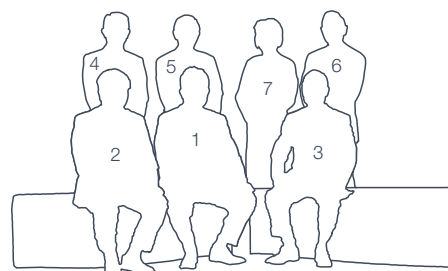


Strengthen Business Foundations

Sophisticate Corporate Governance



Management

(As of September 1, 2024)

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 Div.

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

3 Gakuyuki Kajiyama

Director, Managing Executive Officer, and Senior General Manager of Sales & Marketing Div.

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 Div., RIKEN TECHNOS CORPORATION
June	2017	Director, Senior Executive Officer; Senior General Manager, Corporate Planning Div.
April	2019	Director, Managing Executive Officer; Senior General Manager, Sales & Marketing Div. (to present)

5 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 Div. 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. (Retired in June 2024)

7 Aogi Suemura

Outside Director and Audit & Supervisory Committee Member

October	1992	Joined Asahi Shinwa & Co. (current 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 (current Deloitte Touche Tohmatsu LLC)
June	2008	Partner
January	2022	Representative, 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.
March	2024	Outside Director serving as Audit & Supervisory Committee Member, Nippon Denko Co., Ltd. (to present)
June	2024	Outside Director serving as (Audit & Supervisory Committee Member) Nomura Real Estate Holdings, Inc. (to present)

4 Takashi Shimada

Director and Full-time Audit & Supervisory Committee Member

March	1984	Joined the Company
April	2011	Deputy General Manager, Administrative Div.
April	2013	General Manager, Saitama Factory
April	2014	Senior General Manager, Quality Assurance Div.
June	2014	Director, Senior General Manager, Quality Assurance Div.
January	2015	Director, Senior General Manager, Manufacturing Div.; Senior General Manager, Quality Assurance Div.
April	2016	Director, Senior Executive Officer, Senior General Manager, Manufacturing Div.; Senior General Manager, Quality Assurance Div.
June	2016	Senior Executive Officer, Senior General Manager, Manufacturing Div.; Senior General Manager, Quality Assurance Div.
March	2017	Senior Executive Officer, RIKEN TECHNOS CORPORATION; President, RIKEN ELASTOMERS CORPORATION
April	2017	Senior Executive Officer, RIKEN TECHNOS CORPORATION; President, RIKEN AMERICAS CORPORATION & RIKEN ELASTOMERS CORPORATION
April	2019	Representative Director & President, RIKEN CABLE TECHNOLOGY CO., LTD.
February	2023	President and CEO, KYOEI PLASTIC MFG CO., LTD.
June	2024	Director serving as full-time Audit & Supervisory Committee Member (to present)

6 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, Sampo Japan Insurance Inc.
April	2013	Director, Managing Executive Officer, Sampo 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, Sampo Japan Nipponkoa Insurance Inc.
April	2016	Director, Managing Executive Officer, Sampo Japan Nipponkoa Insurance Inc.; Director, Senior Managing Executive Officer, Sampo Japan Nipponkoa Insurance Inc.; Director, Senior Managing Executive Officer, Sampo Japan Nipponkoa Holdings, Inc.
November	2016	Representative Director, Senior Managing Executive Officer, Sampo Holdings, Inc.
April	2017	CEO, Overseas Insurance and Reinsurance Business, Representative Director, Senior Managing Executive Officer, Sampo Holdings, Inc.
April	2018	Deputy President and Senior Executive Officer, Sampo Japan Nipponkoa Insurance Inc. (Retired in June 2018) Director, Deputy President and Senior Executive Officer, Sampo 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., Sampo Japan Insurance Inc., NIPPONKOA Insurance Company, Limited, and Sampo Japan Nipponkoa Insurance Inc. are currently Sampo Japan Insurance Inc.

2. NKSJ Holdings, Inc. and Sampo Japan Nipponkoa Holdings Inc. are currently Sampo Holdings, Inc.

Executive Officers (excluding those on the board of directors)



Michihisa Tasaka

Senior Executive Officer
General Manager of Start-up
Office for New Business
Development

Hitoshi Sugino

Senior Executive Officer
Senior General Manager of
Technical Div.

Tomozo Ogawa

Senior Executive Officer
Senior General Manager
of Manufacturing Div. &
Senior General Manager of
Procurement Div.

Michio Noishiki

Senior Executive Officer
Senior General Manager of
Corporate Planning Div.

Toshimi Yamanaka

Executive Officer
Regional Officer of North
America
President, RIKEN AMERICAS
CORPORATION & RIKEN
ELASTOMERS CORPORATION

Hisashi Onozuka

Executive Officer
Deputy Senior General Manager
of Sales & Marketing Div. &
General Manager of Film Business
Unit & General Manager of Sales
& Marketing Strategy Dept.

Fumitoshi Nakamura

Executive Officer
Regional Officer of ASEAN
Deputy Senior General
Manager of Sales & Marketing
Div. & General Manager of
Transportation Business Unit

Akihiro Tamura

Executive Officer
Senior General Manager of
Quality Assurance Div.

Hiroaki Wakayama

Executive Officer
Deputy Senior General Manager
of Technical Div. & General
Manager of R&D Center &
General Manager of Material
R&D Dept. No. 2, R&D Center

Strengthen Business Foundations Sophisticate Corporate Governance

Skill Matrix of the Board of Directors

In order to appropriately supervise the promotion of the four strategies set forth in the “Challenge Now for Change New 2024,” a management policy under our three-year Medium-term Business Plan, as well as the measures supporting those strategies, we have identified the skills expected of the Board of Directors as follows and formulated a skills matrix.

Relationship between Management Strategies and Skill Items

Four strategies of the three-year medium-term business plan	Strategies to grow strengths of businesses		Strategies for future growth		Measures that support the four strategies (Capital investments in manufacturing facilities, Intellectual property and R&D investments, DX investments, Human capital investments, and Reinforcement of governance structures)	
	Strategy 1 Intensify global management and generate synergies	Strategy 2 Stay ahead of customers' expectations	Strategy 3 Take on the challenge toward new businesses and products	Strategy 4 Contribute to solving environmental and social issues		
Skill items	Corporate management / management strategy	Sales / marketing	R&D / manufacturing	ESG / sustainability	Finance / accounting	Legal / risk management
	Global experience				Personnel / labor affairs / human resources development	DX / IT

Definition of Skills

Skill items	Definition
1 Corporate management / management strategy	Experience as a director, executive officer, etc., at other companies (at a consolidated subsidiary, experience as a president), work experience at a corporate planning division, etc.
2 Sales / marketing	Experience as a sales rep in the chemical industry, work experience in marketing division, etc.
3 Global experience	Overseas work experience, work experience in international division, etc.
4 R&D / manufacturing	Work experience in R&D/manufacturing, or similar divisions
5 Finance / accounting	Work experience in accounting/finance divisions, or financial institutions, etc., knowledge of finance/accounting
6 Legal / risk management	Work experience in legal / risk management, or similar divisions, knowledge of legal / risk management
7 Personnel / labor affairs / human resources development	Work experience in personnel / labor affairs / human resources development, or similar divisions, knowledge of personnel / labor affairs / human resources development
8 ESG / sustainability	Work experience in ESG-related divisions, knowledge of ESG/sustainability
9 DX / IT	Work experience in system development divisions, etc., knowledge of DX/IT

Skill Possession Status

Name	Position	Gender	Skills									Major Reasons for ○	Attendance in FY2023 (Times)			
			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	○	○	○	○				○		<ul style="list-style-type: none"> Experience as a president of a U.S. consolidated subsidiary Work experience in sales, corporate planning, and quality assurance divisions 	16/16★	2/3	2/3	-
Junji Irie	Representative Director, Senior Managing Executive Officer	Male	○				○	○	○	○	○	<ul style="list-style-type: none"> Experience as an executive officer at a bank Experience as a senior general manager of the Company's administrative (personnel/accounting/legal/system) / corporate planning divisions 	16/16	3/3	3/3	-
Gakuyuki Kajiyama	Director, Managing Executive Officer	Male	○	○	○	○				○		<ul style="list-style-type: none"> Experience as a president of a U.S. consolidated subsidiary Experience as a senior general manager of corporate planning division Work experience in sales/R&D divisions 	16/16	-	-	-
Takashi Shimada	Director, Full-time Audit & Supervisory Committee Member	Male	○		○	○			○	○		<ul style="list-style-type: none"> Experience as a president of a U.S./domestic consolidated subsidiary Experience as a senior general manager of manufacturing / quality assurance divisions Work experience in R&D/personnel divisions 	-*	-	-	-★*
Shigeharu Nakamura	Outside Director Audit & Supervisory Committee Member (Primary/Independent)	Male	○		○		○	○	○			<ul style="list-style-type: none"> Experience as a vice president / executive officer at a bank Work experience in international / corporate governance divisions 	16/16	3/3	3/3★	18/18
Shigeru Ehara	Outside Director Audit & Supervisory Committee Member (Independent)	Male	○		○		○	○	○			<ul style="list-style-type: none"> Experience as a vice president / executive officer at a non-life insurance company Overseas work experience 	16/16	3/3★*	3/3	18/18
Aogi Suemura	Outside Director Audit & Supervisory Committee Member (Independent)	Female					○	○	○			<ul style="list-style-type: none"> Experience as a partner at an auditing firm Certified Public Accountant qualification 	16/16	3/3	3/3	18/18

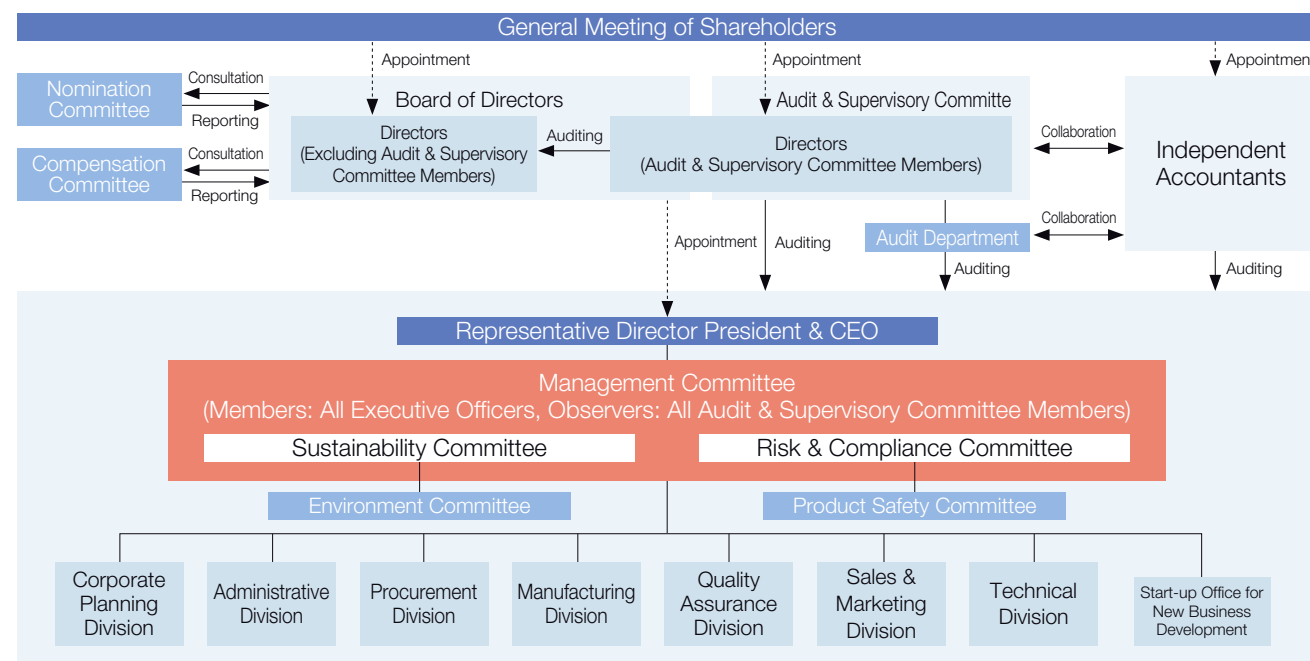
* denotes chairperson * Inaugurated on June 21, 2024

Strengthen Business Foundations Sophisticate Corporate Governance

Corporate Governance Policy

The RIKEN TECHNOS GROUP positions “Sophisticate corporate governance” as a key management issue. 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,” our management philosophy. At the same time, we will further advance dialogue with our shareholders and investors.

Corporate Governance Structure



Past Actions toward Sophistication of Corporate Governance

	FY2016	FY2017 to FY2019	FY2020	FY2021	FY2022	FY2023
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"> 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 		<ul style="list-style-type: none"> Reviewed director compensation system
Others	<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"> Identification of materiality topics Conducted disclosure based on the recommendations of TCFD 	<ul style="list-style-type: none"> Issued Integrated Report Formulated Human Rights Policy Established CSIRT

* Since June 21, 2024, a total of seven members (including one female) comprising four internal and three outside directors. **Red** indicates an increase from the previous year. **Blue** indicates a decrease from the previous year.

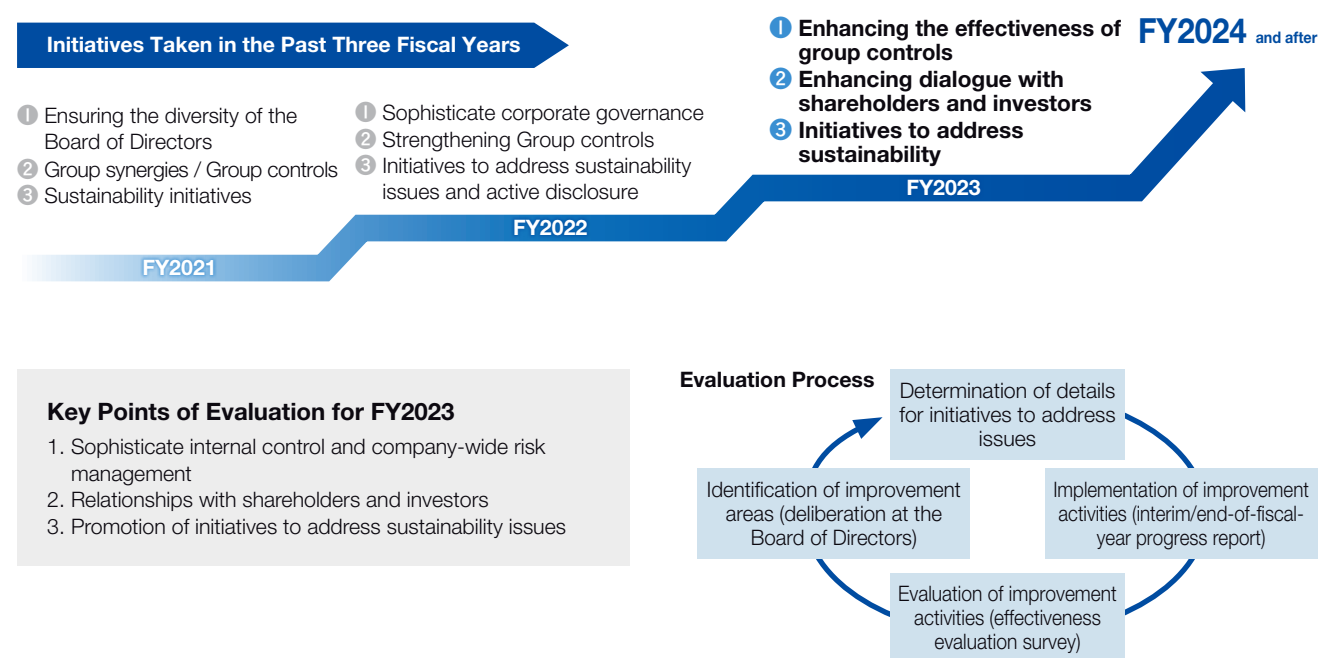
Corporate Governance System

Name of Meeting	Number of Meetings Held (FY2023)	Details
Board of Directors	16	<p>Members: Three Board of Directors (excluding directors who are Audit & Supervisory Committee members) and four directors who are Audit & Supervisory Committee members</p> <p>We ensure management transparency and soundness by setting the rule to include independent outside directors for at least one-third of all the Board of Director members. In addition, 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.</p> <p>[Major Matters Deliberated in FY2023] Governance and other matters of management supervision, progress of Materiality Topic KPIs, publication of the Integrated Report, verification of the appropriateness of holding cross-shareholdings, repurchase and cancellation of own shares, progress, and review of succession plans, etc.</p>
Management Committee	12	<p>Members: All Executive Officers, Observers: All Audit & Supervisory Committee Members</p> <p>The Management Committee comprises all executive officers. Outside Directors also attend the meetings from the perspective of management supervision and state their opinions, as necessary. Furthermore, 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.</p>
Sustainability Committee	6	<p>Members: All Executive Officers, Observers: All Audit & Supervisory Committee Members</p> <p>Refer to “Sustainability at RIKEN TECHNOS” (p. 45) for details.</p>
Risk & Compliance Committee	3	<p>Members: All Executive Officers, Observers: All Audit & Supervisory Committee Members</p> <p>Refer to “Strengthen Risk Management” (p. 73) for details.</p>
Audit & Supervisory Committee	18	<p>Members: Four Audit & Supervisory Committee members (of which three are independent outside directors)</p> <p>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, full-time Audit & Supervisory Committee members are appointed to carry out prompt information collection within the Company and closely share information with outside directors.</p>
Nomination Committee and Compensation Committee	3 times each	<p>Members: President & CEO, Senior Management Executive Officer, and three Independent Outside Directors</p> <p>Both committees seek to substantiate discussions by including multiple Inside Directors as members in consideration of their skills, etc. At the same time, a majority of members of the committees are Independent Outside Directors to ensure transparency and objectivity in the process and content of nominations and compensation. In addition, their Chairpersons are selected by mutual voting among members, from among Independent Outside Directors.</p> <p>[Major Matters Deliberated in FY2023] Nomination Committee: Matters related to the selection of candidates for directors (excluding directors who are Audit & Supervisory Committee members) and executive officers, confirmation of progress and reviews of succession plans Compensation Committee: Review of the director compensation system, individual compensation for Directors (excluding directors who are Audit & Supervisory Committee members) and Executive Officers</p>
Board of Outside Directors	3	<p>Members: All Independent Outside Directors</p> <p>Independent outside directors take on the roles of providing 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.</p> <p>We appoint people who meet the independence standard for outside directors* set by the Company 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.</p> <p>At least once every half a year, the Board of Outside Directors is held for information exchange and awareness sharing among Outside Directors.</p> <p>* The independence standard for outside directors is defined in the RIKEN TECHNOS GROUP Corporate Governance Policy.</p>

Strengthen Business Foundations Sophisticate Corporate Governance

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.



Issues and Initiatives for FY2023 (Actual)

Issue	Initiative (Actual)
Enhancing the effectiveness of group controls	Officers, including the Representative Director, visited consolidated subsidiaries in Japan and overseas to grasp the actual situation of each company and provide direct guidance to strengthen the Group's controls. In addition, through the holding of information-sharing meetings for consolidated subsidiaries and briefing sessions on the progress of the Medium-term Business Plan for overseas consolidated subsidiaries, identified issues were shared between the Company's management and the management of consolidated subsidiaries.
Enhancing dialogue with shareholders and investors	We expanded our financial and non-financial disclosure by publishing the Integrated Report, incorporating sustainability information into the Annual Securities Report, and disclosing actions to implement management that is conscious of cost of capital and stock price. In addition, approaches have been advanced for constructive dialogue with shareholders and investors. For example, the opinions of investors obtained in the SR meeting were reported and deliberated at the Management Committee and the Board of Directors, and then reflected in various measures.
Addressing sustainability issues	As guidelines for human capital and human rights initiatives, we formulated the Human Resource Development Policy, the Internal Environment Development Policy, and the Human Rights Policy. In addition, we appropriately supervised initiatives to address sustainability issues by receiving reports on the progress of KPIs for materiality topics from the Sustainability Committee.

Issues and Initiatives for FY2024 (Planned)

Issue	Initiative (Planned)
Enhancing dialogue with shareholders and investors	The Company will continuously review the disclosure content and discuss initiatives to further promote constructive dialogue, including disclosure of new information from both financial and non-financial aspects. In addition, we will continue to appropriately reflect opinions obtained through dialogue in our internal structure.
Promoting human capital management	We will pursue discussions in conjunction with our management strategy, with an eye toward the next Medium-term Business Plan.
Restructuring business portfolio	In addition to discussing items including a review of low-profit businesses, we will supervise the allocation of management resources from a medium- to long-term perspective.

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 given to the opinions of the Compensation Committee, where more than half of the members are independent outside directors.

Composition of Director Compensation

The compensation of 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.

Policy for Reducing and Repaying the Amount of Compensation (Malus and clawback provision)

If there is a material error in the financial statements or a material accounting irregularity, or if directors (excluding directors who are Audit & Supervisory Committee members) violate laws, regulations, or the Articles of Incorporation, etc., the Company shall be able to demand a reduction of the amount of compensation or the repayment of compensation paid.

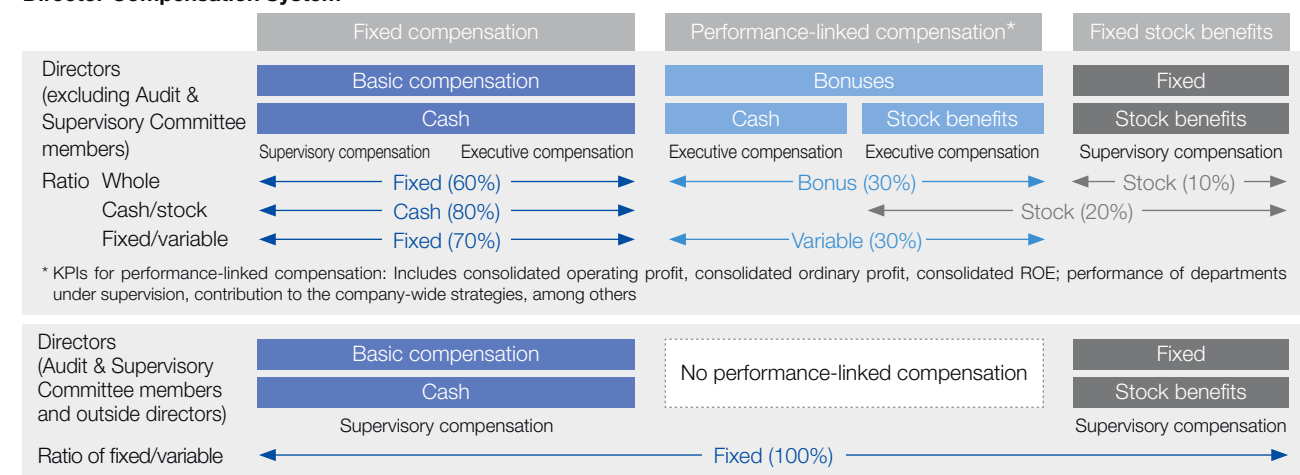
The specific amount of the reduction or repayment demanded shall be determined by the Board of Directors after consulting with the Compensation Committee, with respect for the results of such reports.

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



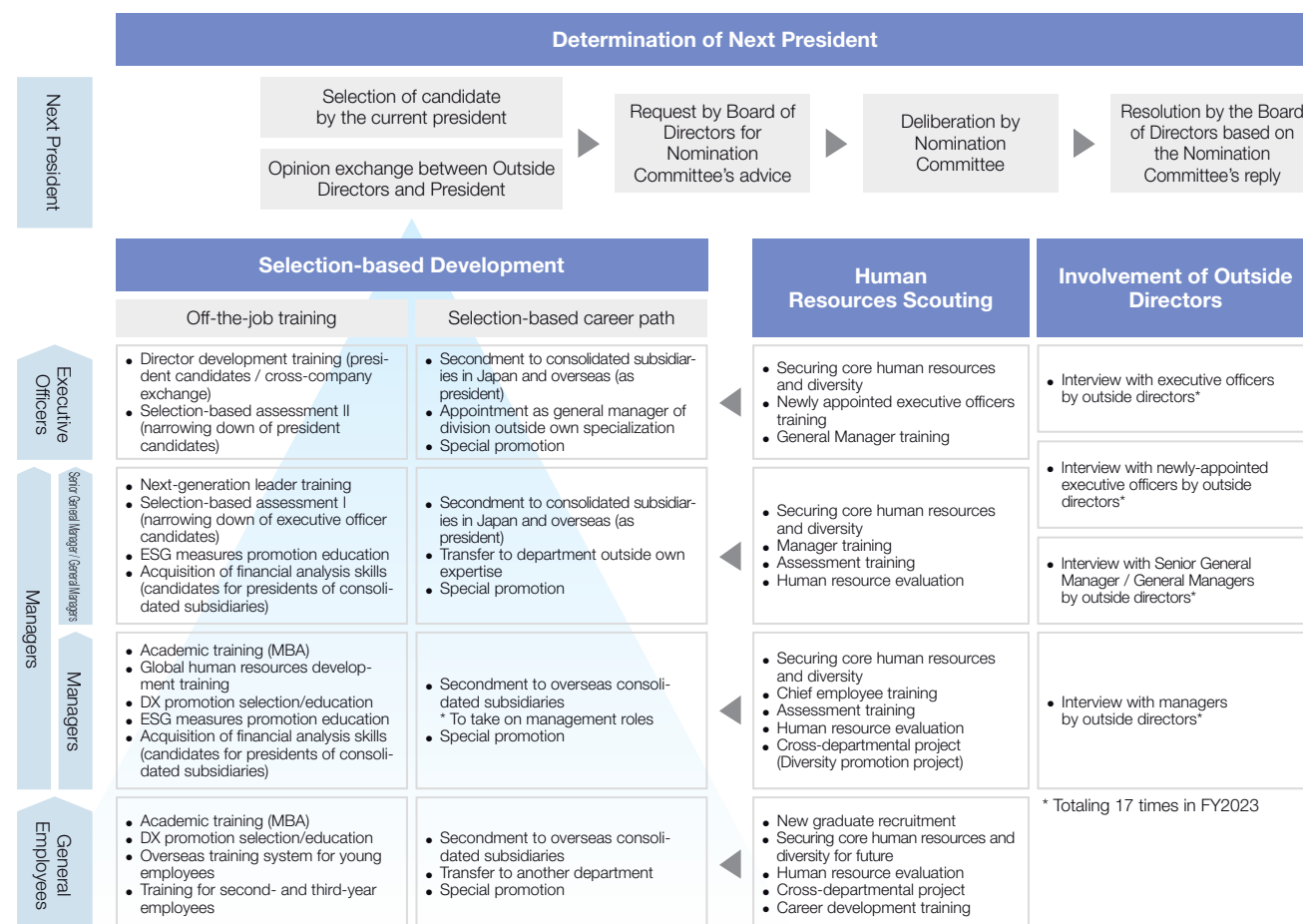
Total Amount of Compensation, etc. for FY2023

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	Stock Benefits		
Directors (excluding Audit & Supervisory Committee members)(excluding outside directors)	198,488	116,219	51,789	15,318	15,161	4
Directors (excluding Audit & Supervisory Committee members)(excluding outside directors)	17,691	16,200	-	-	1,491	1
Outside directors (Audit & Supervisory Committee members)	39,313	36,000	-	-	3,313	4
Total	255,492	168,419	51,789	15,318	19,966	9

Strengthen Business Foundations Sophisticate Corporate Governance

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 successor 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.

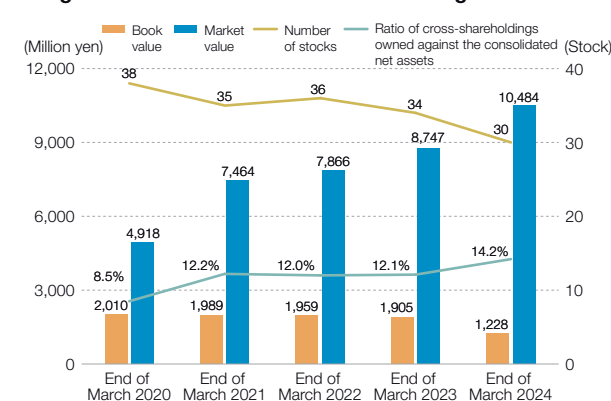


Cross-shareholdings

With regard to cross-shareholdings, the Company shall examine whether the Board of Directors annually reviews specifically the rationality of holding each company's stocks including the cost of equity and the benefits of holding, and reduce the ratio of cross-shareholdings to reach less than 10% of consolidated net assets. The cash generated by the reduction will be used primarily for growth investment and also for shareholder returns, and in this way we will accelerate medium- to long-term growth in the future.

In FY2023, in addition to examining the appropriateness of holding individual stocks, including those held by consolidated subsidiaries, we conducted comprehensive examinations, including capital policies, and sold all or part of 24 of the 34 stocks held by the Company. All proceeds from the sale were used to fund the acquisition of treasury stock.

Change in the Balance of Cross-shareholdings Owned



Dialogue with Shareholders and Investors

The Company takes a variety of initiatives, including Financial and Management Results Briefings and individual interviews for institutional investors so that constructive dialogue can be established with shareholders and investors.

Policy concerning Dialogue with Shareholders (Summary)

- Executive Officer in charge of corporate planning supervises all matters related to shareholder dialogue.
- The Company's basic approach to dialogue with shareholders is to make senior management, including the President and related Executive Officers, and Directors, including Outside Directors, attend dialogue with shareholders and engage in direct dialogue with shareholders, to the extent reasonable. In addition, the Company will establish a system to enable it to accurately address the wishes of shareholders and the main matters of interest in interviews, through the appointment of a primary Independent Outside Director.
- The opinions of shareholders obtained through dialogue will be reported to the Board of Directors, the Management Committee, etc., as appropriate, and information will be shared and utilized by related divisions.

Dialogue in FY2023 (Actual)

General Meeting of Shareholders	Disclosure of Sustainability Information in the Business Reports	Institutional Investors	Financial and Management Results Briefings held live online and at a venue	Twice
	Full disclosure of the notice of convocation in English		<ul style="list-style-type: none"> Individual IR meetings (including conference calls) SR interviews (April 2024) 	48 times 10 times
Individual Investors	Issuance of Shareholder Newsletter		Publication of the Integrated Report	Twice
	Enrichment of website contents • Renewal of sustainability website • New opening of R&D website		<ul style="list-style-type: none"> Disclosure of sustainability information in the Corporate Governance Reports and Annual Securities Reports Simultaneous disclosure in English of the following materials: Consolidated Financial Results; Timely Disclosure; Financial and Management Results Briefings; and Business Plan Briefing 	As per appropriateness

Status of Feedback of Dialogue in FY2023

Opinions obtained through dialogue with shareholders and investors are reported as appropriate at the Management Committee and the Board of Directors meetings, and such information is shared among the relevant departments and incorporated appropriately and effectively into corporate activities. We will continue to actively engage in dialogue with shareholders and investors to enhance our corporate value further.

Major Requests	Status of Response / Policy
Improvements in capital efficiency over medium- to long-term and disclosure of growth strategies	Disclosure of specific initiatives to improve capital efficiency towards corporate value enhancement, growth strategies, and capital policies * At the Financial and Management Results Briefing held in May 2024, the Company disclosed the cost of equity - WACC, ROIC, etc.
Disclosure of policies regarding capital policies and financial strategies	Disclosure of our approach to the ideal balance sheet and cash allocation * Planning to disclose more specific amounts in the next Medium-term Business Plan
Disclosure of contribution of corporate activities to solutions to environmental issues	Opening of sustainability website in addition to disclosure of sustainability information in our Integrated Reports, Business Reports, Annual Securities Reports, and other disclosure documents
Evaluation of performance-linked compensations on a consolidated basis	Review of performance indicators and weights for performance-linked compensations (Revisions from those concerning FY2024)
Disclosure of reasons for selecting skills listed in the Skill Matrix	Disclosure of the Relationship between management strategies and skill items as well as Definition of Skills