



Notice Concerning Progress of Measures to Prevent Recurrence

As stated in the “Notice Concerning Formulation of Measures to Prevent Recurrence, Establishment of Governance Review Committee, Disciplinary Action against Parties Involved, and Policy for Pursuing Responsibility of Former Officers, etc.” dated November 21, 2023, Tamron Co., Ltd. (the “Company”) has formulated measures to prevent the recurrence of the inappropriate use of Company funds, etc., based on the recommendations of the Special Investigation Committee. The whole Company is now working together to prevent such recurrence, in an effort led primarily by the Governance Review Committee.

The Company would like to report on the progress of measures to prevent recurrence at this time as follows.

Going forward, the Company will continue to implement and monitor measures to prevent recurrence, engage in compliance-oriented management, and work to regain the trust of shareholders, business partners, and other related parties.

Detail

1. Progress of measures to prevent recurrence

- (1) Review of entertainment expenses for officers and employees, establishment of new rules for internal food and beverage expense spending, and thorough dissemination of these rules

[Progress]

The rules were revised in February 2024, including the establishment of rules for the following Items (1)-(3) and addition of supplementary explanations.

In the future, the Company will continue to work on Item (4), to continuously improve awareness within the company and provide education.

- ① Revision of job authority statements (establishment of maximum amounts for entertainment expenses)
- ② Clarification of prohibition of self-approval
- ③ Establishment of expenditure, approval, and other operational rules for entertainment expenses
- ④ Awareness raising within the company / departments, and regular education

- (2) Strengthen checks and audits on officer-related expenses

[Progress]

In December 2023, (1) a new expense checking workflow was introduced by the accounting department for expense reimbursement processing for the executive office. In January 2024, a review of audit items for internal audits of the Executive Assistant Section was conducted.

Going forward, Items (2)-(4) will be implemented to strengthen checks by corporate auditors, in conjunction with the transition to a Company with Audit & Supervisory Committee system scheduled to take place in March 2024. By June 2024, (5) the frequency of internal audits of the

Executive Assistant Section will be increased, based on the revision of internal audit items after the review. In this way, internal and organizational audits will gradually be enhanced.

- ① Introduction of a checking workflow by the accounting department (pre-check at the time of Concur application)
- ② Granting auditors the authority to give instructions and approvals to the Internal Audit & Supervision Board
- ③ Granting auditors the right to express their opinions on internal audit plans approved by the president.
- ④ Revision of the internal audit policy (stipulating that in the event of a conflict between the president's instructions/approval and the auditor's instructions/approval in the preparation and implementation of the internal audit plan, the auditor's instructions/approval will take precedence)
- ⑤ Increasing the frequency of internal audits of the Executive Assistant Section (from around once every three years to once a year)
- ⑥ Reviewing audit items for internal audits of the Executive Assistant Section (including those related to executive office expenses)

(3) Monitoring of officer-related expenses by the Board of Directors

[Progress]

In December 2023, a resolution was passed on (1) a budget proposal with a breakdown of executive office expenses attached. In January 2024, (2) a list of actual entertainment expenses for the executive office was distributed and reported. Going forward, Item (1) will be implemented every year and Item (2) will be implemented every month.

- ① Attachment of a breakdown of departmental expenses budgets (including executive office expenses) when presenting the draft budget for the next fiscal year to the Board of Directors
- ② Distribution of a list of actual entertainment expenses for the previous month incurred by the executive office at Board of Directors meetings

(4) Further tightening and operational improvement of nomination procedures in the Nomination Committee

[Progress]

In January 2024, (1) the Nomination Committee implemented officer nomination procedures based on the governance guidelines. In February 2024, (2) provided more materials to the Board of Directors by the Nomination Committee.

Going forward, (3) the frequency of meetings of the Nomination Committee will be increased to four times a year, to improve its effectiveness.

- ① Tightening of officer nomination procedures by the Nomination Committee (individually confirming and documenting the qualifications of officers as described in the Governance Guidelines)
- ② Improvement of the content of materials provided to the Board of Directors by the Nomination Committee
- ③ Increasing the frequency (from once or twice a year to four times a year) and improving the quality of Nomination Committee meetings

- (5) Raising awareness of all officers and employees, conducting training for officers by outside instructors, and enhancing training for all officers and employees, etc.

[Progress]

In January 2024, the whistleblowing system regulations were revised, including (3) more rigorous protection and confidentiality for whistleblowers. At the same time, a notice was issued (including to overseas subsidiaries) and all officers and employees were re-informed of the existence of the system by posting posters within the company and posting information on the internal portal site.

Going forward, the Company will implement Items (1)-(5) (including Item (3) above) to enhance regular compliance training and education for all officers and employees by the corporate legal advisor, outside officers, and the Compliance Committee, etc., and confirm the effectiveness of compliance through monitoring and engagement surveys of all employees.

- ① Special training for officers by corporate legal advisor (twice a year)
- ② Step-up training for all officers and employees by the Compliance Committee, etc. (twice a year)
- ③ Promoting understanding of the whistleblower system through training for all employees, and encouraging use of the system by increasing awareness of the system.
- ④ Fostering a corporate climate that is less prone to fraud and misconduct by understanding and monitoring the current state of the corporate climate through engagement surveys of all employees
- ⑤ Conducting training and seminars for all employees led by outside directors and independent corporate auditors (twice a year)

2. State of improvement of other aspects of overall governance

[Progress]

In December 2023, an early decision was made to (1) transition to a Company with Audit & Supervisory Committee system. In February 2024, (2) the decision was made to secure a majority of outside directors, and (3) the activities of the committee were reported to the Board of Directors, thereby strengthening the Board's supervisory function.

Going forward, the Company will seek to improve the effectiveness of the Board of Directors through third-party involvement in evaluations of its effectiveness.

- ① Transitioning to a Company with Audit & Supervisory Committee system
- ② Decision to secure a majority of outside directors
- ③ Reporting of committee activities to the Board of Directors
- ④ Improving evaluations of the effectiveness of the Board of Directors (third-party involvement in evaluations of effectiveness)

*After the transition to a Company with Audit & Supervisory Committee system scheduled for March 2024, directors who are also Audit & Supervisory Committee members will respond to matters that are planned to be handled by current corporate auditors.