively from outside. Seeds have no borders. Therefore, I want our employees to have a perspective that encompasses the whole earth as well.

I believe we will need an even more global strategy going forward. For one thing, demand for vegetables will most likely grow in emerging countries with large populations. I want to actively capture the market with the quality of our seeds and human capital.

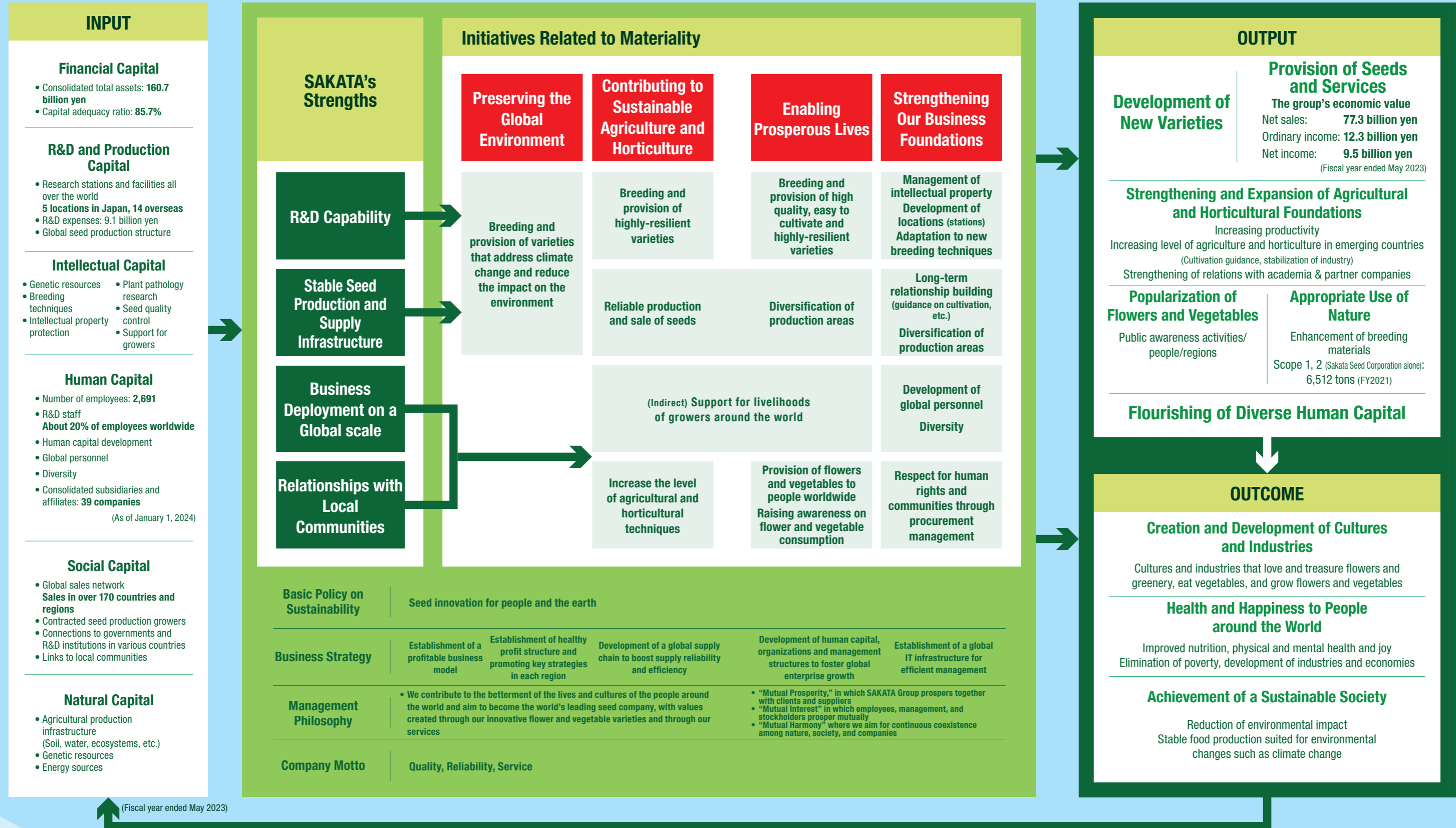
Strictly speaking, Japan is not a country that is suited to the agricultural and horticultural business. But that is precisely what gives us the power to perform repeated R&D so that the seeds we create live up to the expectations of growers around the world. I want us to use that strength as leverage to spread SAKATA Group's seeds throughout the world.

⇒ P.12-13 Sustainability Development Structure

⇒ P.14-15 Materiality

# Value Creation Process

Seeds are living things, and they are indispensable to agriculture and horticulture and to all food production. SAKATA Group handles those seeds and conducts its business in coexistence with nature. We will continuously use the strengths and capital of the group to breed new varieties and supply seeds in a stable fashion, and through sustainability management, we will grow as a company and continue to contribute to the achievement of a sustainable society.



# Business Model and Strengths

SAKATA Group is a research and development-based company group that specializes in seeds and seedlings. Through means such as breeding new and unprecedented superior varieties, reliably supplying high quality seeds and seedlings, and proposing a variety of services related to seeds and seedlings and proposing new markets, we aim to maximize the value of seeds. Our unique feature is our integrated business model that provides our company's value of "high quality" starting from the seeds and seedlings we breed, through to the growers and all the way to the final consumer.



## Business Activities



### Maintaining and Introducing Genetic Resources

We obtain genetic resources that are the sources of new varieties, and we pass them on, manage them and continue to maintain them. We create varieties suitable for each locality using the genetic resources of our globally-positioned research stations. We also endeavor to secure new genetic resources through industry-academic partnerships.

### Breeding of Superior Varieties

Creating new, innovating flower and vegetable varieties that help address issues in agriculture and horticulture is the top of our value chain and the source of our value. We also focus on human capital development because it takes skill as a breeder to bring out the potential in diverse genetic resources.



### Seed Production

We endeavor to increase the efficiency of seed production and stabilize their supply by growing seed in 19 countries worldwide. We produce our key varieties in multiple locations as a measure to minimize risk.

### Quality Control

The quality of our seeds is what generates trust for us as a company. We therefore inspect them to check the rate of germination and to ensure there has been no crossing with other varieties or contamination by disease.

### Logistics

We keep the seeds that are our products in strictly temperature- and humidity-controlled storehouses. We are accelerating the process of enhancing our global distribution networks while also working to increase the efficiency of distribution.



### Sales

Our seeds are sold in over 170 countries and regions. We have divided the world into four regions and set up directing companies for each region, where highly specialized sales and marketing staff conduct sales along distribution channels. We have multiple sales locations and are also strengthening our resilience for times of risk.

The diversity of our sales channels is another of our strengths. In addition to distributors, we sell through retail, the mail order service we manage directly, and direct sales to agricultural production companies.

With stable supplies as our first principle, we strive to breed varieties that address social issues such as labor savings and reducing environmental impact, as well as varieties that stimulate demand for flowers and vegetables and those that suit the cultivation environment in their region, and we endeavor to expand our markets globally.



### Distribution and Cultivation Support

The specialized after sales support we provide is another major strength. We provide growers with knowledge that only we know because we are the developers. We also give them guidance on cultivation, thereby supporting the development of agriculture and horticulture. Moreover, we propose and sell solution items that help improve productivity and other metrics.

### Development of New Markets

We not only sell standard items and varieties but also offer new proposals while considering efficiency and benefits to production. When new flowers and vegetables are produced, they can be used by local residents and additionally, they contribute to building a new economic foundation for the region.



### Expanded Uses

To promote prosperous lifestyles featuring flowers and vegetables, we communicate their appeal worldwide. In the horticulture industry, we were the first to establish a Customer Relations Office where we handle questions and concerns about cultivation from general consumers. We also use social media and websites to share messages, such as recipes for consumers that use vegetables in order to spur demand.

### Promoting the Landscape Business

As plant experts, we also engage in a landscaping business involving the use of flowers. We use varieties we have bred to grow plants in living and commercial spaces, creating highly original landscaped areas full of flowers and greenery. We deliver color and comfort to those spaces through our seeds and seedlings.



Improving Life and Culture for People around the World

# Sustainability Development Structure

## Contributing to Society through Seeds and Seedlings

SAKATA Group has a history of more than 100 years by delivering high quality seeds to our clients under the company motto of “Quality, Reliability, Service”.

The reason why quality is of utmost importance to the seed industry

is that the quality of seeds is not apparent just by looking at them. So we must earn trust by customer to make them buy our seeds. And, in order to gain that trust, we have continued to strive to deliver high quality seeds to our clients every year.

## Basic Policy on Sustainability

### Seed Innovation for People and the Earth

- The company motto of SAKATA Group is “Quality, Reliability, Service,” based on which we have built a history of delivering high-quality seeds with added value to our clients for over a century.
- Our management philosophy also advocates “Mutual Prosperity”, in which we prosper together with clients and suppliers, “Mutual Interest” in which employees, management, and stockholders prosper mutually, in addition to “Mutual Harmony” for continuous coexistence among nature on earth, society surrounded by nature, and companies as an integral part of the society. We aim to engage in sustainability management that contributes to society, agriculture,

- and gardening, and drives positive development and growth for stakeholders both inside and outside the company through our core businesses in seeds and seedlings and in landscaping.
- While engaging in business activities focused on developing, stably supplying, and utilizing innovative seeds that generate new value, we will also work to improve our business processes. We will help to achieve a sustainable society by creating culture through the flowers and vegetables cultivated from the seeds we supply and spreading happiness and health to people throughout the world.

## Development Structure

### Establishment of Sustainability Committee

On June 1st, 2023, SAKATA Group established a Sustainability Committee as a subordinate body to the Board of Directors to promote sustainability management. The committee reports to the Board of Directors, its supervisory authority, as appropriate, and seeks its approval as needed. It is chaired by the President, and its members are Managing Executive Officers and General Managers. The committee’s administrative functions are performed by a Development Project Team consisting of members from across the organization. One of the committee members, a Managing Executive Officer, serves as the project leader to promote specific efforts to address various issues.

### Sustainability Management Development Project Management Office

The members of the Sustainability Management Development Project Management Office are selected from all divisions and are a diverse group with various individual specializations. The role of the Management Office is not only to manage progress but also to work together with working group members to drive processes forward by creating drafts and holding workshops, among other means.



## Stakeholder Engagement

### Providing Diverse Value to Stakeholders through Seeds and Seedlings

SAKATA Group’s major stakeholders are the many people involved in agriculture and horticulture and related industries as well as our shareholders and employees. Since our beginnings, it has been our ambition to further the sustainable development of society through our business activities of breeding and supplying new varieties of flowers and vegetables that contribute to people’s livelihoods. We will continue to nourish people all over the world physically and mentally through our seeds and seedlings.

Major Stakeholders	Main Engagement Opportunities	Main Contact Points
Clients	Sales & marketing activities Customer Relations Service Desk Exhibitions	Sales & Marketing Dept. Retail Unit Customer Relations Office
Shareholders & Investors	General Meeting of Shareholders Financial results briefings IR page on website Various reports	General Affairs Dept. Finance Dept. Corporate Communication Dept.
Suppliers	Daily activities Quality control	Sales & Marketing Dept. Supply Chain Division
Employees	Training & human capital development Company newsletters	Human Resource Planning Dept. Corporate Communication Dept.
Communities	Dialogue Cooperating with & participating in activities	General Affairs Dept. Various offices
NPO & NGOs	Dialogue with NPO & NGOs Cooperating with surveys	Corporate Communication Dept.
National and local governments, industries, academia	Dialogue Cooperating with & participating in activities	Corporate Communication Dept. Research & Development Div. Corporate Planning Dept.

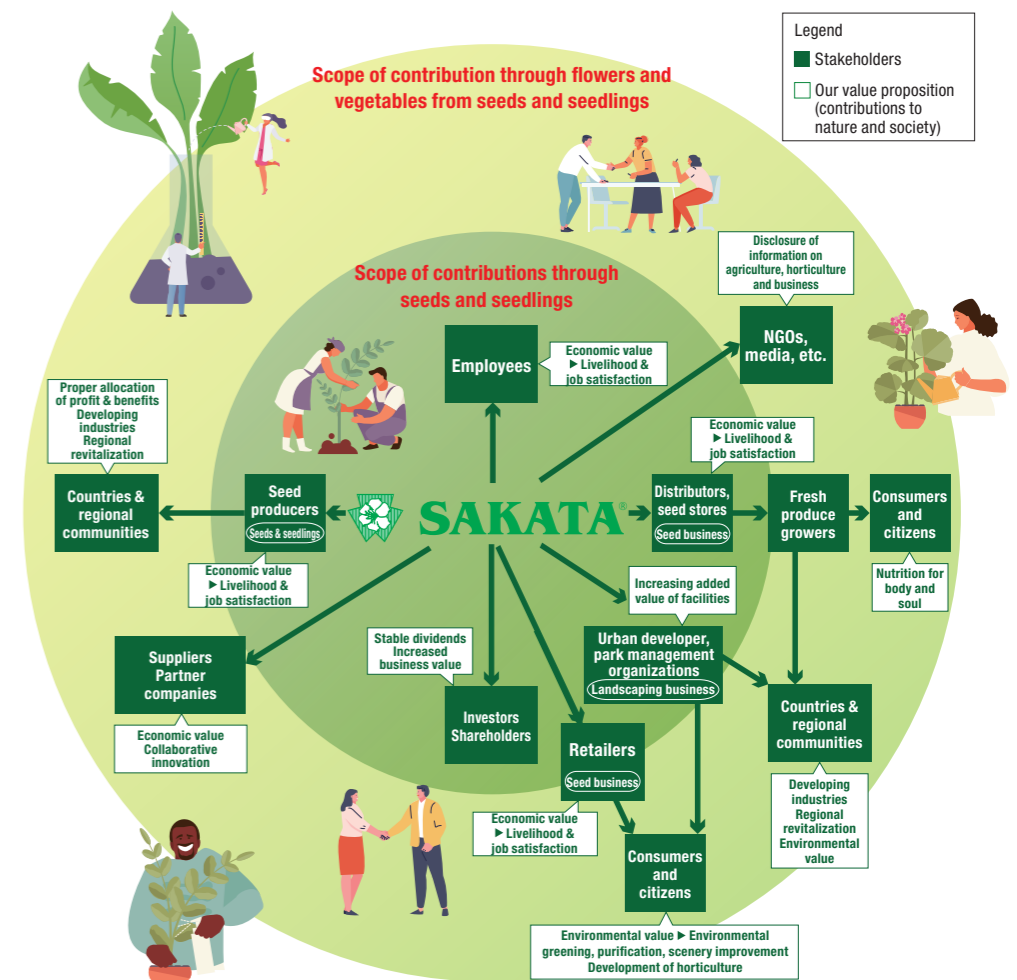
### SAKATA Group’s Value Proposition to Stakeholders

Through seeds and seedlings, the group delivers economic value (livelihood, job satisfaction) to growers and employees.

We also provide physical and mental sustenance for consumers through products as cut flowers and fresh produce, and we give society production bases for agriculture and horticulture as well as environmental benefits.

Furthermore, we contribute to industrial development and regional revitalization in producing countries through growers of seeds, seedlings, flowers and vegetables.

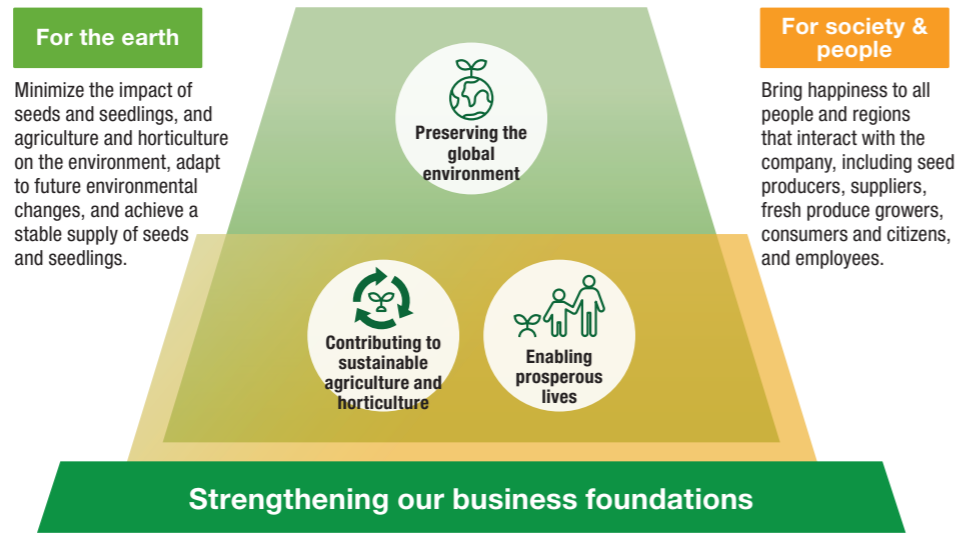
These forms of value can also be considered livelihood and social infrastructure, and we believe that the stable and continuous provision of varieties and value that meet clients’ and society’s requests is the crucial role that our diverse stakeholders expect SAKATA Group to fulfill.



# Materiality

SAKATA Group's materiality consists of four comprehensive issues we have assessed as major, which we have placed under the two broad frameworks of "For the earth," and "For society & people." The issues are "Preserving the global environment," "Contributing to sustainable agriculture and horticulture," "Enabling prosperous lives," and "Strengthening our business foundations."

These four materialities are closely connected to the company's businesses, and they are issues that we have been tackling for a long time. For example, the breeding of varieties and the continuous supply of seeds and seedlings, which are the cores of our businesses, are extremely vital to sustainable agriculture and horticulture.



## The Process of Specifying Materiality

To specify our materiality, we used international frameworks and guidelines to identify issues, interviewed management and group companies, held employee workshops and finally specified the issues after their approval by the Board of Directors. The specific processes were as follows.

Process 1	Process 2	Process 3	Process 4
<p><b>Identifying Issues</b></p> <p>We identified issues from international frameworks and guidelines such as the Global Reporting Initiative (GRI) standard, the Sustainable Development Goals (SDGs), the United Nations Global Compact, the OECD (Organisation for Economic Co-operation and Development) Guidelines for Multinational Enterprises, the Universal Declaration of Human Rights, the Core Labor Standards of the International Labour Organization (ILO) and ISO26000, as well as from sources such as the opinions of external stakeholders.</p>	<p><b>Holding Interviews and Workshops</b></p> <p>We interviewed the company's executives and group companies about the issues identified and also held employee workshops on them, leading us to select the important issues affecting the seed industry from diverse and multifaceted perspectives.</p>	<p><b>Evaluation and Weighting</b></p> <p>We then evaluated the important issues from the dual viewpoints of their importance to our stakeholders and their importance to our group, and weighted them while making reference to benchmarks such as the 2021 Food and Agriculture Benchmark issued by the World Benchmark Alliance (WBA).</p>	<p><b>Specifying Materiality</b></p> <p>After a series of discussions between the company's executives and the members of the Sustainability Management Development Project, as well as exchanges of opinions with outside experts, the group's materiality was finally specified after deliberation and approval by the Board of Directors.</p>

## SAKATA Group's Basic Approach to the SDGs

The group as a whole is working toward three of the Sustainable Development Goals. These are Goal 2: Zero Hunger, which is highly compatible with sustainable agricultural and horticultural development, Goal 8: Decent Work and Economic Growth, for our employees and business partners to engage in their work with motivation and vitality, and Goal 13: Climate Action, which closely relates to coexistence with

nature and the seed business in particular. With specific regional goals also set for North and Central America, Europe and Middle East, Africa, South America, Asia and Japan based on the circumstances particular to each region, we are working toward the sustainable development of the planet.

## SAKATA Group's Four Materialities

	Materialities	Reason for Selection	Examples of Initiatives	Related SDGs
For the earth	<p><b>Preserving the global environment</b></p> <ul style="list-style-type: none"> <li>Climate change measures</li> <li>Preservation of biodiversity</li> <li>Preservation of water resources</li> <li>Waste management</li> <li>Reduction of environmental impact</li> <li>Recycling of resources</li> </ul>	<p><b>Related to our Management Philosophy of "Mutual Harmony"</b></p> <ul style="list-style-type: none"> <li>The foundations of our businesses</li> </ul>	<p><b>Effective use and management of water resources</b></p> <ul style="list-style-type: none"> <li>Drip irrigation at research stations and seed production fields.</li> </ul> <p><b>Preservation and sustainable use of biodiversity</b></p> <ul style="list-style-type: none"> <li>Appropriate use of genetic resources and sharing of benefits based on agreements with the countries where they are located</li> </ul> <p><b>Reduction of environmental impact</b></p> <ul style="list-style-type: none"> <li>Development and use of seeds and materials with low environmental impacts</li> <li>Greenhouse gas (GHG) reduction at offices (installation of solar panels, usage of EVs)</li> </ul>	
For society & people	<p><b>Contributing to sustainable agriculture and horticulture</b></p> <ul style="list-style-type: none"> <li>Stabilization of agricultural production</li> <li>Support for growers</li> <li>Correspondence to climate change</li> <li>Development of agriculture and regions</li> <li>Preservation of soil</li> </ul> <p><b>Enabling prosperous lives</b></p> <ul style="list-style-type: none"> <li>Provision of healthy dietary lifestyles</li> <li>Sustainable food supplies</li> <li>Achievement of mentally fulfilling lives featuring flowers and greenery</li> </ul>	<p><b>Related to our Management Philosophy of "Mutual Prosperity"</b></p> <ul style="list-style-type: none"> <li>Contributions to regions, agriculture and horticulture through seeds and seedlings</li> </ul> <p><b>Related to our Management Philosophy of "Mutual Harmony"</b></p> <ul style="list-style-type: none"> <li>Contribution to improving life and culture for people through seeds and seedlings</li> </ul>	<p><b>Stabilization of production and supply</b></p> <ul style="list-style-type: none"> <li>Breeding of disease resistant and weather tolerant varieties</li> <li>Technical support for growers</li> </ul> <p><b>Regional development</b></p> <ul style="list-style-type: none"> <li>Creation of jobs through businesses</li> </ul> <p><b>Enabling healthy lives</b></p> <ul style="list-style-type: none"> <li>Encouraging children to consume fruit and vegetables (food education)</li> <li>Awareness campaigns about consuming vegetables in emerging countries</li> <li>Lifestyles and urban planning featuring flowers and greenery</li> </ul>	
Business Foundation	<p><b>Strengthening our business foundations</b></p> <ul style="list-style-type: none"> <li>Strengthening of governance</li> <li>Human capital development, emphasis on diversity</li> <li>Improvement of internal environment</li> <li>Intellectual property management</li> <li>Procurement management (environment, human rights, etc.)</li> </ul>	<p><b>Related to our Management Philosophy of "Mutual Interest"</b></p> <ul style="list-style-type: none"> <li>Compliance with laws and regulations</li> <li>Comfortable and fulfilling work for all people</li> <li>Developing irreplaceable human capital</li> </ul>	<p><b>Formulation of Human Capital Development Policy and Internal Environment Improvement Policy</b></p> <ul style="list-style-type: none"> <li>Implementation of various human capital development programs as well as diversity training for executives and managers</li> </ul> <p><b>Formulation of Human Rights Policy</b></p> <ul style="list-style-type: none"> <li>Collaboration with suppliers to understand the situation and rectify any issues concerning child labor, forced labor, etc.</li> </ul>	



# Creating Social Value Through the Development of High Quality Seeds

SAKATA Group's greatest strength is its research and development capability. We are constantly working to create new varieties of flowers and vegetables that will generate fresh value for society.

In recent years, by breeding varieties aimed at addressing climate change, having a lower impact on the environment and increasing productivity during cultivation, we are also helping to resolve issues facing growers such as stable yields while also creating foundations for industries and new sources of income in Japan and overseas.

## CASE Tomato Increasing Profitability for Growers by Breeding Climate Tolerant and Disease Resistant Varieties

SAKATA Group is engaged in the breeding of new tomato varieties all around the world. In Japan, we began working on tomatoes in the 1950s, developing tomatoes to suit the climates and natural features of regions, tastes, and the consumption and distribution system of the era. We have especially focused on breeding climate tolerant and disease resistant varieties that are strong against diseases and not easily influenced by chang-

es in the natural environment such as temperature, water and sunlight. Tomatoes are easily damaged by high temperature conditions. Therefore, it has been difficult to harvest fruits stably in summer. However, the environment of tomato production has greatly improved in recent years because we are supplying our new breeding varieties.

### "Reigetsu" has Extremely Firm Fruits and Tolerance against Extreme Hot Temperatures.

As the number of extremely hot days increase due to climate change, missing fruit-setting and fruit cracking in tomatoes have become major problems since around 2015. To address this issue, we released Reigetsu, which provides large tomato fruits for summer to fall cultivation in 2016. The fruits are extremely firm, and strong against cracking and because of the excellent fruit-setting in high temperature conditions, Reigetsu guarantees stable yields and a high marketable yield rate even in summer. It therefore contributes to increased profitability for growers. Generally the flavor of the fruit tends to decrease as cracking tolerance improves, but Reigetsu has tasty flesh, a good balance between sourness and sweetness, and excellent flavor. Reigetsu has been highly rated as a variety that resolves the issue of the stable supply of tomatoes in extreme heat conditions. The growers of Reigetsu have commented, "I have A-grade products with a nearly 100% harvest thanks to this variety."



The excellent fruit-setting of Reigetsu is clear when you compare it (on the right) to a variety from another company (left) in mid-September.



Reigetsu, a large fruit size tomato variety that solves issues in summer to fall cultivation

### "Karen," a Variety with Excellent Disease Resistance

In 2020, we released Karen, a large fruit size tomato variety that has a resistance to Tomato yellow leaf curl virus<sup>1</sup> that has caused severe damage to yields in wide areas west of the Kanto region for many years. In addition to excellent fruit-setting until the second half of the harvest, Karen is also known for its short internodes<sup>2</sup> and its lower susceptibility to burned tips. The short internodes reduce the frequency of training to adjust the plant height. Even better, by reducing diseases caused by burned tips, it also reduces the frequency of spraying chemicals. Karen is a variety that contributes to solving problems at production sites facing labor shortages and aging populations.



### "Gran Shield," a Rootstock Variety Adapted to Long Cycle Cultivation

In recent years, as a result of extreme heat temperatures and long cycle cultivation, there is a demand for varieties with more vigor and stamina. We developed the Gran Shield rootstock tomato meets these market demands. Gran Shield can be cultivated in both high and low temperatures and has resistance to diseases that are likely to occur in each condition. In particular, Gran Shield has the highest level of resistance against bacterial wilt<sup>3</sup> that causes tomatoes die in high temperatures among our rootstock tomato varieties. Varieties which are resistant to diseases reduce the costs of spraying chemicals and lead to an environmentally friendly agriculture and horticulture industry, and safe and more secure vegetable production.



<sup>1</sup> A disease characterized by the plant's leaves rolling up. When it progresses, the whole plant shrinks, and the yield decreases drastically. <sup>2</sup> A node is the part where a leaf is attached to the stem, and the interval between nodes is called an internode. <sup>3</sup> Pathogens (bacteria) infect through root wounds and cause the disease. The disease causes symptoms when the temperature is around 20°C and above. During the daytime, the whole plant above ground wilts while remaining green and eventually dies.

## CASE Sunflower Contributing to Industry Creation in Low and Mid-Latitude Regions through the Cultivation and Popularization of Our Signature Variety "Vincent's" Series



The Vincent's series of sunflower for cut flowers



We are working to popularize the Vincent's series in India. A new market is emerging where they are used for decorating temples and other buildings

In 1986, Sakata Seed Corporation bred "Kagayaki," the world's first pollen-free type sunflower for use as cut flowers. Since then, we have continued to improve our varieties in areas such as height and germinability, culminating in the release of the Vincent's series in 2009. These sunflowers are praised for their appealing look with upward-facing blooms and round petals, as well as for their disease resistance and ease of growing. Their market value is high because they are available in a wide range of shapes and colors, making them prized for bouquets and flower arrangements at events, and they are fast becoming one of the best known names worldwide for cut sunflowers.

In addition to offering people lives enriched by flowers, these sunflowers are also contributing to the development of regional horticulture and the creation of industry by bringing new potential revenue sources to people in emerging countries, mainly in the low- to mid-latitude regions of Asia. The Vincent's series is a fast grower that takes approximately 55

days from sowing to shipping, and it is a variety that can be cultivated and shipped year round in moderate climates. It has a high germination rate and uniform growth and can be sown directly, so it can be sown directly in ground. This means that growers can start with just a small initial investment and it also means a lower impact on the environment. The series is also becoming more popular from the perspective of offering relatively stable production to growers who want to start cultivating it for the first time.

Demand for the Vincent's series is growing both domestically and internationally. Sales are growing especially in China, India, Thailand and other Asian countries where yellow is a much-loved color because it symbolizes wealth. We are enhancing our sales and product development capabilities as we focus on taking the top share in the world's cut sunflower market, and we will continue to bring comfort and richness to the lives of consumers in countries and regions all over the world.

## CASE Squash A Vegetable that Holds Promise for the Future The Potential to Overcome Hunger and Improve Nutrition

Squashes are vegetables that hold much promise for the future. Our R&D team in Brazil is focusing on the breeding of butternut, a type of squash. They are breeding various varieties, including "Pluto," an innovative variety that grows well and has high yields, a long harvest period and high market value as well. These varieties are beginning to sweep over not just South America but also the USA, Mexico, South Africa, Spain and other countries worldwide.

Moreover, squashes contain more carbohydrates than other vegetables and are highly nutritious, so they have the potential to address hunger, one of the issues facing emerging countries in the tropics, more directly and improve nutrition. They can endure high temperatures, have a short cultivation period, and only take a little fertilizer to grow, plus they can be stored for long times at room temperature after harvest without deteriorating in quality. Thanks to these features, they are expected to play a role in overcoming food issues, which are materiality facing mankind.



Breeders evaluating varieties in fields



# The R&D Capabilities that Support Our Business

We have built a global research structure, and we breed varieties using the wealth of genetic resources (breeding materials) we have accumulated in our history of over 110 years. Through the synergy of the group's strengths in human capital, our global locations and our genetic resources, shown by carrying out breeding by teams with a focus on human capital development, for example, we will continue to create new and unprecedented varieties.

## Breeding through a Global Research Structure

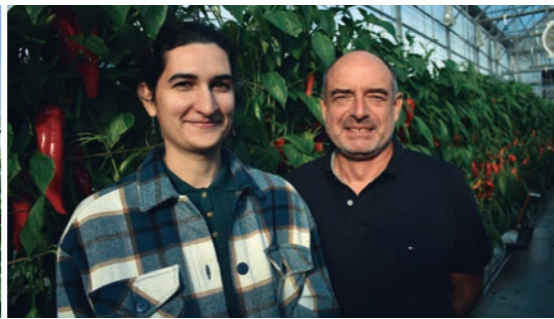
As a research and development based company, our research structure has three major strengths. The first is a global research structure where we own research stations and facilities in 19 locations in 12 countries such as Japan, the USA, France, India and Brazil. We carry out our breeding near the actual cultivation sites of growers, and we consider the local climate, environment, soil, and food culture in the research and development of varieties.

The second strength is the depth of our R&D personnel teams. Over 20% of our employees worldwide are R&D staff, and they include not only the breeders that form the core of our breeding but also experts in culti-

vation, plant pathology, biotechnology, etc. Many R&D staff work together on flower and vegetable seeds and plants day in and day out.

The third strength is the team system where each crop is assigned to a team of breeders to carry out the breeding process. The breeders who are the core of our breeding are required to have abilities such as insight based on their experience, the foresight to predict environments and eating habits ten years in the future, and the inventiveness to come up with new combinations. To train breeders and allow knowledge to be passed on, each crop is bred in teams consisting of veterans, mid-career personnel, and newer staff (→ see P.35).

We assign talented R&D personnel to our research stations around the world where they cooperate with their teams to create varieties suitable for the lifestyles, culture, climate and natural features of that land.



## R&D Based on Intellectual Property and a Wealth of Genetic Resources

The development of new varieties requires the investment of massive amounts of time, effort and R&D expenditure. We actively invest in R&D, with R&D expenses for FY2023 standing at 9.1 billion yen and representing an R&D expense to sales ratio of 11.7%.

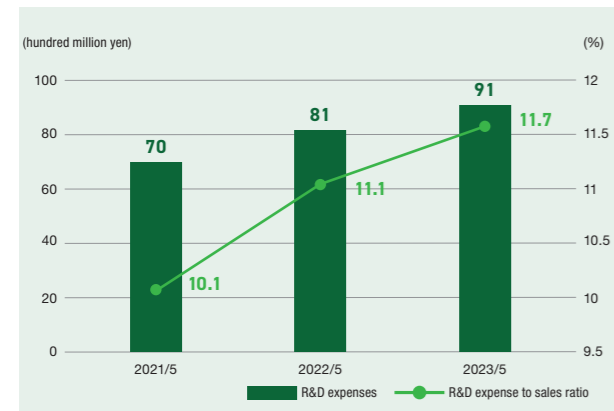
Genetic resources are essential materials for breeding new varieties. The genetic resources we have collected and developed in the course of our over 110-year history are irreplaceable intellectual properties. In addition to our own genetic resources that we have collected and developed, we have also secured other routes to access many genetic resources, such as by utilizing native species and exploring genetic resources in col-

laboration with other countries.

We believe that it is extremely important to address the issue of biodiversity for sustainable R&D. Therefore, in 2000 we established the Genetic Resources Dept. to manage genetic resources and to specialize in negotiations with the countries supplying those resources.

We also work to protect intellectual property from a variety of perspectives such as Plant Variety Protection (PVP) and patent registration in accordance with the intellectual property systems of each country. SAKATA Group strives not only to protect our own intellectual property rights but also to respect the rights of other companies.

### R&D Expense Transition



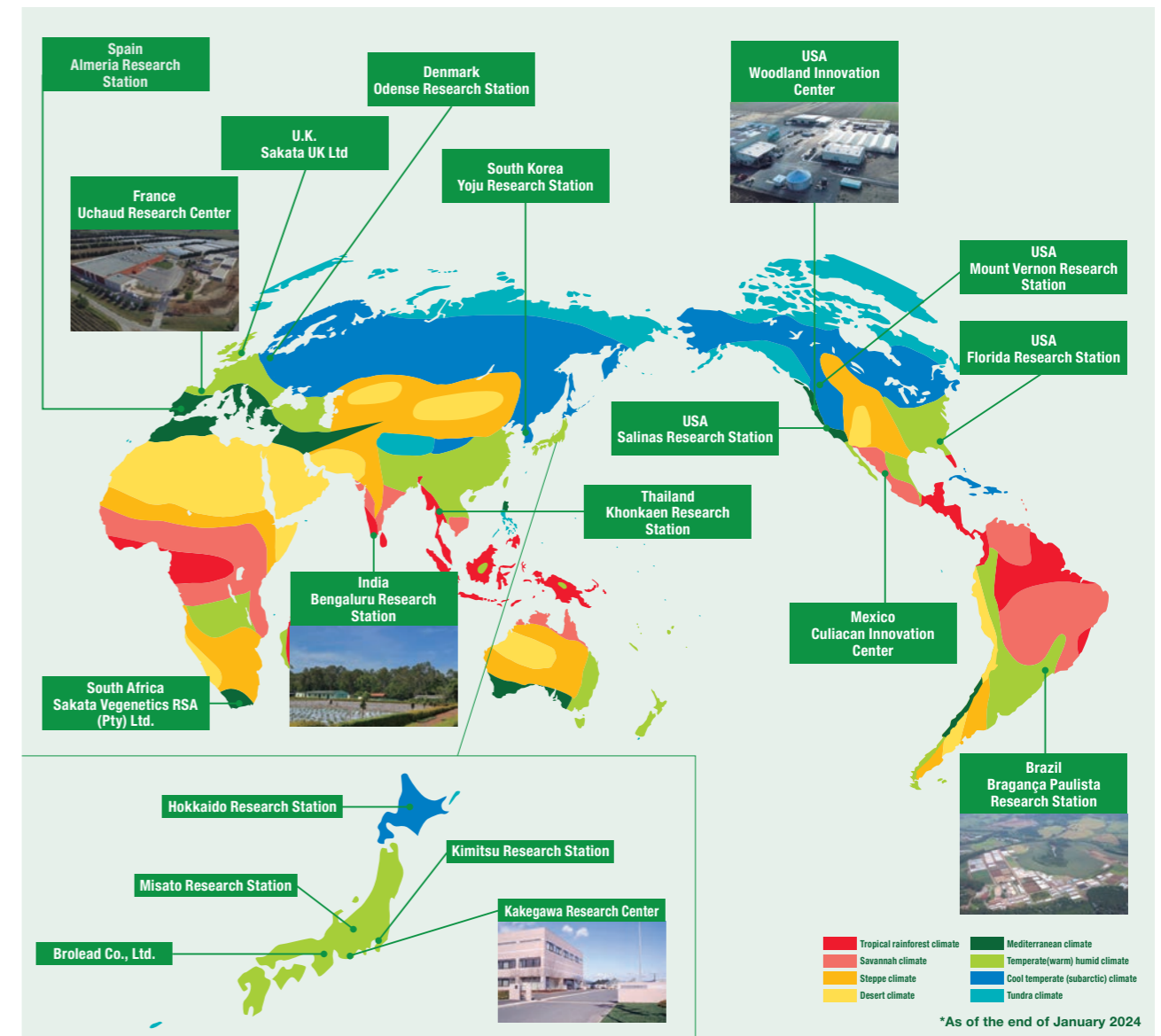
### CASE Lisianthus Patented the World's First Pollen-Free Type

An intellectual property strategy is vital in the seed business. In 2016, we were the first company in the world to develop a pollen-free lisianthus. This variety does not stain clothing or its petals with pollen, and it is extremely long flowering because it is not pollinated. To protect groundbreaking intellectual properties such as these, we are strengthening our intellectual property protections globally.



A pollen-free lisianthus (left) and a traditional lisianthus with pollen (right)

### Global Research Structure



We have established research stations to encompass all climates in the world: tropical, dry, temperate, cool temperate (subarctic) and frigid. In addition to focusing on the local market when developing our R&D activities, we are also establishing a global technical cooperation structure and developing varieties in a rapid and efficient way.

### CASE SunPatiens

## Joint Development of a Next-Generation Ornamental Plant with an Indonesian Institute Based on the Convention on Biological Diversity

Sakata Seed Corporation and the government of Indonesia formally agreed to the use of genetic resources in 2025 based on the Convention on Biological Diversity. We worked together with the Indonesian Agency for Agricultural Research and Development (IAARD) to explore genetic resources and developing varieties of the New Guinea Impatiens, an ornamental plant that is weak to disease and direct sunlight. The result was the introduction of "SunPatiens" in 2006.

SunPatiens has now grown into a well-known garden variety worldwide, and part of the profit from its sale is returned to Indonesia. This mechanism is the Genetic resource circulation and development model and we are expanding it to other resource-supplying countries. Not only do we pay royalties to the resource-supplying country but we also return benefits such as exploration and material evaluation knowhow as well as technical cooperation. We believe we can contribute to the preservation of biodiversity in those countries through our activities as well.



The SunPatiens series developed from genetic resources obtained through joint exploration with the Indonesian government



It brightens cities and brings relaxation to lifestyles not only in Japan but also in countries in Europe, the USA, Brazil, China and others.

# Achieving the Stable Supply of Seeds by Enhancing Our Production Structures and Techniques

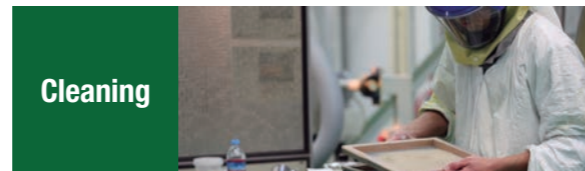
Seeds are the starting point of agriculture and horticulture. At SAKATA Group, we consider the stable supply of seed and the optimization of production to be our duty, and we have established a supply chain infrastructure to achieve that. Seeds only become commercial products after passing through the processes of production, cleaning, quality testing, processing and distribution. This series of processes has been placed under the jurisdiction of the Supply Chain Division, which manages them all centrally.

## SAKATA Group's Supply Chain



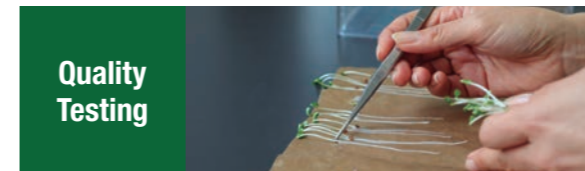
### Production

**Cultivate plants on fields and harvest the seeds**  
We work together with seed producers in Japan and abroad to grow many varieties of seeds. Seeds are living things, so their yields and maturity rates are affected by weather conditions, moisture and nutrition during the cultivation period. Additionally, accurate cross pollination is crucial for our major F1 (first filial generation) seeds. Since the process requires special cultivation techniques such as adjusting the blooming timing and trimming the stalks of the plants in particular ways, Sakata staff who are thoroughly familiar with the characteristics of the varieties and with the local climate, inspect the fields. We cooperate with seed producers to manage cultivation.



### Cleaning

**Remove inert matter from harvested seeds**  
The process of removing inert matter to increase quality is known as cleaning. We sort seeds in size categories as well as items such as specific gravity, thickness, color and shape. The appearance of a seed can change depending on its cultivation conditions and where it was grown. It takes skilled technique to clean a diverse range of seeds. To increase quality in each region, SAKATA Group engages in in-depth communication and endeavors to pass the necessary skills on.



### Quality Testing

**Check factors such as seed borne disease and germinability**  
We test seeds for quality using the following four factors. (1) "Physical Purity," where we check if foreign matter has been mixed in, and (2) "Germinability" where we check their ability to germinate. We were also the first private organization in Japan to be certified by the International Seed Testing Association (ISTA), the global standard for seed testing methods. (3) "Genetic purity," where we use biochemical methods such as DNA testing and actual cultivation to verify the ID of the variety and whether there are any variants mixed in. (4) "Seed pathology," which involves testing for the presence of seed borne diseases. We participate in the International Seed Health Initiative (ISHI), the international organization that formulates seed borne disease testing methods, as the representative for Japan and endeavor to provide healthy seeds through appropriate testing methods.



### Processing

**Seed processing and packaging**  
We process seeds in three main ways to make them more convenient to use. The first process is priming, where we process seeds to encourage germination and improve their initial growth (germination vigor). The second process is film coating. The surfaces of the seeds are coated with a colored polymer that contains an agrochemical which prevents the scattering of the chemical and also keeps them from being overlooked when sowing. The third is the pelleting processes, where tiny seeds and seeds with complex shapes are arranged by size and shape to make them easier to sow. These processes encourage healthy and uniformly growing seedlings while also reducing the burden of labor on our customers.

## Four Key Words for the Stable Supply of High-Quality Seeds

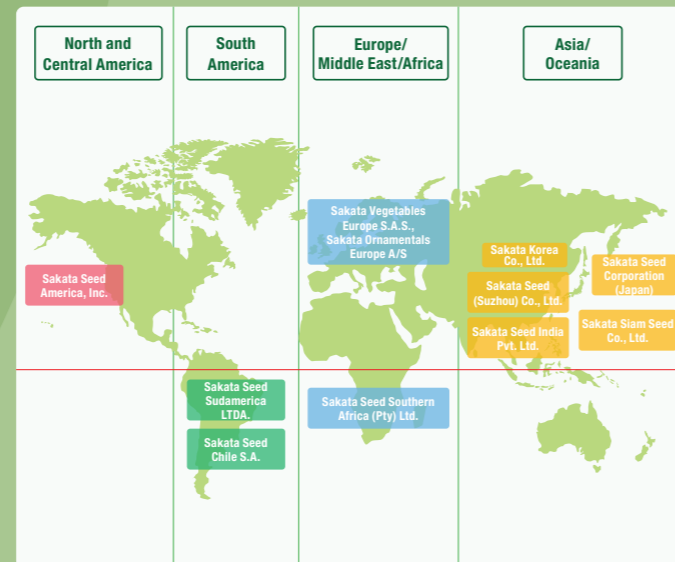
### 01 Suitable Location for Growing Each Crop

Since our beginnings, we have prized the concept of "Suitable Location for Growing Each Crop," which means securing the ideal environment for each crop. As a general principle, plants grow best in the climate they originate from, but the number of places around the world that meet conditions such as the right temperature, humidity and day length is extremely limited. The fact that we possess many ideal growing environments and information about them in both Japan and abroad and can produce seeds there is one of SAKATA Group's strengths.

### 02 Global Production Structure

Many seeds are produced through cultivation in the open field, placing them in situations where they can easily be affected by uncertain elements such as the weather. Moreover, figuring out how to mitigate the effects of increasingly frequent extreme weather events worldwide is a significant challenge. SAKATA Group has dispersed its seed production sites in the northern and southern hemispheres. We have main production sites in various regions of the world and produce seed in 19 countries. Dispersing locations allows us to reduce the risk of natural disasters. Furthermore, although we usually produce seeds with long cultivation periods only once a year, we have the ability to switch to a twice-a-year production cycle by utilizing the northern and southern hemispheres where the seasons are reversed.

Global Production Structure



### 03 Direct Contracts with Seed Producers

SAKATA Group concludes production contracts directly with seed producers on a global level and prioritizes face to face communication with them. We also share knowhow and quality standards by exchanging opinions and giving guidance while inspecting actual plants in fields and other locations, thereby working to develop human capital and pass on techniques.

### 04 Establish new sites and enhance functions

To be able to ship products speedily in overseas markets where sales are growing, we have built new warehouses at our major offices and are accelerating the enhancement of a global distribution network. Many of the group's warehouses are not only used for storage but also have seed cleaning, processing and quality testing functions, and they also play a role in supporting smooth commercialization. We have developed a decentralized global distribution system because we believe it is important from the perspective of increasing their resilience and supporting regional agriculture and horticulture in the case of a worldwide emergency.



Large warehouses newly operated in France (top) and established in Chile (bottom) in 2022.



To growers and consumers all around the world



# Regional Market Strategies That Utilize the Characteristics of Each Area

SAKATA Group divides the world into four regions: Asia/Oceania, North & Central America, South America, and Europe/Middle East/Africa. We sell seeds and seedlings in over 170 countries and regions. We have established subsidiary companies managed by local professionals in each area, and they carry out detailed regional market strategies that respect the local cultures while ascertaining the characteristics needed such as taste and cultivation method.

## Business Models Tailored to World Markets

### Establishment of High Revenue Models in Mature Markets

The seeds and seedlings market and the agricultural and horticultural markets in developed countries such as Japan, Europe and the USA are mature markets that demand not just quality seeds and seedlings but also fresh added value. We provide a stable supply of seeds and seedlings that suit the climate of those areas as a matter of course, and we also seek to maximize their value by helping to address new issues such as social and environmental demands, saving labor and reducing environmental impacts through those seeds and seedlings. In specific terms, this means that we respond to the needs of systematized, cutting edge agriculture and pursue multiple sales channels to expand our varieties and services. We also endeavor to deepen communication and provide problem-solving services (solutions) that use agricultural and horticultural materials, all in an endeavor to expand the market share of our offerings.

### Market Expansion in Growing Markets and the Potential of Tropical Regions

Emerging countries in Asia and elsewhere are growing in worldwide prominence as a result of their economic strength and abundant resources. Backed by economic development and growing populations, markets for agriculture, horticulture, seeds and seedlings in those countries continue to grow rapidly. In those markets, we have formulated and are executing major strategies such as stimulating demand for flowers and vegetables and developing varieties that suit the cultivation environment of those regions, with the aim of growing the markets themselves. The tropical regions around the equator in particular are expected to become an enormous market with over half of the world's population active there by 2050. We are paying close attention to the potential growth of the seed market presented by this population increase and using our R&D network and other means for active expansion.

## Sales Strategies Deployed by Local Subsidiaries Familiar with Regional Markets

### India Expanded Investments in the Massive Vegetable Consumer Market

#### Establishment of R&D Stations and Sales and Marketing Network

India is the nation with the largest population in the world, around 60% of whom are said to be vegetarian. It has one of the largest consumer markets for vegetables in the world. In 2008, we established Sakata Seed India Pvt. Ltd. as a local subsidiary. It has established research stations and trial farms and is expanding its R&D structures. Additionally, it is building a sales network for sales and marketing that will encompass every part of India. Sakata Seed India has signed business contracts with approximately 500 customers and is currently positioned as one of the major seed companies in India.

The company has set out three basic strategies for achieving further growth. The first is differentiation from other companies. It is currently breeding varieties, mainly F1 (first filial generation) varieties, that can create that differentiation, and it is also working to develop new markets for flowers and vegetables. It is especially focusing on broccoli, where the market is expected to expand. At present the infrastructure for refrigerated transport is not in place yet, so reliable transportation for fresh broccoli is limited. However, since infrastructure in India is being developed, we predict that there is a high likelihood that broccoli markets will expand in the near future.

Furthermore, there is a culture of using large quantities of yellow flowers in homes and temples in India. We are offering the Vincent's series of sunflower for cut flower purposes in anticipation of capturing this huge market. When we organized a sunflower festival in cooperation with a temple in 2023, we received much positive feedback from local stakeholders. We will boost our promotions going forward in order to create new flower cultures (⇒ P.17 for more details)

The second strategy is enhancing R&D. Locally-bred original varieties are beginning to gain popularity, and we established the biotechnology

facility in 2023 and will expand the pathology research facility that will be the key to future growth and also further expand local breeding programs.

The third strategy is strengthening of governance. In 2019, the Bengaluru Innovation Center was established as the new comprehensive base, and in 2023 the headquarters of Sakata Seed India moved there from Haryana state. Concentrating the whole series of functions from research to seed production, distribution, quality control, sales and marketing in Bengaluru is accelerating the pace of communication and decision-making. By implementing these strategies, the company has set a target of increasing sales by 50% from the current figure to 2.2 billion rupees in 2026.



Bengaluru Innovation Center



Package of seeds sold in India



Sakata Seed India Pvt. Ltd. website



## Deploying a Strategy with Comprehensive Operations and Facilities Centered on Brazil

With a population of over 400 million and a wealth of natural resources, the South American region is an area that shows much promise for culture and economic development in coming years. Demand for vegetables, which are essential for healthy eating habits, and for lifestyle-enriching flowers is expected to grow steadily going forward.

The South America region is overseen by Sakata Seed Sudamerica LTDA., based in Brazil. The company, which marked the 55th anniversary of its founding in 2023, is one of the top three seed companies in Brazil, utilizing necessary comprehensive functions from research to seed production, quality control, distribution and sales network. This comprehensive business structure allows it to breed competitive varieties, giving it

a distinct advantage over other companies in the industry. Sakata Seed Sudamerica's strength is based on its local breeding capabilities, and as a result approximately 65% of current sales come from varieties which are created locally.

Additionally, as part of its sales and marketing activities, the company holds a general trade fair, called a "Field Day," featuring its varieties on its farm once every two years. In 2023, over 2,000 customers and business partners in the industry came to the event from all over South America. Furthermore, we have been ramping up our sales and marketing activities in other South American countries on top of Brazil in recent years.



The Field Day held at the Bragança Paulista Research Station in November 2023



Sakata Seed Sudamerica LTDA. headquarters in Bragança Paulista



Pepper (top) and zucchini (bottom) praised for their ease of growing and disease resistance

## Pursuing the Potential of the Tropical Regions

SAKATA Group will actively expand in the tropical regions around the equator, where significant future growth in agriculture and horticulture is expected. Those regions are known for their difficult natural environments, including high temperatures, dryness, heavy rain and high humidity. Moreover, they mainly practice outdoor cultivation, leading to particular challenges in carrying out agriculture and horticulture due to the tough climates, such as a lot of disease damage.

The breeding of high quality varieties that suit tropical climates and the stable supply of seeds are essential for growers to cultivate and harvest flowers and vegetables without a lot of concerns in such a tough environment. That is what makes India an extremely vital region. A large part of India consists of tropical regions, which make it an ideal R&D location for developing new varieties through various trials. These varieties are expected to perform quite well in similar tropical regions in other parts of the world.

Sub-Saharan Africa in particular has a similar climate to India. Both areas have many small-scale growers practicing outdoor cultivation, and there are a lot of similarities in their food cultures as well. Actually, we have an example of a heat resistant, high yield tomato variety for outdoor cultivation bred in India, which was evaluated and commercialized in Africa later. It is highly likely that other varieties bred in India will be suitable for Africa as well, and we have high expectations of future developments.

We already have facilities for R&D, trials, distribution and more in India. We also have many outstanding researchers and are making progress on enhancing our structures and functions. The use of these assets on a global scale will definitely become a major strength for SAKATA Group for the future.

We hold broccoli field days and provide growers with cultivation information



Bengaluru Research Station

# A Multi-Faceted Approach to Facilitating the Popularization of Seeds

Excellent varieties boost the development of agriculture and horticulture dramatically. We work to cultivate and develop new growers and strengthen our relationships with them to recommend that they use our seeds. Additionally, through activities promoting vegetable consumption in Japan and overseas, we will expand markets and strengthen our brand power by developing new consumers while at the same time improving the health of consumers by increasing their consumption of highly nutritious vegetables.

## Popularizing New Varieties through Persistent Trials

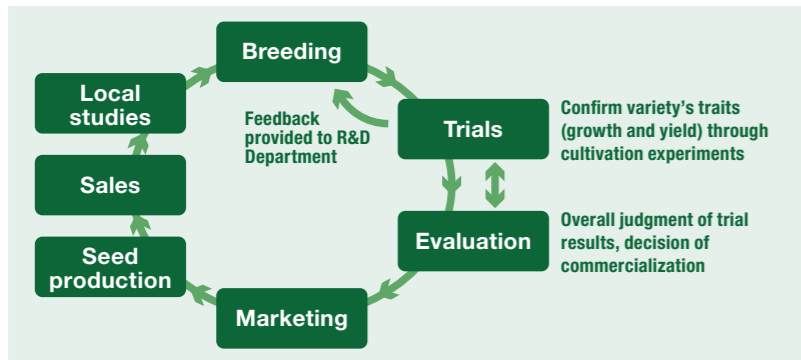
New varieties are not commercialized right away. They first undergo trials (cultivation experiments) to verify traits such as their growth and yields. The results are comprehensively judged and they undergo evaluations to determine whether they can be sold or not before the decision is made to commercialize them. This work flow is actively carried out not only at our research stations but also at the actual production areas, a process we call "on-farm trials." We ask growers around the world who produce certain flowers and vegetables to perform the trials in production fields and greenhouses for each crop. On-farm trials are one of our strengths, and they are only possible because of the cooperative structures and relationships of trust we have built with growers. To make immediate trials possible, we are always developing trial fields with variations such as climate and altitude. Furthermore, all varieties pass through this actual cultivation

process and are verified by our own eyes before they are commercialized.

We also organize tours at our research stations around the world to coincide with the harvest season for each variety. Direct explanations of the unique features of varieties to growers and distributors can spur them to trial or introduce those varieties.

If they decide to introduce a new variety, the sales and marketing team and development managers familiar with that variety regularly visit the growing site to check the status of growth, check for disease damage and offer advice such as tips on cultivation. During such visits, they ask the growers about their concerns and requests and promptly share those comments with breeders to be reflected in development. This in-house coordination is leading to the creation of many popular varieties.

### Product Development Cycle at Seed Companies



Growers and local staff carry out trials while exchanging opinions

### [Popularization Initiative] Solutions Business Environmental Control Using Knowhow from the Seed Business

We run a solutions business in Japan that handles agricultural and horticultural materials focused on solving issues related to seeds and seedlings. Through this business, we draw out the maximum capabilities of varieties and support efficient and effective cultivation. As part of that business, we create products that can resolve issues production areas are facing, such as aging and labor shortages.

In 2018, we partnered with Wa-Bit Inc. to develop an environmental control system known as "Arspout."\* It can measure and collect data on factors such as the temperature and humidity inside greenhouses where agricultural produce is grown and control devices to create the ideal conditions for the plants. Since it is low cost, it can easily be installed by small and medium-scale growers, and since it allows the growing site to be monitored and controlled remotely through the cloud, it reduces labor and secures more free time for growers. We periodically hold Arspout workshops and courses and support the improvement of cultivation techniques through an understanding of the system, thereby also contributing to the development of digital personnel in agriculture and horticulture.

\*Business currently transferred to Arspout Co. Ltd.

Arspout Air was released in 2024, a new model for monitoring that can communicate wirelessly without a power supply.



There are departments specializing in cultivation at our research centers, and they work together with the solutions business to support growers

### CASE Broccoli

## Promoting Broccoli Consumption on a Global Scale

### Helping to Increase Production and Consumption through the Stable Supply of Seeds

As the global population increases, demand for vegetables is expected to grow to match. Interest in broccoli in particular is on the rise. The area planted with broccoli in Japan and overseas has grown 22-fold in the past 50 years, and the amount of it consumed in every country is on the rise.

Sakata Seed Corporation has been involved in breeding broccoli since the mid-1960s. Broccoli was a labor-intensive crop back then because varieties had short harvest periods and moreover the plants were ready for harvest at different times, meaning that growers had to harvest multiple times. Through repeated trials and selections involving multiple lines, we succeeded in developing "Green Duke," a new variety with uniform growing speeds which also had twice the yield of conventional varieties. As a result, growers' profitability increased and large quantities of fine

quality broccoli were supplied to the market. After that, we expanded our seed production structures from Japan to overseas and have continued to provide a stable supply of seeds until today. The fact that we created broccoli varieties suited for diverse climates with features such as heat or cold tolerance while also greatly improving basic qualities like yield and disease resistance played a role in its increased planting area worldwide.

Although broccoli was a minor vegetable in Japan until the 1970s, the Ryokurei with uniform harvest times that Sakata Seed Corporation released in 1980 made it possible for it to be grown in a stable way. As diets in Japan become more Westernized, broccoli consumption is increasing, and in recent years it is also gaining popularity for its nutritious value and health effects.

SAKATA Group's initiatives laid the foundation for the great production and consumption of broccoli, which is becoming increasingly popular around the world.



A broccoli field in the USA at harvest time. We have introduced varieties that suit different climates



Photo showing broccoli seed production. Responding to environmental changes is important because seeds are produced in open fields



"Summer Dome" is valued in the Japanese market because of its heat tolerance



A leading variety in the European market, "Parthenon" possesses extremely high yield and superior bud quality

### Promoting Broccoli in Japan and Overseas

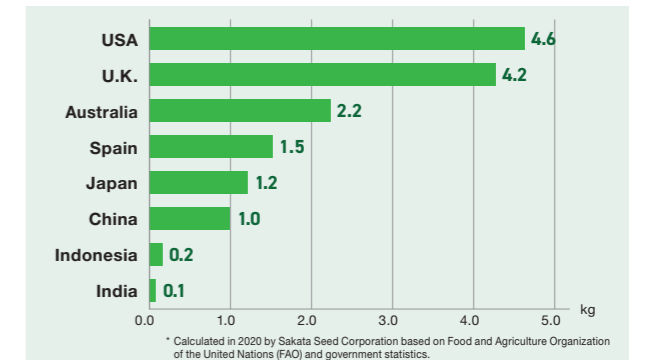
The estimated annual broccoli consumption by Japanese people was calculated to be roughly 1.2kg per person in 2020. In contrast, that figure was about 4.6kg for the USA and about 4.2kg for the UK, so it is assumed that there is further room for growth in consumption in major Asian countries like Japan, China and India.

Broccoli is highly versatile and goes well with all genres of cooking from Western to Chinese to Japanese and ethnic cuisines. That, coupled with its unique mild flavor, means it has potential to become even more popular globally going forward. That is why we have been rolling out a variety of activities aimed at widely communicating the attractiveness of broccoli.

Since 2007, we have organized Broccoli Conferences in various countries, held lectures by researchers, conducted field tours of production areas, and held cooking shows featuring famous chefs. In Europe, Spain is the country expected to see the most growth in consumption, so we also established the Association for the Promotion of Broccoli Consumption there in 2007. Apart from creating a recipe website and sharing delicious ways to cook broccoli, the association also organizes school visits to elementary schools and holds purchasing campaigns. Thanks to such initiatives, the estimated annual consumption of broccoli in Spain per capita rose dramatically by approximately 15-fold between 2007 and 2016.

In Japan, we set up a website called "Shirou! Tabeyou! Broccoli Dai Sukii!" (We Love Broccoli) where we post about broccoli's nutrients and functions and growers' recommended recipes to widely broadcast the attractiveness of broccoli. Moreover, it has been decided that in 2026, broccoli will be added to the list of "designated vegetables" positioned by Japan's Ministry of Agriculture, Forestry and Fisheries as "important vegetables consumed in large quantities by Japanese citizens."

### Estimated Annual Consumption of Broccoli per Capita in Each Country (kg)



Broccoli has high versatility suited to the world's diverse food cultures

A website to increase the consumption of broccoli in Japan: "Shirou! Tabeyou! Broccoli Dai Sukii!" (We Love Broccoli)



**Yasuhiro Nito**  
Domestic Sales & Marketing Division  
Whole Sales Unit No.1 Kanto Branch

**Kais Ben Youssef**  
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**Haruka Fukada**  
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Overseas Vegetable Sales Dept.

**Takashi Fukushima**  
Supply Chain Division  
Logistics Dept.

## We Want to Solve the World's Issues by Delivering Value-Added Seeds

How do employees working in the field understand the role of SAKATA Group in developing agriculture and horticulture and building a sustainable future, and how do they approach it in their duties? Six employees active in various departments spoke about what they have felt through their personal experiences.

### What is Unique about Sakata Seed Corporation?

**Fukada:** This should probably go without saying, but everyone in this company really loves flowers and vegetables. I have been involved in breeding disease resistant vegetables at the Kakegawa Research Center in Shizuoka since I joined the company, and even when we are on trips, when we see a rare flower, we talk about whether it could be used as breeding material, or when we see a sick tree, we wonder what kind of disease it has. We're always talking about that kind of thing (laughs). I would say that this comfortable, approachable atmosphere is one of the things that make this company special.

**Fukushima:** I'm in the Supply Chain Division of the Logistics De-

partment and I develop seed enhancement technology to add value to seeds. I think there are a lot of people who enjoy mountain climbing or love plants and animals in my division as well.

**Nito:** You're right; there are a lot of people who are friendly and easy to talk to. I'm in the Kanto Branch of the Domestic Sales & Marketing Division, and I'm in charge of route sales. There's definitely a feeling of everyone wanting to pull together to meet sales targets.

**Tanaka:** I work in the Legal Department handling intellectual property rights and contracts. I get the strong impression that we have a lot of experts in this company. It may be because it is a company that works with seeds and seedlings, which requires a high level of expertise.

**Kais:** I think what makes Sakata Seed unique also shows up in the attitude of those outside our company. I visited several countries when I was working in France, and people spoke to me in a very friendly way even when meeting me for the first time, just because I am from Sakata. Agents in Africa place our varieties either in the front row display case or on a shelf near the top of the wall. Placing them in the front row is a way to advertise their store by showing off popular items. Meanwhile, those who place them on the top shelf do so to keep them from being stolen (laughs), as they are considered valuable. The quality of our varieties is high and perfectly matches the quality that customers seek. I think that reliability is another thing that sets us apart.

**Tada:** I have been working in the Overseas Vegetable Sales Department since I joined the company, selling varieties to subsidiaries and distributors in India and Pakistan. The local staff come across as diligent, earnest and also passionate. When the growers who are their customers have any problems, the subsidiaries and distributors quickly inquire of us whether we have any varieties that could solve those issues. That attitude of sincerity towards each and every person is also something distinctive about SAKATA Group, in my opinion.

### What They Find Fulfilling about Their Work

**Kais:** One incident that really made a big impression on me was the support we gave to growers in South Africa in 2015. At the time there were no preschools in the region where we had contracted seed production, so SAKATA Group provided financial support for developing an environment where children could learn. Starting in 2016, we began efforts to stop child labor in India, and within three years we had succeeded in reducing the rate of child labor among the growers to practically 0%. We owed this success not only to donations but also to the detailed support we provided, such as by visiting the growers to understand their circumstances, carrying out child labor inspections, guaranteeing a minimum wage, setting up scholarships and providing stationery, among others.

**Fukada:** The varieties we breed only create value when the growers who are our customers raise them and sell the fresh produce. That is why we need to stay close to the growers and support them until they are able to sell their products to the final consumers and earn a profit. After all, we have a company culture where it is only natural to address issues in a growing area. I am also confident that my work is directly connected to solving social issues, because I diagnose disease-affected fields, propose ways to prevent or control diseases, breed varieties resistant to disease and help reduce

the usage of agricultural chemicals.

**Tada:** I hear that a lot of agricultural produce goes to waste in India. One reason is because planted crops do not grow into marketable products because of the effects of climate change. We would be able to help them grow good produce and make a profit if we could provide seeds and seedlings that are resilient against climate change. Small-scale growers have expressed hopes that we can

supply them with seeds that can guarantee stable incomes. Those hopes give me fulfillment, and they motivate me.

**Fukushima:** In the Logistics Department I am in, I rarely have the chance to interact with customers directly, but as the environment changes with dizzying speed, I find meaning in providing seeds that respond to those changes and also meet the company's quality standards. For example, the Logistics Department increases product quality by various seed treatment methods and by shipping seeds that growers can use with peace of mind. So we are also contributing to our customers'

bottom line, albeit indirectly. Figuring out how to increase added value in ways that cannot be covered by breeding is our job and our responsibility.

**Tanaka:** The ability to communicate effectively within the group is the prerequisite for the company to contribute to society, in my opinion. That is one of our materialities: "Strengthening our business foundations." This is where the Legal Department comes in. To give just one example, regulations about personal information have become much stricter in recent years, especially in Europe, and there was a time where it was hard to share information smoothly even within the group. To resolve that, with the help of expert consultation, we signed an internal agreement at the end

of 2022 that allows us to exchange information about group employees freely across national borders. Knowing each other personally makes it so much easier to communicate. I believe we have successfully created the foundation for us to communicate globally.

**Nito:** I work in sales and marketing, so I visit growers and stores that sell seeds and seedlings, lis-

ten to their requests and propose solutions. It feels really rewarding when there is a real rise in profits not only for our company but also for the seed stores and for growers as a result of that. We have a wide range of businesses, so we can also function as intermediaries like a trading company does. There was a case in the past where a grower who was cultivating tomatoes hydroponically consulted us because they wanted to try outdoor cultivation. When we got to the site, we realized they had not even touched the land yet. They were not in a situation to begin cultivation right away even if they had the seeds. To get things moving, we reached out to multiple companies such as greenhouse and film manufacturers and provided a total package of support. It turned out to be a large project in the end, which resulted in all of the manufacturers earning a greater income. The tomato grower was also able to expand their business, and they are still on good terms with us today.

**What Are the Strengths of SAKATA Group?**

**Fukada:** We are able to breed varieties with high environmental adaptability because of SAKATA Group's strengths in possessing multiple points of production overseas, allowing us to conduct re-search in a variety of environments. Moreover, the distance between Sales & Marketing and R&D is extremely close in this company. At the experimental variety stage, we go through the Sales & Marketing Department to have growers conduct trials in various regions and give us feedback. Having this structure in place makes the process of breeding varieties that address the issues facing a growing area very smooth. We have offered disease resistant varieties bred through this process to growers troubled by soil diseases in the past, and they were very pleased with them.

**Tada:** The closeness to R&D really comes in handy for sales and marketing overseas. For example, we can use seed enhancement without worry because they quickly prepare multiple enhancement methods for us. I think a lot of people are impressed by the well thought-out designs of our packaging as well.

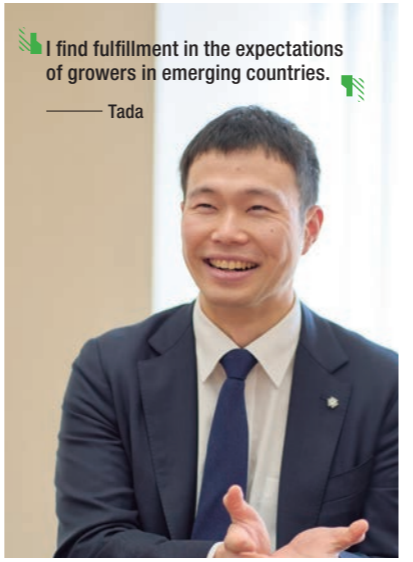
**Fukushima:** A dry environment is crucial to seed storage, so we use good packaging material to preserve quality in a variety of environments. However, it is expensive and also uses plastic, so I think the search for new, low-cost, plastic-free materials that can preserve seed quality is a challenge we need to tackle. It would take



**I want to establish smooth communication with stakeholders around the world and work to create a sustainable society.**  
— Kais



**Human ability plays a major role in creating seeds that address social issues.**  
— Fukada



**I find fulfillment in the expectations of growers in emerging countries.**  
— Tada



**We will continue to predict changes in needs and develop techniques accordingly.**  
— Fukushima

years to verify whether the seeds could still grow properly or not if we changed any of the conditions, so I think we need to begin tackling the packaging issue as soon as possible.

**Nito:** I mentioned earlier on that those responsible for sales and marketing also play the role of a trading company, but it is only possible for them to do that because of the environment in this company that allows you to do what you want to do in the way you prefer.

Using that flexibility to quickly understand customers' demands and propose accurate solutions will support growers. Agriculture in Japan is said to be shrinking, but sooner or later, the rest of the world will have to confront the issues facing Japanese agriculture. Storing up knowledge in preparation for that day is another contribution we can make to society.

**Tanaka:** The ability to disperse risk on a wide scale by using the whole globe to produce seeds in a stable fashion is one of the strengths of SAKATA Group, which deploys its businesses throughout the world. I also operate on a global level in my work of managing intellectual properties, such as by filing a single patent in multiple countries, and I learn a lot in the process.

**Fukada:** Right now the movement of genetic resources is severely restricted by the Convention on Biological Diversity. However, since we are a global company, we can share knowledge about endemic species in various countries and regions within the group. We are also able to create innovative varieties by combining diverse genetic resources.

**Kais:** On the other hand, it must be said that our varieties are expensive for small-scale growers in emerging countries. However, they produce value worthy of their price, they are resistant to disease, and they lead to increased revenue for the grower. It is important that we make them realize this.

**What SAKATA Group should do from Now on**

**Tanaka:** I think there should be more consistency in the structures and regulations of each group company. For example, if a certain piece of information is important in Country A but not that important in Country B, it tends to be handled carelessly in Country B. Therefore we all need to be on the same page in terms of awareness. At the same time, a diversity of thought styles and cultures is one of SAKATA



**We are contributing to society through the development of business infrastructure.**  
— Tanaka

Group's attractions, so we need to respect that diversity while working on the group as a whole.

**Fukushima:** I believe that anticipating environmental changes, predicting how the world's needs will change, and developing techniques in response will continue to be a challenge to face. I hope we will continue improving ourselves while absorbing new things from industrial perspectives outside the seed business as well.

**Tada:** For my part, I feel we have challenges when it comes to communication. Local distributors and staff of overseas subsidiaries are the ones who meet growers face to face overseas. If they do not accurately gather information about opinions on the ground, they will provide the wrong information to the researchers as feedback. I think there is still room to improve the ways in which the points of production fields and the R&D departments are connected.

**Nito:** Our company cannot resolve social issues like climate change by itself. That is why the need to collaborate with material manufacturers and other companies to provide solutions is higher than ever before. The challenge we need to overcome is acquiring the necessary communication skills so that we can take the lead when the time comes.

**Fukada:** We will naturally continue the breeding of disease resistant varieties that we are currently involved in, but I would also like us to catch up to the times, identify social issues, and develop new

varieties to address them. The "human factor" will be essential to achieving that. Therefore I think we need more structures for training people and more platforms for cooperating with other departments.

**Kais:** In a time of rapid changes such as climate change, we must take concrete future-oriented actions. SAKATA Group has established a management philosophy of "Mutual Harmony" where it aims for sustainable coexistence between nature, society and the company and is moving into action. Let's aim to create a sustainable society together while continuing to communicate with our stakeholders.



**I want us to use our flexibility to support customers with accurate proposals.**  
— Nito

# Sustainability Initiatives

Contributing to society through seeds and seedlings. Since our founding, in keeping with the essence of the seed business, SAKATA Group has been active all over the world while co-existing harmoniously with the natural environment and with society. The importance of Environment, Society, Governance (ESG) has grown in recent years, and corporate responsibilities are increasing. The group as a whole will undertake even more sustainability initiatives going forward and link them to sustainable growth for the environment, society, and the company itself.

## Environment

### Basic Approach

Global warming due to the rise of greenhouse gases has become a concern in recent years, and there are growing fears about the effects of man-made factors on climate change. SAKATA Group has positioned the preservation of the global environment as one of its materialities. To achieve it, we are engaged in activities for the effective use of water resources, the preservation and sustainable use of biodiversity, and the reduction of environmental impacts, all of which are essential to the seed business. We will tackle each of these issues in order to protect the irreplaceable global environment as members of society.

## Climate Change Measures

### Initiatives Based on Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)

SAKATA Group considers addressing climate change to be a major management issue, and we endorsed the TCFD recommendations in August 2023. We aim to contribute to the realization of a carbon-free society and achieve even further growth by analyzing the risks and opportunities that climate change poses to the group's businesses and reflecting them in our management strategy and risk management while appropriately disclosing their progress.



### Governance

Please see "Sustainability Development Structure" (⇒ P.12) for more details.

### Strategy

Led by the Sustainability Committee, the group analyzed climate change scenarios, specified those risks and opportunities with the potential to significantly affect business activities, categorized them, and evaluated their importance. At the same time, we also endeavored to understand their financial impact and began considering countermeasures.

We assumed two scenarios—the "under 2°C scenario," and the "4°C scenario" announced by the International Energy Agency (IEA), the Intergovernmental Panel on Climate Change (IPCC) and other bodies—and analyzed the climate-related risks and opportunities and impact on business (⇒ see table on the page on the right). For the estimated risks stated, we used the under 2°C scenario for transition risks and the 4°C scenario for physical risks.

### Risk Management

The Sustainability Committee will analyze and consider various kinds of

information in response to further increases in climate change-related risks, such as changes in seed production volume due to changes in the natural environment at producing areas and fields and changes in producing environments. The Board of Directors recognizes "weather and natural disaster risks" as one of the risks that may have a major impact on the business activities, and through reports from the Sustainability Committee, it is building a structure that strives to ensure a thorough response when a risk event occurs.

### Indicators and Targets

In October 2020, to carry out initiatives to achieve the Japanese government's declaration of "carbon neutrality by 2050," SAKATA Group set greenhouse gas emissions (Scopes 1, 2 and 3) as one of the indicators for evaluating climate-related risks and opportunities, and began efforts to calculate the emissions of the group as a whole. The Sustainability Committee is also discussing medium and long term greenhouse gas emission reduction targets through the calculation of the group's greenhouse gas emissions.

Greenhouse gas emissions for Sakata Seed Corporation alone in FY2021 (from April 2021 to March 2022) are given below. We will proceed to measure and set reduction targets for the greenhouse gas emissions (Scope 1 and 2) for the group as a whole. We will also discuss how to measure Scope 3 emissions in the future.

### Greenhouse Gas Emissions (Results for Sakata Seed Corporation Only)

Category	FY2021	FY2022	FY2023
Scope 1 <sup>1</sup> emissions	2,664t	Disclosure scheduled for August 2024	
Scope 2 <sup>2</sup> emissions	3,838t		
Total Scope 1 & 2 emissions	6,512t		

<sup>1</sup> Scope 1: Direct emissions from the use of fuels etc. by the business/corporation itself  
<sup>2</sup> Scope 2: Indirect emissions from the use of electricity, etc. supplied by other companies

### Saving Energy and Introducing Clean Energy

Our USA subsidiary Sakata Seed America, Inc. is aggressively adopting energy saving measures and introducing clean energy. Their main office, the Woodland Innovation Center, has obtained LEED (Leadership in Energy and Environmental Design) certification, the international certification for highly environmentally conscious buildings. It is also building large-scale solar power generation facilities on its roofs and within its premises.



## Risks and Impact on Business

Category	Type	Risk	Impact on Business and Finances	Importance	Estimated Amount (millions of yen)	Countermeasures
Transition risks	Policies and regulations	Introduction of new taxes and public charges such as carbon taxes	Higher operating costs due to taxes on the use of various forms of energy (crude oil, kerosene, electricity, etc.)	Major	△ 119.4	<ul style="list-style-type: none"> <li>Use renewable energy</li> <li>Improve energy efficiency</li> <li>Introduce energy-saving equipment and systems</li> </ul>
		Restriction on the use of plastics, etc.	Increased costs due to transition to bioplastics and alternative packaging materials	Moderate	—	<ul style="list-style-type: none"> <li>Develop environmentally-friendly or environmentally-certified products</li> <li>Optimize usage of materials</li> </ul>
	Technology	Restrictions on the use of products with high environmental impacts	Limitations on growing activities due to restrictions on the usage (reductions in the amounts used) of agricultural chemicals, chemical fertilizers, etc.	Moderate	—	<ul style="list-style-type: none"> <li>Develop substitutes for agricultural chemicals and chemical fertilizers</li> <li>Support organic agriculture</li> </ul>
		Switch to low carbon technology	Increased costs due to transitioning to low carbon agriculture to reduce the burden on the environment	Moderate	—	<ul style="list-style-type: none"> <li>Update agricultural and horticultural facilities for better energy efficiency</li> <li>Make use of applicable funding support structures</li> <li>Support growers to achieve sustainable agriculture and horticulture</li> </ul>
Market/Reputation	Reduced demand for products with high environmental impacts	Reduced sales of products with high environmental impacts	Moderate	—	<ul style="list-style-type: none"> <li>Develop and popularize environmentally-friendly products</li> </ul>	
Physical risks	Acute	Increase in abnormal weather such as torrential rain, floods, storm surges, landslides, drought, localized snowstorms, etc.	Shrinking of business activities and loss of sales and marketing opportunities due to damage to buildings and research facilities and supply chain interruptions caused by natural disasters	Major	△ 9.6	<ul style="list-style-type: none"> <li>Improve evaluation and preventive measures for disaster risks</li> <li>Improve earthquake resilience and take anti-disaster measures for buildings and research facilities</li> <li>Secure and manage appropriate seed inventories in the supply chain</li> </ul>
			Difficulty in planting, poor growth, spoilage, reduced yields and reduced seed quality during seed production, etc. due to unstable weather, soil deterioration, drought, etc.	Moderate	—	<ul style="list-style-type: none"> <li>Breed highly climate tolerant varieties</li> <li>Carry out soil improvement measures</li> <li>Manage water resources sustainably</li> </ul>
	Chronic	Changes in weather phenomena such as higher average temperatures, precipitation, water shortages, changes in global environment such as rising sea levels	Reduced seed production output due to decrease in areas of arable land	Moderate	—	<ul style="list-style-type: none"> <li>Make optimal use of arable land</li> <li>Breed highly climate tolerant varieties</li> </ul>
Shortage of water for seed production etc. due to changes in snowfall and precipitation			Major	—	<ul style="list-style-type: none"> <li>Manage irrigation sustainably</li> <li>Systematically promote water resource management</li> </ul>	
			Reduced production output due to poor growth of crops due to rising average temperatures, more pests	Moderate	—	<ul style="list-style-type: none"> <li>Breed highly climate tolerant varieties</li> <li>Introduce environmental control systems</li> <li>Support growers to achieve sustainable agriculture and horticulture</li> </ul>

## Business Opportunities

Category	Type	Impact on Business and Finances	Importance	Measures
Opportunity	Product service/market	<Breeding> Rising demand for varieties that address climate change, varieties that can be cultivated at high temperatures, varieties resistant to disease, and pests and plants that counteract landslide disasters, leading to greater demand for the company's varieties	Major	<ul style="list-style-type: none"> <li>Enhance breeding of climate tolerant, pest and disease resistant varieties</li> </ul>
		<Solutions> <ul style="list-style-type: none"> <li>Rising demand for environmentally-friendly products, leading to increased sales of varieties that save energy, need fewer agricultural chemicals or fertilizers, as well as sales of organic fertilizers and bio-stimulant materials</li> <li>Increased demand for varieties suitable for mechanized and smart agriculture, leading to greater demand for our products</li> </ul>	Major	<ul style="list-style-type: none"> <li>Enhance breeding of varieties that can be cultivated with less energy and fewer agricultural chemicals and fertilizer</li> <li>Enhance lineup of organic fertilizers and bio-stimulant products</li> <li>Enhance breeding of varieties suitable for mechanized and smart agriculture</li> </ul>
		<Landscape business> Increased sales for the landscaping business due to greater demand for landscaping (wall and urban greening) in urban areas	Major	<ul style="list-style-type: none"> <li>Enhance the offerings of Sakata Green Service Co., Ltd.'s gardening and landscaping business</li> </ul>



Society

Human Rights Initiatives

Basic Approach

As a corporation that runs a global business in countries and regions around the world, SAKATA Group believes that consideration for human rights grounded in international standards is the basis for sustainability management. Based on that belief, it formulated the SAKATA Group Human Rights Policy in 2023. In line with this policy, the group will aim to respect human rights and cooperate with various concerned parties, including business partners, to promote respect for the human rights of all stakeholders involved in our business activities.

Human Rights Policy

1. Position and Scope of Application for the Policy

To deliver smiles and health to people around the world through seeds, SAKATA Group has operated on the basis of the three management philosophies of "Mutual Prosperity," "Mutual Interest," and "Mutual Harmony," which include respect for human rights as an essential value. This Human Rights Policy is intended to become a platform for the group to further contribute to ensuring that the human rights of all persons continue to be respected in this ever-changing international society.

The group has established the following policy regarding respect for basic human rights.

The policy applies to all employees and Officers of the group (hereinafter, "employees/Officers, etc."). We will also encourage the group's business partners, suppliers, and other related parties to understand and support the policy and strive to respect human rights.

2. Respect for Human Rights

The group supports and respects international human rights norms such as the International Bill of Human Rights (Universal Declaration of Human Rights and International Covenants on Human Rights), the ILO Declaration on Fundamental Principles and Rights at Work, as well as the United Nations Guiding Principles on Business and Human Rights. We will also fulfill our responsibility to respect human rights through the implementation of initiatives based on these norms.

The group complies with the laws and regulations of each country and region in which we conduct business activities. If there is a contradiction between internationally recognized human rights and the laws of a country or region, we will seek ways to respect international human rights norms to the greatest extent possible.

3. Human Rights Due Diligence\*

In order to ensure the effectiveness of the policy, the group will identify any negative impact on human rights that may be caused by the group's business activities and strive to prevent or mitigate that impact. In order to continuously implement these processes, we will work to construct a framework for human rights due diligence.

If it becomes clear that the group's business activities have caused or contributed to a negative impact on human rights, or if there is negative impact on human rights directly related to the group's business, products, or services, we will work to correct and remedy the situation through appropriate procedures.

In the process of implementing human rights due diligence, we will secure opportunities for dialogue and discussion with our stakeholders.

4. Training and Education

The group will provide appropriate training and education to employees/Officers, etc., so that the policy is instilled into all business activities of the group and is effectively implemented.

5. Governance

The policy has been approved by the Board of Directors of Sakata Seed Corporation. The President is responsible for the operation of the policy, and the Board of Directors of Sakata Seed Corporation supervises compliance with the policy and related efforts.

The policy was established by incorporating the opinions of external experts. The group will revise the policy as necessary.

6. Disclosure of Progress

The group will periodically disclose the progress of measures related to respect for basic human rights, and will continuously improve the policy and related efforts.

Established: May 19, 2023

Priority Issues

Going forward the group will conduct an assessment of the actual and potential impact of human rights issues that can be anticipated from the group's business activities on various stakeholders and identify those issues that are a priority for the group.

Development Structure (⇒ P.12-13 Sustainability Development Structure)

SAKATA Group has established a Sustainability Committee chaired by the President and is promoting human rights initiatives globally as a group based on its Human Rights Policy.

\*The term "human rights due diligence" refers to a company's appropriate and ongoing efforts for human rights. Specifically, it refers to the process of identifying negative impacts and risks for human rights related to a company's corporate activities, analyzing and evaluating those risks, and formulating and implementing appropriate countermeasures.



Employee Diversity, Physical and Mental Health, and Job Satisfaction

SAKATA Group has established the following three-part Internal Environment Improvement Policy, and we implement its various measures in the company. We will discuss ways to deploy these measures throughout the group in the future.

Internal Environment Improvement Policy

◎ Policy (1)

**Create an internal environment where people can thrive regardless of nationality, gender, disability, or stage of career, whether they are fresh graduates or mid-career recruits, based on the awareness that employees' diverse viewpoints and values are linked to the company's continued growth and increase in business value.**

We believe that the role of management is indispensable when it comes to promoting diversity at workplaces. Therefore we carry out diversity development training for managers in addition to organizing career training for women to help them proactively build their own careers.

◎ Policy (2)

**Expand initiatives involving flexible workstyles and mental and physical health so that employees can continue to work with peace of mind.**

To create an environment where a diverse group of employees can work in comfort, we have established a work from home system, a staggered working hours system and a system of reduced working hours for child-care. Furthermore, we consider taking appropriate days off to be important to ease of work and to maintaining mental and physical health.

Therefore we encourage employees and Officers to take paid leave. We also operate a re-employment system (career return system) to enable employees who resign due to circumstances beyond their control to return to the workplace. Apart from these systems, we have set up a compliance consultation desk for consultation about not only legal compliance but also harassment and other issues, and an EAP consultation office where employees and their families can easily discuss various concerns such as mental health, career issues and household circumstances.

◎ Policy (3)

**Develop a culture that promotes greater productivity, encourages innovation while also increasing employee engagement, and fills them with pride and satisfaction.**

We endeavor to understand the state of employee engagement, and we also analyze challenges that stand in the way of fulfillment and greater productivity and discuss initiatives to improve them. Separately, we conduct not only a human resources information database survey but also human resources interviews in each department to probe deeply into situations that cannot be revealed through the survey alone, and work to understand and respond to any issues arising thereof.

In addition to the initiatives listed above, we will support employees in designing their careers and strive to continuously improve the comfortable internal environment.

Indicators and Targets (Sakata Seed Corporation Alone)

Indicators	Targets	Results (FY2022)	Related Policies
Percentage of female managers	20% (FY2030)	8.6%	Internal Environment Improvement Policy (1)
Average rate of taking annual paid leave (Rate of taking against days granted)	70% or more (retention target)	72.9%	Internal Environment Improvement Policy (2)

Sustainable Procurement

Basic Approach

Based on our Human Rights Policy, we collaborate with seed producers and other suppliers to understand and correct the child labor and forced labor situation globally and carry out sustainable procurement that respects human rights.

Additionally, we are currently discussing formally clarifying and setting out policies regarding respect for not only human rights but also issues about compliance, occupational health and safety, concern for the environment, product safety and quality, fair trade and ethics.

Addressing Child Labor in India

Since we began business activities in India, we have worked together with government agencies, NGOs, school teachers and others to try to stop child labor. In the three-year period from 2016 to 2019, we engaged SGS Nederland B.V., an external audit organization from the Netherlands, to carry out an assessment of child labor. We also made efforts such as explaining SAKATA Group's Human Rights Policy to all growers, having local full-time staff monitor the situation, using loudspeaker trucks for information campaigns, and putting up posters at schools and public places.

We also provided support to help children attend school by donating school supplies and setting up a scholarship program for female students.

We are also collaborating with other companies in the same industry to continue activities aimed at completely eliminating child labor in India in this industry.



## Human Capital Initiatives

SAKATA Group endeavors to foster a corporate culture that continuously generates free ideas and welcomes change while respecting the personality and individuality of each employee. We also strive to maintain and improve cheerful and fulfilling workplaces.

The nearly 3,000 employees working around the world form the cornerstone of SAKATA Group. They are the “People” represented by the “P” in our Group Slogan, “PASSION in Seed.” We consider our employees to

### Human Capital Development Policy

SAKATA Group has established the following five-part Human Capital Development Policy, based on which we implement various measures in the company. We will discuss ways to deploy these measures throughout the group in the future.

#### Policy (1)

**Clarify the profiles of employees that are essential to the company’s development, and recruit and develop them.**

We have set the following five points as the profile of the human capital we desire.

1. Employees that will make us the world’s leading seed company and endeavor to provide even higher quality products and services.
2. Employees that will always adopt a “trust first” mindset, act with an attitude of reliability and service, and contribute to society.
3. Employees that have global perspectives and rich imaginations and strive to improve themselves as professionals.
4. Employees who are sensitive to changes in the environment and bravely tackle new activities and higher goals without fear of failure.
5. Employees that respect diversity and create lively and dynamic workplaces through mutual development and teamwork.

We are engaged in the following initiatives to recruit and develop such human capital.

#### <Development>

We carry out human capital development measures based on a human capital development model (see concept diagram). For young employees, we endeavor, through new employee training, follow up training and second year training, to build up their basic skills as adult members of society while instilling them with the Company Motto and Management Philosophy. For the talents who will be entrusted with our future, we also provide level-based or selective training to develop their leadership skills. We have also prepared training to suit particular roles or objectives, such as training for managers and supervisors, which develops their expertise.

We are especially focused on the development of global personnel who will work to accomplish our global strategy. To develop personnel who can lead global business development by equipping them with skills such as the communication skills to build personal relationships with people around the world, and the abilities to understand differences in lifestyles and cultures, view things from a management perspective and communicate the company’s shared philosophies and values, we implement a training program (the global personnel training program) that dispatches them to companies overseas to allow them to experience actual

be irreplaceable human resources and as part of our Management Policy, we have stipulated the implementation of various systems and policies to form a foundation for the development and utilization of those employees. To achieve that, we have established a human capital policy that states that “we will create lively, fulfilling and merit-based workplaces where all employees can display their individuality.”

business tasks. We also provide language learning programs (online English conversation lessons, support for foreign language school tuition) to improve their language skills.

To carry out the training programs above more effectively, we established a new Kakegawa Training Center within the Kakegawa Research Center, where we develop “seed persons” who are familiar with both agriculture and seeds.

#### <Recruitment>

In hiring new graduates, we endeavor to hire talents who share our philosophies through internships and one-day work experiences. We also convey the appeal of our company widely through an enhanced recruitment website.

#### Policy (2)

**Emphasize a bold and active can-do spirit that always strives towards improvement and innovation.**

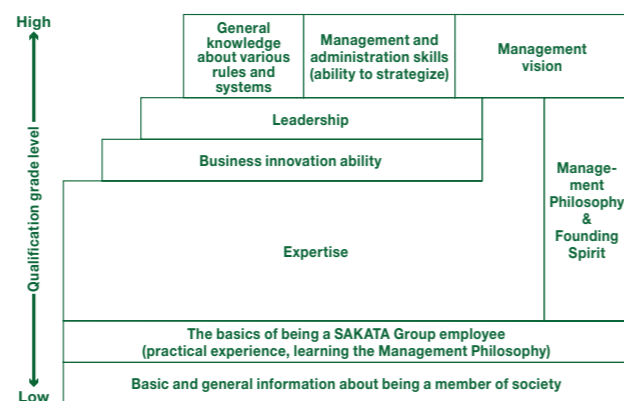
To encourage employees to challenge themselves, we recruit participants for the aforementioned global talent development program through a self-nomination system, and we also have an internal personnel recruitment system where employees can independently apply for in-house postings.

#### Policy (3)

**Assign and transfer employees according to their individual personalities, capabilities and aptitudes, and support them in acquiring the necessary skills and knowledge.**

We endeavor to understand whether employees are demonstrating abil-

### Concept diagram of the human capital development model



### Indicators and Targets (Sakata Seed Corporation Alone)

Indicators	Targets	Results (FY2022)	Related Policies
<b>Participants in leadership development training</b> (Number of yearly participants in level-based and selective training aimed at developing leadership)	More than 50 employees (retention target)	51	Human Capital Development Policy (1)
<b>Users of self-development program</b> (Number of yearly users of language education programs and distance education programs)	380 (FY2025)	323	Human Capital Development Policy (1) (4)

ities that match or exceed their job types and levels, based on their professional job requirements, and reflect that in their assignments, transfers and education. We also conduct a human capital information database survey and use it for assignments and transfers that consider individual skills, qualifications and areas of expertise. After their assignment or transfer, we systematically provide knowledge and techniques involving their actual duties and support them to acquire practical skills.

#### Policy (4)

**Provide self-directed employees who seek to improve themselves with opportunities for capacity development.**

To support self-directed learning, in addition to the language education programs mentioned above, we provide distance education programs which contain approximately 180 courses, with subsidized course fees.

### Developing R&D Personnel

Since all varieties are created by human hands, we take great care with the recruitment and development of R&D personnel.

Our goal in recruitment is to create a diverse organization, so we focus not only on knowledge and experience but also on character and ambition. Regardless of their ages and levels of experience, persons hired for research positions are given opportunities to visit growing areas in Japan and abroad, research institutions, academic conferences and seed production areas. This puts them in contact with and deepens their understanding of information that can only be acquired in the field, contributing to the breeding of new varieties.

One of SAKATA Group’s unique strategies for human capital development is the team structure for breeding. Under this structure, multiple breeders are assigned to each strategic crop. This results in the interaction of differing values and livelier communication, which results in the creation of highly original varieties. The team structure also serves as a venue for training young breeders. Not only do they learn the necessary knowhow and approaches for breeding from veteran breeders but they

#### Policy (5)

**Provide a fair evaluation of the capabilities displayed in the exercise of professional duties and their results, and link it to development.**

In the company, evaluations are carried out by multiple evaluators, and the results are discussed and organized at an assessment and rating meeting to ensure that they are appropriately evaluated. We also aim to carry out fair evaluations by holding evaluation training for all evaluators every year. Furthermore, under the target interview system, employees review the company’s policies, the organization’s mission and their own roles, and managers give them feedback on the initiatives they are carrying out to meet targets, which helps them to improve their skills.

We will continue to improve our recruitment and training as well as our personnel evaluation system to match the changing times.

also inherit the “commitment to MONOZUKURI (craftsmanship)” mindset that cannot be taught through manuals.

Breeding a new variety is said to take a lengthy period of around ten years. The team structure is a major asset because the process requires a long-term perspective, including foresight, and continuity.

For example, for crops like tomatoes which have spread to all countries of the world, there are local markets in each region, and so we assign breeders to each region. The breeders in each area cooperate and share knowhow and materials as a team. To counter major global diseases, we use this network to speedily obtain information and breed varieties with even more resistance as soon as possible. These connections between people, objects and information are generating a powerful problem-solving force against new changes in the environment.

We will continue to enhance our R&D by carrying out employee assignments and transfers on a global scale that takes individual aptitude into account while simultaneously investing actively in research facilities and equipment that bring out the best in those employees.

	Team Structure	Individual Structure
<b>Originality</b>	◎	○
<b>Development speed</b>	◎	○
<b>Continuity of breeding</b>	◎	△
<b>Labor cost</b>	△	◎
<b>Overall development capability</b>	◎	○

SAKATA Group R&D staff actively working at locations all over the world



## Contributions to Society and Regions

SAKATA Group uses its main business to engage in regional support and social contribution activities involving food, flowers and greenery all around the world.

### Brazil Horta do Bem

#### Creating Places to Belong after School with Flowers and Vegetables

Sakata Seed Sudamerica LTDA., which is based in Brazil, runs a program called "Horta do Bem" which supports children in a region where they are likely to face social risks. The aim of the initiative is to educate children and raise their awareness by teaching them how to grow flowers and vegetables, while at the same time giving them a safe place to spend time after school. They will continue to support the local community and the children who are the next generation.



Many children are learning how to grow flowers and vegetables thanks to Horta do Bem



Employees of Sakata Seed Iberica S.L.U serve as teachers to teach lessons about healthy eating using vegetables

### Spain La Pandi

#### Conveying the Importance of Healthy Eating

Since 2013, Spain-based Sakata Seed Iberica S.L.U has been carrying out a program known as "La Pandi" where it promotes healthy diets at schools. Through La Pandi, many children have enjoyed themselves while learning about the importance of healthy eating through workshops. This initiative encourages the consumption of fruits and vegetables and also communicates human and environmental values such as sustainable agriculture and horticulture to the children.



Every employee engages in social contribution activities with a sense of purpose

### USA Sakata Gives

#### Using Wisdom from Our Main Business to Contribute to Society

"Sakata Gives" is a corporate charity program that aims for all employees of Sakata Seed America, Inc. to contribute to their local communities. Activities in this program are based on SAKATA Group's Corporate Philosophy of "contributing sustainably to the betterment of life and culture." Apart from "flower growing" and "seed growing" activities where they give seeds and gardening tools to elementary schools, they engage in a wide range of activities such as donating the company's flowers to local NPOs. Through a variety of revitalization programs, such as "Your Giving Program" where all employees can choose where they want to donate to and have the company support it, the company meets the expectations of its employees and the community.

### Japan Support for Urban Greening

#### Filling Our Hometown of Yokohama with Flowers and Greenery

To help the people of Yokohama City, where Sakata Seed Corporation's business is based, to feel the charm of flowers and greenery, the company supports an urban greening project run by the city and works together with it to realize the vision of "Yokohama, a city full of flowers and greenery." As part of that program, Yokohama city holds an event known as "Garden Necklace Yokohama" every year. It is well known as the largest flower and greenery event in the city, and visitors can enjoy displays of beautiful flowers all over the place. Additionally, the International Horticultural Expo 2027, Yokohama, Japan is scheduled to be held in Yokohama in 2027, and Sakata Seed Corporation will be participating as a company dealing in flowers and greenery.



Garden Necklace Yokohama is held every year to connect the city and its people with beautifully blooming flowers and greenery like a necklace. Source: Garden Necklace Yokohama Executive Committee

### Japan Supporting the Yokohama F. Marinos Professional Soccer Team

#### Regional Revitalization through Sports Promotion

As an official partner, Sakata Seed Corporation has sponsored the activities of the Yokohama F. Marinos, a member of the Japan Professional Football League (J.League), for over 15 years. The sense of unity created by sports leads to solidarity between people, and in recent years there have been many examples of professional sports teams rooted in local communities causing regional revitalization, so Sakata Seed Corporation is contributing to the promotion and development of local sports. Our logo appears on the players' practice uniforms, which communicates SAKATA Group's thoughts about local sports to society and is also a source of pride for employees.



The Nissan Stadium (International Stadium Yokohama) where the Yokohama F. Marinos are based is located in Shin Yokohama, near our headquarters. Sakata Green Service Co., Ltd. manages the stadium's lawns and strives to provide the finest pitch possible so that players can play at their best.



A public space full of nature. The flower beds in front are mainly planted with the company's original varieties

### Japan Opening Part of Headquarters' Grounds to the Public

#### A Relaxing Spot that Local Residents can Easily Visit

Sakata Seed Corporation has opened part of the grounds of its headquarters at Tsuzuki-ku in Yokohama City to be used as a public space. The space is filled plenty of trees and colorful flowers, and it is popular with neighboring residents as a spot for relaxation. At the Green Plaza (exhibition greenhouse), which is similarly open to the public, we display seasonal plants and flowers, showing people the joy of growing plants and the fullness of a life lived with flowers and vegetables. The public space has been selected as a SEGES urban oasis certified by the Organization for Landscape and Urban Green Infrastructure, a public interest incorporated foundation. We also won the 4th Green Social Contribution Award in 2016 in recognition of our public availability policy and management.



We hope to nourish people's hearts by having them grow flowers from seed and enjoy them (left). A packet of seeds distributed as part of the "Seeds of Hope!" project (top)

### Japan "Seeds of Hope!" Project

#### Supporting Reconstruction through Sunflower Seeds

"Seeds of Hope!" is a project where Sakata Seed Corporation gives away sunflower seeds in response to requests from disaster areas in Japan and volunteer groups, local governments, schools and other bodies throughout Japan. This activity was started as a way to support recovery efforts after the Great East Japan Earthquake and it was held for the 14th time in 2024. Although it is not connected to direct support immediately after a disaster, disaster survivors require emotional support as they try to rebuild their lives. To date, Sakata Seed Corporation has distributed around 4.7 million plants worth of sunflower seeds to approximately 1,200 organizations in the hope that we can cheer up Japan with the power of flowers.

## Corporate Governance

### Basic Approach

The corporate philosophy of SAKATA Group is contributing to the development of agriculture, horticulture and related businesses based on the essence of our company policy, "Quality, Reliability, and Service," while adhering to business ethics. Based on this philosophy, we manage our businesses with to contribute to improving the lives and cultural conditions of people around the world by offering high-quality products and services, with the aim of becoming the world's leading seed company.

### Overview of Corporate Governance Structure

#### Board of Directors

We have established a Board of Directors to deliberate and take decisions on important management-related matters in SAKATA Group as stipulated by laws, regulations, our Articles of Incorporation and other places. The Board of Directors is made up of nine Directors (three of whom are Outside Directors) and chaired by the President. It generally meets monthly, but extraordinary meetings of the Board of Directors are also held when necessary.

#### Management Meeting

We have established a Management Meeting to serve as a prior deliberation body in order to enhance the speed and smoothness of deliberations and decisions made by the Board of Directors regarding the group's management. The Management Meeting generally meets once a month but is also convened on an ad hoc basis as required.

#### Business Execution Meeting

We have established the Business Execution Meeting to deliberate on important matters related to management strategies, etc. and company-wide or cross-organizational matters, based on the management policies and medium- to long-term plans determined by the Board of Directors. The Business Execution Meeting generally meets once a month.

#### Audit & Supervisory Board

We have established an Audit & Supervisory Board comprising three Audit & Supervisory Board members (including two Outside Audit & Supervisory Board members). At regular meetings, which are held every month as a general rule, important matters on audits are reported by each Audit & Supervisory Board Member, and necessary discussions and resolutions are made. Ad hoc and extraordinary Audit & Supervisory Board meetings are also held when necessary. In the fiscal year ended May 2023, the board held a total of 16 ordinary and extraordinary meetings. In accordance with audit policies, audit plans, etc. established by the Audit & Supervisory Board, Audit & Supervisory Board Members attend important meetings such as the Board of Directors, the Management Meeting, Business Execution Meeting, Compliance Committee, and other relevant organizations to express their opinions, and regularly inspect circulars for approval and other important materials to improve the effectiveness of audits.

#### Compliance Committee

We have established a Compliance Committee, headed by the company's President at the company and its domestic subsidiaries, and as a general rule, hold meetings twice a year. The committee makes decisions on important policies regarding the practice of compliance programs such as training and education in the group, and reports necessary information to the Board of Directors. We also conduct an anonymous compliance questionnaire once a year to examine the actual state of affairs, such as compliance-related awareness and behavior, measures to prevent compliance violation risks, and operation of whistle-blowing systems, from a multifaceted and multi-layered standpoint. The results of this questionnaire enable us to review the efficiency of our activities by understanding changes over time.

#### Nominating Committee and Compensation Committee

We have established the Nominating Committee and the Compensation Committee as optional committees correspondent to a nominating committee and a compensation committee. Each Committee is comprised of one inside Director and three Outside Directors. As advisory bodies to the Board of Directors, the two committees ensure the objectivity and transparency of decisions on matters related to the nomination of Officers, in the case of the Nominating Committee, and on matters related to compensation for Officers in the case of the Compensation Committee.

#### Reason for adoption of current structure

The company has adopted this current structure because it is judged to contribute to management transparency, the clarification of management responsibilities and the strengthening of management oversight.

In addition to the Audit & Supervisory Board's oversight of the Board of Directors, the appointment of fair and independent Outside Directors and the strengthening of internal control systems ensure that operations are executed in an appropriate and highly transparent manner.

### Status of Activities of the Board of Directors, and the Optional Nominating and Compensation Committees

#### Status of activities of the Board of Directors

In the fiscal year ended May 2023, the Board of Directors held 12 ordinary meetings and 8 extraordinary meetings, and all Directors were present for all 20 meetings. All of the Audit & Supervisory Board members attended the regular and extraordinary meetings as well.

The Board of Directors specifically discussed management policies and strategies and important business execution matters for the group as a whole, such as growth strategies, medium- and long-term management plans, group governance, risk management, the distribution of management resources and human capital strategies. It also deliberated other matters stipulated by law and by the Articles of Incorporation.

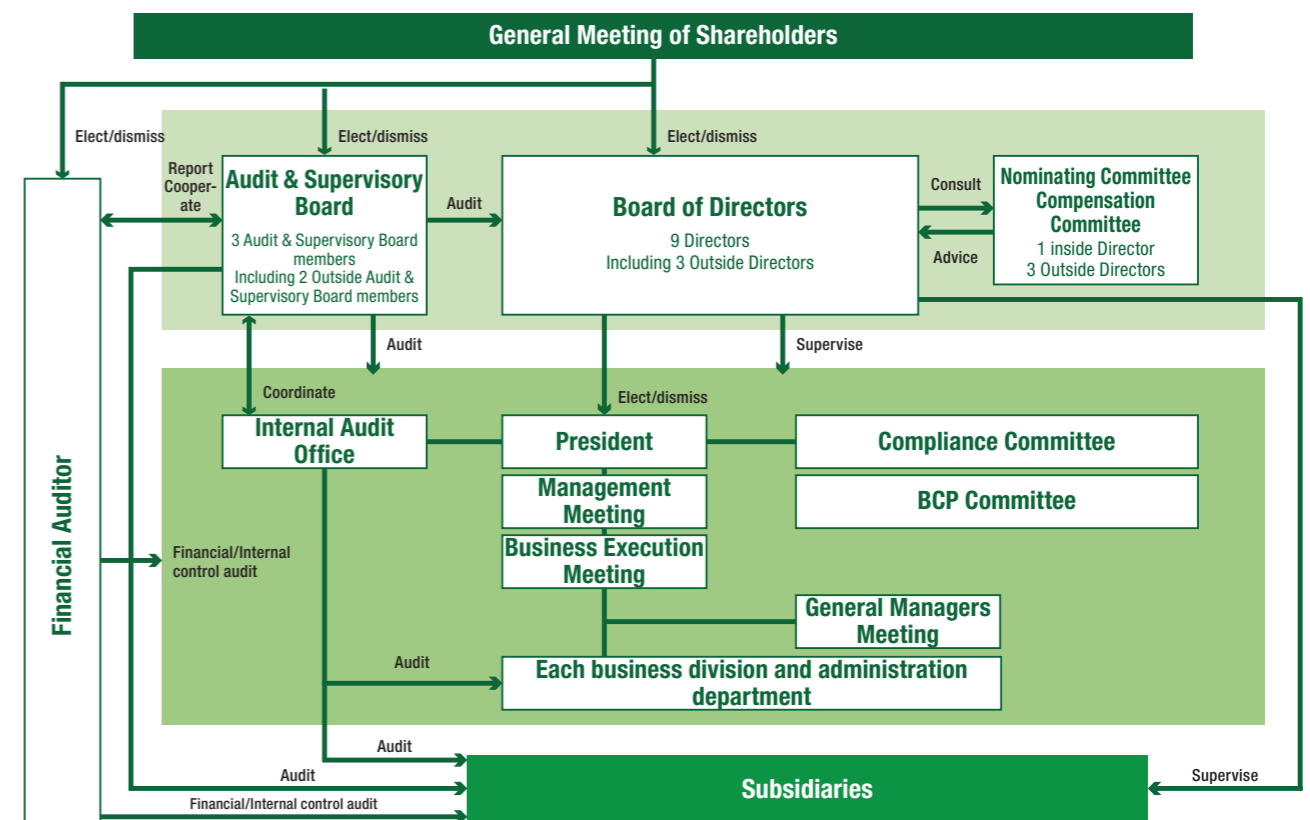
Additionally, to clarify the supervisory and executive responsibilities in management, the company has introduced an Executive Officer system and delegated decision-making authorities to it. The Board of Directors receives reports from Executive Officers on legally stipulated matters and the state of execution of important tasks and performs its role as a business execution supervisory body.

#### Status of activities of the optional Nominating and Compensation Committees

As an advisory body to the Board of Directors, the optional Nominating Committee drafts proposals for the selection and dismissal of Officers and items related to successor planning and development, and reports them to the Board of Directors. The committee is structured in such a way that the majority of members are independent Outside Directors. It met twice in the fiscal year ended May 2023 and deliberated and took decisions on matters such as the selection of Officers.

As an advisory body to the Board of Directors, the optional Compensation Committee discusses Officer compensation and other matters and reports them to the Board of Directors. The majority of the committee members are independent Outside Directors, and it is also chaired by an independent Outside Director. The committee met five times in the fiscal year ended May 2023 and deliberated and took decisions on matters such

Corporate Governance System Chart (The Fiscal Year Ended May 2023)



as the amount of Officer compensation.

### Skills and Diversity of the Board of Directors

The members of the Company's Board of Directors are selected regardless of gender, age, nationality, job history or other factor, and they are individuals with diverse skills in various fields such as corporate management, internationality and global experience, finance and accounting, sales and marketing, research, development and production, legal affairs, intellectual property, IT and information management, and industry group experience. This is done because it is necessary for the Board of Directors to be made up of persons with diverse viewpoints and perspectives as well as extensive experience so that the board can hold appropriate deliberations.

The current Board of Directors is constituted based on that policy, and they are able to respond flexibly to various changes in the business environment by demonstrating their knowledge and experience and maintaining an overall balance.

We will continue to hold detailed discussion of the scale (number of members) of the Board of Directors, its expected functions (such as diversity), and the roles (knowledge, experience and so on) expected of each individual Director in light of our management strategy.

### Evaluation of the Effectiveness of the Board of Directors

To verify and further improve the effectiveness of the Board of Directors, in the fiscal year ended May 2023 as in the year before, we conducted a questionnaire targeting all Directors and Audit & Supervisory Board members with the cooperation of external lawyers, asking them about the execution of their duties as Directors or Audit & Supervisory Board members, the composition, operation and deliberation status of the Board of Direc-

tors, support for Directors and Audit & Supervisory Board members, and other issues. The results of the questionnaire were reported to the Board of Directors for discussion.

As a result, we confirmed that the company's Board of Directors (i) is of an appropriate size and structured with a focus on the supervisory function comprising one third independent Outside Directors, who have the adequate skills, experience and knowledge to fulfill such a function, (ii) has been delegating its authority to management, while also revitalizing deliberations on management strategies, etc. at meetings of the Board of Directors, (iii) has secured adequate time for deliberation and that free, open and constructive discussions take place with sufficient information distributed in advance including materials of the board meetings, and (iv) has a subordinate body, the Sustainability Committee, which was established to promote sustainability management that drives positive development and growth for stakeholders both inside and outside the company, and efforts are being promoted under the supervision of the Board of Directors. Consequently, it was assessed that the effectiveness of the company's Board of Directors was properly ensured.

On the other hand, in order to further improve the effectiveness of the Board of Directors, we confirmed that (i) we need to further discuss how to separate management and execution in order to strengthen the supervisory function of the Board of Directors, (ii) we need to make continuous efforts, including discussions by the Nominating Committee, with regard to the supervision of the development of future senior management including the CEO, and (iii) that the Board of Directors should further discuss and promote the ideal governance system for the group, including overseas subsidiaries.

We will respond appropriately to such issues that require consideration.

Skill Matrix (as of May 27, 2024)

	Hiroshi Sakata	Risho Uchiyama	Tsutomu Kagami	Kazuo Kuroiwa	Toshihiko Furuki	Zen Takamiya	Kunihiko Sugahara	Yukimasa Ozaki	Masako Watanabe	Jumpei Tsushima	Yasunori Numata	Akinori Bo
Position	President	Directors and Managing Executive Officers	Directors and Managing Executive Officers	Directors and Managing Executive Officers	Directors and Managing Executive Officers	Directors and Managing Executive Officers	Outside Director (Independent Officer)	Outside Director (Independent Officer)	Outside Director (Independent Officer)	Full-Time Audit & Supervisory Board Member	Outside Audit & Supervisory Board (Independent Officer)	Outside Audit & Supervisory Board (Independent Officer)
Executive Officer in Charge of Business Execution	—	Domestic Sales & Marketing Division	Overseas Sales & Marketing Division	Corporate Management Division	Supply Chain Division / Research & Development Division	General Administration Division	—	—	—	—	—	—
Committee	Nominating Committee	Committee Chairperson					○					
	Compensation Committee	○					Committee Chairperson					
Corporate Management	○	○	○	○	○	○	○				○	○
Internationality/Global Experience	○		○	○	○	○	○				○	○
Finance/Accounting	○				○	○	○		○	○		○
Sales/Marketing	○	○	○	○		○						
R&D/Production		○	○		○							
Legal Affairs/Intellectual Property	○	○	○		○	○		○		○		
IT/Information Management			○	○					○			
Industrial Association Experience	○	○										

**Corporate Management** Expertise in corporate management, the possession of a medium- and long-term vision based on SAKATA Group's Management Philosophy, knowledge and experience necessary for formulating global strategies.

**Internationality/Global Experience** International expertise, such as experience working overseas, management experience such as the formulation of growth strategies for global business and management supervision at overseas subsidiaries, abundant knowledge of the cultures and environment of various countries.

**Finance/Accounting** Knowledge of financial strategy, such as how to build a solid financial foundation and dialogue with capital markets, extensive knowledge in the fields of financial accounting, finance and auditing.

**Sales/Marketing** Expertise in sales and marketing, negotiation skills and experience needed to build and maintain personal relationships using extensive personal connections with business partners and industrial associations.

**R&D/Production** Expertise in breeding, breeding engineering, pathology, seed production, and a far-sighted and objective perspective to understand eating habits and other tastes based on global climates and natural features, traditions and cultures, and perform research and product development.

**Legal Affairs/Intellectual Property** Expertise in suitable and effective corporate governance, extensive knowledge of legal affairs and intellectual property, experience of legal disputes such as civil suits.

**IT/Information Management** Expertise in subjects such as communication, networks, security, extensive knowledge and experience of DX (promotion of information strategies) and ICT (information and communication technology).

**Industrial Association Experience** Expertise in the seed industry, negotiation skills and experience needed to build and maintain personal relationships with various related organizations such as the Japan Seed Trade Association, governments, local public entities and the National Federation of Agricultural Cooperative Associations (ZEN-NOH).

\* The above table is not an exhaustive list of the expertise and experiences these individuals possess.



<Front row, from left> Zen Takamiya, Kazuo Kuroiwa, Risho Uchiyama, Hiroshi Sakata, Tsutomu Kagami, Toshihiko Furuki  
<Back row, from left> Akinori Bo, Yasunori Numata, Jumpei Tsushima, Kunihiko Sugahara, Yukimasa Ozaki, Masako Watanabe

Officer Compensation

Details of Policy Concerning Officer Compensation  
The company's Board of Directors passes resolutions on the contents of policies for determining the individual compensation of Directors. In doing so, it consults the optional Compensation Committee and receives advice on the contents to be resolved in advance.

- Policy Concerning Basic Compensation  
As a basic policy, the company's compensation system for Directors must 1) enable the company to secure the services of management personnel capable of driving the growth of the company as a global enterprise, 2) allow the company to enhance long-term shareholder value, 3) contribute to a continuous and stable increase in financial performance, and 4) be highly objective and transparent in terms of the processes by which the amounts of compensation are determined. In addition, to ensure transparency and fairness in the Directors' compensation system as well as

the details and determination methods, the company has established an optional Compensation Committee made up of a majority of independent Outside Directors as an advisory body to the Board of Directors. The chairperson of the Compensation Committee is an independent Outside Director. The types of Directors' compensation are monetary compensation and non-monetary compensation (stock-based compensation) and the compensation amounts are determined as follows with comprehensive consideration given to the rank of the Directors, their operational responsibilities and their contributions to the financial performance of the company.

- Monetary compensation consists of basic compensation according to rank and bonuses linked to the degree of achievement of performance targets. The total monetary compensation is no more than ¥350 million a year.
- Non-monetary compensation is the company's stocks, aimed at raising each and every Director's awareness of his or her contribution to im-

proving medium- to long-term performance and increasing corporate value. The maximum amount of stock-based compensation is ¥230 million per three fiscal years.

- The above maximum amounts of monetary and non-monetary compensation were approved at the 77th Annual General Meeting of Shareholders (held on August 28, 2018).
- We only pay basic compensation and not performance-linked bonuses or stock-based compensation to Outside Directors, taking into account that their functions are the oversight of business management independent of business execution.

Monetary compensation for the company's Audit & Supervisory Board members is determined upon consultation with the Auditors, up to a maximum annual limit of ¥80 million. The above maximum amount of monetary compensation was approved at the 77th Annual General Meeting of Shareholders (held on August 28, 2018).

- Policy Concerning Performance-linked Compensation  
The amount of bonuses, which is performance-linked compensation, is determined according to the performance evaluation points calculated by the designated calculation formula, comprehensively taking into account the degree of achievement to the targets of consolidated sales, consolidated operating profit, and consolidated profit attributable to owners of parent for the relevant period.
- Policy Concerning Non-monetary Compensation  
The company's stocks are paid as non-monetary compensation. A Board Benefit Trust (BBT) plan has been established and the details are determined based on the method prescribed in the company's Board Benefit Regulations.
- Policy Concerning Compensation Ratio  
Based on a report from the Compensation Committee, the Board of Directors appropriately determines each compensation ratio so that it functions as an appropriate and sound incentive for a continuous and stable increase in corporate performance.

○ Total amount of compensation by Officer category, total amount of compensation by type, and number of Officers covered (the fiscal year ended May 2023)

Officer Category	Total amount of compensation (millions of yen)	Total amount of compensation by type (millions of yen)			Number of Officers Covered (Persons)
		Basic Compensation	Bonuses	Stock-Based Compensation	
Directors (excluding Outside Directors)	193	142	30	19	5
Audit & Supervisory Board members (excluding Outside Audit & Supervisory Board members)	21	21	—	—	1
Outside Officers	46	46	—	—	5

(Notes)  
1. Amounts less than one million yen are rounded down.  
2. The amounts of compensation, etc. listed above include a provision for Officer stock-based payments based on the BBT (Board Benefit Trust) resolved to be used as a stock compensation framework at the 77th Annual General Meeting of Shareholders held on August 28, 2018.  
3. At the 77th Annual General Meeting of Shareholders held on August 28, 2018, we resolved to abolish the retirement benefits system for Directors and statutory Auditors at the conclusion of the General Meeting of Shareholders, and provide Directors and Audit & Supervisory Board members who will remain in office after the conclusion of the said meeting with their retirement benefits for the term of office until the abolition of the paid system at the time of their retirement from office.

Compliance

We have established compliance-related regulations, including a "Compliance Manual," and stipulate that all Officers and employees of the group comply with laws, regulations and corporate ethics. In addition, we have established a Compliance Committee, headed by the President, to make decisions on important policies regarding the practice of compliance programs such as training and education in the group. The Compliance Committee reports any necessary information to the Board of Directors.

We have established "Compliance Consultation Hotlines" both inside and outside our companies as bodies for employees of the company and its domestic subsidiaries to consult and report to on matters relevant to laws, regulations, and corporate ethics in the group, and we maintain an appropriate whistle-blowing system for our overseas subsidiaries according to their respective sizes. The group keeps the consultation details confidential, and does not mistreat the consultants in violation of the Whistleblower Protection Act or other laws, regulations, and internal rules.

Risk Management

To minimize losses or disadvantage that the company and its domestic subsidiaries may suffer, we have established a crisis management manual and a "Regulations of the Operation of BCP (Business Continuity Plan) Committee," and built a risk management system centered on the Crisis Management Committee and the BCP Committee.

As risk management in normal times, the BCP Committee collects information, conducts analysis, and evaluates various risks such as (i) climate change, (ii) geopolitical, social and institutional changes in the areas we conduct business, (iii) research and development, (iv) infringement of intellectual property rights, (v) safety, (vi) finance, (vii) crimes or scandals by employees, (viii) disaster or accidents. It also prepares proposals on internal rules, crisis management manuals, BCPs, etc. and then submits them to the Board of Directors of the Company.

The BCP Committee facilitates the prevention of risk occurrence through the implementation of educational and awareness-raising activities.

In the event that a risk materializes, in accordance with the business continuity plan and the crisis management manual the Crisis Management Committee will establish Crisis Management Headquarters, headed by the company's President, and take prompt measures under its command.

## Corporate Information

Company Name	SAKATA SEED CORPORATION
Representative	President Hiroshi Sakata
Headquarters Location	2-7-1 Nakamachidai, Tsuzuki-ku, Yokohama City, Kanagawa 224-0041, Japan
Foundation	July 1913 (as Sakata Noen)
Incorporation	December 1942
Listing	The Prime Market of the Tokyo Stock Exchange
Capital	13.5 billion Japanese Yen
Financial Results	Sales: 77.263 billion Japanese Yen (fiscal year ended May 2023: Consolidated) Ordinary profit: 12.304 billion Japanese Yen (fiscal year ended May 2023: Consolidated)
Business Description	Sales of vegetable seeds, flower seeds, bulbs, seedlings, as well as agricultural and horticultural supplies. Gardening and landscaping business (landscaping construction work, development and maintenance of flowers and greenery)
Number of Employees	2,691 (as of May 31, 2023: consolidated)
Consolidated Subsidiaries and Affiliates (domestic and overseas)	39 (as of January 1, 2024)
Website	<a href="https://corporate.sakataseed.co.jp/en/">https://corporate.sakataseed.co.jp/en/</a>

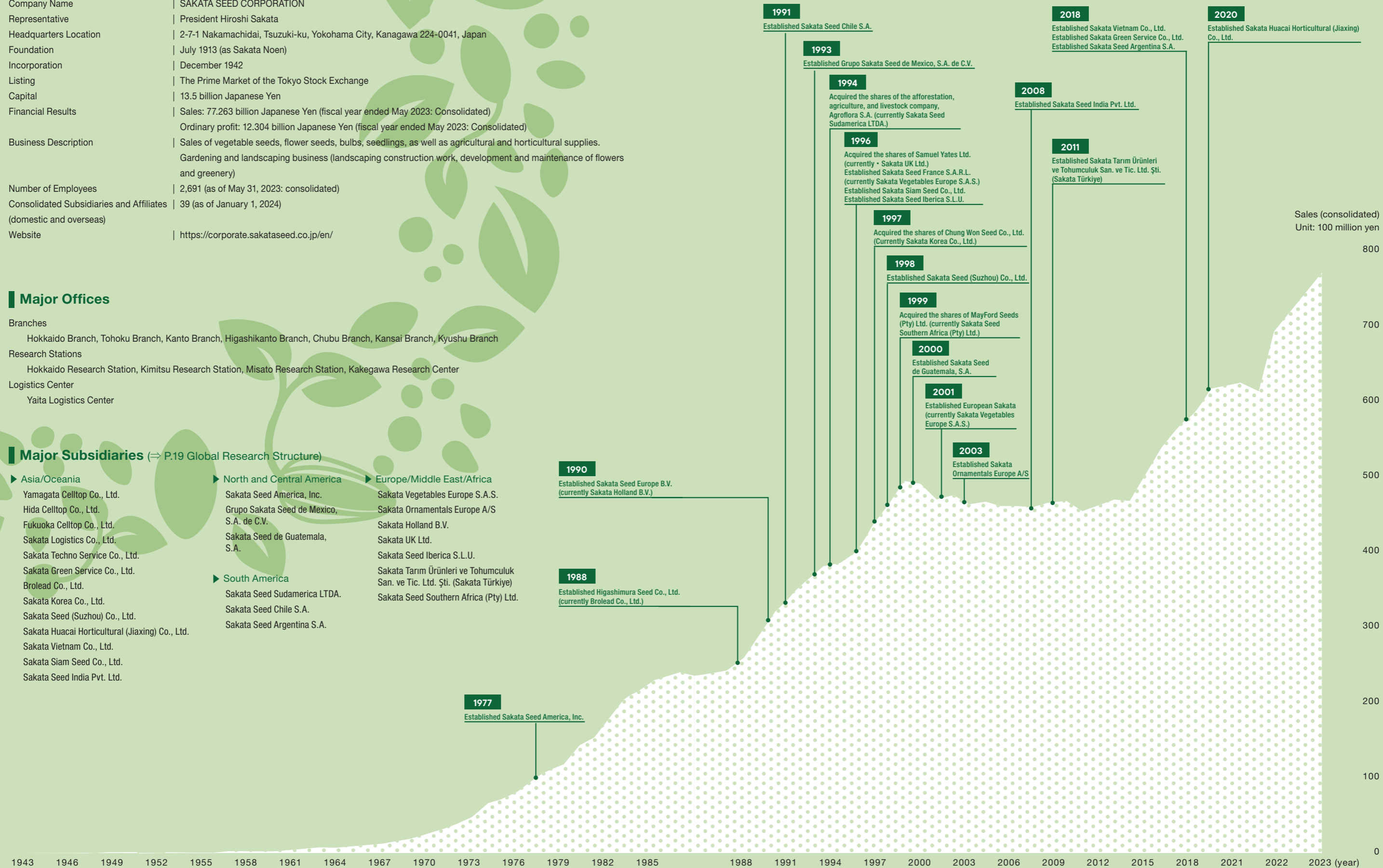
## Major Offices

Branches	Hokkaido Branch, Tohoku Branch, Kanto Branch, Higashikanto Branch, Chubu Branch, Kansai Branch, Kyushu Branch
Research Stations	Hokkaido Research Station, Kimitsu Research Station, Misato Research Station, Kakegawa Research Center
Logistics Center	Yaita Logistics Center

## Major Subsidiaries (⇒ P.19 Global Research Structure)

▶ Asia/Oceania	▶ North and Central America	▶ Europe/Middle East/Africa
Yamagata Celltop Co., Ltd.	Sakata Seed America, Inc.	Sakata Vegetables Europe S.A.S.
Hida Celltop Co., Ltd.	Grupo Sakata Seed de Mexico, S.A. de C.V.	Sakata Ornamentals Europe A/S
Fukuoka Celltop Co., Ltd.	Sakata Seed de Guatemala, S.A.	Sakata Holland B.V.
Sakata Logistics Co., Ltd.		Sakata UK Ltd.
Sakata Techno Service Co., Ltd.	▶ South America	Sakata Seed Iberica S.L.U.
Sakata Green Service Co., Ltd.	Sakata Seed Sudamerica LTDA.	Sakata Tarım Ürünleri ve Tohumculuk San. ve Tic. Ltd. Şti. (Sakata Türkiye)
Brolead Co., Ltd.	Sakata Seed Chile S.A.	Sakata Seed Southern Africa (Pty) Ltd.
Sakata Korea Co., Ltd.	Sakata Seed Argentina S.A.	
Sakata Seed (Suzhou) Co., Ltd.		
Sakata Huacai Horticultural (Jiaxing) Co., Ltd.		
Sakata Vietnam Co., Ltd.		
Sakata Siam Seed Co., Ltd.		
Sakata Seed India Pvt. Ltd.		

## Establishment of Major Subsidiaries and Sales Trends





**SAKATA**<sup>®</sup>

PASSI<sup>•</sup>N in Seed