

Strengthen Business Foundations

Sophisticate Corporate Governance



(as of September 1, 2023)

Management

Directors

1 Kazuaki Tokiwa
Representative Director and President & CEO

March	1983	Joined the Company
April	2002	General Manager, Sales & Marketing Dept., RIMTEC CORPORATION
January	2007	Director, President & CEO, RIKEN ELASTOMERS CORPORATION
October	2011	Deputy General Manager, Compound Div.; General Manager, Compound Sales & Marketing Dept., RIKEN TECHNOS CORPORATION
April	2013	Vice General Manager, Corporate Planning Office
June	2013	Director, General Manager, Corporate Planning Office
April	2016	Representative Director, President & CEO (to present)

2 Junji Irie
Representative Director, Senior Managing Executive Officer, and Senior General Manager of Administrative Division

April	1981	Joined the Fuji Bank, Limited (current Mizuho Bank, Ltd.)
April	2009	Executive Officer; General Manager, Kobuna-cho Branch
May	2011	Join the Company
June	2011	General Manager, Legal & Compliance Office
June	2012	Director, General Manager, Legal & Compliance Office
April	2013	Director; Senior General Manager, Administrative Division; General Manager, General Affairs Dept.
April	2016	Director, Managing Executive Officer; Senior General Manager, Administrative Division; Senior General Manager, Corporate Planning Division
January	2017	Director, Managing Executive Officer; Senior General Manager, Administrative Division; Senior General Manager, Corporate Planning Division; General Manager, General Affairs Dept.
April	2017	Director, Managing Executive Officer; Senior General Manager, Administrative Division; General Manager, General Affairs Dept.
October	2017	Director, Managing Executive Officer; Senior General Manager, Administrative Division
April	2019	Director, Senior Managing Executive Officer; Senior General Manager, Administrative Division; Senior General Manager, Corporate Planning Division
April	2020	Director, Senior Managing Executive Officer; Senior General Manager, Administrative Division
June	2020	Representative Director, Senior Managing Executive Officer; Senior General Manager, Administrative Division
April	2022	Representative Director, Senior Managing Executive Officer; Senior General Manager, Administrative Division; Senior General Manager, Corporate Planning Division
April	2023	Representative Director, Senior Managing Executive Officer; Senior General Manager, Administrative Division; (to present)

3 Gakuyuki Kajiyama
Director, Managing Executive Officer, and Senior General Manager of Sales & Marketing Division

March	1985	Joined the Company
June	2008	Office Manager, Nagoya Sales Office; General Manager, Compound Vehicle R&D Office
March	2010	Deputy General Manager, Compound Div.
April	2011	Deputy General Manager, Corporate Planning Office
September	2011	Director, President & CEO, RIKEN ELASTOMERS CORPORATION
April	2016	Executive Officer, RIKEN TECHNOS CORPORATION; Director, President & CEO, RIKEN ELASTOMERS CORPORATION
April	2017	Senior Executive Officer; Senior General Manager, Corporate Planning Division, RIKEN TECHNOS CORPORATION
June	2017	Director, Senior Executive Officer; Senior General Manager, Corporate Planning Division
April	2019	Director, Managing Executive Officer; Senior General Manager, Sales & Marketing Division (to present)

5 Masato Koizumi
Director and Full-time Audit & Supervisory Committee Member

October	1997	Joined the Company
April	2006	General Manager, Legal Office
June	2008	General Manager, Corporate Planning Office
April	2010	General Manager, Accounting Department
September	2012	General Manager, Computer System Development Department
January	2016	General Manager, Operational Administration Office
April	2016	Executive Officer; General Manager, Operational Administration Office
January	2017	Executive Officer; General Manager, Operational Administration Office; General Manager, Computer System Development Department
April	2018	Assigned to Sales & Marketing Division
June	2018	Director serving as full-time Audit & Supervisory Committee Member (to present)

7 Shigeharu Nakamura
Outside Director and Audit & Supervisory Committee Member

April	1976	Joined the Saitama Bank, Ltd. (current Resona Bank, Limited)
June	2005	Managing Executive Officer in charge of Finance Div., Resona Bank, Limited
June	2006	Director, Senior Managing Executive Officer in charge of Finance Div. and in charge of Corporate Governance Office
June	2008	Representative Director, Vice President & Executive Officer in charge of Human Resources Division and in charge of Corporate Governance Secretariat (Retired in March 2012)
April	2012	Representative Director & President, Resona Research Institute Co., Ltd.
June	2013	Outside Director and Audit & Supervisory Committee Member, TOYO KANETSU K.K.
April	2014	Advisor, Resona Research Institute Co., Ltd. (Retired in June 2014)
June	2014	Auditor, F-TECH INC. (Retired in June 2022) Outside Corporate Auditor, RIKEN TECHNOS CORPORATION
June	2015	Outside Director and Audit & Supervisory Committee Member, TOYO KANETSU K.K. (to present)
June	2016	Outside Director serving as Audit & Supervisory Committee Member (to present)
June	2018	Outside Director, The Shoko Chukin Bank, Ltd. (to present)

9 Aogi Suemura
Outside Director and Audit & Supervisory Committee Member

October	1992	Joined Asahi Shinwa & Co. (currently KPMG AZSA LLC)
April	1996	Registered as certified public accountant
August	1999	Joined GOLDCREST Co., Ltd.
January	2002	Joined Sumitomo Shoji Financial Management Co., Ltd.
November	2004	Joined Deloitte Touche Tohmatsu (currently Deloitte Touche Tohmatsu LLC)
June	2008	Partner
January	2022	Established Aogi Suemura Certified Public Accountant Firm (to present)
June	2022	Outside Director serving as Audit & Supervisory Committee Member (to present)
March	2023	Outside Audit & Supervisory Board Member, Nippon Denko Co., Ltd. (to present)

4 Hitoshi Sugino
Director, Senior Executive Officer, and Senior General Manager of Technical Division

March	1983	Joined the Company
April	2009	General Manager, R&D Office III, Materials Development Center
January	2014	Deputy Senior General Manager, Technical Division; General Manager, R&D Center; General Manager, R&D Office I
April	2016	Executive Officer; Deputy Senior General Manager, Technical Division; General Manager, R&D Center; General Manager, R&D Office III
April	2019	Executive Officer; Senior General Manager, Technical Division; General Manager, R&D Center
April	2020	Executive Officer; Senior General Manager, Technical Division; Responsible for Manufacturing Division; General Manager, R&D Center
June	2020	Director, Executive Officer; Senior General Manager, Technical Division; Responsible for Manufacturing Division; General Manager, R&D Center
April	2021	Director, Executive Officer; Senior General Manager, Technical Division; General Manager, R&D Center
April	2022	Director, Senior Executive Officer; Senior General Manager, Technical Division; General Manager, R&D Center
April	2023	Director, Senior Executive Officer; Senior General Manager, Technical Division (to present)

6 Takayuki Hayakawa
Outside Director and Audit & Supervisory Committee Member

April	1972	Joined the Taiyo Bank Limited (current Sumitomo Mitsui Banking Corporation)
April	2006	Executive Officer; General Manager, East Japan the 3rd Corporate Marketing Div.; Sumitomo Mitsui Banking Corporation
April	2008	Executive Officer; General Manager, East Tokyo Corporate Marketing Div. (Retired in April 2009)
May	2009	Senior Managing Executive Officer, Ginsen Co., Ltd. (Retired in May 2010)
June	2010	Representative Director & President, Yoei Holding Co., Ltd. (Retired in June 2017)
June	2013	Outside Corporate Auditor, RIKEN TECHNOS CORPORATION
June	2016	Outside Director serving as Audit & Supervisory Committee Member (to present)
May	2017	Outside Director, TKP Corporation
June	2017	Outside Director, Toyo Kosan Ltd. (Retired in June 2021)
May	2019	Corporate Auditor, TKP Corporation (to present)
June	2020	Outside Director, Kyoritsu Maintenance Co., Ltd. (to present)

8 Shigeru Ehara
Outside Director and Audit & Supervisory Committee Member

April	1981	Joined the Yasuda Fire & Marine Insurance Co., Ltd.
April	2011	Executive Officer, General Manager, Commercial Risk Solutions Department, Sompo Japan Insurance Inc.
April	2013	Director, Managing Executive Officer, Sompo Japan Insurance Inc. Managing Executive Officer, NIPPONKOA Insurance Company, Limited Executive Officer, NKSJ Holdings, Inc.
June	2013	Director, Executive Officer, NKSJ Holdings, Inc.
September	2014	Director, Managing Executive Officer, Sompo Japan Nipponkoa Insurance Inc. Director, Managing Executive Officer, Sompo Japan Nipponkoa Holdings, Inc.
April	2016	Director, Senior Managing Executive Officer, Sompo Japan Nipponkoa Insurance Inc. Director, Senior Managing Executive Officer, Sompo Japan Nipponkoa Holdings, Inc.
November	2016	Representative Director, Senior Managing Executive Officer, Sompo Holdings, Inc.
April	2017	CEO, Overseas Insurance and Reinsurance Business, Representative Director, Senior Managing Executive Officer
April	2018	Deputy President and Senior Executive Officer, Sompo Japan Nipponkoa Insurance Inc. (Retired in June 2018)
June	2018	Director, Deputy President and Senior Executive Officer, Sompo Holdings, Inc. (Retired in June 2018)
June	2018	Executive Director, General Insurance Rating Organization of Japan (Retired in June 2022)
June	2022	Outside Director serving as Audit & Supervisory Committee Member (to present)

(Notes)
1. The Yasuda Fire & Marine Insurance Co., Ltd., Sompo Japan Insurance Inc., NIPPONKOA Insurance Company, Limited, and Sompo Japan Nipponkoa Insurance Inc. are currently named as Sompo Japan Insurance Inc.
2. NKSJ Holdings, Inc. and Sompo Japan Nipponkoa Holdings Inc. are currently named as Sompo Holdings, Inc.

Executive Officers (not including those on the Board of Directors)

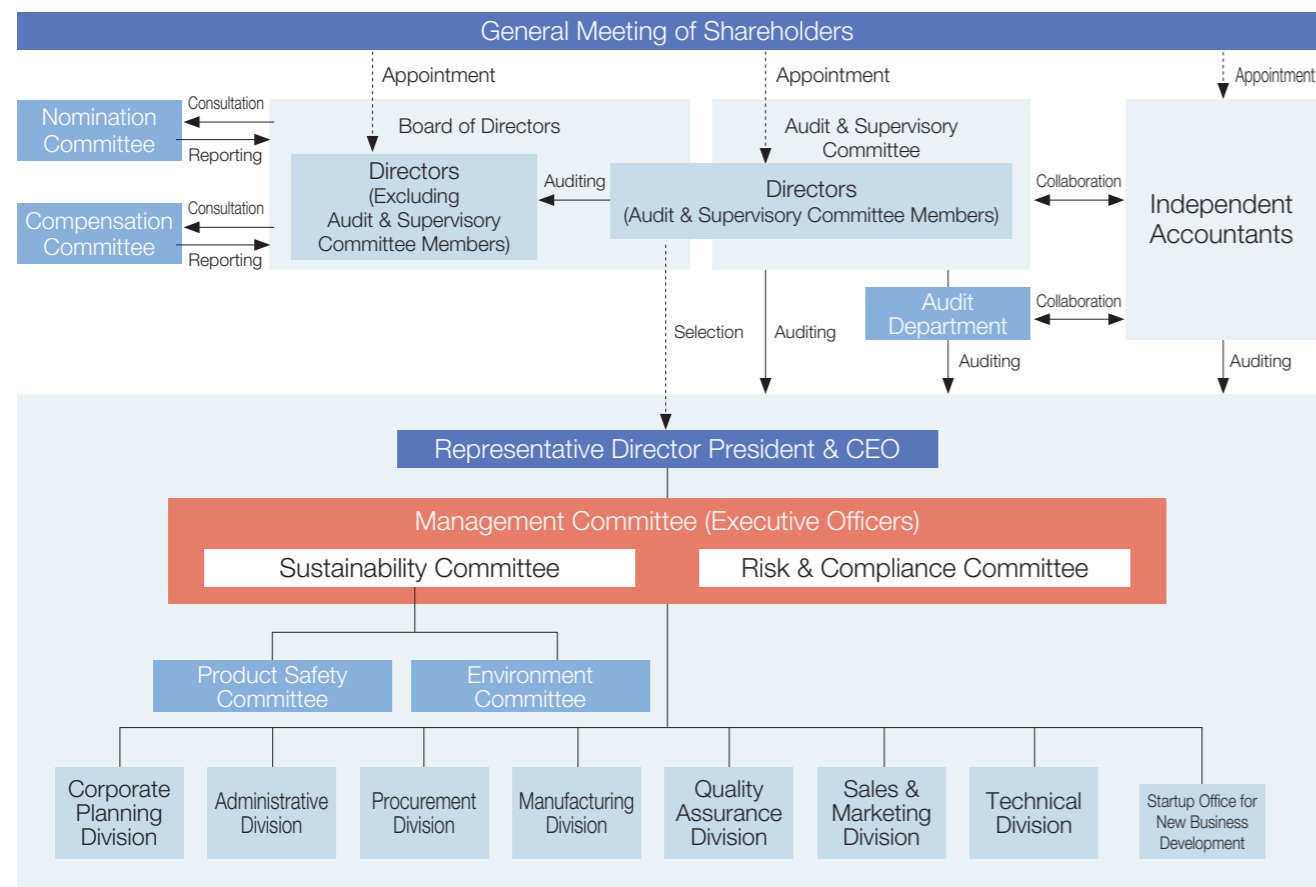
 Michihisa Tasaka Senior Executive Officer Senior General Manager of Quality Assurance Division & General Manager of Startup Office for New Business Development	 Takeshi Sugie Executive Officer Senior General Manager of Procurement Division & General Manager of Logistics Department	 Toshiyuki Yamanaka Executive Officer Regional Officer of North America President, RIKEN AMERICAS CORPORATION & RIKEN ELASTOMERS CORPORATION	 Tomozo Ogawa Executive Officer Senior General Manager of Manufacturing Division & General Manager of Saitama Factory
 Hisashi Onozuka Executive Officer Deputy Senior General Manager of Sales & Marketing Division & General Manager of Sales & Marketing Strategy Department & General Manager of Film Business Unit	 Fumitoshi Nakamura Executive Officer Deputy Senior General Manager of Sales & Marketing Division & General Manager of Transportation Business Unit & General Manager of Nagoya Sales Office	 Michio Noishiki Executive Officer Senior General Manager of Corporate Planning Division	 Akihiro Tamura Executive Officer Regional Officer of ASEAN Managing Director, RIKEN (THAILAND) CO., LTD.

Corporate Governance Policy

Among the materiality topics in management, the RIKEN TECHNOS GROUP positions "Sophisticate corporate governance" as a prerequisite for corporate activities. We will establish effective governance mechanisms across the Group and strive to ensure management transparency and fairness to achieve sustainable growth and improve corporate value over the medium-to-long term through the implementation of the "RIKEN TECHNOS WAY," its management philosophy. At the same time, we will further advance dialogue with our shareholders and investors.

RIKEN TECHNOS GROUP Corporate Governance Policy	
Chapter 1	General Provisions
Chapter 2	Ensuring Rights and Equality of Shareholders
Chapter 3	Appropriate Collaboration with Stakeholders Other Than Shareholders
Chapter 4	Ensuring Appropriate Information Disclosure and Transparency
Chapter 5	Corporate Governance System
Chapter 6	Dialogue with Shareholders
Chapter 7	Other

Corporate governance structure



Summary table of corporate governance structure

Structural design	Company with an audit and supervisory committee
Number of directors (excluding directors who are Audit & Supervisory Committee members)	4 Directors
Number of directors who are Audit & Supervisory Committee members	5 Directors (of which four are outside directors)
Term of directors	1 year (2 years for Audit & Supervisory Committee members)
Voluntary consultative bodies of the Board of Directors	Nomination Committee and Compensation Committee
Adoption of executive officer system	Yes
Independent accountant	Ernst & Young ShinNihon LLC

Corporate Governance System

Name of meeting	Number of meetings held (FY2022)	Details
Board of Directors	16	Chairperson: President & CEO The Board of Directors comprises four directors (excluding directors who are Audit & Supervisory Committee members) and five directors who are Audit & Supervisory Committee members. To ensure management transparency and soundness, at least one third of the directors are independent outside directors. In addition, given the global business operations of the RIKEN TECHNOS GROUP, directors are appointed so that the Board of Directors has the appropriate scale and composition taking into consideration factors such as the Board's overall balance in knowledge, experience, and capabilities; maintenance of diversity; and invigoration of deliberations.
Management Committee	12	Members: All executive officers The Management Committee comprises all executive officers. Directors who are not concurrently executive officers also attend the meetings from the perspective of management supervision and state their opinions as necessary. In addition, meetings are held ahead of Board of Directors meetings each month to deliberate beforehand issues being put forth to the Board of Directors as well as to deliberate and decide on the execution of important tasks for which authority has been delegated by the Board of Directors.
Sustainability Committee	7	Members: All executive officers Refer to "Sustainability at RIKEN TECHNOS" (p. 45) for details.
Risk & Compliance Committee	2	Members: All executive officers Refer to "Strengthening of Risk Management" (p. 67) for details.
Audit & Supervisory Committee	16	Members: Five Audit & Supervisory Committee members (of which four are independent outside directors) More than half of the Audit & Supervisory Committee members are independent outside directors, and at least one member has considerable expertise related to finance and accounting. In addition, fulltime Audit & Supervisory Committee members are appointed to carry out prompt information collection within the company and closely share information with outside directors.
Nomination Committee	3	Members: President & CEO, Senior Managing Executive Officer, and five Audit & Supervisory Committee members (of which four are independent outside directors) More than half of the members of the Nomination Committee are independent outside directors, and the chairperson is selected from independent outside directors through election by the committee members. The Nomination Committee reports and recommends on matters such as those related to the appointment and dismissal of directors, executive officers, counselors, and advisors; those related to the independence standard for outside directors; those related to the formulation and operation of succession plans for the Chief Executive Officer, etc.; and those related to the creation and renewal of skill matrices for the Board of Directors.
Compensation Committee	3	Members: President & CEO, Senior Managing Executive Officer, and five Audit & Supervisory Committee members (of which four are independent outside directors) More than half of the members of the Compensation Committee are independent outside directors, and the chairperson is selected from independent outside directors through election by the committee members. The Compensation Committee reports and recommends on matters such as details of proposals regarding compensation and other payments (including share-based compensations) of directors being put forth to the General Meeting of Shareholders; compensation system (including share-based compensation systems) for directors (excluding directors who are Audit & Supervisory Committee members), executive officers, counselors, and advisors; details of compensation and other payments (including share-based compensations) of individuals; and matters related to the basic policy for compensation and other payments.
Board of Outside Directors	3	Members: All independent outside directors Independent outside directors take on the roles of providing active advice regarding management, supervision of management in general, and supervision regarding conflicts of interests as well as reflecting opinions of stakeholders at Board of Directors meetings. We appoint people who meet the independence standard for outside directors set by us as independent outside directors. At the same time, they must be able to take on the role of contributing toward our sustainable growth and improvements in medium- to long-term corporate value. In addition, the primary independent outside director is elected by and chosen from among the independent outside directors, and serves as a liaison with the company. At least once every half a year, the Outside Board of Directors comprising only outside directors is held for information exchange and awareness sharing between themselves. * The independence standard for outside directors is defined in the RIKEN TECHNOS GROUP Corporate Governance Policy.

Past Actions toward Sophistication of Corporate Governance

	2014 to 2015	2016	2017 to 2019	2020	2021	2022
Structural design		<ul style="list-style-type: none"> Shifted to a company with an audit and supervisory committee 				
Voluntary committees		<ul style="list-style-type: none"> Established Nomination Committee and Compensation Committee Established Board of Outside Directors 			<ul style="list-style-type: none"> Established Risk & Compliance Committee 	<ul style="list-style-type: none"> Established Sustainability Committee
Composition of Board of Directors	<ul style="list-style-type: none"> 9 members RIKEN TECHNOS: 8 Outside: 1 	<ul style="list-style-type: none"> 8 members RIKEN TECHNOS: 5 Outside: 3 		<ul style="list-style-type: none"> 9 members RIKEN TECHNOS: 6 Outside: 3 		<ul style="list-style-type: none"> 9 members RIKEN TECHNOS: 5 Outside: 4 (including 1 female)
Compensation system		<ul style="list-style-type: none"> Introduced share-based compensation system 				<ul style="list-style-type: none"> Formulated policy for determining details of compensation and other payments of individual directors
Others	<ul style="list-style-type: none"> Commenced appointment of outside directors 	<ul style="list-style-type: none"> Introduced executive officer system (separation of supervisory and executive functions) 	<ul style="list-style-type: none"> Commenced effectiveness evaluation of Board of Directors 	<ul style="list-style-type: none"> Formulated corporate governance policy Formulated independence standard for outside directors Formulated succession plan 	<ul style="list-style-type: none"> Formulated sustainability policy 	<ul style="list-style-type: none"> Identified materiality topics Conducted disclosure based on the recommendations of TCFD

Red indicates an increase from the previous year Blue indicates a decrease from the previous year

Major Matters Deliberated in FY2022

Board of Directors

- Matters of management supervision such as governance
- Identification of materiality topics
- Climate change (disclosure in response to recommendations of TCFD)
- Verification of appropriateness for strategic holding of shares
- Progress confirmation and review of succession plans
- Absorption and merger of consolidated subsidiaries

Nomination Committee

- Matters related to the selection of candidates for directors (excluding directors who are Audit & Supervisory Committee members) and executive officers
- Progress confirmation and review of succession plans

Compensation Committee

- Individual compensation (basic compensation, performance-linked compensation, and stock benefits) for directors (excluding directors who are Audit & Supervisory Committee members) and executive officers

Skill Matrix of the Board of Directors

Name	Position	Gender	Skills										Attendance in FY2022				
			Corporate management/management strategy	Sales/marketing	Global experience	R&D/manufacturing	Finance/accounting	Legal/risk management	Personnel/labor affairs/human resources development	ESG/sustainability	DX/IT	Board of Directors	Nomination Committee	Compensation Committee	Audit & Supervisory Committee		
Kazuaki Tokiwa	Representative Director, President & CEO	Male	○	○	○	○						○		16 out of 16 times★	3 out of 3 times	3 out of 3 times	—
Junji Irie	Representative Director, Senior Managing Executive Officer	Male	○				○		○		○			16 out of 16 times	3 out of 3 times	3 out of 3 times	—
Gakuyuki Kajiyama	Director, Managing Executive Officer	Male	○	○	○	○					○			16 out of 16 times	—	—	—
Hitoshi Sugino	Director, Senior Executive Officer	Male				○					○			16 out of 16 times	—	—	—
Masato Koizumi	Director, Full-time Audit & Supervisory Committee Member	Male	○					○	○			○	○	16 out of 16 times	—	—	16 out of 16 times★
Takayuki Hayakawa	Primary Independent Outside Director, Audit & Supervisory Committee Member	Male	○					○	○					16 out of 16 times	3 out of 3 times★	3 out of 3 times	16 out of 16 times
Shigeharu Nakamura	Independent Outside Director, Audit & Supervisory Committee Member	Male	○		○			○	○					16 out of 16 times	3 out of 3 times	3 out of 3 times★	16 out of 16 times
Shigeru Ehara	Independent Outside Director, Audit & Supervisory Committee Member	Male	○		○			○	○					13 out of 13 times*	2 out of 2 times*	2 out of 2 times*	12 out of 12 times*
Aogi Suemura	Independent Outside Director, Audit & Supervisory Committee Member	Female						○	○					13 out of 13 times*	2 out of 2 times*	2 out of 2 times*	12 out of 12 times*

★ denotes chairperson * Attendance after being appointed on June 17, 2022

Effectiveness Evaluation of Board of Directors

To improve the functions of our Board of Directors, we conduct evaluation and analysis of its effectiveness each year.

Key points of evaluation for FY2022

- System regarding improvement of knowledge and expertise
- Creation of more sophisticated internal controls and company-wide risk management
- Relationships with shareholders and investors
- Promotion of initiatives to address sustainability issues

Evaluation process



Issues and initiatives for FY2022 (actual)

- Sophistication of corporate governance**
We appointed a female director to ensure diversity in the Board of Directors, and increased the number of outside directors by one to enhance the supervisory function of the Board of Directors. In addition, the content of training for directors was fundamentally reviewed, and initiatives were implemented, including the Board of Directors meetings held at factories and laboratories and a revision of how to hold roundtable discussions of directors and executive officers.
- Strengthening Group controls**
In order to strengthen the practical aspects of controls of consolidated subsidiaries, we enhanced communication within the Group by holding medium-term business plan briefings and semiannual regular briefings, and launching the global manufacturing meeting. We also took measures to maximize Group synergies, including the merger of consolidated subsidiaries.
- Initiatives to address sustainability issues and active disclosure**
Regarding initiatives against climate change, we actively disclosed information, including disclosure through the Carbon Disclosure Project (CDP), in addition to disclosure based on the TCFD recommendations. In addition, the newly established Sustainability Committee led discussions on important issues relevant to the Company from a medium- to long-term perspective, identified materialities, and set KPIs.

Issues and initiatives for FY2023 (planned)

- Discussions will be deepened on the role of the newly established Regional Officer and the group governance/risk management systems to further improve effectiveness of Group controls. We will also strengthen controls by providing further guidance and education to management of consolidated subsidiaries.
- In order to promote constructive dialogue with shareholders and investors, we will proceed with discussions on measures to increase corporate value, and enhance disclosure of both financial and non-financial information. We will also increase opportunities for direct dialogue with shareholders and actively make efforts for investor relations (IR) and shareholder relations (SR).
- We will deepen discussions regarding sustainability issues centered on human capital and intellectual property, and strategically embody the materialities identified in FY2022 in business.

Compensation of Directors

Basic Policy

The compensation of directors (excluding directors who are Audit & Supervisory Committee members) serves as motivation for improving the performance of each fiscal year and improving the corporate value over the medium to long term. In addition, as a compensation system that allows value to be shared with shareholders, the appropriate level of compensation is set according to position and responsibility. To ensure objectivity and transparency when determining these levels, respect is shown to the opinions of the Compensation Committee, where more than half of the members are independent outside directors.

Composition of Director Compensation

Compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members) consists of executive compensation and supervisory compensation. Executive compensation consists of a fixed amount of basic compensation (cash) and bonuses as performance-linked compensation (cash and stock benefits). Supervisory compensation consists of a fixed amount of

basic compensation (cash) and a fixed amount of stock benefits.

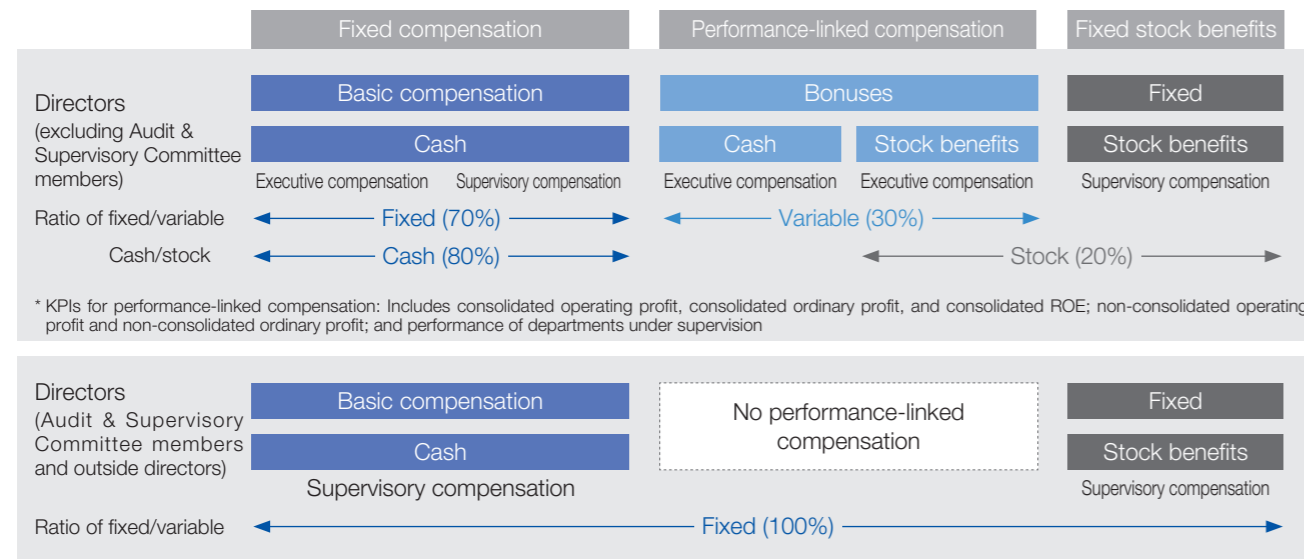
The compensation of directors who are Audit & Supervisory Committee members comprises only fixed compensation not linked to performance (basic compensation) and fixed allocation of shares.

Process for the Determination of Director Compensation

In deciding the amount of compensation for directors (excluding directors who are Audit & Supervisory Committee members), the Board of Director first consults the Compensation Committee where more than half of the members are independent outside directors. The decision is then made giving due respect to the reply from the committee.

The compensation of directors who are Audit & Supervisory Committee members is decided through deliberation by the directors who are Audit & Supervisory Committee members, within the amount established through resolution at the General Meeting of Shareholders.

Director compensation system



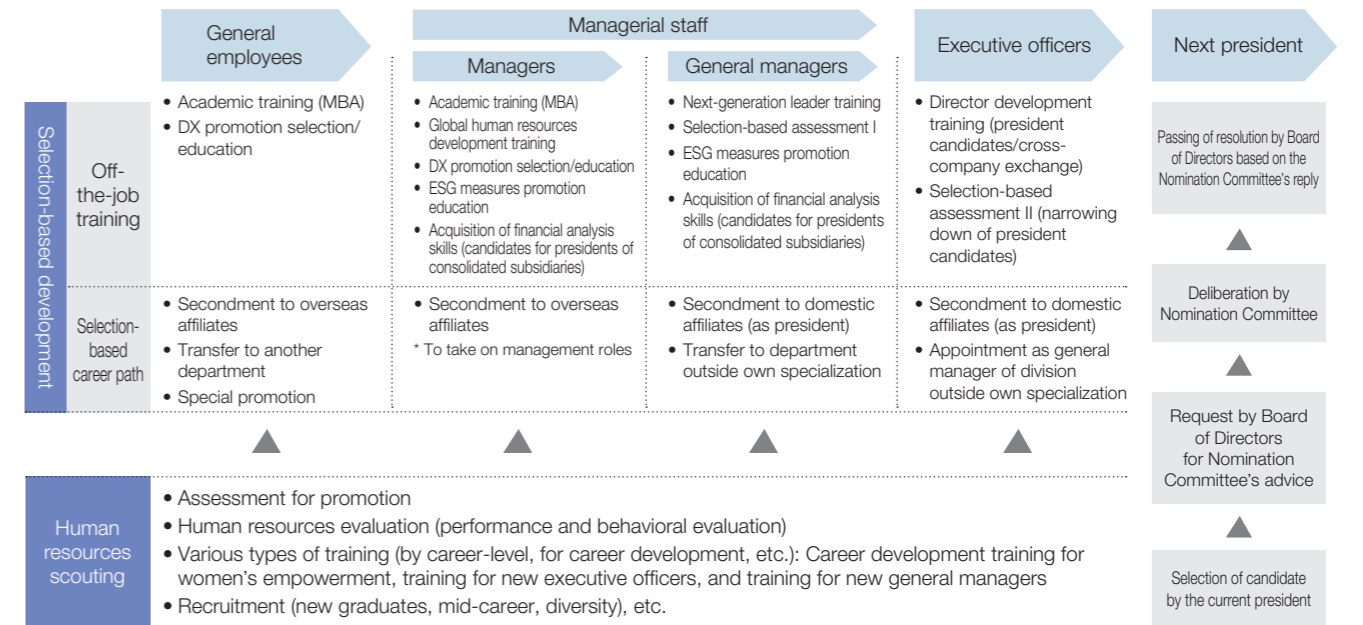
Total amount of compensation, etc. for FY2022

Director classification	Total amount of compensation, etc. (Thousands of yen)	Total amount by type of compensation, etc. (Thousands of yen)				Number of applicable directors
		Fixed compensation	Performance-linked compensation (Bonuses)		Fixed stock benefits	
			Basic compensation	Cash		
Directors who are not Audit & Supervisory Committee members (excluding outside directors)	192,727	116,241	47,607	13,661	15,217	4
Directors who are Audit & Supervisory Committee members (excluding outside directors)	17,540	16,050	—	—	1,490	1
Outside directors (Audit & Supervisory Committee members)	36,386	33,300	—	—	3,086	5
Total	246,654	165,591	47,607	13,661	19,794	10

Succession Plan

We formulate our succession plan to secure a pool of human resources for the group of management candidates. Taking into consideration our corporate philosophy, management policy, and other factors, so that the development of management

candidates is carried out systematically with adequate time and resources, the Board of Directors and the Nomination Committee will continue to take the initiative to intervene in the plan's implementation and carry out regular supervision.



Dialogue with Shareholders

To encourage constructive dialogue with our shareholders, the Group conducts various initiatives—such as financial results briefings and individual meetings for institutional investors—under the oversight of the executive officer in charge of corporate planning. In FY2022, we conducted financial and management results briefings for institutional investors that were held by our management executives, including the president and relevant executive officers. We also held individual meetings with major shareholders in Japan. With matters such as the progress of the medium-term

business plan as the key themes, the opinions obtained through dialogue were reported to the Management Committee and Board of Directors as necessary. In addition, we started conducting SR interviews with major shareholders (institutional investors) in FY2023.

We will appropriately and effectively reflect the knowledge obtained through the above initiatives in our corporate activities and strive to further improve our corporate value.

Strategic Holding of Shares

With regard to strategic holding of shares, the Board of Directors annually examines specifically whether the purpose of holding is appropriate, and otherwise whether the benefits and risks associated with holding are commensurate with the cost of capital, from a medium- to long-term perspective in order to improve corporate value globally. Our policy is to continue to hold those that we believe are contributing to the improvement of the Group's medium- to long-term corporate value, but for those that we believe are inappropriate to hold, we will consider the disposal of all or part of our holdings, taking into consideration market trends and other factors, and reduce our holdings.

Verification for FY2022 was conducted in November. We verified whether the purpose of holding is appropriate for each stock, including treasury shares of consolidated subsidiaries. In addition, we also verified if the benefits and risks associated with holding are commensurate with the cost of capital, taking into consideration actual transactions and other factors. As a result, we have assessed that it is inappropriate to hold onto some of these stocks, and have decided to consider disposing them.