

Last Update: June 28, 2022

Tamura Corporation

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Securities Code: 6768

<https://www.tamuracorp.com>

Notice: This is a translation of the original Japanese document only for reference purposes. In the event of any discrepancy between this translation and the original Japanese document, the latter shall prevail.

The corporate governance of Tamura Corporation (the “Company”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views

The Company and its group companies (collectively, the “Group” or “Tamura Group”) have a basic management philosophy of respecting the interests of shareholders. The Group thrives to realize compliance management based on a strong sense of mission of the management team entrusted with management by shareholders and a high sense of corporate ethics. The basic policy and purpose of the Group’s corporate governance is to maximize its corporate value for shareholders by improving management efficiency and transparency.

The Company adopts the governance structure of a Company with Audit and Supervisory Board. While there are other structures such as a company with a nomination committee and a company with an audit and supervisory committee, the Company has chosen to continue with the current structure, as the supervision of the management by the Board and the business execution are effectively separated.

Disclosure Based on the Principles of the Corporate Governance Code

[Principle 1-4 Strategically held shares]

(Holding policy)

The electronics industry in which the Group operates has a wide range of participants, from finished product manufacturers to parts suppliers, and it is essential for it to collaborate directly or indirectly with third parties in development, procurement, production, distribution, and sales of products. For this reason, the Company holds certain strategic shares from a medium- to long-term perspective to improve corporate value, comprehensively considering business and alliance strategies. The Board of Directors regularly verifies the suitability of individual holding, taking into consideration the business strategy of the Group as well as its business relationship with the issuers of the shares from a medium- to long-term perspective. Should any be determined unsuitable for holding as a result of such verification, the holding will be reduced or ceased.

(Verification method)

The necessity of particular stock is reviewed in light of the above-mentioned purpose of holding and based on the three criteria: annual transaction value with the issuer; transaction trend for the last three years; and the value of holding against the value of transaction. The value of transaction is determined on a consolidated basis of an issuer.

(Exercise of voting rights)

The voting rights related to strategically held shares shall be exercised for each agenda item, comprehensively considering whether the holding contributes to the improvement of the medium- to long-term corporate value of the issuer and whether it leads to the improvement of the medium- to long-term corporate value of the Company. The specific criteria are disclosed on the Group's website (Japanese only).

(Criteria for exercising voting rights for strategically held shares: <https://www.tamura-ss.co.jp/jp/finance/governance.html>)

[Principle 1-7 Related Party Transactions]

The Company's transaction involving conflict of interest such as transaction with its Director or Officer, competing transaction or its Director's or Officer's concurrently serving as director or officer of another legal entity shall be reviewed and approved by the Board of Directors.

[Supplementary Principle 2-3 (1) Responding to Sustainability Issues]

The sustainability policy is expressed in the Group's corporate philosophy, consisting of the Mission, Vision, and Guidelines, as well as the Tamura Group Code of Conduct. Further, the Group's Medium-term Management Plan integrates its business strategy and sustainability strategy, which is deployed based on the defined Materiality. The details of sustainability activities are published on the Group's website and Tamura Corporation Report drafted with reference to the GRI Sustainability Reporting Standards and the ISO 26000 guidance standards.

[Supplementary Principle 2-4 (1) Ensuring Diversity]

The Group has focused on talent development with the aim of becoming a "company that people long for" and a "company where people come." In the 13th Medium-term Management Plan, which covers the three fiscal years from April 2022 to March 2025, the policy is to promote the integration of business and sustainability strategies, and to further focus on human resources strategy. The sustainability strategy is to be deployed around eight items of Materiality. One of them is the realization of job satisfaction, for which the Group will promote two measures: job satisfaction reform; and ensuring the diversity among managers. It believes that diversity among people is essential to meet the expectations of global stakeholders. In the 13th Medium-term Management Plan, the Group will prioritize improvements in Japan, where diversity is relatively low. It aims to raise the ratio of women, non-Japanese, and mid-career hires among managers of the Company to 10%, 5%, and 50% respectively by the fiscal year ending March 2025.

[Principle 2-6 Function as an asset owner of corporate pension fund]

The Company has established the Tamura Seisakusho Corporate Pension Fund to ensure stable and efficient profit making and future pension benefits. The Fund has formulated the Basic Investment Policy and manages pension assets. The decision-making regarding asset management of the Fund is deliberated by its board of directors and its management committee. A person with

appropriate qualifications has been appointed as managing executive director. In addition, the actual management of the Pension Fund is outsourced to a financial institution that has accepted the Stewardship Code in Japan. The activities of the financial institution are reviewed in its Stewardship Activity Report. The relevant information is made available on the intranet for the members of the Fund.

[Principle 3-1 Enhancement of Information Disclosure]

(1) a. Management Philosophy

The Group has established its corporate philosophy, consisting of the Mission, Vision, and Guidelines, which are available on its website. (Mission Vision Guidelines: <https://www.tamuracorp.com/corporate/idea/index.html>)

(1) b. Management Strategy and Management Plan

The Group's Medium-term Management Plan is available on its website. (Medium-term Management Plan: https://www.tamuracorp.com/finance/report/financial_results_presentation.html)

(2) Basic policy regarding corporate governance

Please refer to 1. Basic Views above.

(3) Policy and procedure for determining remuneration for Directors

Please refer to II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management below.

(4) Policies and procedures for the selection and dismissal of candidates for Directors and Audit and Supervisory Board Members

Please refer to 2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System) of II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management below.

(5) Explanation of individual appointment, dismissal, and nomination of candidates for Directors and Audit and Supervisory Board Members

For the reasons for the appointment of Outside Directors and Outside Members of the Audit and Supervisory Board, please refer to 1. Organizational Composition and Operation of II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management below. The biographies of all candidates and the reasons for their appointment are disclosed in the notice of convocation of the General Meeting of Shareholders each time a candidate is proposed.

[Supplementary Principle 3-1 (3) Disclosure of Sustainability Initiatives]

The Group has integrated its business and sustainability strategies in the 13th Medium-term Management Plan, which covers the three fiscal years from April 2022 to March 2025. The sustainability strategy is deployed around the eight items of Materiality:

(1) sustainable business growth; (2) improvement of product quality; (3) proper supply chain management; (4) compliance; (5) realization of job satisfaction; (6) coexistence with local communities, and (7) realization of global environmental conservation and decarbonization of the society; and (8) the enhancement of information disclosure. The KPIs for each item and the targets to be achieved by the fiscal year ending March 2025 have been set for each item.

Climate change is identified as one of Materiality items and the Group is promoting initiatives with the targets for FY2025/3: to increase the sales ratio of Sustainability Contributing Products to 27 percent; and to reduce greenhouse gas emissions (scopes 1 &

2) by 33 percent or more compared to 2013. Although the Group has transitional and physical risks, its core businesses can benefit from expanding market opportunities associated with climate change. Please refer to the Group's website (Japanese only) (<https://www.tamura-ss.co.jp/jp/csr/activity/object.html>) for more information on opportunities and risks related to climate change, prepared with reference to the Task Force on the Climate-related Financial Disclosure (TCFD) framework. The Medium-term Management Plan is published on the Group's website (https://www.tamuracorp.com/finance/report/financial_results_presentation.html) as well as in the notice of convocation of the General Meeting of Shareholders (Japanese only).

[Supplementary Principle 4-1 (1) Clarification of the role of the Board of Directors and the scope of delegation to management]

The Company has defined the matters to be resolved by the Board of Directors and the matters delegated to the Executive Officers and thus separated the supervision by the Board and the business execution, in accordance with the Terms of Reference of the Board of Directors, Authority and Duties Rules and other relevant internal rules. The outline is disclosed on the Group's website and in this Corporate Governance Report.

The Board of Directors decides on the matters stipulated by laws and regulations and the Articles of Incorporation, as well as other important matters of the Group.

The Board of Managing Directors assists the Representative Directors and the Board of Directors by discussing, deciding or reporting important matters of Group, to ensure speedy management decisions.

The Management Committee for a business division is chaired by the head of business and is composed of the relevant Executive Officers appointed by the Board of Directors and other senior managers. The results of the Management Committee Meetings are reported to the Board of Directors and the Audit and Supervisory Board, so that they can promptly detect and deal with specific issues and problems in the frontline of businesses.

The meetings for each business division are chaired by the head of the business, and is composed of the relevant Executive Officers, department heads and other senior managers within the division. They discuss management issues and business execution within the business division. Executive Officers are responsible for carrying out their duties in their respective fields based on the policies decided by the Board of Directors.

(The Group's corporate governance structure: <https://www.tamuracorp.com/csr/governance/index.html>)

[Principle 4-8 Effective utilization of Independent Outside Directors]

The Company has appointed three Independent Outside Directors, accounting for more than one third of the Board of Directors. Independent Outside Directors are actively participating in the discussions of the Board of Directors, providing independent and neutral viewpoints based on their abundant experience and expert knowledge, and contributing to the enhancement of corporate value.

[Principle 4-9 Independence Criteria and Qualities for Independent Outside Directors]

The Group has established its own Independence Criteria for Directors and Audit and Supervisory Board Members, available on its website. The Group shall select such candidates of Directors and Audit and Supervisory Board Members who meet the Criteria in addition to those set by the Companies Act and the Tokyo Stock Exchange.

(Independence Criteria for Directors and Audit and Supervisory Board Members:

<https://www.tamura-ss.co.jp/jp/finance/governance.html>) (Japanese only)

[Supplementary Principle 4-10 (1) Utilization of Committees]

The Company has established the Nomination and Remuneration Advisory Committee as an advisory body to the Board of Directors in order to make fair and transparent decisions regarding the nomination and remuneration of Directors and Officers. The Committee, which is chaired by the Lead Outside Director and consists of the two Representative Directors and three Independent Outside Directors, meets several times a year. For details, please refer to 2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System) of II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management below.

[Supplementary Principle 4-11 (1) Approach to the balance of knowledge, experience and capabilities among Directors, as well as the diversity in and size of the Board of Directors as a whole]

Outside Directors and Outside Members of the Audit and Supervisory Board are selected according to the Independence Criteria for Directors and Audit and Supervisory Board Members. In addition, the Group gives due consideration to the balance of knowledge and experience among the Directors and Audit and Supervisory Board Members, in order to strengthen competitiveness and promote sound and sustainable growth of its businesses. Outside Directors include those who have experienced business management and governmental positions and a lawyer. A lawyer and a certified public accountant as Outside Members of the Audit and Supervisory Board.

For details, please refer to 2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System) of II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management as well as the attached Key Experiences and Capabilities of Directors and Auditors (Skill Matrix).

[Supplementary Principle 4-11 (2) Status of concurrent posts of Directors and Audit and Supervisory Board Members of other listed companies]

There are Outside Directors and Outside Members of the Audit and Supervisory Board who also serve as directors and officers of other listed companies. The information regarding the status of concurrent posts is disclosed in the notice of convocation of the General Meeting of Shareholders, securities report, and this Corporate Governance Report. None of the Directors who are also Executive Officers holds concurrent posts of other listed companies and they can focus solely on their duties as the Company's Directors and Executive Officers.

One of the two Outside Members of the Audit and Supervisory Board concurrently serves as an outside director and outside corporate auditor of other listed companies. The Full-time Member of the Audit and Supervisory Board does not hold any concurrent position and can focus solely on his duties as the Company's the Audit and Supervisory Board Member.

The status of concurrent posts of Outside Directors and Outside Members of the Audit and Supervisory Boards at other companies is reported annually, including in the notice of convocation of the General Meeting of Shareholders, securities report and this Corporate Governance Report.

[Supplementary Principle 4-11 Analysis and evaluation of the effectiveness of the Board of Directors]

As part of efforts to further improve the operation of the Board of Directors, it evaluates the effectiveness every year and discloses a summary.

For the fiscal year ended March 2022, the Board of Directors evaluated its effectiveness, including that of the Nomination and Remuneration Advisory Committee. All the Directors and the Audit and Supervisory Board Members anonymously answered a survey of selective or free response questionnaire prepared by a third party, who also analyzed the results. They were reported to the Board of Directors at the meeting held on June 21, 2022, and the improvement measures were discussed.

The outline of the effectiveness evaluation of the Board of Directors for the fiscal year ended March 2022 is as follows.

- The overall evaluations remained positive as previous years' results, with constructive and proactive opinions provided by many Directors and the Audit and Supervisory Board Members.
- It was also confirmed: that the Board of Directors is being operated properly; that the risk management system is effectively established and supervised; that the Outside Directors and Outside Members of the Audit and Supervisory Board have contributed to constructive discussions at the Board of Directors; and that the Board of Directors has multifaceted and sufficient examinations and discussions of issues and has supporting the decision-making of the executives. Based on the foregoing, the effectiveness of the Board of Directors was established.
- As a result of improvements made in administration of meetings and provision of information based on the effectiveness evaluation of the previous fiscal year ended March 2021, it was recognized that steady progresses have been made to enhance the quality of discussions.
- However, it was confirmed that further progress should be made regarding the deliberation time at the Board of Directors, discussions on the succession plan of top management, and training of Directors and Officers.
- The Group will continue to make efforts to improve the effectiveness of the Board of Directors and to contribute to its sustainable growth, such as effectively demonstrating the functions of the Board of Directors and ensuring diversity among managers.

[Supplementary Principle 4-14 (2) Training policy for Directors and the Audit and Supervisory Board Members]

The Directors and the Audit and Supervisory Board Members of the Company strive to acquire, review, and update the knowledge necessary to fulfill their respective roles and responsibilities. Directors and the Audit and Supervisory Board Members receive in-house training when they are newly appointed. In addition to the information provided at the meetings of Board of Directors, Outside Directors and Outside Members of the Audit and Supervisory Board are given opportunities of visiting key Group sites for audit and receives briefings by the Full-time Member of the Audit and Supervisory Board regarding the status of the Group's business and management issues.

[Principle 5-1 Policy on constructive dialogue with shareholders]

The Group has the Investor Relations Department as the contact for dialogues with investors and shareholders. Further, the management briefing for analysts and institutional investors are conducted semiannually, within a few days after the financial results announcement. The presentation and other information used at the briefings are disclosed at the Tokyo Stock Exchange and on the Group's website. (Financial results presentation: https://www.tamuracorp.com/finance/report/financial_results_presentation.html)

2. Capital Structure

Foreign Shareholding Ratio	Less than 10%
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Status of Major Shareholders

Name or Company Name	Number of Shares Owned	Percentage (%)
Master Trust Bank of Japan, Ltd. (Trust account)	8,682,000	10.56
Tamura Cooperating Company Stockholding Association	3,474,856	4.22
Sumitomo Mitsui Banking Corporation	3,200,466	3.89
Mizuho Bank, Ltd.	1,999,861	2.43
Resona Bank, Limited	1,911,373	2.32
STATE STREET BANK AND TRUST COMPANY 505224	1,863,500	2.26
Sumitomo Mitsui Trust Bank, Ltd.	1,412,000	1.71
Custody Bank of Japan (Trust)	1,224,300	1.49
Tamura Corporation Employee Stockholding Association	1,128,162	1.37
Naoki Tamura	1,065,384	1.29

Name of Controlling Shareholder, if applicable (excluding Parent Company)	N/A
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Name of Parent Company, if applicable	N/A
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Supplementary Explanation

The Status of Major Shareholders is as of March 31, 2022.

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Prime Market
Fiscal Year-End	March
Business Sector	Electrical Appliances
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) as of the End of the Previous Fiscal Year	¥10 billion or more and less than ¥100 billion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	10 or more and fewer than 50

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

N/A

5. Other Special Circumstances which May have Material Impact on Corporate Governance

The Company does not have a parent company or a listed subsidiary.

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

1. Organizational Composition and Operation

Corporate Governance System	Company with Audit and Supervisory Board*
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*Referred to in the Corporate Governance Code reference translation as "Company with *Kansayaku* Board"

Directors

Number of Directors Stipulated in Articles of Incorporation	10
Directors' Term of Office Stipulated in Articles of Incorporation	Two years
Chairperson of the Board	Chairperson (excluding those concurrently serving as President)
Number of Directors	8
Election of Outside Directors	Elected
Number of Outside Directors	3
Number of Independent Directors	3

Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Takeo Minomiya	From another company									△		
Akira Kubota	From another company									△		
Haruko Shibumura	Lawyer									△		

*Categories for "Relationship with the Company".

(Use "○" 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. Person who executes business of the Company or a subsidiary

b. Person who executes business or a non-executive director of a parent company

- c. Person who executes business of a fellow subsidiary
- d. Person/entity for which the Company is a major client or a person who executes business for such person/entity
- e. Major client of the Company or a person who executes business for such client
- f. Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets in addition to director/Audit and Supervisory Board Member compensation from the Company
- g. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business of the corporation)
- h. Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to self only)
- i. Person who executes business for another company holding cross-directorships/cross-auditorships with the Company (applies to self only)
- j. Person who executes business for an entity receiving contributions from the Company (applies to self only)
- k. Other

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Applicable Relationship	Reasons for Appointment
Takeo Minomiya	○	<p>Until June 2006, Mr. Minomiya was an Executive Officer and Senior Managing Director of Sony Corporation (currently Sony Group Corporation) and Vice President of Sony EMCS Corporation.</p> <p>There is a business relationship between the Company and Sony, but it is not significant enough to create a special interest in light of the scale and nature of the transactions.</p>	<p>Mr. Minomiya has held senior management positions at multiple companies including Sony, a leading global in Japan. He has a wide range of advanced knowledge and experience in international corporate management and business management.</p> <p>He was appointed as an Outside Director of the Company in June 2007 with no introduction or recommendation by any of the Company's customers or suppliers or with no consideration to the fact he had worked for them. The Company had never accepted Directors from them. He was appointed one year after he had retired as Senior Managing Director of Sony Corporation (currently Sony Group Corporation) and Vice President of Sony EMCS Corporation and there should be no risk of conflict of interest with shareholders.</p> <p>Since his appointment, he has provided an objective perspective based on a wide range of experience and knowledge at the Board of Directors or other important meetings and has never represented the interests of his former employers.</p>
Akira Kubota	○	<p>Until March 2017, Mr. Kubota was a Managing Executive Officer of Olympus Corporation.</p> <p>There is a business relationship between the Company and Olympus, but it is not significant</p>	<p>Mr. Kubota has extensive experience in government agencies, has held senior positions at other companies and has experiences in wide-ranging business development and insight into management.</p> <p>The business relationship between the Group and Olympus is as shown on the left. He was appointed as Outside Director</p>

		enough to create a special interest in light of the scale and nature of the transactions.	more than one year after he had retired from Olympus and there should be no risk of conflict of interest with shareholders.
Haruko Shibumura	○	<p>Prior to appointment as Outside Director of the Company in June 2018, Ms. Shibumura provided legal advice to the Company. However, the fee she had received during the three years prior to such appointment was less than JPY10 million p.a., which is not significant enough to create a special interest in light of the scale and nature of the transactions.</p> <p>Since the appointment, she has received no payment from the Group, other than the remuneration for an Outside Director.</p>	As a lawyer, Ms. Shibumura has a wealth of experience and insight into corporate legal affairs, including corporate governance, crisis management, risk management, and CSR. She satisfies the Group's Independence Criteria and there should be no risk of conflict of interest with shareholders.

Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee	Established
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Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chair (Chairperson)

	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	Nomination and Remuneration Advisory Committee	5	0	2	3	0	0	Outside Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Nomination and Remuneration Advisory Committee	5	0	2	3	0	0	Outside Director

Supplementary Explanation

It is a committee that considers and advises on the nomination and remuneration of Directors and Executive Officers.

Audit and Supervisory Board Member*

*Referred to in Corporate Governance Code reference translation as "*kansayaku*"

Establishment of Audit and Supervisory Board	Established
Number of Audit and Supervisory Board Members Stipulated in Articles of Incorporation	5
Number of Audit and Supervisory Board Members	3

Cooperation among Audit and Supervisory Board Members, Accounting Auditors and Internal Audit Departments

Shin Nihon Audit Corporation was appointed as the Accounting Auditor at the General Meeting of Shareholders held on June 28, 2007. On July 1, 2008, Shin Nihon Audit Corporation became Ernst & Young ShinNihon Audit Corporation. On July 1, 2018, it became a limited liability and changed its name to Ernst & Young ShinNihon LLC.

The Audit and Supervisory Board holds meetings with the Accounting Auditor quarterly to discuss audit plans, receive reports and explanations on quarterly accounting audits, and to coordinates annual audits. They have exchanged opinions on possible candidates and the reasons for selection of the key audit matters (KAM) since the first quarter review.

The Audit and Supervisory Board communicates with the Internal Audit Department, such as discussing the annual audit plan and receiving reports and explanations on matters related to internal control, as necessary. The Full-time Member of the Audit and Supervisory Board accompanies all internal audits, and Outside Members of the Audit and Supervisory Board accompany some planned audits, reviewing business and financial conditions, compliance and other management issues at major business sites of the Group. Due to the pandemic, however, in the fiscal year ended March 31, 2022, planned audits of overseas subsidiary were either cancelled for locations with a large time lag or conducted remotely using web conferencing system for locations in China and ASEAN.

Appointment of Outside Audit and Supervisory Board Members	Appointed
Number of Outside Audit and Supervisory Board Members	2
Number of Independent Audit and Supervisory Board Members	2

Outside Audit and Supervisory Board Members' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Koichi Moriya	Lawyer													

Atsuji Toda	CPA																		
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*Categories for “Relationship with the Company”.

(Use “○” 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. Person who executes business of the Company or a subsidiary
- b. A non-executive director or an accounting advisor of the Company or its subsidiaries
- c. Person who executes business or a non-executive director of a parent company
- d. An Audit and Supervisory Board Member of a parent company of the Company
- e. Person who executes business of a fellow subsidiary
- f. Person/entity for which the Company is a major client or a person who executes business for such person/entity
- g. Major client of the Company or a person who executes business for such client
- h. Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets in addition to director/Audit and Supervisory Board Member compensation from the Company
- i. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business of the corporation)
- j. Person who executes business for a client of the Company (excluding persons categorized as any of f, g, or h above) (applies to self only)
- k. Person who executes business for another company holding cross-directorships/cross-auditorships with the Company (applies to self only)
- l. Person who executes business for an entity receiving contributions from the Company (applies to self only)
- m. Other

Outside Audit and Supervisory Board Members’ Relationship with the Company (2)

Name	Designation as Independent Auditor	Supplementary Explanation of the Applicable Relationship	Reasons for Appointment
Koichi Moriya	○	N/A	Mr. Moriya has been appointed to conduct an audit from a standpoint of legal professional. He satisfies the Group’s Independence Criteria, and there should be no risk of conflict of interest with shareholders.
Atsuji Toda	○	N/A	Mr. Toda has been appointed to conduct an audit from a standpoint of financial, accounting and tax professional. He satisfies the Group’s Independence Criteria, and there should be no risk of conflict of interest with shareholders.

Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members

Number of Independent Directors and Independent Audit and Supervisory Board Members	5
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5

Other Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members

All persons who satisfy the Group’s Independence Criteria are designated as Independent Directors or Auditors.

Incentives

Implementation Status of Measures related to	Introduction of Performance-linked Remuneration Scheme; Introduction of Stock Options Scheme; and Others
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Incentives Granted to Directors

Supplementary Explanation for Applicable Items

The Company has introduced a performance-linked remuneration scheme for all Directors and a stock remuneration scheme for Inside Directors.

"Others" refers to the above-stated stock remuneration scheme, which was resolved at the 99th Ordinary General Meeting of Shareholders held on June 28, 2022. At the same time, the stock option scheme for Inside Directors was abolished.

The performance-linked remuneration scheme uses sales, operating profit, net profit attributable to owners of the parent company, ROA, ROE, and other KPIs as evaluation indicators from the perspective of improving profitability and shareholder value and is linked to the Group's performance.

Based on the performance-linked remuneration scheme, the Company provides monetary contribution to a trust fund established by it, which acquires the number of shares of the Company equivalent to the number of points given to the Inside Directors and provides shares to each Inside Director according to his/her points. There are two types of points given under the scheme: fixed points given according to the position of each Inside Director, and those linked to his/her performance according to his/her position and the degree of achievement of the performance goals. In principle, an Inside Director receives the shares of the Company when he/she retires.

Persons Eligible for Stock Options

Inside Directors; Employees

Supplementary Explanation for Applicable Items

Since the stock option scheme was abolished in June 2022, no new stock option will be granted in the future. However, the exercise of previously granted stock option rights by Directors and Executive Officers will continue until the time all of them retire.

Director Remuneration

Status of Disclosure of Individual Directors' Remuneration

N/A

Supplementary Explanation for Applicable Items

The total amount of compensation for Inside and Outside Directors is disclosed in the securities report.

Policy on Determining Remuneration Amounts and the Calculation Methods Thereof

Established

Disclosure of Policy on Determining Remuneration Amounts and the Calculation Methods Thereof

The policy and its decision process regarding the amount and the calculation method thereof of remuneration paid to the Directors and the Audit and Supervisory Board Members by the Company and its consolidated subsidiaries are as follows.

(1) It was decided at the 99th Ordinary General Meeting of Shareholders held on June 28, 2022, that the total amount of remuneration paid to all the Directors, excluding the amount of salary as employees, should be 250 million yen or less p.a., of which the fixed monetary remuneration should be 200 million yen or less and the remuneration to the Outside Directors should be 50 million yen or less.

(2) In addition to the remuneration described in (1) above, a stock remuneration scheme for Inside Directors was approved at the 99th Ordinary General Meeting of Shareholders.

a. Maximum amount of monetary contribution made to the trust fund to acquire shares

The Company contributes the following amount of money to the fund for acquiring its shares to be provided to Inside Directors under the scheme. The contribution matching the fixed points shall be 30 million yen or less during the fixed-point period, and the amount matching the performance-linked points shall be 102 million yen or less during the performance-linked-point period, to acquire shares provided as remuneration to the Inside Directors in office during each relevant period.

b. Maximum number of shares of the Company to be provided to Inside Directors

According to the share provision rules established by the Board of Directors, the Company shall grant fixed points and performance-linked points to each Director on the point grant date during the trust period specified in such rules. One point shall be equivalent to one share of the Company. However, the total number of fixed points and performance-linked points to be granted to Inside Directors shall be 25,000 points or less for one fiscal year and 258,000 points or less for the initial performance-linked point period (three fiscal years), respectively.

(3) The maximum amount of remuneration for the Audit and Supervisory Board Members was resolved at the 83rd Ordinary General Meeting of Shareholders held on June 29, 2006, to be 48 million yen or less p.a.

(4) In accordance with the Directors' Remuneration Rules, the remuneration for Directors shall be decided by the Board of Directors after the deliberation of the Nomination and Remuneration Advisory Committee, the majority of which consists of Outside Directors and is chaired by the Lead Outside Director, in order to ensure fairness and transparency. The remuneration for the Audit and Supervisory Board Members is determined by the Audit & Supervisory Board.

(5) The Directors' Remuneration Rules stipulate that the Inside Directors' remuneration consists of monthly remuneration, performance-linked remuneration, and stock remuneration. It also provides the ratio of performance-linked remuneration based on their positions.

Further, the Policy stipulates that the ratio of each type of remuneration shall be designed to soundly incentivize the Inside Directors to contribute to the improvement of annual business performance as well as increasing corporate value over the medium to long term.

Should the targets of all KPIs be achieved 100 percent, the ratio for Inside Directors shall be 64 percent for monthly remuneration, 26 percent for performance-linked remuneration, and 5 percent for stock remuneration. Outside Directors receive only monthly remuneration.

(6) The Audit and Supervisory Board Remuneration Rules stipulate that the monthly remuneration for Audit and Supervisory Board Members shall be determined by the Audit and Supervisory Board within the range of the total remuneration approved at the General Meeting of Shareholders.

(7) The Company abolished the retirement benefits scheme for Directors and the Audit and Supervisory Board Members at the

82nd Ordinary General Meeting of Shareholders held on June 29, 2005, and those in office at the conclusion of the 82nd Ordinary General Meeting of Shareholders shall receive the retirement benefits at the time of each person's retirement for their term in office until the abolition of the scheme.

Support System for Outside Directors and/or Outside Audit and Supervisory Board Members

Outside Directors and Outside Members of Audit and Supervisory Board meet as needed to share information and collaborate.

There is no specialized department or full-time staff to assist Outside Directors or Outside Members of Audit and Supervisory Board as all departments of the Company are available for assisting and providing information.

2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System)

<Overview of the current system>

Overview of corporate governance structure

The outline of corporate governance concerning the decisions on business execution, audit and supervision, management remuneration and other key matters is as follows.

- The meetings of Board of Directors are held monthly with extraordinary meetings held as needed.
- The meetings of Audit and Supervisory Board are held three times a year with extraordinary meetings held as needed.
- The Board of Managing Directors composed of the Chairman, President and Managing Executive Officer meet twice a month to ensure speedy management decisions.
- The Executive Committee Meetings are held six times a year for each business unit, attended by the Directors, and the relevant Executive Officers and senior managers of such business unit, to discuss the business execution and management monitoring of the unit.
- The Nomination and Remuneration Advisory Committee consisting of the Representative Directors and Outside Directors meets several times a year.

Corporate governance of Group companies

- Inside Directors of the Company concurrently serve as directors of important subsidiaries, where the board of directors meets regularly.

Audit conducted by Audit and Supervisory Board Members

Based on the audit policy and division of duties determined by the Audit and Supervisory Board in accordance with the Terms of Reference of the Audit and Supervisory Board and the Audit Standards, all Audit and Supervisory Board Members attend all the meetings of the Board of Directors to express their opinions. They also meet with the Representative Directors and Outside Directors on a quarterly basis.

The Full-time Member of Audit and Supervisory Board attends all the Executive Committee Meetings and other important meetings. He also attends the meetings of board of directors of subsidiaries, where he serves as a member of its audit and supervisory board, or conducts financial and other audits, if a subsidiary does not have an accounting auditor. In addition, he receives reports from the Inside Directors and others, reviews important documents regarding management's decision making,

and communicates the status of execution regularly to the Outside Members of Audit and Supervisory Board.

Accounting audits

Shin Nihon Audit Corporation was appointed as the Accounting Auditor at the General Meeting of Shareholders held on June 28, 2007. On July 1, 2008, Shin Nihon Audit Corporation became Ernst & Young ShinNihon Audit Corporation. On July 1, 2018, it became a limited liability and changed its name to Ernst & Young ShinNihon LLC.

The certified accountants who conduct the audit on the Group include Mr. Tsuyoshi Hirota (five years of continuous audit) and Mr. Yohei Ikeda (three years of continuous audit), who are supported by seven other certified accountants, four people who have passed the accountant examination, and nine other people.

Policies and procedures for determining remuneration for Directors and Audit and Supervisory Board Members

Remuneration for Directors and Audit and Supervisory Board Members is stipulated by the Rules of Remuneration for Directors and for Audit and Supervisory Board Members, respectively. In accordance with the Directors' Remuneration Rules, the remuneration for Directors shall be decided by the Board of Directors after the deliberation of the Nomination and Remuneration Advisory Committee, the majority of which consists of Outside Directors and is chaired by the Lead Outside Director, in order to ensure fairness and transparency. The remuneration for the Audit and Supervisory Board Members is determined by the Audit & Supervisory Board. The remuneration for the Audit and Supervisory Board Members is determined by the Audit and Supervisory Board.

Policies and procedures for nominating candidates for Directors and Audit and Supervisory Board Members

[Candidates for Directors]

The Company has introduced an Executive Officer system and separated the management supervision and execution, thus rationalizes the number of the Directors on the Board and makes it function effectively.

Candidates who have appropriate knowledge, experience, and qualities and could contribute to the fulfillment of the functions of the Board of Directors are selected, considering the Group's business, scale, business environment and other factors, as well as taking into consideration the balance and diversity of the entire Board of Directors.

Further, more than one third of the Board shall consist of Outside Directors and the Company aims to nominate candidates from a wide variety of fields, who meet the independence criteria set by the Tokyo Stock Exchange and the Company.

The Nomination and Remuneration Advisory Committee recommends candidates based on the criteria for nominating Directors and the Board of Directors carefully deliberates and decides on them.

[Candidates for Audit and Supervisory Board Members]

Candidates with sufficient qualities, who could audit the operation of the Board of Directors from a fair and objective perspective, contribute to the improvement of management soundness and transparency and have abundant knowledge and experience in business management and business operations, are selected, considering the Group's business, scale, business environment, audit system and other factors.

In addition, the majority of the Audit and Supervisory Board consists of Outside Members and the Company aims to nominate candidates from a wide variety of fields, who meet the independence criteria set by the Tokyo Stock Exchange and the Company.

The Nomination and Remuneration Advisory Committee recommends candidates based on the criteria for nominating Audit and Supervisory Board Members and the Board of Directors carefully deliberates and decide with consent from the Audit and Supervisory Board.

[Selection and dismissal]

When selecting and dismissing Directors, the Audit and Supervisory Board Members, and Executive Officers, the Board of Directors shall carefully deliberate and decide in accordance with the Company's selection and dismissal criteria and based on the consultation of the Nomination and Remuneration Advisory Committee.

Outline of the liability limitation contracts

The Company has entered into a contract to limit liability for damages under Article 423, Paragraph 1 of the Companies Act, based on the provisions of Article 427, Paragraph 1 of the Companies Act, with each of Outside Directors (Takeo Minomiya, Akira Kubota, and Haruko Shibumura), Full-time Member of the Audit and Supervisory Board (Yuji Yokoyama), Outside Members of the Audit and Supervisory Board (Koichi Moriya and Atsuji Toda) and accounting auditor (Ernst & Young ShinNihon LLC).

The maximum amount of liability for damages based on the contract is the amount stipulated by law. The limitation of liability is permitted only when the relevant person was in good faith and had no gross negligence in performing the duties that caused the liability.

The Company's Articles of Incorporation was partially amended with the resolution at the 92nd Ordinary General Meeting of Shareholders held on June 26, 2015, changing the scope of those who could be included in a liability limitation contract. As a result, it became possible for the Company to enter into a liability limitation contract with a non-executive Director or a Member of the Audit and Supervisory Board. The Company has concluded a liability limitation contract with the Full-time Member of the Audit and Supervisory Board.

3. Reasons for Adoption of Current Corporate Governance System

As shown in the Corporate Governance Chart attached hereto, the Company has appointed three Outside Directors to ensure the effective operation of the Board of Directors consisting of eight members. The Board of Directors cooperate with the Audit and Supervisory Board consisting of three members including two Outside Members, to maintain the overall effectiveness of corporate governance.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Facilitate Exercise of Voting Rights

	Supplementary Explanation
Early Posting of Notice of the General Shareholders Meeting	The Company aims to post a notice of convocation of the General Meeting of Shareholders on the Tokyo Stock Exchange and its website as soon as possible prior to the date of mailing. The notice of convocation of the 99 th Ordinary General Meeting of Shareholders for the 99 th term ended March 2022 was sent out on June 10, 2022.

Electronic Exercise of Voting Rights	Electronic exercise of voting rights has been made available via an electronic voting system provided by the shareholder registry administrator and the electronic voting platform operated by ICJ Co., Ltd.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	The Company has participated in the electronic voting platform operated by ICJ Co., Ltd.
Provision of Notice (or Summary of Notice) of the General Shareholders Meeting in English	An extract of the convocation notice is provided in English.
Other	<p>The 99th Ordinary General Meeting of Shareholders of the Company was held on Tuesday, June 28, 2022, and the following resolutions were approved and passed:</p> <p>Proposal No. 1 Disposal of surplus</p> <p>Proposal No. 2 Partial amendment of Articles of Incorporation</p> <p>Proposal No. 3 Revision of remuneration for Directors</p> <p>Proposal No. 3 Matters to determine the amount, content and other conditions of stock remuneration scheme for Directors</p>

2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Regular Investor Briefings held for Analysts and Institutional Investors	The Company holds an analyst meeting for analysts and institutional investors semi-annually within a few days after the announcement of Q2 and Q4 financial results.	Held
Online Disclosure of IR Information	<p>The following information for investors is posted at the website. (https://www.tamuracorp.com/finance/):</p> <ul style="list-style-type: none"> - Financial results summary (tanshin) (including quarterly information) - Securities reports (including quarterly reports) (Japanese only) - Shareholder newsletters (Japanese only) - Analyst meeting presentations - Documents related to the General Meetings of Shareholders (Japanese only, except for an extract of convocation notices) 	

	<ul style="list-style-type: none"> - Other financial information - Stock information (Japanese only) - Timely disclosures based on TSE Rules (Japanese only) - Corporate Governance Report
Establishment of Department and/or Placement of a Manager in Charge of IR	Investor Relations Group

3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	<p>The Group aims to become “One and Only Company” and established its corporate philosophy consisting of the Mission, Vision and Guidelines.</p> <p>Furthermore, the specific actions expected for officers and employees, including respecting stakeholders, are clarified in the 17 categories of the Tamura Group Code of Conduct.</p> <p>Please refer to the website for the corporate philosophy and the Tamura Group Code of Conduct.</p> <p>https://www.tamuracorp.com/corporate/idea/index.html</p>
Implementation of Environmental Preservation Activities and CSR Activities, etc.	<p>(1) The Group has a department in charge of environmental preservation and CSR promotion across the Group. The Group’s activities are published annually in the Corporation Report and on its website.</p> <p>https://www.tamuracorp.com/csr/index.html</p> <p>(2) The Group has its Procurement Guidelines to request its suppliers to promote CSR in the supply chain.</p> <p>Please refer to the website for the Procurement Guidelines.</p> <p>https://www.tamuracorp.com/csr/procurement/index.html</p>

IV. Matters Concerning the Internal Control System

1. Basic Views on Internal Control System and Status of Development

The internal control system of the Company and each Group company aims to ensure stable and efficient of management, appropriate management accountability, and compliance with laws, regulations and internal rules, in order to enhance management control, through its risk management, compliance and internal audit processes as further described below.

(1) A system for maintaining and managing information related to the execution of duties by the Directors of the Company and a system for reporting matters related to the execution of duties by directors of Group companies to the Company.

a. Based on the Information Management Rules, the Company and the Group companies maintain and manage information related to the execution of duties by their directors. Each has established a system equipped with search functions that allows easy and timely access to information, taking all possible measures to maintain confidentiality according to the storage medium.

b. Each Group company has established a reporting system in accordance with the Group Company Management Rules and Information Management Rules to report to the Company regarding matters related to the execution of duties by its directors.

(2) Regulations and other systems regarding the management of the risk of incurring losses

In order to manage the risk of incurring losses, the Group has established the Risk Management and the Alarm Escalation Rules as a system to promptly inform the management any circumstance that could pose a risk of losses to the Group. The system has been communicated and rolled out across the Group.

The management team responds immediately to the relevant circumstances. In the event of a serious business crisis, a Representative Director shall promptly initiate a crisis management team to minimize the damage to the Group.

(3) System to ensure efficient execution of duties by directors at each Group company

a. The Company's Board of Directors meets regularly once a month and as needed, in order to ensure that the duties of the Directors are executed efficiently, deciding on important management matters stipulated by law and internal rules, and receiving reports from the Directors and Executive Officers in charge. At the same time, the Board of Directors supervises the efficient execution of duties by individual Directors.

In addition, the Company regularly holds Executive Committee Meetings on business execution and management monitoring of each Group company, and the Representative Directors receives reports from Executive Officers or other senior managers in charge of different departments on important matters related to management policies and strategies, so as to review the detailed situation and ensure the alignment between management decisions and business execution.

b. The Company has adopted an Executive Officer system to speed up management decision-making and contribute to the efficiency of the execution of duties by Directors.

c. The Internal Audit Department of the Company conducts audits of each Group company based on the Internal Audit Rules, and the Representative Directors receive reports on the results and matters to be improved and report them to the Board of Directors.

d. The board of directors of Group companies meet regularly to determine their basic management policies and supervise the execution of duties by their directors, as well as the important matters of their subsidiaries, if any.

(4) System to ensure that the execution of duties by directors and employees of each Group company complies with laws and regulations and the articles of incorporation.

a. Based on the Ethics and Legal Compliance Rules established in accordance with the Group's corporate philosophy consisting of the Mission, Vision and Guidelines, the Group has a system in place to ensure that all of its directors, officers and employees shall comply with laws and regulations, social norms and ethics, and each company's articles of incorporation and internal rules. In addition, based on the CSR and Compliance Organization Rules, the Group has established the CSR Management Committee chaired by a Representative Director, which shall promote, communicate and strengthen corporate social responsibility, including compliance, as well as build, maintain and improve an internal control system.

Furthermore, the Group has established a whistleblowing system for Group employees to report or consult regarding illegal or potentially illegal acts that may occur in the course of business, so that the management could respond in a timely manner in order to secure the legality of the actions of directors and employees. There are two contacts to choose: an internal contact operated by a team of employees in the Group; and an independent contact operated by Outside Directors and a Member of the Audit and

Supervisory Board, who are not part of the Group's executive team.

b. The Internal Audit Department conducts audit on accounting, business, compliance, information system, and other specific matters based on the Internal Audit Rules and evaluates the internal control system based on the Internal Control Basic Rules.

c. When a Director finds a serious compliance violation committed by an employee, such as those stipulated in the Ethics and Legal Compliance Rules, he or she shall immediately report it in accordance with the above-mentioned Alarm Escalation Rules and reported to the Board of Directors and the Audit and Supervisory Board of the Company.

d. The Audit and Supervisory Board Members may request the Director in charge and the CSR Department to formulate improvement measures when they find that there is a problem with the operation of the Group's compliance system.

(5) System to ensure the appropriateness of operations in the Group

a. In order to ensure the appropriateness of operations, the Group has established the corporate philosophy, consisting of the Mission, Vision and Guidelines, as well as the Tamura Group Code of Conduct based on them, which apply to and have been communicated to all the Group companies.

b. Based on the belief that its suppliers should understand the Group's corporate philosophy in order to ensure the appropriateness of its operations, the Group has summarized them in the Tamura Group Procurement Guidelines.

c. The Director in charge of each Group company shall report or submit for approval to the Board of Directors of the Company regarding important matters on a regular or timely basis in accordance with the Group Company Management Rules.

d. The Company ensures the proper performance of business, by allowing its Directors to concurrently serve as directors of Group companies, as necessary. At the same time, such concurrent serving of Directors enables them to find and report important compliance issues at a Group company and report them in a timely manner based on the Alarm Escalation Rules and to the Board of Directors and the Audit and Supervisory Board.

e. If a Group company determines that there is a compliance issue in the Company's control or guidance on such Group company's business management, it shall report it in a timely manner based on the Alarm Escalation Rules and to the Board of Directors and the Audit and Supervisory Board.

f. The Internal Audit Department of the Company, in cooperation with the Audit and Supervisory Board Members, regularly conducts audits of each Group company.

(6) Matters concerning the system regarding employees who should assist the duties of Audit and Supervisory Board Members and the independence of such employees from Directors

a. If the Audit and Supervisory Board Members require employees to assist in their duties, the Board of Directors must appoint such assistants. In order to ensure the independence and neutrality of the duties of such assistants, the selection, dismissal, personnel changes, wages and other matters regarding them shall not be decided by the Board of Directors without the consent of the Audit and Supervisory Board. In addition, the Audit and Supervisor Board shall independently evaluate such assistants.

b. The assistants report only to the Audit and Supervisory Board Members and may not concurrently hold a position related to the execution of business.

(7) The system for reporting to the Audit and Supervisory Board Members, including reports by directors, officers and employees of Group companies and the system for ensuring effective audits by the Audit and Supervisory Board Members

- a. The Risk Management Rules have been established that directors and employees of the Group companies should promptly report such important matters as affect their business or business performance the Audit and Supervisory Board Members.
- b. The Group makes sure that reporters to the Audit and Supervisory Board Members or and whistleblowers should not be treated unfairly, and such policy has been communicated across the Group.
- c. The Company has appointed those who have abundant knowledge of finance and legal affairs related to corporate activities as Outside Members of the Audit and Supervisory Board to enhance audits by the Members so that they could carry out appropriate and effective audit in cooperation with the Internal Audit Department.
- d. The Audit and Supervisory Board meets with the Representative Directors on a regular basis and exchanges opinions frankly so that they are effectively reflected in management.
- e. Expenses to be incurred in the performance of the duties of Audit and Supervisory Board Members are budgeted every fiscal year and those spent including both budgeted and unbudgeted are borne by the Company.

(8) System to ensure the appropriateness of financial reporting

Regarding internal control related to financial reporting, the Company thoroughly collects important information and disclose it in a timely and appropriate manner in order to ensure compliance with the Financial Instruments and Exchange Act and the other related laws and regulations and the rules of the Tokyo Stock Exchange.

The Company has established necessary information disclosure system, the rules on internal control regarding information and its communications and monitoring and relevant information systems.

(9) Outline of the status of the system to ensure the appropriateness of business

a. Status of compliance system

The Group has established the Ethics and Legal Compliance Rules and has set up the CSR Management Committee as an organization to formulate and evaluate policies and guidelines related to compliance.

The key actions regarding compliance in FY2022/3 were as follows.

- Identification and mitigation of potential compliance risks
- Communication of compliance-related educational information to all employees via e-mail newsletters
- Enhancement of awareness and corporate culture on compliance through training, especially in high-risk areas such as competition law and information security.

b. Status of risk management initiatives

The Group has established internal regulations such as the Risk Management Rules, Whistleblowing Rules, and Information Management Rules, as well as the above-mentioned CSR Management Committee as an organization to supervise risk management actions.

The main initiatives related to risk management in FY2022/3 were as follows.

- Emergency response trainings at the Company and subsidiaries in Japan
- Compliance training such as information security, occupational safety and harassment prevention
- Communication of the whistleblowing system such as posters
- Promotion of Covid-19 protection measures

c. Status of business execution

The Company stipulates matters to be resolved by the Board of Directors and matters to be delegated to the Executive Officers in the Terms of Reference of the Board of Directors, Authority and Duties Rules and other relevant internal rules so that the business of the Group including the duties of directors can be executed efficiently.

The Board of Directors makes management decisions efficiently and promptly, and the Management Committee for each business division chaired by the relevant Executive Officer deliberates on its business execution. The Company has formulated a Medium-term Management Plan to define the common targets for the entire Group, the progress of which are reviewed and promoted at the Management Committee meetings. The Board of Directors receives summary reports to understand and regularly reviews the progress of Medium-term Management Plan.

d. Status of system to ensure the appropriateness of Group operations

In order to properly execute the business activities across the Group, it maintains and operates internal control in each business division and each subsidiary according to the internal control rules such as the Internal Control Rules, Authority and Duties Rules, and Group Company Management Rules. The Group has the Internal Audit Department reporting directly to a Representative Director, which conducts audits of the appropriateness, legality and rationality of business execution of each Group company based on the annual audit plan and evaluate them to make recommendations for validity and efficiency.

The key initiatives to ensure the appropriateness of business in FY2022/3 were as follows.

- Review of operational status reports of each business division at the Management Committee Meetings
- Review of management status reports of major subsidiaries at the Management Committee Meetings
- Review of matters to be reported to the Company from each Group company as stipulated in the Group Company Management Rules
- Internal audits and internal control evaluations of each business division and Group companies by Internal Audit Department
- Reports of internal audit results and internal control evaluation results to the Board of Directors and a Representative Director

e. Status of initiatives to ensure the effectiveness of audits by Audit and Supervisory Board Members

The Company has established and maintains the Terms of Reference of the Audit and Supervisory Board, the auditing standards and other rules so that the effectiveness of the Audit and Supervisory Board can be maintained and improved.

The key initiatives of the Audit and Supervisory Board Members in FY2022/3 were as follows.

- Amendments to the Terms of Reference of the Audit and Supervisory Board, auditing standards for corporate auditors, and other rules to reflected the amendments to the Companies Act
- Attendance at important meetings such as the Executive Committee Meetings and CSR Management Committee
- Onsite audits to business divisions and subsidiaries in Japan and remote audits of overseas subsidiaries
- Regular meetings of the Audit and Supervisory Board Members with the Representative Directors and those with the Outside Directors
- Exchange of opinions with the Accounting Auditor regarding their independence, job execution and quality control systems
- Discussions with the Accounting Auditor regarding key audit matters to be considered in accounting audits, and receiving reports on their implementation with additional explanations, where needed
- Improving the effectiveness and efficiency of audits in close cooperation with the Internal Audit Department
- Receiving reports from the department in charge of the operation of the whistleblowing system and filed reports to the system

2. Basic Views on Measures for Eliminating Anti-Social Forces and Status of Development

The directors, officers and employees of each Group company shall have no relationship, including business relationship, with any antisocial force.

The Group has declared and specifically and clearly stated in the Tamura Group Code of Conduct that it shall take a resolute response to unreasonable demands from antisocial forces that might threaten the order and safety of citizens' lives, which has been communicated throughout the Group.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
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Supplementary Explanation for Applicable Items

N/A

2. Other Matters Concerning the Corporate Governance System

Outline of timely disclosure system

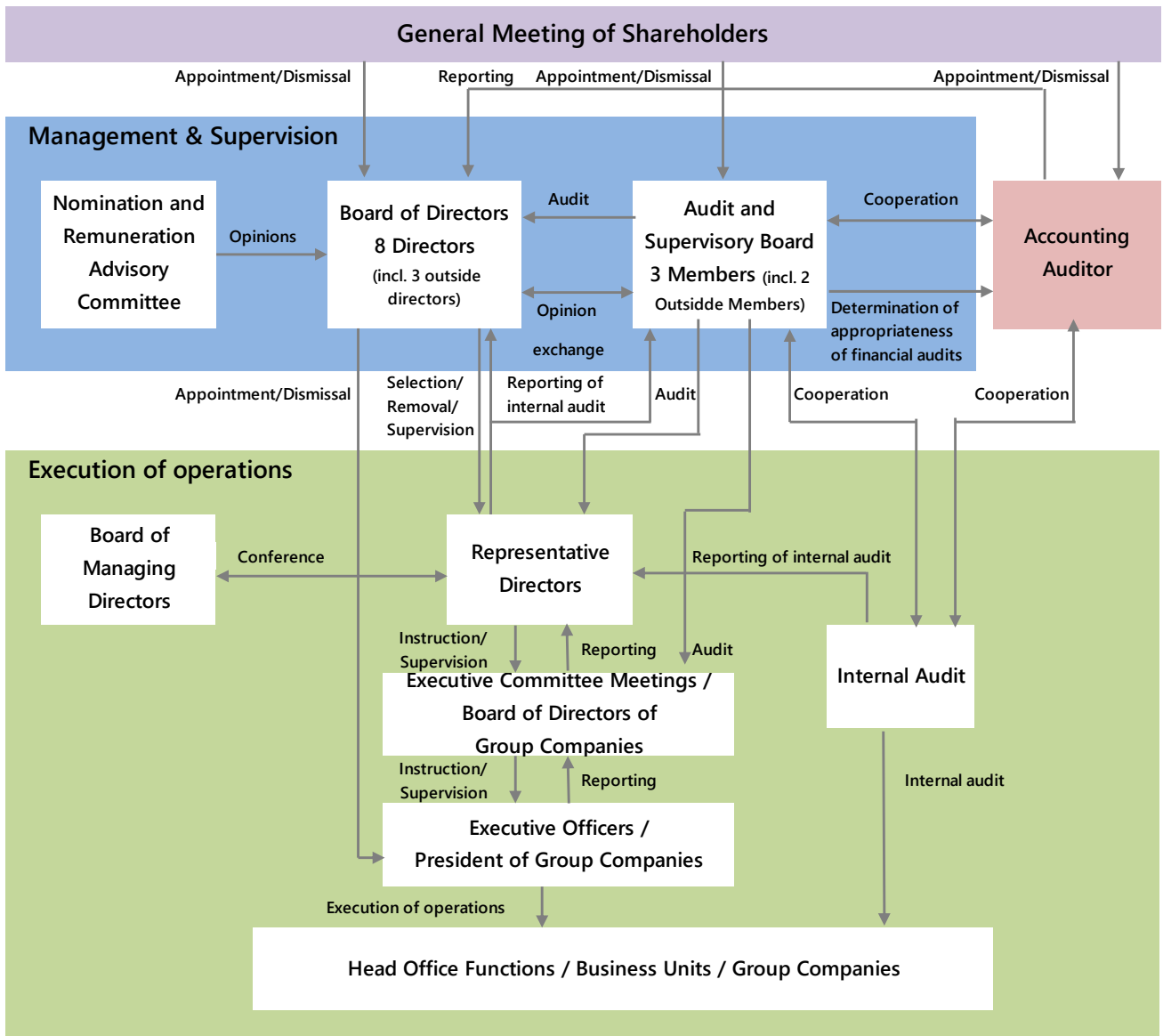
The Group aims to contribute to fair price formation and sound development of the equity market, by timely, accurately and fairly providing the Group's information that are necessary for investors to make appropriate investment decisions.

The Group ensures that material decisions and incidents of the Group are determined by or reported to the Board of Directors, the Audit and Supervisory Board, the Management Committee, the Board of Managing Directors, or other key decision-making bodies. Matters that require urgent decision may be determined at an extraordinary meeting of such decision-making bodies and a reporting system is in place so that important incidents can be informed to the top management promptly. Further, the Executive Officer in charge of Finance is appointed as the manager in charge of handling company information who shall collect, manage, and ensure timely and fair disclosure of corporate information including financial statements that might have an important influence on investors' investment decisions.

In addition, the information disclosed at the Tokyo Stock Exchange, where the Company is listed, is promptly disclosed on the Group's website for the convenience of retail shareholders.

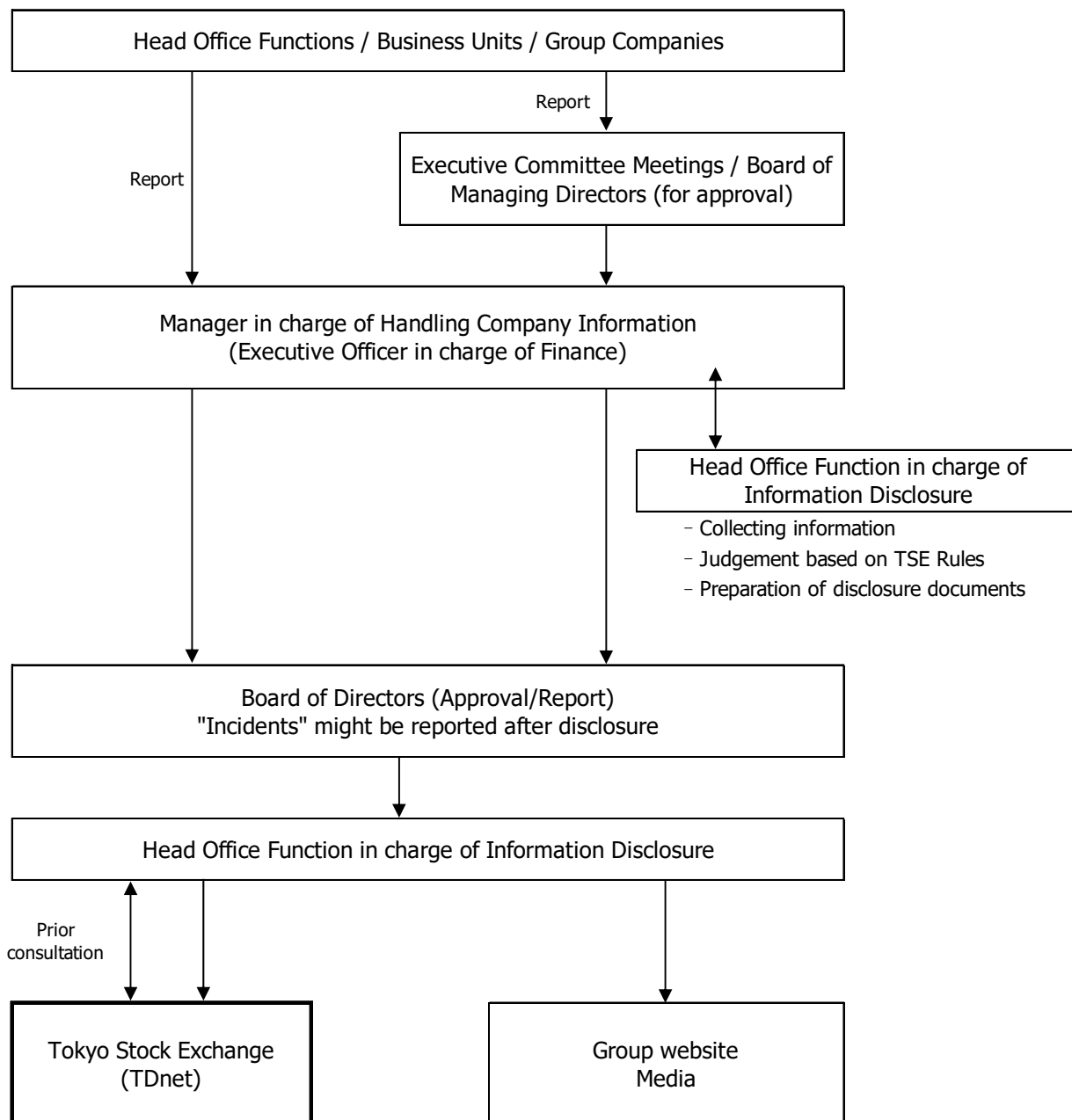
The Group has established internal rules regarding the prevention of insider trading and strictly managing insider information to ensure fair price formation and prevent insider trading.

Attachment: Corporate Governance Chart



Attachment: Outline of Timely Disclosure System

【System of Timely Disclosure】



Attachment: Key Experiences and Capabilities of Directors and Auditors (Skill Matrix)

	Corporate Management	Global Experience	R&D / Technology	Manufacturing / Quality	Sales / Marketing	Legal / Risk Management	Finance / Accounting
Naoki TAMURA Representative Director, Chairman of the Board, Nomination & Remuneration Advisory Committee Member	✓	✓		✓		✓	
Masahiro ASADA Representative Director, President, Nomination & Remuneration Committee Member	✓	✓			✓	✓	
Yusaku HASHIGUCHI Director, Managing Executive Officer	✓	✓	✓				✓
Takeo MINOMIYA Independent Outside Director, Chairman of Nomination & Remuneration Advisory Committee	✓		✓	✓			
Akira KUBOTA Independent Outside Director, Nomination & Remuneration Advisory Committee Member	✓	✓	✓				
Haruko SHIBUMURA (Lawyer) Independent Outside Director, Nomination & Remuneration Advisory Committee Member						✓	
Norihiko NANJO Director, Senior Executive Officer	✓	✓			✓		
Shoichi SAITO Director, Senior Executive Officer	✓	✓	✓	✓			
Yuji YOKOYAMA Supervisory & Audit Board Member		✓				✓	✓
Koichi MORIYA (Lawyer) Independent Outside Member of Supervisory & Audit Board	✓					✓	
Atsuji TODA (Certified Public Accountant / Certified Tax Accountant) Independent Outside Member of Supervisory & Audit Board							✓