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[https://www.tpr.co.jp/tp\\_e/index.html](https://www.tpr.co.jp/tp_e/index.html)

The corporate governance of TPR Co., Ltd. (the “Company”) is described below.

### **I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes and Other Basic Information**

#### **1. Basic Views**

With our spirit of *Monozukuri*, or “making things,” as our starting point, represented by material, processing and surface treatment technologies that we have cultivated since the foundation in 1939, we, as the Company, are driving the business toward our corporate philosophy: “Realizing a clean environment and a sophisticated global society.” To this end, we are striving to enhance our corporate governance, believing that it is essential to achieve sustainable growth by offering unmatched technologies and products with superior value, as wells as by forging good relationships with shareholders, customers, and other stakeholders such as trading partners, local society, employees.

Specifically, we are working to raise the effectiveness of corporate governance through the basic policies set forth below.

- (1) Respect the rights of shareholders and ensure fairness.
- (2) Cooperate appropriately with all stakeholders, including shareholders, employees, trading partners and local society.
- (3) Ensure transparency by appropriately disclosing corporate information.
- (4) Ensure directors and audit & supervisory board members recognize their fiduciary responsibility and accountability to shareholders and appropriately fulfill the respective roles and obligations expected of them.
- (5) Make efforts to engage in constructive dialogue with shareholders.

#### **[Reasons for Non-compliance with the Principles of Japan’s Corporate Governance Code]**

The Company complies with all principles of Japan’s Corporate Governance Code.

#### **[Disclosure Based on the Principles of Japan’s Corporate Governance Code] [Updated]**

##### **[Principle 1.4 Cross-Shareholdings]**

##### **(1) Policy on shareholdings**

The Company believes that it is essential to have cooperative relationships with various companies in the interest of business expansion and sustainable growth.

In order to maintain cooperative relationships while boosting corporate value, we follow a policy of holding shares when there is a reasonable basis for doing so from a medium- to long-term perspective, giving comprehensive consideration to such factors as materiality on a business strategy level, business relationship with trading partners, and profitability with capital costs taken into account. Each year, the Board of Directors

examine each individual stock held and consider the appropriateness of holding it based on this policy. When a stock is found by the Board of Directors to be held without reason, that holding will be reduced.

(2) Exercise of voting rights as to shareholdings

When exercising voting rights of stock held, the Company will ensure each individual proposal is examined in line with the criteria set forth below.

- (i) Whether such holdings will contribute to increases in the corporate value of the Company as a shareholder over the medium- to long-term
- (ii) Whether there are matters that give rise to concerns over behavior that violates laws and regulations or goes against corporate ethical principles

[Principle 1.7 Related Party Transactions]

Concerning transactions by Directors that are competitive or involve a conflict of interest, the Company ensures compliance with the procedures stipulated by the Companies Act to ensure that such transactions do not damage the Company or the shareholders' common interest, requires that approval for such transactions are obtained from the Board of Directors beforehand, and makes sure reports are periodically given to the Board of Directors to explain the status of the transactions.

Each Director and Audit & Supervisory Board Member is required to submit a "related party declaration" each accounting period, and this is used to ascertain the existence of transactions or receivables/payables between the Director, Audit & Supervisory Board Member or immediate family member and a company in the TPR Group.

Note that when determining conditions for transactions with major shareholders, they will be the same as those for transactions with third parties.

[Principle 2.6 Roles of Corporate Pension Funds as Asset Owners]

The Company entrusts the management of the defined corporate pension fund to an asset administration and management institution ("Trustee") that declares its acceptance of the stewardship code. The Company appoints multiple staff members representing administrative departments such as human resources and accounting to perform monitoring once every interim accounting period to ascertain based on the report received periodically from the Trustee whether the objectives of the asset management are being achieved and whether the asset structure is being reviewed as appropriate. The Company ensures that a summary of operations concerning the defined benefit corporate pension fund is disclosed to employees once a year pursuant to laws and regulations.

[Principle 3.1.1 Company Objectives (e.g., Corporate Philosophy, etc.), Management Strategies and Management Plans]

For details of our corporate philosophy and Medium-Term Management Plan, please refer to the Company's website as follows:

*Corporate philosophy*: [https://www.tpr.co.jp/tp\\_e/company/philosophy.html](https://www.tpr.co.jp/tp_e/company/philosophy.html)

*Medium-Term Management Plan\**: <https://www.tpr.co.jp/ir/pdf/core20setumei.pdf>

[Principle 3.1.2 Basic Views on Corporate Governance]

Basic views on corporate governance are described in "1. Basic Views."

[Principle 3.1.3 The Board of Directors' Policies and Procedures in Determining the Compensation of the Senior Managements and Directors]

The policies and procedures in determining the compensation of the senior managements and Directors are stated in "II-1. [Director Remuneration] Disclosure of Policy for Determining Remuneration Amounts or Calculation Methods Thereof" in this report.

[Principle 3.1.4 The Board of Directors' Policies and Procedures in the Appointment of the Senior Management and the Nomination of Candidates for Director and Audit & Supervisory Board Member]

- When nominating candidates for Director, each individual's knowledge, experience and capability is considered and candidates are selected from the standpoint of finding the right person for the position based on criteria of being capable at accurate and swift decision making and having good discernment regarding compliance with laws and regulations.
- When nominating candidates for Audit & Supervisory Board Member, candidates are selected from the standpoint of their knowledge in finance and accounting and their capability to monitor the corporate governance structure.
- In accordance with the above policy, the nomination of Director candidates and Audit & Supervisory Board Member candidates is decided by the Board of Directors based on discussions held at the Nomination and Remuneration Committee, of which Outside Directors account for the majority of the members.  
Note that nominations for Audit & Supervisory Board Members are determined after obtaining prior consent from the Audit & Supervisory Board.
- In the event of dismissal of a Director or Audit & Supervisory Board Member, the decision for dismissal is carried out based on discussions held at the Nomination and Remuneration Committee in accordance with criteria established beforehand.

[Principle 3.1.5 Individual Explanation on Appointment, Nomination and Dismissal of Directors and Audit & Supervisory Board Members]

- In the convocation notice of the general meeting of shareholders, the individual reasons for each individual's appointment or dismissal, the career summary for each individual and other information are stated.

[Supplementary Principle 4.1.1 Overview of Scope of Matters Delegated to Management]

The Company has established in the Board of Directors Regulations, in addition to matters provided for under laws and regulations or the articles of incorporation, which matters shall be determined by the Board of Directors, or reported to the Board of Directors, such as management policies, business plans, investment plans, subsidiary establishment or investment. The other individual matters of business execution are entrusted to the decision making authority of executive officers from the Chairman and CEO down, based on the regulations for division of duties and delegation of authority.

In addition, the Company has established the Management Meeting and the Budget Committee (convening monthly, yearly, respectively) as organs of business execution made up of Executive Officers with ranks of Managing Executive Officer and higher, and while striving to enhance discussions of important management issues stipulated as targets for discussion under the regulations for delegation of authority, the Company has established various cross-sectional meetings, such as the Compliance Committee and the Risk Management Committee, and while carrying out examination and monitoring of important management issues from various perspectives, the Company strives to realize optimal decision making.

[Principle 4.9 Independence Standards and Qualification for Independent Outside Directors]

The independence standards for Outside Directors of the Company are stated in "II-1. [Independent Officers] Matters relating to Independent Officers" in this report.

[Supplementary Principle 4.11.1 Policy on Appointment of Directors]

Under the Articles of Incorporation of the Company, the number of Directors is set as ten or less, which is believed to be an appropriate size for the continuous promotion of swift decision making.

When nominating a Director candidate, we comprehensively review individuals from the perspective of assigning the right person to the right position regardless of nationality or gender, giving consideration to the knowledge,

experience, capability and so forth of the candidate, such as their capability of accurate and swift decision making in the Board of Directors, their capability to conduct appropriate business management from a global standpoint, their capability to monitor the business execution of other Directors, their capability to take charge of the general operations of the business division under one's control, and so on. When appointing Directors, we plan on continuing to respect the balance and observe the existing size and rationale in the future.

[Supplementary Principle 4.11.2 Significant Concurrent Positions Outside the Company of Directors and Audit & Supervisory Board Members]

We will continue to practice annual disclosure of significant concurrent positions outside the Company of Directors and Audit & Supervisory Board Members in "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Supervision in Management" of this report and in disclosure material such as the reference materials for convocation notices of general meetings of shareholders, the business report, the annual securities report, and so forth.

[Supplementary Principle 4.11.3 Analysis and Evaluation of Effectiveness of the Board of Directors]

To analyze and evaluate the effectiveness of the Board of Directors, we implemented a survey of each individual, targeting all Directors and Audit & Supervisory Board Members. As a result of such analysis and evaluation, the evaluation results showed that effectiveness was ensured. Looking forward, we will strive to further raise the level of effectiveness.

[Supplementary Principle 4-14-2 Training of Directors and Audit & Supervisory Board Members]

New and incumbent Directors and Audit & Supervisory Board Members have deepened their understanding of their roles and responsibilities as a critical governance body at a listed company, and should endeavor to acquire and update necessary knowledge and skills. Accordingly, the Company has provided and arranged training opportunities suitable to each Director and Audit & Supervisory Board Member along with financial support for associated expenses. The Board of Directors has verified whether such opportunities and support are appropriately provided.

[Principle 5.1 Policy for Constructive Dialogue with Shareholders]

(1) Basic view on policy for constructive dialogue with shareholders

The Company believes that it is essential for shareholders to understand and support the Company's business in order to achieve sustainable growth and medium- to long-term improvement in corporate value for the Company, and that providing accurate information to shareholders in a timely and fair manner while conducting constructive dialogue between both parties to the extent that is reasonably possible will lead to the building of a trusting relationship over the medium to long term.

(2) Approach to dialogue

The Investor and Shareholder Relations Department is responsible for the primary management of dialogue with shareholders and investors while the responsible Officer oversees the process.

In order to enhance dialogue, the Investor and Shareholder Relations Department reviews details with the relevant senior managements prior to such dialogue and strives to provide appropriate response, which includes the selection of who will provide the explanation.

(3) IR system

The Company holds financial results briefings for analysts, institutional investors and the press semi-annually. Targeting general investors, we publish operating results, business activities, management policies and so forth on the Company's website in an easy-to-understand format.

(4) Feedback to inside the Company

We strive to ensure the opinions and suggestions of shareholders and investors that we learn through dialogue are reported at meetings of the Board of Directors, etc., and reflected in information sharing and management strategy.

(5) Insider information

When holding dialogue with shareholders and investors, undisclosed insider information is thoroughly managed based on the prescribed rules.

## 2. Capital Structure

Foreign Shareholding Ratio [Updated]	From 20% to less than 30%
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### [Status of Major Shareholders] [Updated]

Name	Number of Shares Owned (Shares)	Shareholding Ratio (%)
Meiji Yasuda Life Insurance Company	2,395,000	6.92
Sompo Japan Nipponkoa Insurance Inc.	2,293,000	6.63
Custody Bank of Japan, Ltd. (Trust account)	1,991,100	5.76
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,795,100	5.19
Mizuho Bank, Ltd.	1,518,800	4.39
Hulic Co., Ltd.	1,231,800	3.56
Tokyo Tatemono Co., Ltd.	933,687	2.70
TPR Trading-Partner Shareholding Association	891,500	2.57
BBH FOR FIDELITY PURITAN TR: FIDELITY SR INTRINS ICOPPORTUNITEIS FUND	883,400	2.55
Mizuho Trust & Banking Co., Ltd.	766,000	2.21

Controlling Shareholder (except for Parent)	—
Parent (Listed Stock Market)	N/A

Supplementary Explanation

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### 3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange First Section
Fiscal Year-End	March
Type of Business	Machinery
Number of Employees (Consolidated) at End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	From ¥100 billion to less than ¥1 trillion
Number of Consolidated Subsidiaries at End of the Previous Fiscal Year	From 10 to less than 50

### 4. Policy for Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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### 5. Special Circumstances Which May Have Material Impact on Corporate Governance

(1) Views and policies concerning group management

The Company and its subsidiaries develop business under the Group strategy that is shared and mutually understood by all parties and aim to achieve synergistic effects and maximize its operating results as a whole group, while aiming to grow our business and their businesses individually. In addition, the Company intends to give consideration to the independence, especially for its publicly listed subsidiary, in its business operations and respect the rights of its minority shareholders.

(2) Significance, etc. of owning a listed subsidiary

The Company holds 55.5% of shares in FALTEC Co., Ltd. (hereinafter, FALTEC).

The Company mainly manufactures and sells engine functional components, including piston rings and cylinder liners, in the automotive industry. Meanwhile, FALTEC designs, develops, manufactures and sells plastic exterior parts and other products for automotive manufactures, which are business areas not covered by the Company as its core businesses. Accordingly, FALTEC contributes to driving the Group's diversification strategy, and we can expect a synergistic effect through the cooperation and collaboration with the company. In order for FALTEC to continue to demonstrate its true value as well as contribute to enhancing the corporate value of the entire Group, it is absolutely essential to increase the market penetration of FALTEC's brand in the business areas where it operates, recruit great talent and increase their motivation. For this reason, we believe that it is significant to maintain the listing of its stock.

(3) Measures to ensure the effective governance system of the listed subsidiary

We make the utmost efforts to build an effective governance system so that we can respect the independent decision making by FALTEC and avoid the conflict of interest with its minority shareholders.

FALTEC appoints two independent outside directors to provide the appropriate supervision from an objective standpoint. In addition, the company established the Nomination and Remuneration Committee (voluntary committee) with a majority of independent outside officers to enhance the independence, objectivity and accountability in regard to such matters as the election and removal of directors and their remuneration. We

also ensure the effectiveness of the governance system as a corporate group through reports and discussion on important matters in accordance with the Company's Regulations for the Management of Affiliates.

- (4) Contracts, etc. related to the details which shall be described as views and policies concerning group management

The Company and FALTEC are in agreement to work together to create value for the both companies, their employees, shareholders and customers, while retaining their respective brands and identity as well as to respect the independence in operating activities each other based on the spirits of cooperation, understanding and mutual respect between the two companies.

## II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Supervision in Management

### 1. Organizational Composition and Operation

Organization Form	Company with an Audit & Supervisory Board
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#### [Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	10
Term of Office Stipulated in Articles of Incorporation [Updated]	One year
Chairperson of the Board	Representative director other than Chairman or President
Number of Directors	9
Appointment of Outside Directors	Appointed
Number of Outside Directors [Updated]	3
Number of Independent Officers Designated from among Outside Directors [Updated]	3

#### Outside Directors' Relationship with the Company (1) [Updated]

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Masataka Honke	Other											
Toshihisa Kato	From another company											
Kanako Osawa	Attorney at law											

\* Categories for "Relationship with the Company"

“○” when the director presently falls or has recently fallen under the category;

“△” when the director fell under the category in the past;

“●” when a close relative of the director presently falls or has recently fallen under the category; and

“▲” when a close relative of the director fell under the category in the past

- a. Executive (a person who executes business; hereinafter, the same) of the Company or its subsidiary
- b. Non-executive director or executive of the parent of the Company
- c. Executive of a fellow subsidiary of the Company
- d. Party whose major client or supplier is the Company or an executive thereof
- e. Major client or supplier of the Company or an executive thereof
- f. Consultant, accounting professional or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director
- g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a corporation)
- h. Executive of a client or supplier of the Company (which does not correspond to any of d., e., or f.) (the director himself/herself only)
- i. Executive of a corporation to which outside officers are mutually appointed (the director himself/herself only)
- j. Executive of a corporation that receives a donation from the Company (the director himself/herself only)
- k. Other



Outside Directors' Relationship with the Company (2) [Updated]

Name	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Masataka Honke	○	-	<p>The Company has nominated Masataka Honke because it is deemed that his experience in fulfilling his important duties at the Bank of Japan and in the financial sector, and his experience as a corporate executive equips him to appropriately fulfill his duties as an Outside Director of the Company.</p> <p>Because Masataka Honke has played an active role in the financial sector, the Company considers that he does not have a relationship of interest with the Company and there is no risk of a conflict of interest with shareholders arising.</p> <p>The Company appointed Masataka Honke as an Independent Officer at the Board of Directors meeting held on June 29, 2016.</p>
Toshihisa Kato	○	-	<p>The Company has nominated Toshihisa Kato because it is deemed that his experience in fulfilling his long-standing duties at an operating company and his experience of being involved in corporate management equips him to appropriately fulfill his duties as an Outside Director of the Company.</p> <p>The Company considers there are no relationships of interest between the Company and the operating company at which Toshihisa Kato has served, and there is no risk of a conflict of interest with shareholders arising.</p> <p>The Company appointed Toshihisa Kato as an Independent Officer at the Board of Directors meeting held on May 24, 2019.</p>

Name	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Kanako Osawa	○	—	<p>The Company has nominated Kanako Osawa because it is deemed that her expertise and experience accumulated through a wide variety of legal activities will help support the management of the Company.</p> <p>Because Kanako Osawa has played an active role in the legal world, the Company considers that she does not have a relationship of interest with the Company and there is no risk of a conflict of interest with shareholders arising.</p> <p>The Company appointed Kanako Osawa as an Independent Officer at the Board of Directors meeting held on May 14, 2021.</p>

#### [Voluntary Committees]

Voluntary Establishment of Committee(s) Equivalent to Nominating Committee or Remuneration Committee	Established
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#### Committee's Name, Composition, and Chairperson's Attributes [Updated]

	Committee Equivalent to Nominating Committee	Committee Equivalent to Remuneration Committee
Committee's Name	Nomination and Remuneration Committee	Nomination and Remuneration Committee
Total Committee Members	4	4
Full-time Members	0	0
Inside Directors	1	1
Outside Directors	3	3
Outside Experts	0	0
Other	0	0
Chairperson	Inside director	Inside director

#### Supplementary Explanation

The Company has established a Nomination and Remuneration Committee as a non-mandatory advisory body for the Board of Directors for the purpose of strengthening corporate governance from the standpoint of achieving greater transparency and objectivity.

The main matters discussed by the committee are set forth below.

- (1) Matters regarding nomination and dismissal of Directors and Audit & Supervisory Board Members
- (2) Matters regarding appointment and dismissal of CEO and COO
- (3) Matters regarding the composition of the Board of Directors
- (4) Matters regarding the training of CEO and COO
- (5) Matters regarding performance evaluation such as achievement of medium-term management plan, etc.
- (6) Matters regarding the policy on composition of compensation, etc. of Directors and Audit & Supervisory Board Members
- (7) Matters regarding remuneration limits of Directors and Audit & Supervisory Board Members

#### [Audit & Supervisory Board Members]

Establishment of the Audit & Supervisory Board	Established
Maximum Number of Audit & Supervisory Board Members Stipulated in Articles of Incorporation	5
Number of Audit & Supervisory Board Members [Updated]	5

#### Cooperation among Audit & Supervisory Board Members, Financial Auditor and Internal Audit Department

The Audit & Supervisory Board Members periodically exchange opinions with the Financial Auditor, and promote cooperation in the holding of on-site audits as necessary throughout the year and the hearings on the results of such audits.

The Internal Audit Department gives notice of the audit results to the Audit & Supervisory Board Members, and the Audit & Supervisory Board Members and the Internal Audit Department periodically hold meetings for information exchange and they cooperate with each other.

Appointment of Outside Audit & Supervisory Board Members	Appointed
Number of Outside Audit & Supervisory Board Members	3
Number of Independent Officers Designated from among Outside Audit & Supervisory Board Members	3

#### Outside Audit & Supervisory Board Members' Relationship with the Company (1) [Updated]

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Yutaka Sukegawa	From another company									△	△			
Kinya Ninagawa	From another company									△	△			
Takashi Yonekawa	From another company									△	○			

\* Categories for "Relationship with the Company"

- “○” when the Audit & Supervisory Board Member presently falls or has recently fallen under the category;  
“△” when the Audit & Supervisory Board Member fell under the category in the past;  
“●” when a close relative of the Audit & Supervisory Board Member presently falls or has recently fallen under the category; and  
“▲” when a close relative of the Audit & Supervisory Board Member fell under the category in the past

- a. Executive (a person who executes business; hereinafter, the same) of the Company or its subsidiary
- b. Non-executive director or accounting advisor of the Company or its subsidiary
- c. Non-executive director or executive of the parent of the Company
- d. Audit & Supervisory Board Member of the parent of the Company
- e. Executive of a fellow subsidiary of the Company
- f. Party whose major client or supplier is the Company or an executive thereof
- g. Major client or supplier of the Company or an executive thereof
- h. Consultant, accounting professional or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as an Audit & Supervisory Board Member
- i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a corporation)
- j. Executive of a client or supplier of the Company (which does not correspond to any of f., g., or h.) (the Audit & Supervisory Board Member himself/herself only)
- k. Executive of a corporation to which outside officers are mutually appointed (the Audit & Supervisory Board Member himself/herself only)
- l. Executive of a corporation that receives a donation from the Company (the Audit & Supervisory Board Member himself/herself only)
- m. Other

Outside Audit & Supervisory Board Members' Relationship with the Company (2) [Updated]

Name	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Yutaka Sukegawa	○	The Outside Audit & Supervisory Board Member Yutaka Sukegawa served as an executive of Meiji Yasuda Life Insurance Company until March 2015. The company is the Company's first largest shareholder as of March 31, 2021, and has business relationships with the Company, including life insurance. However, the transaction amount does not exceed the amount set forth in the independence standards of the Company.	Yutaka Sukegawa has a long-spanning career history working in information system departments of other companies, and he has extensive experience and insight in relation to IT. The Company therefore nominates him as an Audit & Supervisory Board Member as it deems he is suitably qualified to carry out audits of business operations. The Company appointed Yutaka Sukegawa as an Independent Officer at the Board of Directors meeting held on May 15, 2018.

Name	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Kinya Ninagawa	○	<p>The Outside Audit &amp; Supervisory Board Member Kinya Ninagawa served as Managing Executive Officer of Mizuho Trust &amp; Banking Co., Ltd. until March 2009. The company is the Company's 10th largest shareholder as of March 31, 2021, and has business relationships with the Company, including securities agency. However, the transaction amount does not exceed the amount set forth in the independence standards of the Company.</p>	<p>Kinya Ninagawa has abundant management experience from his long-spanning career history as a company officer at other companies, and he has extensive experience and insight in relation to finance. The Company therefore nominates him as an Audit &amp; Supervisory Board Member as it deems he is suitably qualified to carry out audits of business operations.</p> <p>The Company appointed Kinya Ninagawa as an Independent Officer at the Board of Directors meeting held on May 15, 2018.</p>
Takashi Yonekawa	○	<p>The Outside Audit &amp; Supervisory Board Member Takashi Yonekawa served as Deputy President and Executive Officer of Sompo Japan Insurance Inc. until June 2020 and currently serves as its advisor. The company is the Company's second largest shareholder as of March 31, 2020, and has business relationships including non-life insurance. However, the transaction amount does not exceed the amount set forth in the independence standards of the Company.</p> <p>Takashi Yonekawa also currently serves as President of Yasudanipponkoa Health Insurance Society. The association is a health insurance association that the Company participates in, and has business relationships with the Company, including social insurance. However, the transaction amount does not exceed the amount set forth in the independence standards of the Company.</p>	<p>Takashi Yonekawa has a record of achievement and experience as a corporate manager at other companies and therefore the Company has deemed that he will appropriately execute his duties as an outside Audit &amp; Supervisory Board Member. Accordingly, the Company nominates him as an Audit &amp; Supervisory Board Member.</p> <p>The Company appointed Takashi Yonekawa as an Independent Officer at the Board of Directors meeting held on May 22, 2020.</p>

**[Independent Officers]**

Number of Independent Officers [Updated]	6
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Matters relating to Independent Officers
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[Principle 4.9 Independence Standards and Qualification for Independent Outside Directors]

The independence standards of the Company are as follows:

In order for the Outside Directors and Outside Audit & Supervisory Board Members of the Company to be judged as being independent, such Outside Directors and Outside Audit & Supervisory Board Members must not fall under any of the following items.

- (1) An executive director, executive officer (*shikkoyakuin*) or other employee of the Company and its subsidiaries
- (2) A party whose major client or supplier is the Company (Note 1) or an executive thereof
- (3) Major client or supplier of the Company (Note 2) or an executive thereof
- (4) A consultant, accounting professional or legal expert who receives substantial amount of cash and/or other assets from the Company besides officer compensation (Note 3) (when a person who receives such assets is an organization such as a corporation or an association, a person who belongs to such organization)
- (5) A party who fell under any of the items (2) to (4) in the past year
- (6) A spouse or relative within the second degree of kinship of a party who falls under any of the items (1) to (5) above (excluding unimportant positions)

- (Notes)
1. "A party whose major client or supplier is the Company" is one who received payment from the Company during the latest fiscal year at least equivalent to 2% of the party's annual consolidated net sales or 100 million yen, whichever is greater.
  2. "Major client or supplier of the Company" is one who made payment to the Company during the latest fiscal year at least equivalent to 2% of the Company's annual consolidated net sales or 100 million yen, whichever is greater.
  3. "Receives substantial amount of cash and/or other assets from the Company besides officer compensation" means receiving from the Company monetary consideration or property at least equivalent to 2% of net sales or total revenue of such party or 10 million yen, whichever is greater, in addition to officer compensation.

**[Incentives]**

Implementation of Measures to Provide Incentives to Directors	Other
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Supplementary Explanation
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The Company has implemented a Board Benefit Trust (BBT) to increase awareness about contributing to improve corporate value over the medium- to long-term by clarifying the relationship between the compensation of Directors, etc. (Directors and executive officers) and the Company's stock price, and by having Directors, etc. share with the shareholders not only the benefits of increases in the stock price, but also the risk of decreases in the stock price.

Recipients of Share Options	
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Supplementary Explanation
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**[Director Remuneration]**

Disclosure of Individual Directors' Remuneration	No individual disclosure
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Supplementary Explanation

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The amounts shown are the total amounts for inside Directors, inside Audit & Supervisory Board Members and outside officers, respectively.

Policy for Determining Remuneration Amounts or Calculation Methods Thereof [Updated]
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Established
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Disclosure of Policy for Determining Remuneration Amounts or Calculation Methods Thereof

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1. Basic Policies and Maximum Remuneration Amount

The Company's basic policy is to ensure that the Director remuneration is linked to the Company's business performance and medium- to long-term corporate value so that it can fully function as an incentive for the sustainable enhancement of corporate value, and to determine the remuneration of individual Directors at an appropriate level based on their respective responsibilities and achievements. More specifically, the remuneration of executive Directors shall consist of ordinary remuneration, variable remuneration and share-based remuneration for officers granted by Board Benefit Trust as an incentive to raise awareness about enhancing corporate value. In contrast, non-executive Directors receive ordinary remuneration and share-based remuneration while Audit & Supervisory Board Members only ordinary remuneration.

The proposals on the Company's officer remuneration were resolved at the following general meeting of shareholders.

At the 78th Annual General Meeting of Shareholders held on June 29, 2011, Director remuneration was resolved that it should be limited up to ¥400 million per year. As of the end of the 78th Annual General Meeting of Shareholders, the number of Directors was 10. Of the total amount of Director remuneration, remuneration for Outside Directors was resolved that it should be limited up to ¥70 million at the 86th Annual General Meeting of Shareholders held on June 27, 2019. As of the end of the 86th Annual General Meeting of Shareholders, the number of Outside Directors was three.

A remuneration for Audit & Supervisory Board Members was resolved that it should be limited up to ¥70 million per year at the 81st Annual General Meeting of Shareholders held on June 27, 2014. As of the end of the 81st Annual General Meeting of Shareholders, the number of Audit & Supervisory Board Members was five.

Meanwhile, the revision to share-based remuneration plan for officers (Board Benefit Trust) was resolved at the 88th Annual General Meeting of Shareholders held on June 29, 2021. The revision abolished the retirement benefits for Directors and increased the maximum number of points granted to each Director per fiscal year to 35,000 points with the aim to raise the portion of share-based remuneration of the total remuneration. At the same time, given the effects of share price fluctuations on Director remuneration, the Company has decided that share-based remuneration should be treated separately from the Director remuneration above in this revision. As of the end of the 88th Annual General Meeting of Shareholders, the number of Directors was nine.

## 2. Director remuneration

### (1) Ordinary remuneration (monetary remuneration)

Ordinary remuneration is a fixed monthly salary, determined by considering the position, the level of compensation at other organizations for said duties, performance of the Company and the level of employee salaries from a broad perspective.

### (2) Variable remuneration (monetary remuneration)

Variable remuneration aims to increase a Director's incentive to enhance business performance each year. The amount is calculated based on the business environment, the corporate performance in the previous fiscal year and the contributions to the performance by each executive Director, divided by 12, and then paid together with the ordinary remuneration. Based on the business environment, the Company has established the targets for business performance such as the consolidated ordinary income laid out in the Mid-term Management Plan or proper indicators according to the duties of each executive Director at the time when preparing plans. Such targets or indicators are appropriately revised depending on changing business environment, reflecting the opinion from the Nominating and Remuneration Committee with a majority of independent Outside Directors.

Non-executive Directors and Audit & Supervisory Board Members don't receive variable remuneration.

### (3) Share-based remuneration (non-monetary remuneration)

Non-monetary remuneration is share-based remuneration through the Board Benefit Trust and is paid in accordance with the "Officer Stock Benefit Rules" in order to ensure that the remuneration system is linked to medium- to long-term corporate value enhancement. More specifically, non-monetary remuneration shall be a point system based on position wherein points are assigned at a certain time each year. The non-monetary remuneration shall be paid upon retirement, mainly by converting point granted to a Director during the tenure to one share. Directors who engage in certain illegal or inappropriate acts shall lose their rights to receive the provision of the Company share, etc.

Audit & Supervisory Board Members are not eligible for the share-based remuneration.

### (4) Policy for determining the ratio of remuneration by type

The Nominating and Remuneration Committee considers the ratio of each type of Director remuneration based on a standard level of remuneration in reference to corporate groups with approximately the same size or in the relevant industry, so that Directors with higher position receive higher proportion of the remuneration which links with Company business performance and corporate value. The Board of Directors shall determine the ratio of each type of remuneration based on the opinion from the Nominating and Remuneration Committee.

### (5) Matters regarding determination of remunerations for each Director

The specific details about the amount of remuneration for each Director shall be delegated to the Representative Director, Chairman & CEO by resolution of the Board of Directors, and his authority shall be to decide the amount of ordinary remuneration and the amount of variable remuneration based on the evaluation of the business performance of each Director. The Board of Directors shall consult with the Nominating and Remuneration Committee on the original proposals prepared by the Representative Director, Chairman & CEO to ensure the Representative Director, Chairman & CEO is appropriately exercising this authority, and the Representative Director, Chairman & CEO shall make a decision in accordance with content of that report.

## **[Supporting System for Outside Directors and/or Outside Audit & Supervisory Board Members]**

1. Providing opportunities for information exchange among Outside Directors and Audit & Supervisory Board Members
2. When required, the Outside Directors and Outside Audit & Supervisory Board Members attend important meetings such as the Management Meetings.



3. Two employees shall be assigned as staff (performing concurrent services) to assist the audit duties of the Audit & Supervisory Board Members to improve the effectiveness of the Audit & Supervisory Board Members' audits and enable smooth execution of auditing operations.

**[Status of Persons Who Have Retired from a Position Such as Representative Director and President]**

Retired Representative Director and Presidents, etc. Holding Advisory or Any Other Position in the Company  
[Updated]

Name	Title/ Position	Responsibilities	Working Form and Conditions (Full-time/Part-time, Paid/Unpaid, etc.)	Date of Retirement from Position Such as President	Term of Office
Masashi Hisatomi	Special Adviser	• External activities	• Part-time • Unpaid	June 28, 2007	1 year
Isao Hiraide	Special Adviser	• External activities	• Part-time • Unpaid	June 29, 2017	1 year
Hideo Yamaoka	Special Adviser	• External activities	• Part-time • Unpaid	June 27, 2019	1 year
Kenichi Tomita	Special Adviser	• External activities	• Part-time • Unpaid	June 29, 2021	1 year

Total Number of Retired Representative Director and Presidents, etc. Holding  
Advisory or Any Other Position in the Company [Updated]

4

Other Matters

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**2. Matters on Functions of Business Execution, Audit and Supervision, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System) [Updated]**

The Company has a Board of Directors and Audit & Supervisory Board.

The Company has introduced the Executive Officer System, led by the Chairman & CEO and the President & COO in order to differentiate the supervisory function of Directors from the business execution function of Directors.

The Audit & Supervisory Board cooperates with the Internal Audit Department and also periodically carries out exchange of opinions with the Financial Auditor to perform suitable and appropriate audits in order to promote the enhancement of corporate governance.

(1) Board of Directors

A meeting of the Board of Directors is held every month in general, and extraordinary meetings are held from time to time, whenever necessary. Three individuals, one an attorney from the legal profession, one from the financial sector, and one from the manufacturing sector are selected as independent Outside Directors to enhance the corporate governance of the Company mainly through enhancement of the internal control system, and the achievement of compliance.

In addition, with the objective of making discussions of the Board of Directors meetings more efficient and energized, important matters are discussed at a Management Meeting consisting of Executive Officers with ranks of Managing Executive Officer and higher, and only matters with consensus are raised to the

Board of Directors meetings, in principle. Regular Management Meetings are held twice every month, and extraordinary meetings are held from time to time, whenever necessary.

In order to further strengthen transparency and objectivity of nomination and remuneration of senior management, the Company has established a Nomination and Remuneration Committee as an advisory body for the Board of Directors.

The committee has no less than three members and a majority of members are independent Outside Directors.

(2) Audit & Supervisory Board Member, internal audit and Financial Auditor

The Company has five Audit & Supervisory Board Members, of which three are Outside Audit & Supervisory Board Members with specialist expertise and a high level of independence to ensure neutrality and objectivity of the audit structure.

The Audit & Supervisory Board Member carry out audits in accordance with the audit policy and allotted tasks specified by Audit & Supervisory Board.

The Audit Office, which has been established as an internal audit department under the direct control of the President, carries out audits on the execution of business operations. The Audit Office cooperates with the Audit & Supervisory Board Members by periodically holding meetings to exchange information. The Company assigns two employees as staff (performing concurrent services) to assist the duties of the Audit & Supervisory Board Members.

The Company commissions its accounting audit to Ernst & Young ShinNihon LLC, and the engagement partners are Messrs. Yoichi Tsukimoto and Kazuhiko Yamazaki. There is no special interest between the audit firm, the engagement partners and the Company.

### **3. Reasons for Adoption of Current Corporate Governance System**

As stated above, the structure for supervising management was recognized as being properly in place and functioning, and the Company has selected the current corporate governance structure.

### III. Implementation of Measures for Shareholders and Other Stakeholders

#### 1. Measures to Energize General Shareholders Meetings and Smooth Exercise of Voting Rights [Updated]

	Supplementary Explanations
Early Notification of General Shareholders Meeting	The notification has sent on June 8, 2021, two weeks plus six days prior to the Company's Annual General Meeting of Shareholders. The notification has released on the website on June 1, 2021. (Release date of the Notification on the website: June 1, 2021 Date of sending the Notice: June 8, 2021 Date of the General Meeting of Shareholders: June 29, 2021)
Allowing Electronic or Magnetic Exercise of Voting Rights	The Company has adopted the exercise of voting rights by electronic or magnetic means since the Company's 87th Annual General Meeting of Shareholders held on June 26, 2020.
Participation in Electronic Voting Platform and Other Efforts to Enhance the Voting Environment for Institutional Investors	The Company has participated in the Electronic Voting Platform since the Company's 87th Annual General Meeting of Shareholders held on June 26, 2020.
Providing Convocation Notice in English	The Company has provided the convocation notice in English since the Company's 87th Annual General Meeting of Shareholders held on June 26, 2020.

#### 2. IR Activities [Updated]

	Supplementary Explanations	Explanation by Representative
Regular Investor Briefings for Analysts and Institutional Investors	The Company holds financial results briefings semi-annually.	Yes
Posting of IR Materials on Website	<a href="https://www.tpr.co.jp/tp_e/index.html">https://www.tpr.co.jp/tp_e/index.html</a>	
Establishment of Department and/or Manager in Charge of IR	Investor and Shareholder Relations Department	

#### 3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Provisions to Ensure Due Respect for Stakeholders in Internal Rules, etc.	We have formulated the "Corporate Governance Guidelines" and have fundamentally put in place all rules
Implementation of Environmental Activities, CSR Activities, etc.	We formulate the "Environmental Guidelines" each year and carries out company-wide activities based on the environmental management system (EMS) which is based on ISO14001
Formulation of Policies for Information Provision to Stakeholders	We incorporate this into the "Corporate Governance Guidelines"

## IV. Matters Related to Internal Control System

### 1. Basic Views on Internal Control System and Progress of System Development [Updated]

In addition to formulating the “Basic Policies for Establishment of Internal Control Systems” based on the TPR’s corporate philosophy, the Company has established a Group Governance Department under the direct control of the Chairman & CEO, to perform the role of ensuring the appropriateness of operations, promoting the construction of a more effective internal control system and achieving continual improvement.

With regard to the internal control reporting system related to financial reporting required by the Financial Instruments and Exchange Act (so-called J-SOX), the Company is actively implementing initiatives and taking suitable and appropriate measures while receiving expert advice.

- (1) System ensuring that execution of duties by Directors complies with laws and regulations and the Articles of Incorporation

The Company formulates the “TPR Group Compliance Basic Rules” and the “TPR Compliance Rules” as rules to apply to Directors, Audit & Supervisory Board Members, Executive Officers, and employees, and it works to ensure compliance. At the same time, the Company has introduced the TPR Group whistleblowing system, which also provides an external contact point operated by a law office, as a whistleblowing structure for violations of laws and regulations and concerns over compliance. Efforts to ensure the appropriate operation of the Board of Directors are carried out on a periodic basis or whenever required based on the stipulations of the Board of Directors Regulations. In addition, the Company is a company with audit & supervisory board, and in addition to making the execution of duties of the Directors the target of the audits of each Audit & Supervisory Board Member in accordance with the audit policy and allotted tasks specified by the Audit & Supervisory Board, if a Director discovers that another Director’s actions violate laws and regulations or the Company’s articles of incorporation, that Director shall immediately report it to the Audit & Supervisory Board and Board of Directors and work to bring about its rectification.

- (2) System for storing and managing information related to execution of duties by Directors of the Company

The Company shall store and manage information related to execution of duties by Directors of the Company in a proper and secure manner in the fully searchable form most suitable to the preservation media used pursuant to the “Document-handling Regulations,” and it shall keep it available for inspection for ten years as necessary.

- (3) Regulations and other system for managing risks of loss of the Company

The Company shall accurately evaluate and recognize the risks related to business execution of the Company, and has formulated the “Risk Management Regulations” to establish measures to prevent the materialization of any such risks, or measures to minimize the loss arising from such materialization of risks.

Furthermore, pursuant to the “TPR IT Information Security Regulations,” the Company will strive to both promote the effective use of advancing IT technology and guard against the risk of information leakage, etc.

- (4) System ensuring the efficiency of execution of duties by Directors of the Company

- a. In order to conduct effective and efficient decision making for important management-related matters, a resolution of the proposal for such matters is made by the Board of Directors after deliberation by the management meeting (hereinafter the “Management Meeting”) which consists of Representative Director and officers in charge of the relevant departments (including Overseas Operations, Sales, Production, Administration, and Technology). A regular meeting of the Board of Directors is held once every month, and extraordinary meetings are held from time to time, whenever necessary. Regular Management Meetings are held twice every month, and extraordinary meetings are held from time to time, whenever necessary.

- b. The respective person responsible, the details of responsibility and the executional procedures for the execution of business shall be specified in the “Organizational Management Regulations,”

“Regulations for Division of Duties,” and “Regulations for Delegation of Authority” to ensure efficient execution of business.

- (5) System ensuring that execution of duties by employees of the Company complies with laws and regulations and the Articles of Incorporation
- a. The Company formulates the “TPR Group Compliance Basic Rules” and the “TPR Compliance Rules.” Pursuant with these provisions, the Company has established the “Compliance Committee,” consisting of members of the Management Meeting with the Chairman & CEO as the chief responsible officer. The Compliance Committee works to maintain and improve the compliance system by making each department/office general manager a compliance promotion officer.
  - b. Content that teaches the importance of compliance is included in the employee training system as a mandatory component.
  - c. An internal audit department has been established under the direct control of the Chairman & CEO to conduct compliance audit as an important audit scope.
  - d. In the event that Directors find any material violation of laws and regulations or other important facts regarding compliance at the Company, they shall report to the Audit & Supervisory Board Members immediately and report to the Board of Directors without delay.
  - e. A whistleblowing system for facts relating to violation of laws and regulations and other compliance matters has been established whereby either the Compliance Committee, an external law firm or an Audit & Supervisory Board Member can act as the person who receives the information. In addition, the whistleblower shall not receive unfair treatment due to them making the report.
  - f. In cases where the Audit & Supervisory Board Member recognizes there is a problem with the Company’s system or the operation of whistleblowing system, he/she may recommend to the Directors that improvement measures be formulated.

- (6) System ensuring the proper business operation of the corporate group

In order to put in place a compliance system for group companies, the Company has established the “TPR Group Compliance Basic Rules” and each group company has established a system that is in line with those rules. Based on the Rules, the Company and each Group company plan compliance activities while working to enhance the compliance awareness and reinforce the monitoring. In addition, we have designed the whistleblowing system in the Group to detect the compliance matter early via multiple whistleblowing channels and measures.

- (7) System for reporting to the Company on matters related to execution of duties by directors, etc. of the subsidiaries of the Company

In terms of business management, the Company manages the business of subsidiaries using a system for making decisions and reporting to the Company in accordance with the “Regulations for the Management of Affiliates,” and shall monitor the status of the execution of these duties as necessary.

- (8) Regulations and other system for managing risks of loss of the subsidiaries

The Company shall accurately evaluate and recognize the risks related to business execution of subsidiaries, and has formulated the “TPR Group Risk Management Basic Regulations” to establish measures to prevent the materialization of any such risks, or measures to minimize losses arising from such materialization of risks. Each subsidiary establishes a system conforming to these regulations.

- (9) System ensuring the efficiency of execution of duties by directors of the subsidiaries

The Company performs supervision of the execution of duties of subsidiaries to ensure the construction of systems by which business is performed efficiently, giving consideration to the subsidiary’s business, its scale and its place in the Group. Furthermore, decisions to execute important management-related matters of subsidiaries shall be resolved at the board of directors of the subsidiary after deliberation of the matter has been carried out by the Company’s Management Meeting beforehand. In addition to regular meetings of the board of directors of the subsidiaries, extraordinary meetings are held from time to time, whenever necessary.

- (10) System ensuring that execution of duties by directors, etc. and employees of the subsidiaries complies with laws and regulations and the Articles of Incorporation

The subsidiaries establish a system that conforms to the “TPR Group Compliance Basic Rules” to serve as a system that the Company can use to supervise the compliance activities of the subsidiaries. In addition, the Company formulates the “TPR Group Whistleblowing Regulations,” which includes directors, etc. and employees of subsidiaries in the scope of eligible whistleblowers.

- (11) Matters regarding employees assigned to assist the Audit & Supervisory Board Members of the Company in performing their duties, the independence from Directors of such employees, and ensuring the validity of instructions given to such employees

a. Requested by the Audit & Supervisory Board Members, the Company assigns some employees of the Company as those in assisting the duties of the Audit & Supervisory Board Members.

b. The assigned duties, transfer, evaluation, and so forth of such employees shall require prior consent from the Audit & Supervisory Board Members to ensure independence of the assistants mentioned above.

- (12) System for reporting by Directors and employees of the Company to Audit & Supervisory Board Members of the Company

The Company formulates the “Management Guidelines for Reports on Specific Matters,” which prescribes how matters expected to have a material impact on management should be reported to the Chairman & CEO, etc. and such matters are also reported to the Audit & Supervisory Board Members. In addition, the Company formulates the “TPR Group Whistleblowing Regulations,” which include Directors and employees in the scope of eligible whistleblowers, and information obtained under the whistleblowing system shall be passed to Audit & Supervisory Board Members. Also, the Regulations enable the direct reporting to Audit & Supervisory Board Members of the Company. Notwithstanding the foregoing, an Audit & Supervisory Board Member may at any time as necessary request a business report from a Director or an employee or may investigate the status of operations and assets.

- (13) System for reporting by directors and employees of the subsidiaries to Audit & Supervisory Board Members of the Company

In conformity with the “Management Guidelines for Reports on Specific Matters,” mentioned in the previous paragraph, matters related to subsidiaries are reported to Audit & Supervisory Board Members of the Company. In addition, in accordance with the “TPR Group Whistleblowing Regulations,” the directors and employees of subsidiaries are included in the scope of eligible whistleblowers under the TPR Group whistleblowing system and information obtained under the whistleblowing system shall be passed to audit & supervisory board members. Also, the Regulations enable the direct reporting to Audit & Supervisory Board Members of the Company. Notwithstanding the foregoing, an Audit & Supervisory Board Member of the Company may at any time as necessary request a business report from a subsidiary’s director or an employee or may investigate the status of operations and assets.

- (14) System to ensure a person who reports the above two items does not receive unfair treatment

The Directors and employees of the Company and directors and employees of its subsidiaries shall not receive unfair treatment due to them making reports or conducting inquiries in response to a request from an Audit & Supervisory Board Member.

In addition, in the event a Director or employee of the Company or director or employee of its subsidiaries makes a whistleblowing report, there are assurances in place in accordance with the “TPR Group Whistleblowing Regulations” to ensure the individual does not receive unfair treatment because of making the whistleblowing report.

- (15) Policy related to the processing of expenses incurred in the execution of the duties of Audit & Supervisory Board Members

To cover the costs incurred in the Company’s Audit & Supervisory Board Members performance of their duties, the necessary processing based on invoicing by the Audit & Supervisory Board Member shall be carried out swiftly to ensure there is no hindrance to such performance of duties.

(16) System to ensure the effectiveness of auditing by Audit & Supervisory Board Members

The Audit & Supervisory Board Members shall periodically meet with the Representative Director and hold meetings to exchange opinions with the Outside Directors. In addition, they shall preserve cooperation with the Audit Office, Group Governance Department, Financial Auditors, and audit & supervisory board members of subsidiaries and strive to ensure the effectiveness of the Audit & Supervisory Board Members' audit.

The Company's organs, internal controls, and so forth mentioned above are as shown in the attached schematic diagram.

**2. Basic Views on Eliminating Anti-Social Forces and Progress of Related Efforts**

Systems to sever relations with and eliminate anti-social forces

- a. The Company has formulated the "TPR Group Compliance Basic Rules" to maintain fairness and soundness of operations by rejecting relations with antisocial forces as part of its corporate social duty.
- b. The office responsible for responding to antisocial forces is the Human Affairs and General Administration Division. By giving thorough instructions on appropriate response to each internal department, and closely cooperation with the relevant external authorities, the Company is taking thorough efforts to sever relations with and eliminate anti-social forces.
- c. If relationship are inadvertently formed with anti-social forces due to misrepresentation, proxy or so forth, as soon as the situation is discovered or as soon as suspicions are aroused, the Company will swiftly end such relations through close cooperation with the relevant external authorities.

## V. Other

### 1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Adopted
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#### Supplementary Explanation [Updated]

At the Company's Board of Directors meeting held on February 8, 2007, the Company resolved and effectuated "Measures to Respond to a Large-Scale Purchase of the Company's Shares" as a takeover defense measure and this was approved at the 74th Ordinary General Meeting of Shareholders held on June 28, 2007. Afterward, at the 77th Ordinary General Meeting of Shareholders held on June 25, 2010, the 80th Ordinary General Meeting of Shareholders held on June 27, 2013, the 83rd Ordinary General Meeting of Shareholders held on June 29, 2016, 86th Ordinary General Meeting of Shareholders held on June 29, 2019, proposals to make partial changes to and extend the takeover measures were approved, and currently the valid term of the measures has been extended until the ordinary general meeting of shareholders scheduled to be held in June 2022. The disclosure materials are available on the Company's website. For details, please refer to the Company's website (<http://www.tpr.co.jp>; Japanese only).

### 2. Other Matters Concerning Corporate Governance System [Updated]

Overview of timely disclosure system

#### 1. Basic stance for timely disclosure of the Company

In accordance with "TPR Group Compliance Basic Stance," the Company ensures that Officers and employees disclose company information on a timely and appropriate basis, and strives for the accurate, fair and swift information disclosure of company information.

#### 2. Disclosure standards

The Company discloses important information that could have an impact on the investment decisions of shareholders and investors, such as decisions, incidents, and financial results, in line with criteria set forth by the Tokyo Stock Exchange such as the Securities Listing Regulations and with the Financial Instruments and Exchange Act. In addition, the Company strives to proactively disclose information when it deems the information to be useful to shareholders and investors even if it is not covered by the Securities Listing Regulations, etc.

#### 3. Internal systems for timely disclosure

The Company has established the Investor and Shareholder Relations Department in charge of disclosure to ensure the important information is compiled and disclosed properly. Disclosure of information related to important decisions and financial results shall be swiftly disclosed after submitting the matter to and receiving approval from the Board of Directors, and timely disclosure of important incidents is made without delay after reporting the matter to the Representative Director, and reporting that disclosure to the Board of Directors.



## Group Corporate Governance System of TPR Co., Ltd.

