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Corporate Governance Policy

Ensuring Shareholder Rights and Equality

- INES Corporation (the “Company") is committed to safeguarding the rights and interests of all shareholders, including minority and foreign shareholders, to ensure equitable treatment. The Company strives to maintain an environment that cultivates smooth and productive relationships with shareholders and other stakeholders.

Securing Shareholder Rights

- The Company strictly complies with relevant laws, regulations, and the Articles of Incorporation (the “AOI”) regarding shareholder rights. The Company properly addresses shareholder needs by providing essential information on its website, including data related to General Meetings of Shareholders (“GMSs”) and share handling procedures.
- In instances where a significant number of dissenting votes are cast against a company proposal at a GMS, the Board of Directors (the “Board”) analyzes the causes of this in consideration of the nature of the proposal and the voting environment. The Board will deliberate necessary countermeasures, including the enhancement of communication and the dialogue with shareholders.
- Pursuant to laws, regulations and the AOI, the Company has established a framework for delegating matters to the Board by resolution passed at a GMS. When it is deemed preferable from the standpoint of management agility and expertise, the Board will propose that a matter be delegated to them at a GMS.
- Regarding the exercise of rights by general and minority shareholders, the Company outlines specific legal procedures in its Stock Handling Regulations and publishes them on its website to ensure wide awareness. When special shareholder rights are exercised, the compliance department coordinates with legal counsel as necessary to ensure due consideration and proper handling under relevant laws.

Exercise of Rights at GMSs

- The Company recognizes that GMSs are a vital forum for engaging in a constructive dialogue with shareholders, and the Company continually enhances the environment for the exercise of voting rights from a shareholder-centric perspective.

- In accordance with corporate laws and regulations, the Company provides relevant information in GMS reference documents to assist shareholders in making informed decisions. This information is accurately delivered via mail and the internet.
- To ensure ample time for shareholders to consider proposals, GMS convocation notices are sent approximately one week before to the legal deadline. Furthermore, notices are posted on the Company's website and the Tokyo Stock Exchange ("TSE") website approximately one week prior to the physical mailing of the notices (approximately three weeks before the date of the GMS).
- The dates of GMSs are determined based on financial closing schedules and the need to secure sufficient time for shareholders to deliberate agenda items and engage in a constructive dialogue.
- In consideration of the percentage of our shareholders that are institutional or foreign investors, the Company allows shareholders to exercise their voting rights via the Internet, and it utilizes an electronic voting platform. Additionally, summarized English translations of GMS convocation notices are published on the Company's website and the electronic voting site prior to the physical mailing of notices.
- The Company coordinates with the registered nominal holders of the shares of the Company's stock to facilitate lawful and proper responses to institutional investors that hold shares of the Company under the names of other parties (e.g., trust companies) who wish to attend a GMS and exercise their voting rights directly.

Basic Capital Policy

- Any significant changes or updates to the basic capital policy will be disclosed and explained during financial results briefings or related investor presentations.

Cross-Shareholdings

- The Company may cross-hold shares of business partners together with them to maintain and strengthen long-term, stable relationships that contribute to the enhancement of corporate value over the medium to long term. However, the acquisition cost and volume of these shares are kept to a level that minimizes their impact on the capital efficiency and financial health of the Company. If the strategic significance of a shareholding is deemed insufficient, the Board will deliberate the reduction of the shares held. Furthermore, the Board conducts a comprehensive annual assessment of each individual cross-shareholding, evaluating transaction performance, future prospects, financial returns (including valuation gains and losses and dividends), and the performance of the investee to decide whether to continue the cross-shareholdings. A summary of the results of these assessments is disclosed to ensure transparency.

- In principle, the Company exercises the voting rights connected to its cross-shareholdings based on whether the specific proposal contributes to the healthy management and medium-to-long-term enhancement of the corporate value of the investee. The Company will not unconditionally vote in favor of management proposals. Specifically, the Company may vote against a proposal if it:
    1. Significantly hinders the business relationship with the Company.
    2. Involves concerns regarding a social scandal or major corporate governance issues.
    3. Is deemed to have a significantly negative impact on the management health or corporate value of the investee.
- The Company will not deter the sale of its own shares that are held by cross-shareholders by suggesting a reduction in business transactions, and will respond appropriately to partners who express an intention to sell shares of the Company.
- When executing material transactions with cross-shareholders, the Company will thoroughly verify the economic rationality of the transaction from the perspective of the common interests of the Company and its shareholders.

Takeover Defense Measures (“TDMs”)

- The Company does not currently maintain any TDMs. Should such measures be introduced, the Board will verify their necessity and rationality, follow proper legal procedures, and provide comprehensive explanations to shareholders.
- In the event that the Company's shares become the subject of a Tender Offer (TOB), the Board will promptly disclose its opinion regarding the TOB to shareholders. In these responses, the Company will not take measures that unfairly obstruct the shareholders’ exercise of their rights.

Capital Policies Which Could Harm Shareholders’ Interests

- The Board and the Audit & Supervisory Committee (the “ASC”) will consult external experts, such as legal counsel, to thoroughly examine the necessity and rationality of capital policies involving the potential dilution of stock or changes in control (including capital increases, management buyouts, etc.). This ensures that the rights of existing shareholders are not unfairly compromised, and comprehensive explanations are provided to shareholders.

Transactions with the Company’s Related Parties

- To ensure that transactions with the Company’s related parties do not harm the interests of the Company or the collective interests of its shareholders, these transactions require the approval of the Board (including the independent outside directors) , in accordance with the Board of Directors Regulations. The Company verifies these compliance procedures at the end of each fiscal year using a layered audit process that involves the ASC and accounting auditors, and they include each individual officer’s written confirmation that no unauthorized transactions have occurred to ensure that this is the case.

Appropriate Collaboration with Stakeholders Other Than Shareholders

- To achieve sustainable growth and the continuous enhancement of corporate value, the governance of the Company is anchored by the following three basic principles:
    1. Maintain healthy corporate management by protecting shareholder rights and interests, guaranteeing shareholder equality, and building smooth relationships with shareholders and other stakeholders of the Company.
    2. Ensure the transparency of corporate activities by disclosing material information, including information about the Company’s financial status, performance, ownership and governance in a timely and proper manner.
    3. Enhance the Board and the ASC’s management oversight to ensure the Board is accountable to the shareholders.

Formulation of the Management Philosophy Underlying the Medium-to-Long-Term Enhancement of Corporate Value

- The Company has formulated its Motto, Corporate Philosophy, and Management Vision, all of which are published on its website.

Formulation and Implementation of the Code of Conduct

- The Company has established the INES Code of Conduct as its behavioral benchmark. The basic policies in the INES Code of Conduct set standards tailored to the relationships the Company has with individual stakeholders, and its specific guidelines list matters all officers and employees should observe in their business activities.
- At the end of each fiscal year, the Board reviews the status of the Company’s implementation of the INES Code of Conduct and receives operational reports concerning the Basic Policy on Internal Control Systems to examine matters to be improved.

Sustainability Initiatives (Social and Environmental Issues)

- The Board formulates basic policies regarding sustainability (including social, environmental, and governance issues) and actively addresses individual challenges.
  URL (Japanese language only):
  https://www.ines.co.jp/csr/sustainability-policies-basic.html
- The Board understands that sustainability issues, particularly issues related to energy and the preservation of the environment, are critical management priorities. It has formulated a basic policy on sustainability, and it deliberates issues mainly in the following areas:
  1. Global environmental issues, such as climate change
  2. Relationship with society (social contribution activities, information disclosure, and regional community sustainability initiatives)
  3. Respect for human rights
  4. Fair and appropriate transactions with business partners
  5. Employee health, work environment, and fair treatment
  6. Corporate governance

Diversity and Inclusion (Including the Promotion of Women)

- The Company actively promotes the advancement of women to respect diverse talented people, provide new value to customers, and realize sustainable management through multi-faceted risk management activities. The Company strives to achieve "INES well-being," an environment in which every single employee is motivated and aims to continue working for the Company. The Company pursues this by implementing flexible working arrangements such as its Super-flex system, career development initiatives such as the Women's Career Consultation Desk, and a range of childcare support measures.
- From the standpoint of realizing sustainable management by creating value for customers value and managing risks in a multi-faceted manner, the Company believes that it is crucial that the opinions of its diverse managers and core personnel are reflected in its decision-making processes.
- The Company assigns core talent to positions regardless of their nationality, gender, age, hiring background, or disability to foster a culture and develop infrastructure and systems in which diverse individuals can excel. The Company discloses its current figures and future targets regarding the appointment of women, mid-career hires, and

foreign nationals to core positions alongside its talent development policies and internal environmental enhancements to achieve these targets.

URL (Japanese language only): https://www.ines.co.jp/csr/work.html

URL (Japanese language only): https://www.ines.co.jp/csr/new_promotionpolicy.html

URL (Japanese language only):
https://www.ines.co.jp/dcms_media/other/woman_actionplan.pdf

Whistleblowing System

- The Company maintains a whistleblowing system governed by its Whistleblowing Regulations that stipulate that whistleblowers shall be protected. This framework ensures that employees who become aware of misconduct are able to report it internally, enabling the Company to resolve problems at an early stage. Its operational status is regularly reported to and supervised by the Board.
- An external whistleblowing contact point has been established with an independent law firm. The Whistleblowing Regulations explicitly stipulate that whistleblowers shall be protected in accordance with the spirit of the Whistleblower Protection Act, and the Company ensures widespread internal awareness of the system and its proper operation.

Corporate Pension Asset Ownership

- The Company's pension framework consists solely of welfare pension system and the defined contribution plans. The Company does not manage or operate a reserve fund for corporate pensions. To support the participating employees in their appropriate management of assets, the Company provides asset management seminars or instructional materials to all employees when they are hired.

Appropriate Disclosure of Information and Transparency

- The Company proactively provides not only information about its financial status but also non-financial information through its IR activities, financial results briefings, and other events where it discloses information. The Board verifies the content of the information the Company discloses as necessary.

Enhancement of Information Disclosure

- The Company publishes its Motto, Corporate Philosophy, and Management Vision on its website. The Company also maintains a policy of disclosing the management plans and business strategies it has formulated.

- The Company’s basic philosophy and policies regarding corporate governance are published on its website and in its corporate governance reports.
- Director remuneration (excluding directors who are members of the ASC) includes performance-linked bonuses based on the Company's fiscal performance and the contributions of the individual director.
- Outside directors and directors who are members of the ASC receive only fixed remuneration (no performance-linked remuneration), as they are not responsible for the execution of business operations.
- To determine the remuneration paid to individual directors (excluding members of the ASC), the Board consults the Nomination and Remuneration Committee (the “NRC”), which deliberates the matter and submits a report to the Board. Based on the NRC’s response, the Board passes a resolution regarding remuneration within the limits approved at a GMS.
- The policy for nominating and electing directors (excluding members of the ASC) ensures that the Board can thoroughly deliberate matters and supervise the Company using the diverse perspectives of the directors, enabling the Board to quickly and rationally make decisions. Executive directors must possess a wealth of professional expertise and experience, and outside directors must have extensive knowledge and experience in their individual fields.
- The Board consults the NRC regarding candidate directors (excluding candidate members of the ASC), and the NRC deliberates the matter and submits a report to the Board. The Board then passes a final resolution regarding the nomination of a candidate based on the NRC’s response.
- The policy regarding the nomination and election of directors who will be members of the ASC is focused on selecting individuals with a wealth of experience and advanced expertise that is necessary in auditing from both internal and external perspectives to enable the Company to achieve healthy growth and increase the trust it has earned from society.
- The ASC consults the NRC regarding candidate directors who will be members of the ASC, the ASC consults the NRC, and the NRC deliberates the matter and submits a report to the ASC. The Board passes a final resolution regarding the nomination of a candidate director who will be a member of the ASC after it has received the approval of the ASC based on the report received from the NRC.
- When the election of directors is proposed, the reasons for the nomination of the individual director candidates and their career histories are detailed in the notice of the convocation of the GMS.

- If the Board determines there is a rational reason not to retain a member of the ASC whose term is expiring (including outside officers), the Board will not submit a proposal to re-elect that member of the ASC at the next GMS. If it is determined that there is a rational reason to dismiss an officer, the Board will submit a proposal regarding the dismissal of the officer at the next regular or extraordinary GMS.
- The Company strives to avoid boilerplate language in this information it discloses and it adds summaries, includes necessary contextual information, and works in other ways to ensure that it uses reader-friendly expressions.
- The company discloses financial results, GMS convocation notices, and other materials on the English version of its website. It will continually examine the expansion of the information it discloses in English disclosures within a reasonable scope, in light of the needs of foreign shareholders and the trends of corporate peers of similar scale.
- Alongside the Company's basic sustainability policy, specific initiatives regarding investments in human resources and intellectual property are disclosed clearly and specifically during financial results briefings and on the Company's website, and they are linked directly to the Company's management strategies, such as its DX and group reorganization strategies.
  URL (Japanese language only):
  https://www.ines.co.jp/csr/sustainability-policies-basic.html
- Regarding climate change and the environment, the Company promotes environmental management based on the ISO 14001 international certification standards and the indicators used by the Ministry of Economy, Trade and Industry (METI). Information about environmental and climate policies, structures, risks, opportunities, CO_2 emissions and other environment- and climate-related data are disclosed in the sustainability section of the Company's website.
  URL (Japanese language only): https://www.ines.co.jp/csr/environment.html
- Regarding the disclosure of information in line with the TCFD recommendations or equivalent standards, the Company will verify the application of standards aligned with IFRS/S1 and S2, and the Company will proceed with the disclosure of information in stages as it deems necessary.

External Accounting Auditors

- The Company ensures that the appointed accounting auditors have sufficient time to conduct audits, provides all requested documents and data, and maintains an environment that facilitates proper auditing.

- Every fiscal year, the ASC evaluates the performance of the accounting auditors based on specific evaluation points and passes a resolution regarding the reappointment or non-reappointment of the accounting auditors for the following fiscal year. It uses the same criteria when selecting new accounting auditors.
- The independence and expertise required of accounting auditors are included in the above evaluation points and verified.
- The ASC ensures that audit operations are distributed evenly throughout the fiscal year to prevent audits from being overly concentrated at the end of the term.
- When accounting auditors request interviews with senior executives, the Internal Audit Department promptly coordinates schedules and secures time to facilitate these meetings.
- Accounting auditors regularly exchange opinions with the ASC, and arrangements are made to ensure collaboration with the internal audit department and outside officers.
- If accounting auditors identify fraud, deficiencies, or problems, they report them to the ASC and the Board. A system is maintained in which the internal audit department and relevant divisions investigate the facts of issues and implement solutions to address them.

Duties of the Board

- The Board deliberates management plans and business strategies.
- By deliberating resolutions and reports regarding the execution of business from the individual directors, the Board ensures the Company has an environment that enables individual directors to take appropriate risks.
- Multiple independent outside directors (both members of the ASC and non-members) constitute a majority of the Board, which enables it to maintain a structure that enables it to provide objective and independent oversight.

Roles and Responsibilities of the Board

- The Board conducts constructive discussions and makes decisions regarding management strategies and medium-term management plans based on the Motto, Corporate Philosophy, and Management Vision.
- To separate the Board’s management oversight function from the execution of business, the Company utilizes an executive officer system. The Board determines the scope of the business delegated to the executive officers. Even when responsibilities are delegated to the executive officers, the Board retains exclusive authority over legally

required matters and significant business operations as defined in the Board of Directors Regulations.

- The Company publicizes performance forecasts (e.g., financial revenue, profits) for each term based on its medium-term management plan, and it strives to achieve them. If targets are not met, the causes for this are thoroughly analyzed and explained to shareholders at financial results briefings and GMSs. These analyses are also used to determine whether the medium-term management plan needs to be revised.
- Succession plans for the Chief Executive Officer and other top leaders are determined by the NRC. In line with the NRC's decisions, the Board oversees the plan to ensure that candidates are developed systematically with sufficient time and resources being dedicated to the task.
- The Board includes multiple directors with expertise in various fields and independent outside directors, which fosters an environment that supports appropriate risk-taking.
- Regarding matters resolved by the Board, authorized individuals defined by internal regulations (including executive officers) promptly make decisions regarding the details of the execution of these matters and implement them in accordance with the Board's resolutions. Regarding remuneration for executive directors, a Restricted Stock Compensation System has been introduced.
- At the request of the Board, the NRC deliberates remuneration for individual directors (excluding members of the ASC) and executive officer. The NRC submits its report to the Board, and the Board passes a resolution regarding remuneration within the framework approved at a GMS. The Restricted Stock Compensation System is used to incentivize the sustainable enhancement of corporate value and to promote deeper value-sharing between directors and shareholders.
- After deliberation, the Board passes a resolution on the basic policy on sustainability initiatives. In the formulation and review of the Company's business portfolio, the Board oversees and examines the allocation of the management resources required to realize the management strategies, including human resources and intellectual property.
- Performance reports are regularly presented to the Board based on the Board of Directors Regulations. The Board evaluates these from an objective standpoint and ensures that its management personnel decisions reflect them following fair and transparent procedures. Prior to deliberations at meetings of the Board, the Disclosure Committee reviews information scheduled for public release, ensuring that the structure for disclosing information is thorough.

- Cross-functional organizations have been established for internal control and risk management. Furthermore, the Board regularly reviews transactions involving potential conflicts of interest between the Company and related parties.
- Regarding the appointment and dismissal of members of management, the Board evaluates their performance and the progress of business in accordance with internal regulations to ensure procedures are fair and transparent.
- The Board consults the NRC regarding the selection of a CEO (President and Representative Director). The NRC deliberates the matter following objective, timely, and transparent procedures, and it allocates sufficient time and resources to the matter before submitting a report regarding qualified candidates to the Board. The Board then evaluates their qualifications and makes final decisions regarding the matter.
- The Board consults the NRC using objective, timely, and transparent procedures regarding the dismissal of the CEO (President and Representative Director). The NRC deliberates the matter, clarifies the rational grounds for the dismissal, and submits a report to the Board. The Board then evaluates the matter and passes a final resolution regarding it.
- At the end of each fiscal year, the Board receives internal reports regarding the operational status of the Basic Policy on Internal Control Systems, overseeing its effectiveness from an enterprise-wide and group-wide perspective. Compliance regarding individual business operations is centrally managed by the risk management department, operated through organizational lines, and verified by the internal audit department.

Roles and Responsibilities of the ASC

- The ASC audits the directors' execution of their duties and exercises its authority as necessary from an independent and objective standpoint, keeping in mind its fiduciary responsibility to the shareholders. The ASC implements operational and accounting audit functions and proactively states its appropriate opinions at Board meetings or directly to individual members of management.
- Outside directors who are members of the ASC meet the independence standards stipulated by TSE, ensuring strong objective independence. Multiple members of the ASC (including outside directors) display their high-level information-gathering capabilities by attending key meetings and conducting systematic interviews regarding internal conditions. They actively share the information they gather with other outside directors and use executive discussion forums to stay aligned with the other directors.

Fiduciary Duties of Directors and ASC Members

- Directors and management recognize their fiduciary responsibility to shareholders and act to enhance the Company's corporate value and protect the common interests of shareholders.

Management Oversight and Execution of Business

- By appointing multiple independent outside directors, the Company ensures the effectiveness of its objective oversight of management in which an appropriate distance from the execution of business is maintained.
- Multiple independent outside directors with an appropriate distance from the execution of business are appointed to provide opinions and recommendations as necessary from an objective standpoint regarding:
    1. Management policies and management improvements
    2. The appointment or dismissal of directors and executive officers and other critical matters the Board decides
    3. Conflicts of interest in transactions between officers and related parties
    4. Perspectives from outside the company, including the viewpoints of the Company's stakeholders

Utilization of Independent Outside Directors

- The Company maintains a policy of ensuring that a majority of the Board are independent outside directors who possess the necessary qualities to fulfill their roles and responsibilities.
- The Company has established discussion forums that are inclusive of independent outside directors to facilitate the exchange of information and a shared awareness based on the objective perspectives of the independent outside directors.
- Independent outside directors utilize these discussion forums to collaborate. Additionally, a framework has been established that enables outside directors to coordinate and communicate individually with management as needed.

Independence Standards and Qualifications for Independent Outside Directors

- The independence of outside directors is evaluated in accordance with the objective independence standards established by TSE. Building upon this prerequisite, the Company selects individuals with excellent character, significant insight, and bountiful experience and achievements in their fields who it expects will contribute to the frank, active, and constructive discussions at Board meetings.

Voluntary Frameworks

- The Company has adopted the structure of a company with an audit and supervisory committee, which it currently deems appropriate for the auditing and supervision of the performance of directors, the nomination and remuneration of directors, and the efficient and proper execution of business operations. An executive officer system has been established to enable the swift and precise the execution of business under the oversight of the Board. Other voluntary mechanisms are continuously evaluated as necessary. Additionally, the voluntary NRC has been established.
- Independent outside directors are a majority of the NRC, which determines standards for the nomination of officers remuneration standards, and succession plans. It also deliberates the nomination of director candidates (excluding members of the ASC) and officer remuneration when requested by the Board, and it reports its findings to the Board. The Board then makes final decisions based on the findings submitted by the NRC.

Preconditions Ensuring the Effectiveness of the Board

- When determining the composition and size of the Board, the Company emphasizes the balance of the knowledge, experience, and capabilities of the Board. Candidates are selected in consideration of diversity, including in terms of gender and international experience. Currently, the Board includes female directors and directors with advanced global insight and experience. Furthermore, at least one director who is a member of the ASC possesses sufficient knowledge regarding finance, accounting, and legal affairs, and individuals with Certified Public Accountant and attorney qualifications are appointed as members of the Board. The Board conducts an annual self-evaluation to analyze and assess its effectiveness, working to continuously improve its functional capabilities.
- The directors that constitute the Board are selected regardless of nationality or gender, and a balance between abundant experience, deep insight, and advanced expertise from both internal and external sources is sought. Directors are elected following legal procedures, and a skill matrix detailing the skills of each director is disclosed alongside the Company’s nomination policy.
- Concurrent officer positions held by directors at other companies or organizations are reported at the end of each fiscal year to the Board. Material concurrent positions are disclosed every term in business reports under matters concerning corporate officers.

- Once a year, a summary of the results of the analysis of the effectiveness of the Board derived from the discussions of the directors and self-assessments is disclosed on the Company’s website.
  URL (Japanese language only):
  https://www.ines.co.jp/dcms_media/other/当社取締役会の実効性に関する評価結果の概要について.pdf

Enhancement of Meetings of the Board

- At Board meetings, outside directors ask questions and provide a range of opinions, leading to free, open, and constructive discussions and exchanges of opinions.
- To energize its deliberations, the Board has established the following operational standards:
  1. In principle, materials are distributed in advance via written documents or electronic data to facilitate their preliminary review.
  2. If information beyond the materials is required, additional data is provided separately.
  3. The annual Board meeting schedule is determined before the fiscal year begins and shared with all officers. Foreseeable items to be deliberated are also reviewed in advance.
  4. The number of agenda items and frequency of meetings are set appropriately based on the content of the item and time constraints.
  5. Sufficient time for deliberation is secured in consideration of the time needed for reporting.

Support System and Information Access

- Members of the Board (“Directors”) can request information from the Company as needed. The Management Planning, Human Resources, General Affairs, Compliance, Finance, or Internal Audit departments will respond to these requests by providing the information, supported by the staff assisting the officers. The Board and the ASC verify that it has been ensured that information is provided smoothly.
- Directors (including outside directors) coordinate closely with the Management Planning, Human Resources, General Affairs, Compliance, and Finance departments to obtain necessary information. The ASC (including outside directors) also collaborates closely with the Internal Audit Department in addition to these departments.
- Directors may obtain professional advice from external experts, such as lawyers or CPAs, regarding their duties at the Company's expense whenever necessary.

- The Internal Audit Department holds regular meetings with directors and the ASC to exchange information, enhancing mutual collaboration. Information is provided in a timely and precise manner to outside directors by the Management Planning, Finance, Human Resources, General Affairs, Compliance, and Internal Audit departments.

Director Training

- The Company provides or facilitates training opportunities tailored to the individual directors and covers or subsidizes necessary expenses.
- Upon taking office, directors (including outside directors) can receive explanations from relevant internal departments regarding the Company's business, finances, and organization. They also attend business policy briefings to fully understand their required roles and responsibilities. After appointment, they continuously refresh this knowledge by attending key meetings. They also gain a comprehensive understanding of their legal responsibilities and roles through study sessions conducted by external experts, such as legal counsel.
- The Company invites legal counsel and other external experts to hold internal study sessions for officers as needed. It also encourages participation in external seminars and briefings so that officers can independently acquire the latest information and increase their understanding of industry, legal, and economic trends.

Dialogue with Shareholders

- To achieve sustainable growth and enhance corporate value over the medium to long term, the Company engages in a constructive dialogue with shareholders outside the GMSs.
- Senior members of the Company's management listen to the opinions of shareholders and utilizes occasions like GMSs to explain management conditions and policies clearly, striving to ensure that stakeholders (including shareholders) have a balanced understanding of the Company.

Policy Regarding Constructive Dialogue with Shareholders

- When shareholders request to communicate with the Company, designated executive officers or managers respond actively within reasonable limits.
- The executive officer in charge of IR and the head of IR are responsible for face-to-face meetings with shareholders. The director responsible for the specific matter handles responses to stakeholders at financial results briefings held for analysts. In meetings

with outside directors, the Company responds to requests within reasonable limits in consideration of the shareholder's preferences and primary areas of interest.

- The policy for promoting a constructive dialogue with shareholders is as follows:
    1. A primary contact point is established within the IR team under the supervision of the designated executive officer.
    2. To facilitate constructive dialogue, the Company leverages the organic collaboration between the members of the Disclosure Committee centered around the IR team.
    3. Beyond one-on-one meetings, a dedicated email contact address is published on the Company’s website, and financial results briefings led by top management or other meetings are held as necessary.
    4. When shareholders express opinions or concerns, they are provided as feedback to executive officers and the Board within reasonable limits and escalated depending on the situation.
    5. Designated staff engage in dialogue with shareholders to prevent the communication of insider information, and records of these meetings are managed. If undisclosed material information is shared due to a need to engage in a constructive dialogue, that information is promptly made public.
- Every term (at the end of the fiscal year and the interim period), the Company identifies its shareholder structure using the shareholder registry.

Management Conscious of the Cost of Capital and the Stock Price

- The Company is executing its Three Pillars of Business Strategy under its 2028 Medium-Term Management Plan. By consistently generating profits that exceed the cost of equity, it targets an ROE of 9% or higher by the final year of the plan (FY2028).
- Furthermore, by providing shareholder returns using the profits generated and ensuring that information is disclosed appropriately through its IR activities, the Company implements management that is conscious of the cost of capital and the stock price, aiming to sustainably enhance corporate and equity value.
- Specific details regarding these strategies are outlined in the March 2026 Financial Results Briefing materials available on the Company’s website.
  (URL) https://ssl4.eir-parts.net/doc/9742/ir_material_for_fiscal_ym/202616/00.pdf
- The Board reviews the Company’s business portfolio when formulating medium-term management plan. Progress is disclosed regularly (at least once a year), and basic policies and the status of revisions are communicated.

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