



June 26, 2025

To whom it may concern

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### **Notice Regarding the Revision to the “Corporate Governance Guidelines”**

TOKYO KEIKI INC. (hereinafter the “Company”) hereby announces that at a meeting of the Board of Directors held on June 26, 2025, it revised its “Corporate Governance Guidelines” as follows.

These guidelines were formulated to provide a framework and guidance for organizing the Group’s corporate governance initiatives and realizing excellent corporate governance in accordance with the goals and spirit of the Tokyo Stock Exchange’s “Corporate Governance Code,” with a view to achieving the sustainable growth of the Group and enhancing its medium- to long-term corporate value.

This time, sections of the text have been revised as follows.

#### (Details of changes in the text)

- Article 5: (i) Change in policy concerning the provision of an English version of notices of the convening of a General Meeting of Shareholders
- (ii) Change in policy for ensuring voting rights can be conveniently exercised via the Internet
- Article 6: (i) Update of details of the basic policy regarding dividends
- Article 7: (i) Addition of details to the basic policy regarding control of the Company
- Article 27: (i) Update of details in accordance with revisions to compensation systems
- Other: Minor revisions of wording

For details, please refer to the attached “Corporate Governance Guidelines.”

These guidelines will also be posted on the Company’s website.

[Corporate Governance Guidelines | TOKYO KEIKI INC. \(tokyokeiki.jp\)](https://www.tokyokeiki.jp/corporate-governance-guidelines)

The Group will strive to achieve sustainable growth and further enhance corporate value by putting these guidelines into practice.

# **Corporate Governance Guidelines**



**Version dated June 26, 2025**

# Corporate Governance Guidelines

## Chapter 1

### General Provisions

#### Article 1 (Purpose) **CGC Principles 2.1, 3.1.i)**

These guidelines are guidance for improving corporate value through the realization of the “Management Philosophy” of TOKYO KEIKI INC. (hereinafter the “Company”), and for increasing common interests of its stakeholders in the long term to enable shareholders to feel confident in long-term ownership of our shares. Under the guidelines, we will continuously pursue and work to enhance excellent corporate governance. These guidelines are revised as appropriate with the aim of realizing consistently excellent corporate governance.

##### [Management Philosophy]

It is the mission of the Company and the Group to contribute to society, with a focus on our business of leveraging electronics and other advanced technology to create products that embody functions of human senses: measurement, cognition, and control.

1. Continually hone our technology to develop products that lead the world.
2. Anticipate changes in the market and create new value.
3. Prioritize quality in our products and earn the trust of customers.
4. Develop human resources who improve their abilities and their character to contribute to fulfilling our mission.
5. Engage in sound and fair corporate activities in line with social norms.
6. Protect the environment and work to conserve limited resources.
7. Increase our overall corporate value and meet the expectations of our stakeholders.

#### Article 2 (Basic Concepts of Corporate Governance) **CGC Principle 3.1.ii)**

Along with an understanding of the importance of corporate ethics, the TOKYO KEIKI group (hereinafter the “Group”) recognizes that achieving a high level of soundness, transparency, efficiency, and agility in corporate management is the key point of corporate management systems (corporate governance) for the sustainable growth and development of a company and the increase in its long-term corporate value as it responds swiftly to rapid changes in society and the environment. We will enhance our corporate governance in line with the following basic concepts.

##### (1) Relationship with shareholders and other stakeholders

1. We will respect the rights of shareholders.
2. We will ensure the equality of shareholders.
3. We will build positive and smooth relationships with our shareholders and various stakeholders.
4. We will properly disclose company information and ensure transparency in our corporate management.

## (2) System of corporate governance

1. As the organizational structure of the Company under the Companies Act, we have adopted the form of a company with an Audit and Supervisory Committee.
2. We strive to appoint Outside Directors with independence and neutrality to at least one-third of Director positions.
3. We operate extensive internal controls systems across the entire Group to ensure the credibility of financial reporting.
4. We will strengthen our framework for analyzing and responding to interests and risks that affect the Group so that we can keep pace with changes in the business environment driven by globalization.

## Article 3 (Positioning of these guidelines)

These guidelines are the highest priority rules after the Companies Act, relevant laws and regulations, and the Company's Articles of Incorporation, and they take precedence to other regulations.

## Chapter 2

### Relationship With Shareholders and Other Stakeholders

## Article 4 (Respect for Voting Rights) CGC Principles 1.1, 1.2, Supplementary Principles 1.2.1, 1.2.2

- (1) We strive to enable shareholders to appropriately exercise their voting rights at the General Meeting of Shareholders.
- (2) In order to enable shareholders to appropriately exercise their voting rights at the General Meeting of Shareholders, we will strive to send and disclose notices of the convocation of the General Meeting of Shareholders in a timely manner to ensure there is sufficient time to consider its content.
- (3) We will establish an environment which enables all shareholders, not just shareholders attending the General Meeting of Shareholders in person, to appropriately exercise their voting rights.

## Article 5 (General Meeting of Shareholders) CGC Supplementary Principles 1.1.1, 1.2.3, 1.2.4

In recognition that the General Meeting of Shareholders, comprising shareholders possessing voting rights, serves as the Company's highest decision-making body, we pay attention to the following points so that the opinions of shareholders are appropriately reflected in decisions.

- (1) The schedule of the General Meeting of Shareholders is set appropriately.
- (2) When a meeting is to be convened, a notice of convocation (proposals) is made available in both Japanese and English through electronic means (stock exchange and the Company's websites, registration on platforms for exercising voting rights electronically).

- (3) In regard to the exercise of voting rights, we will ensure shareholders can exercise these voting rights conveniently through the introduction of means to exercise voting rights via the Internet and the use of platforms for exercising voting rights electronically.
- (4) Directors will cultivate relationships of trust with shareholders by providing sufficient explanations at the General Meeting of Shareholders and making every effort to answer questions.
- (5) If it is recognized that a company proposal, despite being approved at the General Meeting of Shareholders, has received a significant number of votes against (25% or more), then we shall analyze the reasons for this opposition and the root causes behind the large number of votes against, and consider whether dialogue with shareholders and investors and other such measures are needed.

#### Article 6 (Shareholder Returns)

- (1) The Company's basic policy regarding appropriation of surpluses is to implement the most appropriate shareholder return measures with the optimal capital structure in mind. In doing so, we place top priority on growth investment designed to enhance our corporate value through the realization of "TOKYO KEIKI Vision 2030" while maintaining an adequate balance with the financial position. In accordance with this stance, in our annual dividend, we strive to provide stable and continuous shareholder returns that take into account factors including past dividend trends.
- (2) We carry out acquisitions of treasury shares flexibly and as needed in order to further enhance capital efficiency and shareholder return levels.

#### Article 7 (Protection of Shareholders' Rights) CGC Principles 1.5, 1.6, Supplementary Principle 1.5.1

- (1) When taking action that will change the shareholding structure of the Company, either immediately or in the future, such as the allotment of shares to a specified third party, we will disclose this information to shareholders in an appropriate manner with the aim of protecting shareholders' rights.
- (2) In the event that a large-scale acquisition of shares is made by a party in order to gain control of the Company, we will ensure that the purpose of said acquisition and its effects on the Group's corporate value and the common interests of shareholders are appropriately disclosed and carefully considered. Also, if necessary, we will take reasonable response measures in order to prevent any damage to corporate value.

#### Article 8 (Ensuring Shareholder Equality)

- (1) We treat all shareholders substantially in an equal manner in accordance with the nature of their shares and proportion of ownership.
- (2) We do not provide any special benefits, such as the provision of financial benefits, to specific shareholders.

Article 9 (Prevention of Conflicts of Interest) CGC Principles 1.7, 4.3, Supplementary Principle 4.11.2

- (1) The Group protects the interests of shareholders by striving to prevent parties related to the Group, including Directors and employees, from abusing their position to carry out transactions that conflict with the interests of the Group and our shareholders.
- (2) Directors of the Company must have the approval of the Company's Board of Directors in order to take a concurrent position at another company or to carry out related party transactions, transactions that pose a conflict of interest, or transactions that are in competition with the Group's business. Additionally, we will appropriately disclose important matters related to such transactions.
- (3) We have set rules to prevent insider trading by parties related to the Group before it occurs and ensure these are strictly adhered to.

Article 10 (Maintaining Good Relationships with Stakeholders)

CGC Principle 4.5, Supplementary Principles 1.4.1, 1.4.2

- (1) With a view to enhancing long-term corporate value, the Group respects our main stakeholders (including shareholders, customers, employees and their families, and business partners) and strives to maintain good relationships with them through timely, appropriate, and fair information disclosure and active dialogue. To achieve this, we have appointed an Executive Officer in charge of corporate communications and a department in charge of corporate communications to supervise and take responsibility for communication with stakeholders.
- (2) In transactions with companies that hold shares of the Company as cross-shareholdings ("cross-shareholders"), we ensure that there is nothing that might damage the common interests of the Company and our shareholders, such as transactions that are continued without sufficient verification of their financial rationality. Furthermore, in the event that cross-shareholders express an intent to sell their shares, we will not take any action to prevent such sales, such as threatening to reduce transactions.

Article 11 (Information Disclosure and Transparency) CGC Principle 5.2, Supplementary Principle 5.1.2

- (1) We appropriately disclose notices of the convocation of the General Meeting of Shareholders and other financial and non-financial information, and actively work to provide information beyond the disclosures required by laws, regulations, and rules governing financial instrument exchanges, through our website and other channels.
- (2) Our disclosures express management information in an easy-to-understand manner and are shared through a variety of methods to facilitate convenient access for shareholders and investors.
- (3) We cultivate relationships of trust with shareholders and investors by striving to create an environment that enables substantial dialogue, including establishing a contact point for inquiries from shareholders.
- (4) We formulate a policy and establish a framework for the disclosure of information including important management information.

Article 12 (Policy for Dialogue with Shareholders and Investors)

CGC Principle 5.1, Supplementary Principles 5.1.1, 5.1.2, 5.1.3

The Executive Officer in charge of corporate communications and the department in charge of corporate communications of the Company will implement the following initiatives to encourage constructive dialogue with shareholders and investors.

- (1) They will provide opportunities other than the General Meeting of Shareholders, such as individual meetings and financial results presentations, to engage in more substantial dialogue with shareholders and investors to a reasonable extent. They will strive to maintain an understanding of shareholder composition based on information such as the shareholder registry and the status of reporting concerning the operation of investment trusts.
- (2) They will strive to ensure the opinions gained from dialogue are appropriately reflected in our corporate activities by providing feedback to Directors and other relevant internal parties.
- (3) They will disclose information concerning the Company in an appropriate and timely manner based on the Company's information management rules and promote dialogue with shareholders and investors.

Article 13 (Policy on Cross-Shareholdings) CGC Principle 1.4

- (1) The Company does not hold cross-shareholdings except in cases where it is recognized that a cross-shareholding will contribute to the medium- to long-term enhancement of corporate value. All decisions regarding the acquisition or sale of cross-shareholdings are to be made by the Management Conference, which is composed of Full-time Directors and Executive Officers. Cases where the value of the transaction exceeds the amount necessitating discussion at a Board of Directors meeting are to be decided by the Board of Directors. However, this does not apply in cases where shares are acquired on a regular basis through a trading-partner shareholding association or other such organs in which the Company is already a member. Additionally, each department responsible for cross-shareholdings verifies whether the purpose for holding each cross-shareholding aligns with the Company's medium- to long-term business strategy on an annual basis, and in cases where the value of retaining a cross-shareholding is judged to be poor, it shall be reduced through a partial or full sale of shares.
- (2) In regard to exercising voting rights for cross-shareholdings, the Company exercises these rights appropriately, from the perspective of improving shareholder value of the issuing company, based on the premise of contributing to the enhancement of our corporate value.
- (3) The holding status and other information concerning listed stocks held by the Company as cross-shareholdings are reported to the Board of Directors every year in June.

Article 14 (Response to Social and Environmental Issues) CGC Principle 2.3, Supplementary Principle 2.3.1

The Group contributes to the sustainable development of society through our business activities, as well as by tackling social and environment issues that ought to be addressed by the Group in each business area.

Article 15 (Policy on Embracing Diversity) **CGC Principle 2.4, Supplementary Principle 2.4.1**

The Group aims to be a group of companies where diverse human resources can actively participate, regardless of race, nationality, gender, age, or other attributes, based on the recognition that respecting the human rights, personal qualities, and individuality of employees and providing fulfilling work places help to maintain and strengthen our competitive edge.

Article 16 (Compliance) **CGC Principles 2.2, 2.5, Supplementary Principles 2.2.1, 2.5.1**

- (1) Our definition of compliance is not just “complying with laws and regulations,” but also acting in accordance with social norms based on a strong sense of ethics. We have formulated the “TOKYO KEIKI Group Code of Ethical Conduct” as the highest code of conduct applying to all officers and employees, and we strive to build systems and provide education that promotes compliance across the entire Group.
- (2) We have established and maintain a whistleblowing system as a means of directly providing information on legally suspect actions within the Group. We also ensure that no disadvantage befalls whistleblowers.

### Chapter 3

#### Corporate Governance System

Article 17 (Institutional Design)

We have adopted the form of a “company with an Audit and Supervisory Committee” under the Companies Act. This means that we have an Audit and Supervisory Committee in which Outside Directors make up a majority of members and can delegate a substantial portion of the Board of Directors’ authority for business execution to Directors, in order to strengthen the supervisory function of the Board of Directors and separate the oversight and execution of business to facilitate speedy decision-making.

Article 18 (Directors) **CGC Principles 4.5, 4.12, 4.13, Supplementary Principles 4.13.1, 4.13.2**

- (1) Directors have a duty of care of a prudent manager and a duty of loyalty.
- (2) Directors exercise voting rights after sufficiently gathering information in order to execute these duties and thoroughly discussing the matter in meetings of the Board of Directors, including requesting explanations and actively exchanging opinions.
- (3) Directors resolve management issues by exercising their right to propose agenda items for meetings of the Board of Directors and their right to convene meetings of the Board of Directors in an appropriate and timely manner.
- (4) In order to maintain the confidence of shareholders, Directors demonstrate the abilities expected of their position, spend sufficient time on the execution of their duties as Directors, and supervise the execution of

duties by other Directors. Also, if deemed necessary, they shall solicit advice from external experts (attorneys at law, etc.) at the expense of the Company.

Article 19 (Outside Directors) **CGC Principles 4.6, 4.7, 4.9**

- (1) Outside Directors are Directors that are independent of the Company both financially and in terms of personal connections. Specifically, in addition to fulfilling the requirements of an Outside Director stipulated in the Companies Act, they also meet the “criteria for independent officers” stipulated by the Tokyo Stock Exchange.
- (2) Outside Directors make every effort to realize excellent corporate governance by providing advice from a perspective that differs from other Directors and enhancing the fairness of the judgements and actions of the Board of Directors.
- (3) Outside Directors can request the provision of internal materials or explanations or reports regarding internal information from other Directors, Executive Officers, or employees, whenever they judge it to be appropriate or necessary.

Article 20 (Board of Directors System) **CGC Principles 4.3, 4.11, 4.12, Supplementary Principle 4.1.1**

- (1) The Board of Directors convenes regular meetings once a month in principal and extraordinary meetings when necessary. Additionally, in emergencies, it can make swift decisions through means such as written resolutions.
- (2) The Board of Directors makes decisions on the execution of important business and ensures the propriety and transparency of management by fulfilling a supervisory function regarding the execution of business.
- (3) The Board of Directors has established a Management Conference composed of Full-time Directors and Executive Officers to make decisions on the execution of important business which does not meet the requirements for discussion at meetings of the Board of Directors and deliberates on important items concerning the execution of business.
- (4) The Board of Directors comprises a variety of Directors who differ in areas such as specialist knowledge and work experience, and it strives to maintain the appropriate number of members to enable it to perform its functions as effectively and efficiently as possible.

Article 21 (Duties of Board of Directors) **CGC Principles 4.1, 4.12, Supplementary Principle 4.1.1**

- (1) The Board of Directors fulfills a supervisory function with the aim of realizing the Company’s Management Philosophy through excellent corporate governance.
- (2) The Board of Directors decides on important matters stipulated by basic management policies, laws and regulations, the Company’s Articles of Incorporation and the Board of Directors’ regulations.
- (3) The Board of Directors strives to realize the Company’s Management Philosophy and to maintain and enhance corporate value and common interests of shareholders over the long term, and it has a duty to make fair decisions on and prevent any actions that may harm these objectives.

Article 22 (Chairperson of Board of Directors) **CGC Supplementary Principle 4.12.1**

- (1) The Chairperson of the Board of Directors convenes meetings of the Board of Directors, advances the proceedings at said meetings, and provides Directors with the information needed to consider each agenda item before the meeting is held.
- (2) The Chairperson of the Board of Directors manages meetings of the Board of Directors effectively and efficiently and ensures discussion is of a high standard.

Article 23 (Audit and Supervisory Committee Members)

**CGC Principles 4.4, 4.5, 4.13, Supplementary Principles 4.4.1, 4.13.1, 4.13.2, 4.13.3**

- (1) In recognition of their fiduciary duty to shareholders, Audit and Supervisory Committee Members strive to establish an effective corporate governance framework by supervising and auditing the execution of duties by Directors.
- (2) Audit and Supervisory Committee Members raise the effectiveness of audits by recognizing the roles and responsibilities required of each Member and implementing audits in accordance with audit policies formulated by the Audit and Supervisory Committee and by dividing audit duties appropriately.
- (3) Audit and Supervisory Committee Members should strive to enhance audit quality and implement efficient audits through actions including attending meetings of the Board of Directors and other important meetings, receiving appropriate and timely reports from Directors who are not Audit and Supervisory Committee Members, Executive Officers, employees, and subsidiaries, and sharing material information with the Accounting Auditor and Internal Audit departments. Also, when attending meetings of the Board of Directors and other important meetings, Audit and Supervisory Committee Members should exercise their authority actively and with purpose, appropriately expressing their opinions to Directors and other participants. Furthermore, if deemed necessary, they shall consider soliciting advice from external experts (attorneys at law, etc.) at the expense of the Company.

Article 24 (Audit and Supervisory Committee) **CGC Principle 4.13, Supplementary Principles 3.2.1, 4.13.1**

- (1) The Audit and Supervisory Committee works to raise the effectiveness of audits by deciding on matters related to the execution of duties by Audit and Supervisory Committee Members, including determining audit policies and methods to investigate business and financial situations.
- (2) The Audit and Supervisory Committee formulates standards for appropriately evaluating the Accounting Auditor and based on this, evaluates the independence, expertise, and audit performance of the Accounting Auditor, decides on matters such as proposals for the appointment or removal of an Accounting Auditor, and approves matters concerning the Accounting Auditor such as compensation.
- (3) The Audit and Supervisory Committee strives to establish frameworks for enhancing the effectiveness of audits, such as establishing a framework that enables Directors, Executive Officers, and employees of the Group, including subsidiaries, to make reports to Audit and Supervisory Committee Members, handling matters

concerning audit support staff, and ensuring coordination with Internal Audit departments and the Accounting Auditor.

- (4) The Audit and Supervisory Committee's duties include verifying the content of reports received from Directors who are not Audit and Supervisory Committee Members, Executive Officers, employees, and the Accounting Auditor, and investigating each company's business and financial situation, and it shall take any other actions deemed necessary, including providing Directors with advice or opinions such as recommendations, or blocking an action by a Director, in a timely manner.

#### Article 25 (Support System for Directors)

CGC Principles 4.13, 4.14, Supplementary Principles 4.12.1, 4.14.1, 4.14.2

- (1) As a support system for Directors, the Company has designated a department which is responsible for the administration of the Board of Directors and said department provides each Director with materials, supports the creation of meeting minutes, and appropriately stores and manages materials related to the Board of Directors.
- (2) In principle, information pertaining to items on the agenda of meetings of the Board of Directors is provided to all Directors, including Outside Directors, in advance to ensure lively deliberation at said meetings.
- (3) New director training is held for newly appointed Directors to provide them with the information and knowledge required to fulfill the role and responsibilities of a Director. Also, even after a Director has been appointed, if there are any important amendments to laws or systems or other such changes that effect the role and responsibilities demanded of a Director, the Company provides information and training in an appropriate and timely manner.
- (4) In regard to the Audit and Supervisory Committee, the Company has established the "Audit and Supervisory Committee Office" and appointed dedicated staff to assist with Audit and Supervisory Committee activities and support the smooth execution of audits. Additionally, dedicated staff appointed to the Audit and Supervisory Committee Office only follow the directions of Audit and Supervisory Committee and are not obligated to take orders from Directors who are not Audit and Supervisory Committee Members, and matters such as the transfer or evaluation of said dedicated staff including those who hold concurrent positions, require the approval of the Audit and Supervisory Committee.

#### Article 26 (Election of Directors)

CGC Principles 3.1.iv), 4.10, 4.11, Supplementary Principles 4.3.1, 4.10.1, 4.11.1

- (1) Candidates for Directors who are not Audit and Supervisory Committee Members are nominated based on comprehensive consideration in which the Board of Directors maintains its independence and transparency concerning candidates for Director while also taking into account whether a candidate has the knowledge, experience, and ability to ensure that the Board of Directors is balanced overall and has sufficient diversity within its limited number of members.

- (2) Candidates for Directors who are Audit and Supervisory Committee Members are nominated based on a comprehensive evaluation that includes whether they have sufficient knowledge and insight to appropriately execute the duties of an Audit and Supervisory Committee Member and of the Audit and Supervisory Committee stipulated in Article 23 and 24, and they are also required to possess experience and ability appropriate for an Audit and Supervisory Committee Member, as well as the requisite knowledge of legal matters, internal controls, and finance and accounting. Additionally, the committee shall comprise at least one member who has sufficient knowledge of finance and accounting.
- (3) Based on the above policies, a proposal for the nomination of each Director candidate is created by the Representative Director (in cases where there are multiple Representative Directors, this role is fulfilled by the Chairperson of the Board of Directors. The same applies below) and submitted to the Nomination and Compensation Committee. The Nomination and Compensation Committee submits a “Memorandum on Candidates for Directors who are not Audit and Supervisory Committee Members” and a “Memorandum on Candidates for Directors who are Audit and Supervisory Committee Members” to the Representative Director. After receiving both memorandums, the Representative Director determines a final proposal of candidates based on the content of the memorandums and submits it for resolution by the Board of Directors. For candidates for Directors who are Audit and Supervisory Committee Members, the Board of Directors makes a resolution after gaining the approval of the Audit and Supervisory Committee.

Article 27 (Compensation for Directors) **CGC Principles 3.1.iii), 4.10, Supplementary Principle 4.10.1**

- (1) Compensation for Directors who are not Audit and Supervisory Committee Members is composed of monetary compensation (basic compensation, performance-linked compensation) and share-based compensation (transfer-restricted stock compensation), with the aim of reflecting business performance and sharing the values with shareholders. However, Outside Directors who are not Audit and Supervisory Committee Members receive only basic compensation. A proposal for the amount of compensation for each Director, within the total amount determined at the General Meeting of Shareholders, is created by the Representative Director (in cases where there are multiple Representative Directors, this role is fulfilled by the Chairperson of the Board of Directors. The same applies below) and submitted to the Nomination and Compensation Committee. The Nomination and Compensation Committee deliberates on this proposal and then submits a “Memorandum on Director Compensation” to the Representative Director. After receiving said memorandum, the Representative Director determines a final proposal of compensation amounts based on its content and submits this for resolution by the Board of Directors. Even after the amount of basic compensation has been determined, it can be reduced by resolution of the Board of Directors after taking into consideration the Company’s business situation and other factors.
- (2) Compensation for Audit and Supervisory Committee Members consists of only basic compensation and a reasonable level of fixed compensation is determined through deliberation by Audit and Supervisory Committee Members on the basis of members’ roles, duties, and categorization of standing or non-standing status, within the total amount determined at the General Meeting of Shareholders.

Article 28 (Appointment and Dismissal of Executive Officers)

CGC Principles 3.1.iv), 4.3, Supplementary Principles 4.1.3, 4.3.1 to 4.3.3

- (1) We appoint Executive Officers to take on the execution of business in order to establish a framework that separates management and business execution to ensure both are carried out swiftly and efficiently. For our Executive Officers, we appoint people who are proficient in their duties, possess exceptional character and discernment, and who are able to execute important business, regardless of their personal attributes such as gender and nationality.
- (2) Executive Officers may be assigned the positions of “President & CEO,” “Vice President & Executive Officer,” “Senior Executive Officer,” “Senior Managing Executive Officer,” or “Managing Executive Officer” in accordance with the level of the business they execute.
- (3) Based on the above policy, the Representative Director (in cases where there are multiple Representative Directors, this role is fulfilled by the Chairperson of the Board of Directors. The same applies below) proposes candidates for Executive Officer and their positions to be assigned to the Board of Directors which then makes a resolution.
- (4) The dismissal and promotion or demotion of positions of Executive Officers are determined by a resolution of the Board of Directors based on a proposal by the Representative Director.
- (5) In regard to the appointment of a new President & CEO, the President & CEO creates a “Proposal of Candidates for the Next President & CEO” and submits this to the Nomination and Compensation Committee. The Nomination and Compensation Committee determines a “Memorandum on Candidates for the Next President & CEO” and submits it to the Representative Director. After receiving said memorandum, the Representative Director determines a proposal of candidates based on its content and submits this for resolution by the Board of Directors.
- (6) The President & CEO nominates multiple candidates for the next President & CEO based on the “Procedures and Policy for the Appointment of a President & CEO,” and cultivates a successor by systematically and strategically building the experience of these candidates over the medium- to long-term (about 3-10 years). The progress of these efforts is reported to the Nomination and Compensation Committee.

Article 29 (Internal Control) CGC Principle 4.3, Supplementary Principle 4.3.2

- (1) The Board of Directors has formulated the “Basic Policy Related to Internal Control,” based on the Companies Act, and is establishing internal control systems for the Group that can gain the trust of shareholders.
- (2) Under a resolution of the Board of Directors concerning internal controls, the Board of Directors establishes systems required to ensure compliance, support the effectiveness and efficiency of business activities, protect assets, and maintain the credibility of financial reporting, and ensures these function effectively.

Article 30 (Accounting Auditor) CGC Principle 3.2, Supplementary Principles 3.2.1, 3.2.2

- (1) The Accounting Auditor plays an important role in realizing excellent corporate governance by remaining independent from the Company and ensuring the credibility of financial reporting.

- (2) The Accounting Auditor carries out duties systematically to maintain audit quality.
- (3) The Board of Directors ensures the Accounting Auditor has enough time to carry out high-quality audits. Also, if necessary, the Board of Directors establishes opportunities for the Accounting Auditor to receive reports from Directors who are not Audit and Supervisory Committee Members, Executive Officers, and others, as well as frameworks for sufficient coordination between the Accounting Auditor and Audit and Supervisory Committee Members, Internal Audit departments, and Outside Directors. Furthermore, in cases where the Accounting Auditor detects fraud or other issues and demands an appropriate response, or cases where it identifies systematic deficiencies or other issues, then the Board of Directors establishes frameworks to implement an appropriate response.

Article 31 (Self-Evaluation) **CGC Principle 4.11, Supplementary Principle 4.11.3**

In regard to evaluating the effectiveness of the Board of Directors, the Board of Directors conducts a self-evaluation at the end of each fiscal year with a focus on whether the execution of duties was performed in accordance with these guidelines, and then analyzes and evaluates the results. Additionally, an outline of the results of this analysis and evaluation is disclosed as appropriate.

Article 32 (Exceptions)

In cases where an exception to these guidelines is required, the Board of Directors must clarify the reasons for this and state clearly that it is taking appropriate measures which take into account the purpose of these guidelines.

Article 33 (Amendment)

These guidelines are amended by resolution of the Board of Directors.

Supplementary Provisions

Article 1 (Implementation)

These guidelines shall be implemented from June 26, 2024.

Established on November 30, 2015

Amended on June 29, 2016

Amended on June 28, 2018

Amended on December 25, 2018

Amended on June 27, 2019

Amended on May 19, 2020

Amended on June 29, 2021

Amended on December 27, 2021

Amended on June 26, 2024

Amended on June 26, 2025