



RIKEN TECHNOS

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RIKEN TECHNOS GROUP Corporate Governance Policy

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RIKEN TECHNOS CORP.

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Note) The numbers in the [] of this Policy indicate the correspondence to the principles of the Corporate Governance Code.

Chapter 1 General Provisions

(Purpose) [3-1(ii)]

- Article 1 This Policy sets forth the basic policy for corporate governance in the corporate group consisting of RIKEN TECHNOS CORPORATION (hereinafter referred to as "the Company") and its subsidiaries (hereinafter referred to as "the Group"), based on the purpose and spirit of the Corporate Governance Code.
2. The Company shall review and revise this Policy as appropriate to fulfill its accountability to all stakeholders and to continuously strengthen and enhance the Corporate Governance of Each Group Company of the Company.

(Basic Concept of Corporate Governance) [2-1, 3-1(i), and 3-1(ii)]

- Article 2 The Group shall establish a management organization system and structure, and implement necessary measures in order to achieve sustainable growth and improve corporate value over the medium to long term through the implementation of the "RIKEN TECHNOS WAY," its corporate philosophy. By positioning the strengthening of Corporate Governance as one of the most important management issues, the Group shall strive to strengthen the Group's competitiveness and ensure management transparency and fairness by establishing an effective governance system for the entire Group.

<RIKEN TECHNOS WAY>

- Mission

We are a challenger that harnesses the power of science to improve the quality of life and create a safe, affluent society. We continuously provide new value and satisfaction to people, companies and society through our original and superior formulations and manufacturing technologies of multiple resins.

- Core Value

We establish a bond of trust and work for the mutual benefit of all.
We create new value.

We continually push ourselves to achieve more.
We enjoy our work and love what we do.
We work together to find solutions and produce the best results for everyone.

- Basic Action

Lead without fear.
Take charge and enjoy your work.
Build a team by trusting and helping one other.
Listen attentively and speak sincerely.
Come with smile and leave with smile.
Stay ahead of customers' expectations.
Seek new things and ways.
Be a real professional through self-improvement.
Set goals and achieve on time.

Chapter 2 Ensuring Rights and Equality of Shareholders

(Ensuring Rights and Equality of Shareholders) [1-1, 1-1[2], and 1-1[3]]

- Article 3 The Company shall recognize the importance of the rights of shareholders, substantially ensuring shareholders' rights and equality, including the exercise of voting rights at the General Meeting of Shareholders, and improving an environment in which shareholders can exercise their rights appropriately. Particularly, with regard to the exercise of rights by minority shareholders, foreign shareholders, etc., due consideration shall be given to ensuring substantive rights and equality.
2. If the Company proposes to the General Meeting of Shareholders to delegate a portion of the matters to be resolved at the General Meeting of Shareholders to the Board of Directors, the Company shall confirm that its Corporate Governance System can fully fulfill its roles and responsibilities at the Board of Directors.

(General Meeting of Shareholders)

[1-1[1], 1-2, 1-2[1], 1-2[2], 1-2[3], 1-2[4], 1-2[5], and 3-1[2]]

- Article 4 The Company shall fully recognize that the General Meeting of Shareholders is the supreme decision-making body of the Company and a forum for constructive dialogue with shareholders, strive to improve the environment from the viewpoint of shareholders with voting rights, and operate it legally and appropriately.
2. The Company shall set an appropriate date, time, and place for the General Meeting of Shareholders to be held, avoiding concentrated days so that a larger number of shareholders can attend.
 3. The Company shall take the following steps to ensure that shareholders have sufficient time to consider proposals for the General Meeting of Shareholders and are able to exercise their voting rights appropriately:
 - (1) Information that is considered to contribute to the appropriate decision of shareholders at the General Meeting of Shareholders shall be disclosed by means such as a notice of convocation and timely disclosure by the Tokyo Stock Exchange;
 - (2) Efforts shall be made to dispatch convocation notices early before the statutory deadline, and announce them on the website of the Company and the Tokyo Stock Exchange approximately one (1) week prior to dispatch;
 - (3) In order for foreign investors to exercise their voting rights appropriately, the Company shall make public the notice of convocation set forth in the preceding

item and its English translation at the same time; and

- (4) The Company shall improve an environment in which shareholders who are unable to attend the General Meeting of Shareholders can exercise their voting rights by using electronic voting systems such as electronic voting platforms.
4. If institutional investors, etc. holding shares in the name of trust banks, etc. wish to exercise their voting rights, etc. by themselves at the General Meeting of Shareholders, the Company shall consult with trust banks, etc. and take appropriate measures.
5. If a considerable number of votes of opposition have been cast against a proposal submitted by the Company at the General Meeting of Shareholders, the Board of Directors shall analyze the causes thereof and consider whether to respond thereto.

(Basic Policy on Capital Policy) [1-3 and 1-6]

Article 5 The Company shall recognize the importance of improving profitability and strengthening its financial position in order to achieve sustainable growth and improve its medium- to long-term corporate value, and aim to achieve an optimal capital structure that matches its future continuous improvement of profits and the level of profits. In addition, by making the consolidated return on equity (ROE) one of the important management indicators, the Company shall continuously improve capital efficiency and conduct business with an awareness of capital costs.

2. The Company shall return profits to shareholders in accordance with the following basic policies:
 - (1) With regard to dividends, the Company shall pay a stable dividend, taking into consideration future business investment, enhancement of equity capital, etc., with a consolidated payout ratio of approximately thirty-five percent (35%) as one target.
 - (2) The Company shall implement the repurchase of treasury shares in a timely and flexible manner in order to improve capital efficiency and shareholders' profit, taking into consideration the overall state of free cash flow and other factors. As a target, the maximum amount of treasury shares held shall be approximately five percent (5%) of the total number of issued shares, and any portion exceeding such amount shall be canceled in principle.
3. In implementing the capital policy (including capital increases, MBOs, etc.) that lead to large-scale dilution, the Company shall carefully consider the necessity and rationality thereof at the Board of Directors meeting, implement appropriate procedures such as timely disclosure, and fulfill its accountability to shareholders so as not to unreasonably harm existing shareholders.

(Basic Policy on Strategic Holding of Shares and the Exercise of Voting Rights Related to Strategic-Holding Shares)[1-4, 1-4[1], and 1-4[2]]

Article 6 With regard to strategic holding of shares, the Company shall ensure that the Board of Directors annually review specifically the rationality of holding each company's stocks including the cost of equity and the benefits of holding, and immediately reduce the ratio of strategic-holding shares to reach less than 10% of consolidated net assets. In addition, cash generated by the reduction will be utilized for investment in growth.

In accordance with this policy, the Company shall conduct the assessment whether or not to hold each individual strategic holding of shares and appropriately disclose an outline of the assessment.

2. With regard to the exercise of voting rights in strategic-holding shares, the Company shall exercise voting rights by respecting the management policies and business strategies of the issuing company, and comprehensively taking into consideration whether or not there are any management concerns or the contents of the proposals contribute to the development of the issuing company's appropriate Corporate Governance System, whether or not such exercise contributes to the improvement of the medium- to long-term corporate value and the sustainable growth of the Company and the issuing company. In exercising voting rights, the Company shall also refer to the standards for exercising voting rights of the proxy-advisory firm.

(Policy on Takeover Defense Measures) [1-5 and 1-5[1]]

Article 7 The Company will not introduce takeover defense measures in principle. If there is a reasonable need to introduce such measures in the future, the Company shall deliberate carefully at the Board of Directors and provide shareholders with sufficient explanations on the purpose, reasonableness, etc. thereof.

2. In the event that shares of the Company are placed in a tender offer, the Company shall request the tender offeror to explain the measures for improvement of corporate value of the Group, and after due deliberation at the Board of Directors, the Company shall promptly disclose the pros and cons of the tender offer and the views of the Company, and endeavor to ensure sufficient information for shareholders to make appropriate decisions.

(Transactions between Related Parties) [1-7]

Article 8 In the event of transactions between the Company and the related parties, the Company shall implement appropriate procedures according to the contents and nature of such transactions, such as approval by the Board of Directors in accordance with the

Companies Act and the Regulations on the Board of Directors. In addition, the Company shall disclose the results thereof in the Annual Securities Report, etc. in a timely manner in accordance with relevant laws and regulations.

2. The Company shall implement annual surveys on related-party transactions and monitor and supervise the Directors, etc. of the Company and companies of the Group.

Chapter 3 Appropriate Collaboration with Stakeholders Other Than Shareholders

(Formulation and Implementation of Code of Conduct) [2-2 and 2-2[1]]

Article 9 The Group shall establish Exhibit 2 ("RIKEN TECHNOS GROUP Code of Conduct") in order to achieve appropriate collaboration with stakeholders and fulfill its social and environmental responsibilities and thoroughly inform all officers and employees that compliance therewith as well as compliance with laws, regulations, and the Articles of Incorporation are fundamental to all corporate activities.

2. The Company shall implement reviews at the Board of Directors whether RIKEN TECHNOS WAY and the RIKEN TECHNOS GROUP Code of Conduct are implemented and complied with within the Group, as appropriate.

(Addressing Issues Related to Sustainability) [2-3, 2-3[1], 3-1[3], and 4-2[2]]

Article 10 The Group shall aim to contribute to the realization of a sustainable society and increase its corporate value through its activities, recognizing that addressing each of the issues related to sustainability is an important management issue.

2. The Group shall formulate a basic policy regarding activities related to sustainability (Exhibit 2 "RIKEN TECHNOS GROUP Sustainability Policy") and set it as one of the strategies in its medium-term business plan, actively and proactively addressing it mainly through the Sustainability Committee.
3. The Group shall collect and analyze the necessary data on the impact of climate change-related risks and earning opportunities on the Group's business activities, profits, etc., and shall make disclosures based on the framework of the Task Force on Climate-related Financial Disclosures (TCFD) and strive to enhance the quality and quantity of such disclosures.

(Ensuring Diversity) [2-4 and 2-4 [1]]

Article 11 The Company shall recruit and appoint diverse human resources regardless of gender,

nationality, new graduate or mid-career worker. The Company shall actively recruit and appoint human resources with different experiences, skills, and careers, create a human resource development system that enables these human resources to work actively, and improve the environment to achieve it in order to respond swiftly to the fast-changing market environment as well as accelerate the global expansion of our business.

2. The Company shall take employees in managerial positions as our core human resources and set targets for ensuring diversity among them, as well as formulate policies for human resource development and internal environment development, and disclose them together with the status of their implementation.

(Whistle-blowing) [2-5 and 2-5[1]]

Article 12 The Group shall establish a whistle-blowing system that enables employees to anonymously report actions, etc. that are suspected of violating laws and regulations, the Articles of Incorporation, the RIKEN TECHNOS GROUP Code of Conduct, various guidelines, and other standards to be followed by companies and their Directors and employees, without any disadvantage. The whistle-blowing desk shall be established both inside (Audit Department of the Company) and outside the Group (advisory law firm).

2. The Board of Directors shall receive periodic reports on the status of the operation of the whistle-blowing system and exercise appropriate supervision.

(Fulfilling the Role as Asset Owner of Corporate Pension) [2-6]

Article 13 In order to enable the corporate pension fund to fulfill its function as asset owner, the Company shall appoint and allocate appropriately qualified personnel, such as those with experience in accounting, finance, and other relevant divisions.

2. The corporate pension fund shall establish the asset management committee as a subordinate organization to consult on important matters relating to the investment of pension assets, such as the formulation and revision of the basic policy and the basic portfolio, periodically monitor the investment status, etc., and report the results to the Management Committee.

Comprehensive evaluations shall be implemented for the investment trustee by adding qualitative assessment to quantitative assessment.

Chapter 4 Ensuring Appropriate Information Disclosure and Transparency

(Basic Concept of Information Disclosure) [3-1[1] and 3-1[2]]

- Article 14 The Company shall recognize that the timely and appropriate disclosure of corporate information is important for ensuring the transparency and fairness of management. In addition to disclosing information in accordance with the laws and regulations, rules, etc. established by the Financial Instruments and Exchange Act, the Companies Act, the Tokyo Stock Exchange, the Group shall also actively and fairly disclose information that has been judged to be useful to stakeholders in other areas through timely and appropriate methods in order to ensure transparency and fairness. In addition, the Group shall strive to provide specific descriptions of the content of disclosure that are highly value-added to its stakeholders.
2. The Company shall disclose a wide range of information in English, including financial statements, IR presentation materials, and timely disclosure documents, in order to provide full information to foreign shareholders, overseas investors, and others.

Chapter 5 Corporate Governance System

(Organization Design) [4-6]

- Article 15 The Company shall adopt a structure of a Company with Audit & supervisory committee in order to strengthen the supervisory function of the Board of Directors, improve management transparency and fairness, and establish a flexible and strategic management system.
- (1) Strengthening the supervisory function of the Board of Directors
The decision making and supervisory function of management shall be separated from the business execution functions to clarify where authority and responsibility lie and to strengthen the audit and supervisory functions of management by means of Directors who are Audit & supervisory committee Members holding voting rights at the Board of Directors meetings.
 - (2) Improving management transparency and fairness
The Company shall appoint a person who has assured independence and externality as an Outside Director who is an Audit & supervisory committee Member, and strive to improve transparency and fairness in decision-making by implementing audits and supervision, and advice from an independent third-party perspective on

management.

(3) Establishing a flexible and strategic management system

The Company shall adopt an Executive Officer System and promote the considerable transfer of authority to execute operations. By positioning the Management Committee, which consists of Executive Officers, as the main decision-making body for business execution, the Company shall establish a flexible and strategic management system that can respond appropriately and promptly to rapid changes in the business environment.

Section 1 Board of Directors

(Roles and Responsibilities of the Board of Directors)

[4-1, 4-1[1], 4-1[2], 4-1[3], 4-2, 4-2[2], 4-5, and 5-2[1]]

Article 16 The Board of Directors shall recognize the fiduciary responsibility and accountability to shareholders, establish management policies and business plans based on the corporate philosophy, and disclose the outline thereof. When establishing and disclosing the targets, the Board of Directors shall set targets after accurately identifying the Company's cost of capital, and clearly present specific measures to achieve these targets in an easy-to-understand manner.

2. The Board of Directors shall develop and push forward with the plan to implement management that is conscious of cost of capital and stock price, and annually analyze the progress of the plan and disclose it in a manner that is easy for shareholders and investors to understand. In analyzing progress, the Company shall analyze and assess the current situation of the company's cost of capital, profitability, and the market valuation, and discuss policies, targets, planning periods, and specific initiatives for improvement.
3. The Board of Directors shall strengthen the monitoring and supervision of the management by focusing on the deliberation of particularly important matters in the execution of business and the deliberation of matters of management supervision such as the basic policy of management and governance, in addition to the matters stipulated by laws and regulations and the Articles of Incorporation.
4. The Board of Directors shall, in addition to the Regulations on the Board of Directors and the Regulations on the Management Committee, clearly define the authority to make decisions according to the scale and nature of the business in internal regulations such as the Regulations on the Collective Decision-Making and the Regulations on the Management of RIKEN TECHNOS GROUP Consolidated Subsidiaries, and establish a system to enable efficient business execution.

5. The Board of Directors shall appropriately establish an internal control system and a risk management system, and improve an environment that supports appropriate risk-taking by the management.
6. The Board of Directors shall effectively supervise the allocation of management resources, including capital expenditures, R&D investments, and investments in human capital and intellectual properties, as well as the implementation of business portfolio strategies, in conjunction with the progress of business plans.
7. The Board of Directors shall be proactively involved in the formulation and operation of succession plans by the President, etc., and shall regularly supervise the development of successor candidates in a planned manner over a sufficient amount of time and resources based on the management philosophy, management policies, etc.

(Composition of the Board of Directors) [4-6, 4-8, 4-8[3], 4-11, 4-11[1], and 4-11[2]]

Article 17 The Board of Directors shall consist of not more than seven (7) Directors (excluding Directors who are Audit & supervisory committee Members) and not more than five (5) Directors who are Audit & supervisory committee Members, with a total of not more than twelve (12) Directors.

2. The Board of Directors shall strive to achieve an appropriate size and composition of the Board of Directors, taking into account the balance of knowledge, experience, and abilities of that the Board of Directors should possess as a whole, ensuring of diversity, the revitalization of deliberations, and other factors, in the context of the Group's global business operations. The Board of Directors shall create a skill matrix that lists the knowledge, experiences, abilities, etc. of each Director and disclose it every year.
3. In order to maintain the transparency and soundness of management, the Board of Directors shall consist of at least one-third (1/3) Independent Outside Directors.
4. If a Director concurrently serves as an officer of another listed company, the Board of Directors shall properly supervise the Director to limit the execution of duties of such company to a reasonable extent so that the execution of duties of the Company will not be affected. The status of concurrent posts shall be disclosed annually.

(Revitalization of Deliberations at the Board of Directors) [4-12 and 4-12[1]]

Article 18 In order to facilitate constructive discussions and exchanges of views at the Board of Directors, the following items shall be implemented with regard to the management of the meetings:

- (1) Preliminary decisions on annual schedules, deliberation items, etc.;
- (2) Distribution of materials in advance prior to the meeting date to ensure sufficient

time for examination;

- (3) Provision of well-organized and analyzed information and materials; and
- (4) Ensuring deliberation time for full discussion on the day of the meeting.

(Appointment, Reappointment, and Dismissal of Directors)

[3-1(iv), 3-1(v), 4-3[1], 4-3[2], 4-3[3], 4-10, and 4-10[1]]

Article 19 When appointing a candidate for a Director, The Board of Directors shall, regardless of gender, age, or nationality, on the assumption that the candidate is outstanding in character and has a high sense of ethics and legal compliance, comprehensively review and decide on matters that the candidate is well versed in various management issues with superior management senses, whether inside or outside the Company, and is excellent in initiative, leadership, activity, and planning, and other factors.

In addition, when appointing a candidate for Director for re-election, the Board of Directors shall comprehensively review and decide on matters such as the possibility of contributing to frank, active, and constructive discussions even after reappointment, taking into consideration continuously meeting the above appointment standards as well as the statements made at the meetings of the Board of Directors and the Management Committee during the term of office and the status of attendance at such meetings, and other factors.

In addition to the above standards, the appointment of a candidate for Director who is an Audit & supervisory committee Member shall be decided so that one (1) or more persons with considerable knowledge of finance and accounting are appointed.

2. When appointing a candidate for Director, the Board of Directors shall consult in advance the Nominating Committee, a majority of which is composed of Independent Outside Directors, and make decisions with respect for the results of such reports.
3. When proposing the dismissal of a Director, the Board of Directors shall consult with the Nominating Committee in advance in the event that the dismissal falls under any of the reasons set forth by the Company, such as significantly poor performance in the course of business, and make decisions with respect for the results of such reports.

With regard to the dismissal of the President, the Board of Directors may hesitate to propose the dismissal of the President, which may hinder prompt decision-making. Therefore, if certain reasons are met, the Nominating Committee may recommend and propose the dismissal of the President to the Board of Directors.

(Compensation, etc. of Directors) [3-1(iii), 4-2, 4-2[1], 4-10, and 4-10[1]]

Article 20 The compensation for Directors (excluding Directors who are Audit & supervisory committee Members) shall consist of executive compensation and supervisory compensation, motivating them to improve business performance in each fiscal year and to improve corporate value over the medium to long term, and also enabling them to share value with shareholders. Executive compensation shall include a fixed amount of basic compensation (cash) and bonuses as performance-linked compensation (cash and stock benefits), while supervisory compensation shall include a fixed amount of basic compensation (cash) and a fixed amount of stock benefits.

2. The compensation of Directors who are Audit & supervisory committee Members shall consist only of fixed compensation (basic compensation) and fixed stock benefits that are not linked to performance.
3. When determining the amount of compensation for each Director (excluding a Director who is an Audit & supervisory committee Member), the Board of Directors shall consult with the Compensation Committee, a majority of which is composed of Independent Outside Directors, in advance, and make decisions with respect for the results of such reports.

The compensation of Directors who are Audit & supervisory committee Members shall be determined by deliberation among the Directors who are Audit & supervisory committee Members within the limit amount determined by resolution of the General Meeting of Shareholders.

(Training Policy for Directors) [4-14, 4-14[1], and 4-14[2]]

Article 21 The Company shall implement timely training tailored to each individual's skills so that Directors can fulfill their expected roles, and provide them with adequate opportunities to understand the legal systems surrounding the Company, their amendments, and the Company's business, finance, organization, etc.

2. The Company shall implement the new officer training for newly appointed internal Directors, and provide Outside Directors with sufficient opportunities to receive the explanation of business activities of the Company and otherwise inspect each business office. In addition, even during the term of office, outside lecturers shall continuously hold seminars for all Directors on important themes such as governance and compliance on an annual basis.

(Support System) [4-13, 4-13[1], and 4-13[2]]

Article 22 Directors may request related divisions to provide information, etc. necessary for the

execution of their duties, and such divisions shall provide the same.

2. If a Director needs to obtain the advice of an outside expert, the Company shall bear the cost.

(Internal Control) [4-3 and 4-3[4]]

Article 23 The Board of Directors shall establish a system to ensure that business operations are conducted appropriately and efficiently as an internal control system in order to conduct corporate activities with implementing and observing RIKEN TECHNOS WAY and the RIKEN TECHNOS GROUP Code of Conduct, and supervise the status of the operation thereof.

2. The Board of Directors shall receive reports at least once every six months on the results of risk identification, analysis, and evaluation conducted by the Risk & Compliance Committee and on the progress of risk response measures, and shall effectively supervise the general risk management status of the Group as a whole.

(Evaluation of the Effectiveness of the Board of Directors) [4-11[3]]

Article 24 The Board of Directors shall implement an annual questionnaire (bearer form) on the effectiveness evaluation of the Board of Directors for all Directors. Based on the answers, the Board of Directors shall analyze and evaluate the effectiveness thereof, discuss results and issues related to efforts based on the results of the evaluation of effectiveness in the previous fiscal year, future issues, and details of initiatives, etc., and disclose an outline of the results thereof.

Section 2 Audit & supervisory committee

(Roles and Responsibilities of the Audit & supervisory committee) [4-4 and 4-13[3]]

Article 25 The Audit & supervisory committee shall recognize its fiduciary responsibility to shareholders and, from an independent and objective standpoint, maintain the soundness of the company in order to achieve sustainable growth of the Group and improve its corporate value over the medium to long term, and act in the common interest of shareholders.

2. Directors who are Audit & supervisory committee Members shall attend important meetings such as meetings of the Board of Directors and the Management Committee and exchange opinions with the Representative Director at meetings of the Board of Directors held every month to gather information necessary for the implementation of effective audits and to express appropriate opinions, such as advice or recommendations,

as necessary.

3. The Audit & supervisory committee shall conduct systematic and effective audits using the internal control system in cooperation with Audit Department (Internal Audit Division), which is an organization under its direct control, by implementing audits in Japan and overseas jointly as necessary.

(Composition of the Audit & supervisory committee) [4-4[1] and 4-11]

Article 26 The Audit & supervisory committee shall consist of not more than five (5) Directors who are Audit & supervisory committee Members, and the majority of them shall consist of Independent Outside Directors.

2. The Audit & supervisory committee shall select full-time Audit & supervisory committee Members in order to gather information promptly within the Company and to share information closely with Outside Directors.
3. One (1) of the Directors who are Audit & supervisory committee Members shall have considerable knowledge of finance and accounting.

(Support System) [4-4[1], 4-13, and 4-13[3]]

Article 27 The Company shall establish Audit Department (Internal Audit Division) as a direct organization to assist the duties of the Audit & supervisory committee and assign two (2) or more dedicated employees.

In order to ensure the independence of such employees, the Company shall delegate its authority of direction and order exclusively to the Audit & supervisory committee, and such employees shall not receive any direction and order of the business execution division in addition to the Directors (excluding Directors who are Audit & supervisory committee Members).

(Relationship with Internal Audit Division and Accounting Auditor) [3-2[2]]

Article 28 The Audit & supervisory committee shall receive reports from Directors, Accounting Auditors, employees of Audit Department (Internal Audit Division), etc., and other persons, as necessary.

2. The Company shall ensure sufficient cooperation by holding opinion exchange meetings with three (3) organizations: the Audit & supervisory committee, Audit Department (Internal Audit Division), and the Accounting Auditor on a semi-annual basis.

Section 3 Nominating Committee and Compensation Committee

(Roles and Responsibilities of the Nominating Committee) [4-10 and 4-10[1]]

- Article 29 The Nominating Committee shall, based on consultations of the Board of Directors, ensure the appropriateness of personnel decisions made by the Board of Directors and enhance its transparency by reporting on matters related to the appointment and dismissal of Directors, Executive Officers, and consultants and advisors, matters related to the formulation and revision of the independence standards for Outside Directors, matters related to the formulation and operation of succession plans by the Chief Executive Officer and other top management, matters related to creation and update of the skill matrix of the Board of Directors, and other matters.
2. The Nominating Committee shall deliberate and decide on the contents of recommendations for the Board of Directors in connection with the contents of the consultation of the Board of Directors.
 3. The Nominating Committee shall recommend and propose the dismissal of the President to the Board of Directors in the event of any specific reason.

(Roles and Responsibilities of the Compensation Committee) [4-10 and 4-10[1]]

- Article 30 The Compensation Committee shall, based on consultations of the Board of Directors, ensure the appropriateness of compensation decisions of the Board of Directors and enhance its transparency by reporting on matters related to the contents of proposals concerning compensation, etc. for Directors to be submitted to the General Meeting of Shareholders (including stock compensation), the compensation system (including stock compensation plan) for Directors (excluding Directors who are Audit & supervisory committee Members), Executive Officers, and consultants and advisors, and the contents of individual compensation, etc. (including stock compensation), as well as on matters related to the basic policy on compensation, etc.
2. The Compensation Committee shall deliberate and decide on the contents of recommendations for the Board of Directors in connection with the contents of the consultation of the Board of Directors.

(Composition of the Nominating Committee and the Compensation Committee) [4-10 and 4-10[1]]

- Article 31 The Nominating Committee and the Compensation Committee shall consist of three (3) or more Directors selected by the Board of Directors, and the majority of them shall consist of Independent Outside Directors.
2. The Chairperson of the Nominating Committee and Compensation Committee shall be

selected from among the Independent Outside Directors by mutual vote of the members.

Section 4 Management Committee

(Roles and Responsibilities of the Management Committee)

Article 32 The Management Committee shall assist the President and the Board of Directors by deliberating and otherwise resolving important management matters based on the management policy, etc. determined by the Board of Directors.

2. The Management Committee shall meet in advance of the Board of Directors every month and make prompt decision-making by deliberating and deciding on important business operations delegated by the Board of Directors, in addition to deliberating matters submitted to the Board of Directors' meetings in advance.

(Composition of the Management Committee)

Article 33 The Management Committee shall consist of all Executive Officers.

2. Directors who do not concurrently serve as Executive Officers may attend the Management Committee and express their opinions as necessary from the standpoint of management supervision.
3. The Management Committee may, as necessary, have persons concerned with the proposals attend the meeting, seek explanations, and hear their opinions or reports.

Section 5 Independent Outside Director

(Roles and Qualities and the Independence Standards for Independent Outside Directors)

[4-7, 4-8, and 4-9]

Article 34 Independent Outside Directors shall actively advise management, supervise overall management, and supervise conflicts of interest, and appropriately reflect the views of stakeholders in the Board of Directors.

2. The Company shall set forth the independence standards for Outside Directors as set forth in Exhibit 3 ("Independence Standards for Outside Directors").
3. The Company shall appoint as Independent Outside Director a person who satisfies the independence standards under the preceding paragraph and who can play the role set forth in Paragraph 1 in order to contribute to the Company's sustainable growth and improvement of its corporate value over the medium to long term.
4. When reappointing an Independent Outside Director, the Company shall reappoint the Independent Outside Director after deliberation at the Board of Directors as to whether

or not the Independent Outside Director can be expected to contribute to frank, active, and constructive discussions even after reappointment, taking into consideration continuously meeting the appointment standards set forth in the preceding paragraph, as well as the statements made at the meetings of the Board of Directors and the Management Committee during the term of office and the status of attendance at such meetings, and other factors.

(Effective Utilization of Independent Outside Directors) [4-8[1], 4-8[2], and 4-8[3]]

Article 35 In order to facilitate the exchange of information and the sharing of awareness among Outside Directors, Independent Outside Directors shall hold a Board of Outside Directors meeting composed exclusively of Outside Directors at least once every six (6) months.

2. In order to cooperate and coordinate with the Company, the primary Independent Outside Director shall be selected from among Independent Outside Directors by mutual vote and serve as the Chairperson of the Board of Outside Directors.

Section 6 Accounting Auditor

(Accounting Auditor) [3-2, 3-2[1], and 3-2[2]]

Article 36 The Audit & supervisory committee shall confirm the independence, expertise, and appropriateness of the audit based on the evaluation and selection standards of the Accounting Auditor.

2. Directors shall recognize that the Accounting Auditor plays an important role in ensuring the reliability of financial reporting and, through enhanced cooperation therewith, take measures to ensure that appropriate auditing by the Accounting Auditor taking sufficient time.
3. If the Accounting Auditor discovers any fraud, irregularity, etc. and requests its appropriate measures, the officer in charge of the Management Headquarters of the Company shall appropriately take measures therefor.

Chapter 6 Dialogue with Shareholders

(Basic Policy on Dialogue with Shareholders and Investors)

[4-1[2], 5-1, 5-1[1], 5-1[2], 5-1[3], and 5-2]

Article 37 The policy on establishing systems and initiatives to promote constructive dialogue with

shareholders shall be as follows:

- (1) The Executive Officer in charge of corporate planning shall supervise overall dialogue with shareholders, and take a variety of initiatives, including Financial and Management Results Briefings and individual interviews for institutional investors so that constructive dialogue can be realized;
- (2) The top management, including the President and Executive Officers concerned, and Directors, including Outside Directors, shall attend in dialogues (briefings, interviews, etc.) with shareholders according to the purposes and contents of the dialogues, shareholders' requirements, etc. in a reasonable range, and dialogues shall basically be held directly with shareholders.

The Company shall set up the primary Independent Outside Director to establish a system to enable the Company to respond to shareholders' requirements and major concerns in interviews appropriately.

- (3) Related divisions within the Company (corporate planning, accounting, finance, general affairs & legal, etc.) that assist in the dialogue shall work in cooperation with each other, such as jointly preparing various disclosure materials, etc. and providing opportunities to share information and knowledge for Financial and Management Results Briefings every six (6) months;
 - (4) In addition to ascertaining the shareholder structure on the register of shareholders, the Company shall identify beneficial shareholders through shareholder identification surveys as necessary and utilize such information for necessary measures such as IR activities;
 - (5) As a means of dialogue other than individual interviews, Financial and Management Results Briefings for institutional investors shall be held every six (6) months, and the progress of the medium-term business plan and other matters shall be fully explained, and the materials thereof shall be disclosed;
 - (6) The opinions and concerns of shareholders identified through dialogue shall be reported to the Board of Directors, the Management Committee, etc., as appropriate, and information shall be shared and utilized by related divisions; and
 - (7) The Regulation on Insider Trading Prevention shall be established to prohibit the transmission of material information that has not been disclosed, and internal education on information management shall be periodically implemented.
2. The Company shall respond sincerely to requests for dialogue from shareholders and disclose annually the information about dialogue with shareholders during the most recent business year in an appropriate manner.

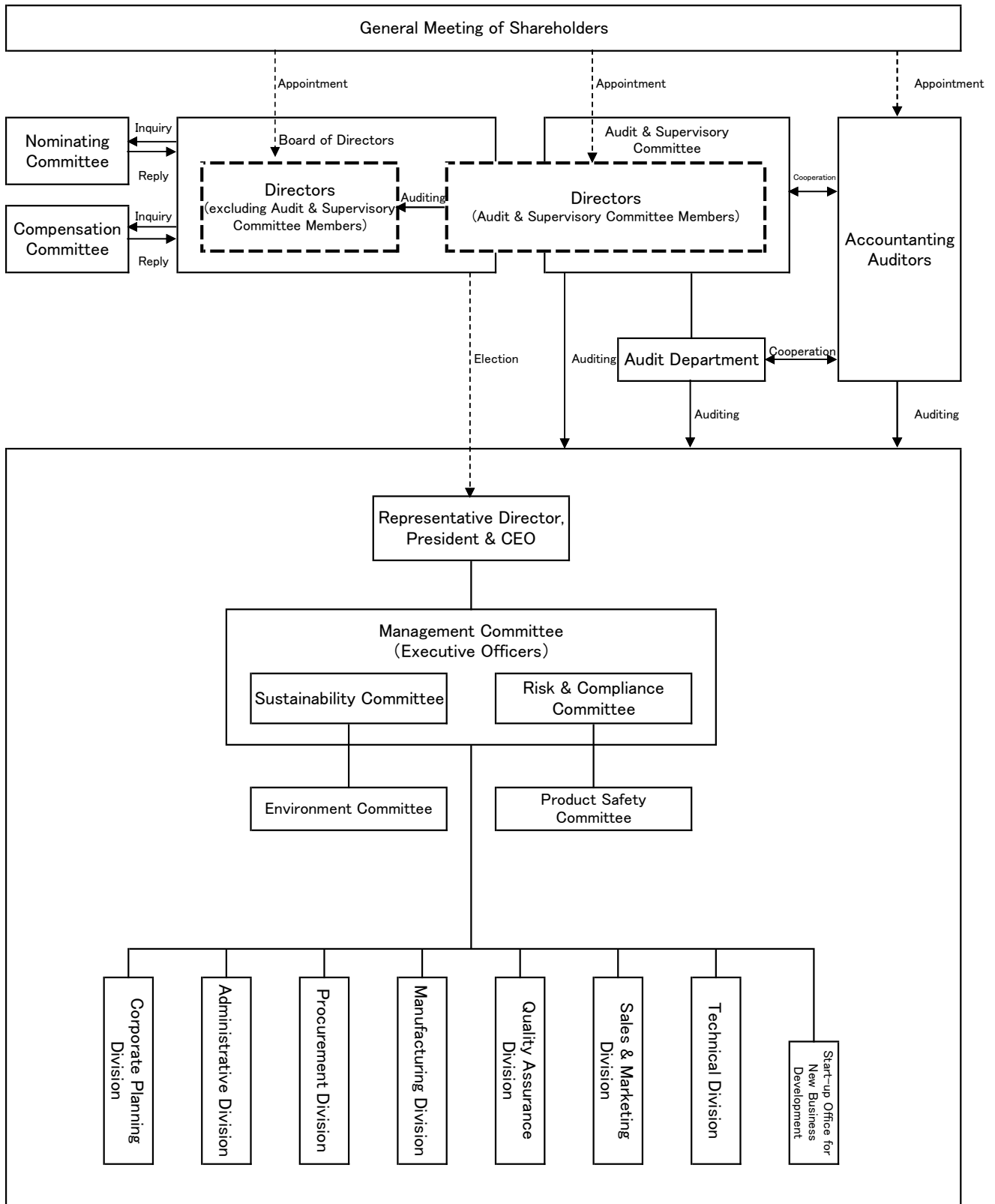
Chapter 7 Other

(Amendment or Abolition)

Article 38 Amendments to this Policy shall be made by the resolution of the Board of Directors.

Corporate Governance System Chart

The status of the Company's internal corporate governance system is as follows.



RIKEN TECHNOS GROUP Code of Conduct
RIKEN TECHNOS GROUP Sustainability Policy

— For the creation of a sustainable society —

RIKEN TECHNOS CORPORATION and its subsidiaries (hereinafter collectively referred to as the “RIKEN TECHNOS GROUP”) shall practice our management philosophy, the RIKEN TECHNOS WAY and serve as an engine toward the creation of a sustainable society considering the responses to global environmental and social issues as one of important management challenges. To that end, the RIKEN TECHNOS GROUP shall fulfill their social responsibilities in accordance with the following ten principles.

(Social Mission)

1. With an eye on social and environmental issues, develop and provide safe and secure products through innovation.

(Involvement in Environmental Issues)

2. Recognize that a positive involvement in environmental issues, including climate change, is an essential part of our activities and our very existence as a corporation, and engage in activities independently and proactively in consideration of the environment.

(Relationship of Trust with Customers)

3. Earn the satisfaction and confidence of customers through the provision of appropriate information on goods and products and sincere communication.

(Contribution to Society)

4. Contribute to the development of society and communities through business operations and social contribution activities rooted therein.

(Observance of Laws and Regulations, and Respect for International Norms)

5. Observe laws and regulations of each nation and region, respect the various international norms in place, and manage activities with due consideration of their culture and customs.

(Fair Activities)

6. Promote fair and free competition, sound trade, and responsible procurement. Ensure relationships and contacts of a sound nature with government agencies and political bodies, preventing bribery and corruption.

(Respect for Human Rights)

7. Respect the human rights of all people when engaging in activities.

(Respect for Diversity, Human Resource Development, and Improvement of Internal Environment)

8. Respect the diversity of each and every employee and develop human resources to enable them to perform the best of their potential. Develop a safe and healthy internal environment where all employees can work comfortably.

(Fair Disclosure of Information and Constructive Dialogue with Stakeholders)

9. Disclose corporate information in an active, efficient, and fair manner, engage in constructive dialogue with wide-ranging stakeholders surrounding a corporation, and strive to increase corporate value.

(Thorough Risk Management)

10. Achieve GROUP-wide risk management to prepare appropriate responses to natural disasters, cyber-attacks, anti-social activities, terrorist acts, and other threats to civil life and corporate activities.

<<Role and Responsibility of Management>>

Management shall execute business acknowledging that their role is to put the spirit of this document into practice, develop effective governance, and strive to raise awareness within the RIKEN TECHNOS GROUP. In addition, management shall urge the entities constituting the supply chain to take actions in accordance with the principles herein. Furthermore, in the case of incidents contrary to the principles that degrade society's confidence in the RIKEN TECHNOS GROUP, management shall fulfill its responsibilities by taking the initiative in settling the issues, conducting investigations to determine the causes, and taking preventive and other necessary measures.

*The Code of Conduct and the Sustainability Policy of RIKEN TECHNOS GROUP are uniform in their contents as they aim to achieve a sustainable society.

(the policy related to Article 6 of the Code of Conduct)

Basic Policy on Bribery Prevention by RIKEN TECHNOS GROUP

Riken Technos Corporation and its subsidiaries (hereinafter referred to as "Each Group Company") shall establish this Policy on bribery prevention in accordance with the RIKEN TECHNOS WAY and the RIKEN TECHNOS GROUP Code of Conduct.

(Prohibition of Bribery)

1. Each Group Company shall not provide or receive money or goods or other economic benefits beyond the scope deemed appropriate in accordance with the laws and regulations, guidelines, etc. of the country or region in which it operates the business.

(Establishment of System)

2. Each Group Company shall establish a system to prevent bribery, including an anonymous report system, in order to detect and rectify violations of compliance, such as bribery, or acts that may violate compliance at an early stage.

(Retention of Records)

3. Each Group Company shall prepare and retain records in an accurate and appropriate manner in order to reasonably demonstrate that no bribery has been committed.

(Cooperation in Education and Investigation)

4. Each Group Company shall provide regular education and training to prevent bribery. In the event of any act that violates or may violate this Policy, strict punishment shall be imposed, and serious cooperation shall be provided for the investigation by the relevant authorities.

(the policy related to Article 7 of the Code of Conduct)

RIKEN TECHNOS GROUP Human Rights Policy

RIKEN TECHNOS CORPORATION and its subsidiaries (hereinafter referred to as “each Group Company”) shall establish this Policy as a guideline for efforts to respect human rights in order to realize a sustainable society through the implementation of the management philosophy “RIKEN TECHNOS WAY” and the “RIKEN TECHNOS GROUP Code of Conduct”.

1. Basic Concept

Each Group Company supports international norms on human rights, including the “International Bill of Human Rights” and the “Guiding Principles on Business and Human Rights” of the United Nations and the “ILO Declaration on Fundamental Principles and Rights at Work” of the International Labour Organization, and respects the human rights of all people affected by our business activities. In addition, each Group Company will comply with applicable laws and regulations in the countries and regions in which we conduct business, and will seek ways to respect internationally recognized human rights to the greatest extent possible when said rights are not adequately protected under the laws and regulations of each country and region.

2. Scope of Application

This Policy applies to all officers and employees of each Group Company. Moreover, each Group Company expects our customers, suppliers and business partners to understand this Policy and encourages them to respect human rights.

3. Responsibility to Respect Human Rights

Each Group Company recognizes that our business activities may directly or indirectly have a negative impact on the human rights of stakeholders. We respect the human rights of our stakeholders and will fulfill our responsibility to respect human rights by taking appropriate action to correct any negative impact on said rights arising from our business activities.

The human rights that each Group Company respects in our business activities include the following.

[Human rights particularly related to our business activities]

(1) Prohibition of discrimination

We will not tolerate any discrimination based on race, color, nationality, sex, sexual orientation and gender identity, language, religion, creed, origin, age or disability.

(2) Prohibition of harassment

We will not tolerate harassment or other behavior that damages the dignity of individuals.

(3) Prohibition of forced labor and child labor

We will not permit any forced labor or child labor.

(4) Respect for basic labor rights

We respect workers’ basic labor rights, including the right to organize and bargain collectively, and strive to secure adequate wages and manage working hours appropriately.

(5) Promotion of occupational health and safety

We will strive to maintain and improve a safe and comfortable working environment based on the principle of “safety first”.

(6) Protection of privacy

We protect personal privacy. We will properly handle the personal information we hold in accordance with relevant laws and regulations to prevent invasion of privacy.

(7) Product quality and safety

To ensure the safety of our products and continuously improve their quality, we will ensure thorough quality control and continue to take necessary measures.

(8) Coexistence with local communities

We recognize that our business activities may affect human rights in our communities, including safety and health, and will fulfill our responsibility to human rights in the communities in which we operate.

4. Human Rights Due Diligence

Based on the concept of human rights due diligence in the United Nations Guiding Principles on Business and Human Rights, each Group Company will continuously work on identifying any negative impacts on human rights that may result from our business activities, implementing prevention and mitigation measures, monitoring implementation results, and disclosing information.

5. Correction and Remediation

If any Group Company finds that our business activities have caused or facilitated negative impacts on human rights, we will work to correct and remedy them through appropriate procedures. In addition, if it becomes clear that a business associate, etc., has caused or facilitated a negative impact on human rights, we will make efforts to mitigate said negative impacts.

6. Dialogue and Consultation

In the course of implementing this Policy, each Group Company will utilize external expertise in human rights and will continuously engage in dialogue and consultation with relevant stakeholders.

7. Education

Each Group Company will continuously provide appropriate education to our officers and employees to ensure that this Policy is incorporated into all business activities and is implemented effectively.

8. Information Disclosure

Each Group Company will appropriately disclose information on our efforts to respect human rights based on this Policy.

This Policy has been approved by the Board of Directors of RIKEN TECHNOS CORPORATION.

Exhibit 3

<Independence Standards for Outside Directors>

The Company deems that Outside Directors of the Company are independent if they are judged not to fall under any of the following:

1. A person who has been an Executive (*1) of the Company or subsidiaries of the Company (hereinafter referred to as "Each Group Company") at present or in the most recent ten (10) years;
2. A person who falls under the following items at present or in the most recent three (3) business years:
 - (1) A person with a relationship with major business partners of Each Group Company (*2) or an Executive thereof;
 - (2) A major borrower (*3) of Each Group Company or an Executive thereof;
 - (3) A major shareholder of the Company (*4) (if such major shareholder is a juridical person, a person who is an Executive of the juridical person);
 - (4) A consultant, accounting specialist, legal specialist, etc. who has received a large amount of money or other property (*5) from Each Group Company in addition to compensation for officers (if a person who has received such property is an organization such as a juridical person or association, the person belonging to such organization);
 - (5) A person who belongs to an auditing firm that is the Accounting Auditor of Each Group Company;
 - (6) An Executive of a party under mutual appointment as Outside Officer; or
 - (7) A person receiving a large amount of donations or grants (*6) from Each Group Company or an Executive thereof.
3. A spouse or relative within the second degree of kinship of a person who falls under any of the items of 1 or 2 above; or
4. A person whose total term of office as an Outside Director of the Company exceeds ten (10) years.

(Notes)

- *1 An Executive includes a Director, Corporate Officer, Executive Officer, manager, or other employees who execute the business of a juridical person or other organizations.
- *2 Relationship with major business partners is defined as the case in which the total amount of transactions with Each Group Company accounts for two percent (2%) or more of consolidated sales (average for the most recent (3) business years) in either of the Company or business partners (including their parent company and significant subsidiaries) in the most recent (3) business years.
- *3 A major borrower is defined as the case where the total amount of borrowings by Each Group Company accounts for two percent (2%) or more of the total consolidated assets (average for the most recent (3) business years) as of the last day of the most recent (3) business years.
- *4 A major shareholder means a person who holds ten percent (10%) or more of the total voting rights directly or indirectly.
- *5 A large amount of money or other property means ten million (10,000,000) yen or more per year.
- *6 Large amount of donations or grants means ten million (10,000,000) yen or more per year.

Corporate Governance Code			The Company's Corporate Governance Policy	
Principle			Supplementary principle	
Chapter 1 Ensuring Rights and Equality of Shareholders	Basic Principle 1		-	As follows
	1-1	Ensuring shareholders' rights	-	Article 3
			1-1[1]	Article 4
			1-1[2]	Article 3
			1-1[3]	Article 3
	1-2	Exercise of rights at the General Meeting of Shareholders	-	Article 4
			1-2[1]	Article 4
			1-2[2]	Article 4
			1-2[3]	Article 4
			1-2[4]	Article 4
	1-2[5]	Article 4		
	1-3	Basic policy of capital policy	-	Article 5
	1-4	Strategic-Holding Shares	-	Article 6
			1-4[1]	Article 6
1-4[2]		1-4[2]	Article 6	
1-5	So-called takeover defense measures	-	Article 7	
		1-5[1]	Article 7	
1-6	Capital policy that may harm shareholders' interests	-	Article 5	
1-7	Transactions between related parties	-	Article 8	
Chapter 2 Appropriate Collaboration with Stakeholders Other Than Shareholders	Basic Principle 2		-	As follows
	2-1	Formulation of a management philosophy that will serve as the basis for medium- to long-term improvements in corporate value	-	Article 2
	2-2	Formulation and implementation of the Company's code of conduct	-	Article 9
			2-2[1]	Article 9
	2-3	Issues related to sustainability, including social and environmental issues	-	Article 10
			2-3[1]	Article 10
	2-4	Ensuring diversity within the Company, including promoting the activities of women	-	Article 11
			2-4[1]	Article 11
	2-5	Whistle-blowing	-	Article 12
2-5[1]			Article 12	
2-6	Fulfilling the role as asset owner of corporate pension	-	Article 13	
Chapter 3 Ensuring Appropriate Information Disclosure and Transparency	Basic Principle 3		-	As follows
	3-1	Enhancement of information disclosure	-	As follows
			(i)	Article 2
			(ii)	Articles 1 and 2
			(iii)	Article 20
			(iv)	Article 19
			(v)	Article 19
			3-1[1]	Article 14
			3-1[2]	Articles 4 and 14
			3-1[3]	Article 10
	3-2	External Accounting Auditor	-	Article 36
			3-2[1]	Article 36
3-2[2]			Articles 28 and 36	

Corporate Governance Code			The Company's Corporate Governance Policy	
Principle		Supplementary principle		
Chapter 4 Responsibilities of Directors	Basic Principle 4		-	As follows
	4-1	Roles and responsibilities of the Board of Directors (1)	-	Article 16
			4-1[1]	Article 16
			4-1[2]	Article 16 and 37
			4-1[3]	Article 16
	4-2	Roles and responsibilities of the Board of Directors (2)	-	Articles 16 and 20
			4-2[1]	Article 20
			4-2[2]	Article 10 and 16
	4-3	Roles and responsibilities of the Board of Directors (3)	-	Article 23
			4-3[1]	Article 19
			4-3[2]	Article 19
			4-3[3]	Article 19
			4-3[4]	Article 23
	4-4	Roles and responsibilities of Corporate Auditors and the Board of Corporate Auditors	-	Article 25
			4-4[1]	Articles 26 and 27
	4-5	Fiduciary responsibility of Directors, Corporate Auditors, etc.	-	Article 16
	4-6	Supervision and execution of management	-	Articles 15 and 17
	4-7	Roles and responsibilities of Independent Outside Directors	-	Article 34
	4-8	Effective utilization of Independent Outside Directors	-	Articles 17 and 34
			4-8[1]	Article 35
			4-8[2]	Article 35
			4-8[3]	Article 17 and 35
4-9	Independence standards and qualifications of Independent Outside Directors	-	Article 34	
4-10	Utilization of voluntary systems	-	Articles 19, 20, 29, 30, and 31	
		4-10[1]	Articles 19, 20, 29, 30, and 31	
4-11	Prerequisites for ensuring the effectiveness of the Board of Directors and the Board of Corporate Auditors	-	Articles 17 and 26	
		4-11[1]	Article 17	
		4-11[2]	Article 17	
		4-11[3]	Article 24	
4-12	Revitalization of deliberations at the Board of Directors	-	Article 18	
		4-12[1]	Article 18	
4-13	Information acquisition and support system	-	Articles 22 and 27	
		4-13[1]	Article 22	
		4-13[2]	Article 22	
		4-13[3]	Articles 25 and 27	
4-14	Training for Directors and Corporate Auditors	-	Article 21	
		4-14[1]	Article 21	
		4-14[2]	Article 21	
Chapter 5 Dialogue with Shareholders	Basic Principle 5		-	As follows
	5-1	Policy on constructive dialogue with shareholders	-	Article 37
			5-1[1]	Article 37
			5-1[2]	Article 37
			5-1[3]	Article 37
	5-2	Formulation and publication of management strategies and plans	-	Article 37
			5-2[1]	Article 16