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Corporate Governance Report

CORPORATE GOVERNANCE

artience Co., Ltd.

Last Update: April 3, 2025

artience Co., Ltd.

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Securities code: 4634

<https://www.artiencegroup.com/en/>

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

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

1. Basic Views

The artience Group (“the Group”) reaffirms that it is a global corporate group whose main business is the chemical manufacturing industry, and that it has the potential to have a significant impact on society and the environment. The Group believes that it must build good relationships with all stakeholders, and work to maintain and improve them. To do so, the Group recognizes that constantly analyzing and evaluating its own activities and practicing balanced management from the perspectives of people, society, the environment, and the economy is an important issue for fulfilling our corporate social responsibilities.

Enhancement of corporate governance through continuous reform is one of the pillars of the Group’s sustainability management. The Group will continue to incessantly reform and validate management resources and risk management, and build and maintain effective corporate governance. The Group will adapt flexibly to changes in the business environment and work to achieve resilient corporate management that contributes to the sustainable growth of the Group.

The Company’s thoughts on each item of corporate governance are posted in its Basic Policy on Corporate Governance, which is published on the Company’s website.

◇Basic Policy on Corporate Governance:

https://www.artiencegroup.com/en/corporate/sustainability/governance/corporate-governance/index.html#qa_1_1

Reasons for Non-compliance with the Principles of the Corporate Governance Code

The Company is implementing all of the principles under the Corporate Governance Code.

Disclosure Based on the Principles of the Corporate Governance Code **Updated**

【Principle 1.4 Cross-Shareholdings】

The Company holds shares of companies as it deems necessary for policy reasons as part of its management strategy, including business alliances, the maintenance and strengthening of business relationships and the stable procurement of raw materials.

Each year, the Board of Directors examines the economic rationality of holding each individual listed shares held from a medium- to long-term perspective, and the Company sells stocks whose holdings have become less meaningful. As a result of the verification, even if it is determined that there is significance in holding a stock, if it will contribute to improving the capital efficiency of the Group, the Company proceeds with the sale after carefully discussing with the issuer.

The Company sold 13.1 billion yen in stocks during the period of the previous medium-term management plan (FY2021 to FY2023) and plans to sell more than 20.0 billion yen in stocks during the period of the current medium-term management plan (FY2024 to FY2026).

Voting rights in relation to listed shares held will be exercised in an appropriate manner on a case-by-case basis,

taking into account whether or not the relevant proposal will help to enhance the corporate value of the issuing company over the medium to long term, whether or not it will contribute to the profits of all shareholders, including the Company, and the qualitative and overall impact it will have on the Group in terms of management and business. Where an issuing company has special circumstances, such as the occurrence of significant damage to its corporate value or a serious compliance violation, or where there is a concern that an issuing company may damage the corporate value of the Company as its shareholder, judgment over whether or not to approve will be made carefully by collecting sufficient information through dialogues with the issuing company or by other means.

【Principle 1.7 Related Party Transactions】

The Group will carry out all transactions, including related party transactions, in accordance with its own internal regulations, having sought necessary approvals in line with the importance and nature of the relevant transaction. Transactions whereby the related party is a major shareholder, or equivalent, will be subject to the same terms and conditions as transactions with third parties, to ensure that transactions are carried out legitimately.

【Principle 2.4 Ensuring Diversity, Including Active Participation of Women】

From the perspective of the Group's Corporate Philosophy of people-oriented management, the Group recognize diversity, equity and inclusion (DE&I) as one of the top priority issues to be addressed to strengthen the Group's human capital. The Group have promoted DE&I to create a workplace environment where diverse values, thoughts, and ideas are respected regardless of gender, age, nationality, disabilities or other characteristics, where all employees can engage fully in their work.

The Group launched the Diversity Promotion Project in FY2021, and implemented initiatives such as analyzing the current status of diversity, holding discussions on diversity with the leadership team, and providing diversity training for management. Established in FY2023, the Human Resources Department DE&I Promotion Office (D&I Promotion Office at the time of its establishment) has now taken over the role of this project.

Among the many DE&I issues that need to be addressed, the Group have focused specifically on promotion of the active participation of women because our ratio of women in managerial positions was around half the national average ratio in all industries. Providing equal opportunities for all of employees based on their individual needs is essential to help each employee reach his or her full potential. On promoting diversity through our activities to date, the Group have recognized that consideration of equity is extremely important, and the DE&I Promotion Office is now playing a central role in accelerating initiatives to instill DE&I across the Group.

【Supplementary Principle 2.4.1 Ensuring the Diversity in Promotion to Core Positions】

The promotion of active participation and advancement for women is one of the most important issues for strengthening the Group's human capital, and the Group aim to be a Group where many female employees can play active roles. As specific KPIs/targets for the Group's materiality and as targets set under our General Employer Action Plan pursuant to the Act on the Promotion of Women's Active Engagement in Professional Life (Women's Active Engagement promotion Act), the Group have set ourselves the targets of maintaining the percentage of female new graduates hired in Japan at 30% or higher and increasing the percentage of managers in Japan that are women to 10% by FY2030. Specific measures for achieving these targets include system reforms to promote the appointment of women to key positions, career development training for female candidates for managerial positions, the creation of mechanisms to support a smooth return to work after childcare leave, and seminars for officers and all employees aimed at improving literacy on women's health.

On the basis that a change in men's mindset is also essential in order to promote women's active participation, the Group have also implemented initiatives such as holding awareness-raising seminars to encourage male employees to take childcare leave and recommending under the new system that male employees who take childcare leave take at least 10 days' leave, in principle.

The Group's percentage of managers in Japan that are women is 5.8% (as of January 1, 2025), and the percentage of male employees who took child care leave or similar is 96.0% (2024). The Group's percentage of female new graduates hired in Japan in FY2024 was 41.5%.

【Principle 2.6 Roles of Corporate Pension Funds as Asset Owner】

The Company has adopted a contract-type defined benefit corporate pension plan and manages the pension assets.

Under the pension scheme of the Fund, the assets are managed by diversifying them appropriately after listening to opinions from the asset management consultant and asset management organizations, to secure investment earnings on a long-term basis for the purpose of securing resources for stable payment in the future.

Management of the pension assets is entrusted to multiple asset management organizations, and each organization is left to select individual investment destinations and exercise voting rights, so as to prevent a conflict of interest

between beneficiaries of the corporate pension and the Company. In addition, information about the management status is obtained regularly from each management organization, and details are shared by the Asset Management Committee, which is composed of executives in charge of personnel and managers from personnel and finance departments, and management status is managed appropriately.

Further, managers and persons in charge from the personnel department, which is the department in charge, cooperate with asset management consultants to ensure appropriate asset management and participate in pension management seminars and similar sessions hosted by asset management organizations, as part of their efforts to strengthen their expertise.

【Principle 3.1 Full Disclosure】

i) Company objectives (e.g., business principles), business strategies and business plans;

Details of the Company's Corporate Philosophy and Management Plan are published on the Company's website for reference.

Any changes in the Company's management plans are communicated at an appropriate time through financial results briefing sessions or similar, and the Company discloses relevant materials together with a video and a transcript of Q&A on the Company's website.

◇Corporate Philosophy:

<https://www.artiencegroup.com/en/corporate/info/philosophy.html>

◇Management Plan:

<https://www.artiencegroup.com/en/corporate/info/strategy.html>

ii) Basic views and guidelines on corporate governance based on each of the principles of the Code;

Details of the Company's basic position on corporate governance are included under Section I-1. (Basic Views) of this report.

The Company's Basic Policy on Corporate Governance are published on the Company's website for reference.

◇Basic Policy on Corporate Governance:

https://www.artiencegroup.com/en/corporate/sustainability/governance/corporate-governance/index.html#qa_1_1

iii) Board policies and procedures in determining the remuneration of the senior management and directors;

The Company believes the executive remuneration system is an important part of its corporate governance and has established the five policies below based on this understanding. The Company will also ensure that the system adopts an objective perspective through the Nomination and Remuneration Advisory Committee which is chaired by an Outside Director

- 1) Remuneration should be at a level that reflects economic conditions and corporate performance.
- 2) It should be at a level that enables the Company to attract and retain talent to increase its corporate value.
- 3) The remuneration system should embody the Company's Corporate Policy, reflect its medium- and long-term management strategies and strongly inspire sustainable growth.
- 4) Remuneration should adopt the performance-linked system and inspire the achievement of the disclosed performance forecasts.
- 5) It should be designed to be fair and rational from a perspective of accountability to the stakeholders. It should be determined through an appropriate process that increases fairness and transparency.

For more information, see II-1. (Director Remuneration, Disclosure of Policy on Determining Remuneration Amounts and the Calculation Methods Thereof) of this Report.

iv) Board policies and procedures in the appointment/dismissal of the senior management and the nomination of director candidates;

When a candidate for Director is nominated, the following matters (a) to (d) are determined comprehensively by the Chairman, President and Director in charge of personnel affairs. The President nominates candidates for the posts of Directors and Audit and Supervisory Committee Member. The nomination of candidates for the post of Director is discussed by the Nomination and Remuneration Advisory Committee, which is attended by three independent Outside Directors, and candidates for Directors who are members of the Audit and Supervisory Committee are approved at the meeting of the Audit and Supervisory Committee concerning submission of the proposal for the appointment to the General Meeting of Shareholders, before they are determined through deliberation and a resolution at a meeting of the Board of Directors.

(a) Criteria for nomination of Chief Executive Officer

In accordance with the Company's Corporate Policy, the Company nominates the Chief Executive Officer, based on a comprehensive assessment of:

- the nominee's ability to balance short-term, medium-term and long-term perspectives and to make sophisticated management decisions;

- the nominee's familiarity with the Group's business gained through experience serving as an executive director; and
- the nominee's awareness of the need to strictly enforce the law and corporate ethics.

(b) Appointment and nomination of candidates for Executives and Directors who are not members of the Audit and Supervisory Committee

In accordance with the Company's Corporate Policy, the Company nominates candidates for Executives and Directors, based on a comprehensive assessment of:

- their expected ability to contribute to the further development of the Group and related industries as a whole;
- their ability to accurately identify issues in their division and work with other Executives to resolve those issues; and
- their awareness of the need to strictly enforce the law and corporate ethics.

(c) Appointment and nomination of candidates for Directors who are members of the Audit and Supervisory Committee

In accordance with the Company's Corporate Policy, the Company nominates candidates for Audit and Supervisory Committee Members, based on a comprehensive assessment of:

- their ability to audit Directors' performance, prevent violations of the law and the Company's articles of incorporation before they occur, and maintain and improve sound management and public trust in the Group; and
- their ability to conduct audits from a neutral, objective perspective, and contribute to ensuring sound management.

(d) Appointment and nomination of candidates for Outside Directors

Taking the Company's criteria for independence for independent officers into consideration, the Company nominates candidates for Outside Directors, based on a comprehensive assessment of:

- their extensive expertise and experience in fulfilling leadership roles in areas such as management, legal affairs, finance and accounting, personnel and labor relations, and the chemical industry; and
- their ability to get to the heart of issues affecting the Group, adequately share their opinions with management, and provide guidance and supervision.

Concerning the removal of an Executive, consultation will be sought from the Nomination and Remuneration Advisory Committee in light of the criteria for removal stipulated in the Rules on Disciplinary Actions against Directors.

v) Explanations with respect to the individual appointments/dismissals and nominations based on iv).

The reasons for the nomination of candidates for Directors are already available on the Company's website for reference of the Notice of the Annual General Meeting of Shareholders.

◇Notice of the Annual General Meeting of Shareholders:

<https://www.artiencegroup.com/en/corporate/ir/stock-information/generalmeeting.html>

Reasons for the nomination of Outside Directors are also stated in II-1. (Directors, Outside Directors' Relationship with the Company) of this Report.

【Supplementary Principle 3.1.3 Sustainability Initiatives】

The Company has defined its basic strategy for promoting sustainability across the Group as "contributing to the improvement of environmental and social sustainability and achieving sustainable growth for the Group". By implementing and achieving various measures based on this policy, the Company aims to demonstrate the Group's economic value and social value and enhance its corporate value.

(Sustainability Vision)

In January 2022, the Group established the Sustainability Vision asv2050/2030 as practical long-term targets for 2050, in order to respond to recent global trends related to climate change, decarbonization, and SDG initiatives, as well as the social situation which requires that companies fulfill increasing demands for sustainability.

◇Sustainability Vision asv2050/2030:

<https://www.artiencegroup.com/en/corporate/info/strategy.html#a03>

(Materiality)

With the abovementioned Sustainability Vision asv2050/2030 and the artience 2027/2030 GROWTH management plan, enacted in FY2024, as starting points, the Group identified the key issues it should address in its sustainability management initiatives in the period up to 2030, and formulated Group Materiality 2025-2030. Using this Group Materiality as a foundation, the Group will plan and execute diverse sustainability initiatives integrating financial and non-financial strategies.

◇Group Materiality 2025-2030:

<https://www.artiencegroup.com/en/corporate/sustainability/strategy/materiality/>

(Addressing Climate Change)

The Group understands that responding to climate change is a material management issue with a huge impact on business activities. In November 2020, the Group expressed support for the Task Force on Climate-related Financial Disclosures (TCFD). Currently, the Group conducts activities for addressing climate change such as reducing CO2 emissions towards carbon neutrality in 2050 in accordance with its Sustainability Vision asv2050/2030. The Group also disclose information in accordance with the TCFD recommendations on the Company's website and in various reports.

◇Information Disclosure Based on TCFD Recommendations:

<https://www.artiencegroup.com/en/corporate/sustainability/environment/climate-change/tcf/index.html>

(Human capital and intellectual property initiatives)

Regarding human capital, the Group sees employees as the source of value creation and sustainable growth, and its aim is that all its employees have a real sense of the Group's growth and their own personal growth through their contribution to wider society. In line with its key human resource strategies of “building mechanisms enabling self-directed career development”, “fostering a climate that allows diverse human resources to thrive” and “creating safe workplaces”, the Group is working on human capital value enhancement initiatives that will strengthen its management foundations including various development measures, DE&I and health and productivity management.

Likewise for the creation of new intellectual property, in accordance with the artience2027/2030 GROWTH management plan, the Group is strengthening the core materials and core technologies that are its strengths, and combining its own technologies and outside technologies to develop new technologies and new production technologies, working to create new products and new businesses that will touch the sensibilities of people around the world.

The Company also discloses information about such initiatives through various reports.

◇Integrated Report 2024:

<https://www.artiencegroup.com/en/corporate/ir/archives/integrated-report/>

◇Sustainability Data Book 2024:

<https://www.artiencegroup.com/en/corporate/sustainability/archives/sustainability-data-book/>

◇Annual Securities Report (*Japanese only):

<https://www.artiencegroup.com/ja/corporate/ir/archives/annual-security-report/>

【Supplementary Principle 4.1.1 Scope of Delegation to Management】

In addition to matters that require a decision from the Board of Directors in accordance with the law or the Company's articles of incorporation, important management matters including the basic policy and strategic direction of the Group are submitted for approval by the Board of Directors in accordance with the Regulations of the Board of Directors. In addition, in order to transfer decision-making authority for the execution of business, decisions regarding the execution of business may be delegated to the Representative Directors in accordance with the Articles of Incorporation and the Board of Directors Regulations.

Decisions regarding other important matters in relation to management are made by the Group Management Committee in accordance with the Regulations of operating the Top Management Committee. To ensure effective supervision by the Board of Directors, matters determined by the Group Management Committee are then reported to the Board of Directors.

Operations relating to matters other than those submitted to the Board of Directors or the Group Management Committee are handled directly by the relevant Director in accordance with responsibilities determined by the Board of Directors. Such operations may also be delegated to a responsible Executive Officer. Even in cases such as these however, there are approval regulations in place for matters that can only be acted upon with approval from the Representative Directors, due to their importance or nature.

【Principle 4.9 Independence Standards and Qualification for Independent Directors】

Details of independence standards for Outside Directors are included under II -1. (Matters Concerning Independent Directors) of this Report.

【Supplementary Principle 4.10.1 Authority and Roles of the Nomination and Remuneration Committee】

The Company has established Nomination and Remuneration Advisory Committee aimed at further enhancing transparency and objectivity in processes for determining the nomination and remuneration of Directors.

The Nomination and Remuneration Advisory Committee consists of a majority of independent Outside Directors. The Representative Director attends the committee as members but an independent Outside Director serves as chair to ensure independence.

The committee is delegated by the Board of Directors to deliberate on candidates for Directors presented by the Representative Director before the proposal to the Board of Directors and to confirm the appropriateness.

Details of procedure are stated in Principle 3.1. iv) of this section and II-1. (Director Remuneration, Disclosure of Policy on Determining Remuneration Amounts and the Calculation Methods Thereof) of this Report.

【Supplementary Principle 4.11.1 Policy on Diversity of the Board of Directors】

The Company's Board of Directors shall be composed of appropriate personnel, taking into consideration diversity and expertise within the number of Directors stipulated in the Articles of Incorporation. As of March 26, 2025, the majority of the Directors are independent Outside Directors who comply with the Company's independence standards.

The criteria for nominating Directors and the procedures for their election are described in Principle 3-1 (iii)(iv) above. For the Company's independence standards, see II-1. (Matters Concerning Independent Directors) of this Report. For the Director skills matrix, see the Attachment to this Report.

【Supplementary Principle 4.11.2 Concurrent Positions Held by Directors】

Details of executive positions held concurrently by Directors at other listed companies are included in the Notice of the Annual General Meeting of Shareholders and the Annual Securities Report, which are posted on the Company's website. In addition, those of Outside Directors are also stated in II-1. (Directors) of this Report.

◇Notice of the Annual General Meeting of Shareholders:

<https://www.artiencegroup.com/en/corporate/ir/stock-information/generalmeeting.html>

◇Annual Securities Report (*Japanese only):

<https://www.artiencegroup.com/ja/corporate/ir/archives/annual-security-report/>

【Supplementary Principle 4.11.3 Analyses and Evaluations of Effectiveness of the Board of Directors】

Each year, the Company conducts an evaluation of the effectiveness of the Board of Directors for all Directors, including Outside Directors, and takes steps to improve the Board of Directors based on issues identified.

<Issues identified and initiatives implemented in the past two years>

- Initiatives to address issues identified in evaluation of effectiveness in FY2022

(i) In light of feedback that reporting on dialogue with shareholders and investors was insufficient, the Company decided to report on dialogue with shareholders and investors to the Board of Directors semiannually from FY2023.

(ii) Based on feedback that details of training including executive training were unclear, the Company reported information on training implemented over the year to the Board of Directors.

(iii) In view of feedback that reporting from the Advisory Committee on Appointment and Remuneration to the Board of Directors was inadequate, from FY2024, the Company increased the number of meetings of the advisory committee for more in-depth examination and also stepped up reporting to the Board of Directors.

- Initiatives to address issues identified in the evaluation of effectiveness in FY2023

Based on the view that the Board of Directors should be made up of more individuals with business experience, two individuals with expertise in management and finance were selected as first-time outside director candidates and elected at the 187th Annual General Meeting of Shareholders held in March 2025.

<Process of evaluation of effectiveness in FY2024 (implemented from December 2024 to February 2025)>

- The Company prepared and implemented a questionnaire survey with the help and advice of a third-party outside organization.

- Based on the outside organization's aggregated questionnaire survey results, the Company interviewed the Chairman of the Board and independent outside directors.

- The results of the questionnaire and interviews were analyzed, discussed and evaluated at a meeting of the Board of Directors in March 2025.

<FY2024 effectiveness evaluation results and issues>

- The evaluation was mostly positive, including that the Board of Directors is becoming more effective year by year, and it was acknowledged that overall the Board of Directors functions effectively.

- Improvements were also confirmed in the matters pointed out in the evaluation of effectiveness in past fiscal years.

- In the FY2024 effectiveness evaluation, a number of operational improvements to enhance discussions at meetings of the Board of Directors were proposed/identified. These included clarification of discussion points

based on the role expected of Directors and enhancement of information provision by executives. In response to such comments, the Company committed to creating an environment for useful discussion through greater focus in FY2025 on expanding opportunities for the exchange of opinions between Directors and improving information sharing with outside directors.

The Company's Board of Directors will strive to continuously improve its effectiveness by addressing the issues identified in this evaluation and monitoring the status of improvements in the following year's evaluation.

【Supplementary Principle 4.14.2 Policy on Training for Directors】

The Company continues to provide Directors with opportunities for essential training to help them to perform their respective duties and responsibilities.

In addition to supporting the expenses necessary to ensure that Directors and Executive Officers continue to obtain useful information on management, training to appropriately understand the changes in the business environment such as DX, TCFD and diversity is also provided. Further, all of the Executive Officers receive external training on finance, corporate governance and other related topics when they are appointed.

Outside Directors are provided with other resources besides the foregoing, including explanations aimed at improving their understanding in areas such as the Group's management strategy, business activities and current status, upon taking office as well as facility tours and briefings from supervising executives as necessary thereafter.

【Principle 5.1 Policy for Constructive Dialogue with Shareholders】

The Company has established the following policy in its Basic Policy on Corporate Governance (Article 17: Dialogues with Shareholders).

1. The Company shall engage in sincere dialogue with shareholders to achieve sustainable growth and increase corporate value, from a medium- to long-term perspective.
2. To encourage constructive dialogue, the Company shall establish the following systems and initiatives.
 - (1) Designate a director in charge of IR to oversee IR activities.
 - (2) Establish a department in charge of general shareholders and a department in charge of investors, which will serve as external points of contact and seek to enhance dialogue in cooperation with other relevant Group departments.
 - (3) Hold briefings for investors, in addition to individual meetings, as a means of dialogue to promote understanding of the Company's management policy, business performance, and business operations, etc.
 - (4) Share the content of dialogue among officers by periodically reporting to the Board of Directors and other means.
 - (5) Disclose information fairly and proactively, in accordance with the Disclosure Policy (Policy on Information Disclosure.) Give consideration to the management of insider information, such as setting a silent period for dialogue.

◇Basic Policy on Corporate Governance:

https://www.artiencegroup.com/en/corporate/sustainability/governance/corporate-governance/index.html#qa_1_1

【Action to Implement Management that is Conscious of Cost of Capital and Stock Price】 【Available in English】

The Company has formulated the Medium-Term Management Plan artience 2027 (execution period: January 2024 to December 2026) through the Board of Directors. In the Plan, the Company is working on business portfolio transformation, maximization of capital efficiency and cash flow, and the development of corporate foundations and sustainable management that will support these initiatives, with the goal of exceeding the cost of shareholders' equity based on the recognition that the Company's cost of shareholders' equity is approximately 7%. To put the Group on a growth track, the Company reviewed its capital policy and cash allocation from FY2025 in light of progress in FY2024, which is the first fiscal year of the current Medium-term Management Plan. The Representative Director and the Director in charge of IR explain changes to the plan and the progress status at results briefings held four times a year, and individual meetings and small meetings are held from time to time to explain the details.

Details are published on the Company's website for reference.

◇Presentation data of FY2024 Results Briefing :

<https://ssl4.eir-parts.net/doc/4634/tdnet/2571695/00.pdf>

* Action to implement management that is conscious of cost of capital and stock price is posted on page 19.

【Status of Dialogue with Shareholders】

Details are published on the Company's website for reference.

◇ Dialogue with shareholders and investors :
<https://www.artiencegroup.com/en/corporate/sustainability/governance/corporate-governance/index.html>

2. Capital Structure

Foreign Shareholding Ratio	Updated	20% or more and less than 30%
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Status of Major Shareholders **Updated**

Name or Company Name	Number of Shares Owned	Percentage (%)
TOPPAN Holdings Inc.	10,446,988	20.59
The Master Trust Bank of Japan, Ltd. (Trust account)	6,002,500	11.83
Custody Bank of Japan, Ltd. (trust account)	2,515,100	4.96
Nippon Shokubai Co., Ltd.	1,661,230	3.27
artience Group Employee's Stock Club	1,387,525	2.73
STATE STREET BANK AND TRUST COMPANY 505001	1,098,159	2.16
artience Group Suppliers' Stock Club	937,800	1.85
THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT	710,000	1.40
STATE STREET BANK AND TRUST COMPANY 505103	676,446	1.33
BNYMSANV RE BNYMIL RE WS MORANT WRIGHT NIPPON YIELD FUND	530,000	1.04

Name of Controlling Shareholder, if applicable (excluding Parent Company)	_____
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Name of Parent Company, if applicable	None
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Supplementary Explanation	_____
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3. Corporate Attributes

Listed Stock Exchange and Market Segment	Tokyo Stock Exchange, Prime Market
Fiscal Year-End	December
Business Sector	Chemicals
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	¥100 billion or more and less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the	50 or more and fewer than 100

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

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

The Company is positioned as an equity-method affiliate of TOPPAN Holdings Inc. TOPPAN Holdings Inc. is the Company's largest shareholder and owns 20.59% of voting rights of the Company as of December 31, 2024. TOPPAN Holdings Inc. and its group companies (the "TOPPAN Group") are developing a wide range of business activities in the Information & Communication, Living & Industry and Electronics segments. The Company and the Group maintain cooperative relationships with the TOPPAN Group by providing printing inks and other materials for the above business segments, while retaining independence in the conducting of the businesses of the Group.

The TOPPAN Group is the largest and most stable customer of the Group, and cooperative relationships are maintained between the two groups regarding the understanding of market trends and product development, while the TOPPAN Group does not constrain the Group in any specific way, including its approval of the Group's conduct. The Group ensures that it conducts fair transactions with the TOPPAN Group under similar terms and conditions of transactions with other companies that the Group has no capital relationship with. The Group has focused on the development of business while maintaining cooperative relationships with the TOPPAN Group. The Group believes that a certain degree of independence from the parent company, etc. has been ensured because its business is not constrained by the TOPPAN Group and its overall management is based on the independent judgments of its management.

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 Supervisory Committee
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Directors

Number of Directors Stipulated in Articles of Incorporation	20
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors Updated	11
Election of Outside Directors	Elected
Number of Outside Directors	7
Number of Independent Directors Updated	7

Outside Directors' Relationship with the Company (1) **Updated**

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Tomoko Adachi	Other											
Yoshinobu Fujimoto	Lawyer											
Yukihiro Tachifuji	From another company											
Noriko Kosugi	From another company											
Yutaka Yokoi	Other											
Keiko Kimura	Lawyer											
Minoru Matsumoto	CPA						△					

*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.)

- Person who executes business of the Company or a subsidiary
- Person who executes business or a non-executive director of a parent company
- Person who executes business of a fellow subsidiary
- Person/entity for which the Company is a major client or a person who executes business for such person/entity
- Major client of the Company or a person who executes business for such client
- 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
- Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business of the corporation)
- 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)
- Person who executes business for another company holding cross-directorships/cross-auditorships with the Company (applies to self only)
- Person who executes business for an entity receiving contributions from the Company (applies to self only)
- Other

Outside Directors' Relationship with the Company (2) **Updated**

Name	Membership of Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Applicable Relationship	Reasons for Appointment
Tomoko Adachi		Y	Trustee, Imperial Gift Foundation Boshi-Aiiku-Kai Honorary Director, Aiiku Hospital, Aiiku Maternal and Child Health Center, Imperial Gift Foundation Boshi-Aiiku-Kai Vice President, Japan Association of Obstetricians and Gynecologists	Ms. Tomoko Adachi possesses experience in hospital management as well as highly professional knowledge and expertise in medicines and health-conscious business management and diversity & inclusion, having served as a member of multiple national and administrative councils and committees for women's advancement. The Company expects her to supervise management from an impartial perspective. As Ms. Adachi is not covered under Article 211, Paragraph 4, Section 6 of the Enforcement Rules for Securities Listing Regulations, there is not deemed to be any conflict of interest with

				general shareholders.
Yoshinobu Fujimoto		Y	<p>Partner, Nishimura & Asahi (Gaikokuho Kyodo Jigyo)</p> <p>Outside Audit & Supervisory Board member of Mita Securities Co., Ltd.</p>	<p>Mr. Yoshinobu Fujimoto possesses highly professional knowledge of and broad insight, especially into M&A transactions and overseas transactions with the certification as lawyer. The Company expects him to supervise management from an impartial perspective.</p> <p>As Mr. Fujimoto is not covered under Article 211, Paragraph 4, Section 6 of the Enforcement Rules for Securities Listing Regulations, there is not deemed to be any conflict of interest with general shareholders.</p>
Yukihiro Tachifuji		Y	<p>Outside Director, FUJI ELECTRIC CO., LTD.</p> <p>Outside Director, JNC CORPORATION</p>	<p>Mr. Yukihiro Tachifuji possesses a wealth of experience and a high level of knowledge as an executive of a listed company, and is well versed in technology and production management tasks in the manufacturing industry. The Company expects him to supervise management from an impartial perspective.</p> <p>As Mr. Tachifuji is not covered under Article 211, Paragraph 4, Section 6 of the Enforcement Rules for Securities Listing Regulations, there is not deemed to be any conflict of interest with general shareholders.</p>
Noriko Kosugi		Y	<p>Bursar, The British School in Tokyo</p> <p>Outside Director, COMPUTER ENGINEERING & CONSULTING LTD.</p>	<p>Ms. Noriko Kosugi has abundant experience in finance and accounting in various companies in Japan and abroad, and is well versed in management planning and IR. She possesses considerable knowledge of finance and accounting, along with management experience in listed companies. The Company expects her to supervise management from an impartial perspective.</p> <p>As Ms. Kosugi is not covered under Article 211, Paragraph 4, Section 6 of the Enforcement Rules for Securities Listing Regulations, there is not deemed to be any conflict of interest with general shareholders.</p>
Yutaka Yokoi	Y	Y	<p>Councilor and Distinguished Professor, Chiba Institute of Technology</p> <p>Outside Director of Hokuho Financial Group,</p>	<p>Mr. Yutaka Yokoi possesses international sensibility and wide-ranging insight on global affairs cultivated through his career in diplomacy. The Company expects him to</p>

			Inc.	supervise management from an impartial perspective. As Mr. Yokoi is not covered under Article 211, Paragraph 4, Section 6 of the Enforcement Rules for Securities Listing Regulations, there is not deemed to be any conflict of interest with general shareholders.
Keiko Kimura	Y	Y	Lawyer, Anzai Law Office Outside Director (Audit and Supervisory Committee Member) of Yashima & Co., Ltd.	Ms. Keiko Kimura possesses highly professional knowledge of and broad insight especially into the Labor Act and human resource and labor related affairs with the certification as lawyer. The Company expects her to supervise management from an impartial perspective. As Ms. Kimura is not covered under Article 211, Paragraph 4, Section 6 of the Enforcement Rules for Securities Listing Regulations, there is not deemed to be any conflict of interest with general shareholders.
Minoru Matsumoto	Y	Y	Representative Partner of Terada-kaikai Tax Accountant Corporation Outside Director of Foster Electric Company, Limited Mr. Minoru Matsumoto used to belong to Deloitte Touche Tohmatsu LLC, which is the accounting auditor of the Company. However, he left the auditing corporation in September 2012.	Mr. Minoru Matsumoto possesses a wealth of experience in accounting audit along with considerable knowledge of finance and accounting as a certified public accountant. The Company expects him to supervise management from an impartial perspective. As Mr. Matsumoto is not covered under Article 211, Paragraph 4, Section 6 of the Enforcement Rules for Securities Listing Regulations, there is not deemed to be any conflict of interest with general shareholders.

Supervisory Committee

Composition of Supervisory Committee and Attributes of the Chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Committee Chair
Supervisory Committee	4	1	1	3	Inside Director

Appointment of Directors and/or Staff to Support the Supervisory Committee

Appointed

Matters Concerning Independence of Said Directors and/or Employees from Executive Officers

Where the Company appoints employees to assist the duties of the Audit and Supervisory Committee, before the appointment or transfer of any such employee, the prior approval of the Audit and Supervisory Committee is required and the Audit and Supervisory Committee is responsible for issuing instructions and orders to and evaluating any such employee.

Status of Coordination between Supervisory Committee, Accounting Auditor, and Internal Audit Department

Outside Directors who are Audit and Supervisory Committee Members receive reports on matters such as audits and the status of development and operation of the internal control system from the accounting auditor, the Internal Audit Department and Audit and Supervisory Board Members of Group companies, either directly or through the full-time Audit and Supervisory Committee Members, and express opinions at meetings of the Board of Directors and the Audit and Supervisory Committee where necessary. Moreover, meetings attended by Outside Directors (excludes Directors who are Audit and Supervisory Committee Members) and Outside Directors who are the Audit and Supervisory Committee Members are organized as appropriate to exchange information on audits and the development and operation of the internal control system, thus strengthening mutual cooperation.

Voluntary Established Committee(s)

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) **Updated**

	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	4	1	1	3	0	0	Outside Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Nomination and Remuneration Advisory Committee	4	1	1	3	0	0	Outside Director

Supplementary Explanation **Updated**

The Company has established Nomination and Remuneration Advisory Committee aimed at further enhancing transparency and objectivity in processes for determining the nomination and remuneration of Directors. The Committee is chaired by an Outside Director and consists of an Internal Director and three Outside Directors who meet the Company's independence standards for Outside Directors.

Matters Concerning Independent Directors

Number of Independent Directors Updated	7
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Other Matters Concerning Independent Directors

The Company's criteria of independence for outside directors is as follows.

The Board of Directors of the Company does not certify Outside Directors as independent officers if they fall under any of the following categories.

- (1) A business executive¹ of the Company or its affiliated company (hereinafter collectively “the Group”)
- (2) A major business partner of the Group² or a business executive of such business partner
- (3) A major client of the Group³ or a business executive of such client
- (4) A major shareholder of the Company⁴ or a business executive of a major subsidiary⁵ of such shareholder
- (5) An entity or a business executive of such entity that receives a large amount of donations⁶ from the Group
- (6) A consultant, accountant, or legal specialist who receives a large amount of monetary or other assets from the Group aside from executive compensation⁷ (in case of corporation, association or other organization, an individual who belongs to such organization)
- (7) A certified public accountant, an employee, partner or staff of an audit firm that provides accounting audit of the Group
- (8) In case of a law firm, audit firm, tax accounting firm or consulting firm, or other professional advisory firm that do not fall under above (6) or (7), an employee, partner, associate or staff of a firm whose major client is the Group⁸
- (9) A business executive of a company whereat a business executive of the Group is an outside officer
- (10) A business executive of a company whose major shareholder is the Company
- (11) An individual who has fallen under criteria (1) above in the past ten years prior to his/her assumption of office (in case of an individual who was a non-executive Director or an Audit and Supervisory Board Member of the Company in the past ten years prior to his/her assumption of office, another ten years prior to such assumption)
- (12) An individual who has fallen under criteria (2) or (3) in the past three business years
- (13) An individual who has fallen under criteria (4) through (8) in the past three years (with regard to (7), this shall apply only to an individual who was actually in charge of handling the audit (excluding ancillary duty) of the Group (including an individual who is retired or resigned at present))
- (14) A close relative⁹ to an individual that would fall under the following
 - a. An important business executive¹⁰ of the Group
 - b. An individual who has fallen under above a. in the past five years
 - c. An individual defined as above (2) through (10) (with regard to “a business executive” in (2) through (5), and (9) and (10), an important business executive, with regard to “an individual who belongs to such organization” in (6), an important business executive and, in case of an audit firm or a law firm, etc., an individual who possesses professional qualification, and with regard to “an employee, partner or staff of an audit firm” in (7), an important business executive and certified public accountant and other professional experts)
 - d. An individual who has fallen under above c. in the past three years

Notes:

1. “A business executive” is defined as executive director, executive officer or employee.
2. “A major business partner of the Group” is defined as any of the following:
 - 1) A business partner group that provides products or services to the Group (a party that belongs to a consolidated group to which the direct business partner belongs; the same applies hereafter.), a business partner group whose transactions with the Group exceeds 2% of the consolidated net sales or total income of the business partner group for the most recent fiscal year
 - 2) The counterparty group to which the Group is indebted and the aggregate amount of indebtedness of the Group exceeds 2% of consolidated total assets of the counterparty at the end of the most recent fiscal year
3. “A major client of the Group” is defined as any of the following:
 - 1) The business partner group to which the Group provides products or services and the transactions with the business partner group exceed 2% of the consolidated net sales of the Group for the most recent fiscal year
 - 2) The counterparty group that is indebted to the Group and the aggregate amount of indebtedness of the counterparty group exceeds 2% of the consolidated total assets of the Group at the end of the most recent fiscal year
 - 3) The financial institution group from which the Group is borrowing (defined as an individual who belongs to a consolidated group to which the financial institution from which the Group is directly borrowing belongs) and the aggregate borrowing amount of the Group from the financial institution group exceeds 2% of the consolidated total assets of the Group at the end of the most recent fiscal year
4. “Major shareholder” is defined as a shareholder who owns 10% or more of the total voting rights either directly or indirectly.
5. “Major subsidiary” is defined as a subsidiary that is presented as a major subsidiary in the “Status of the parent company or major subsidiaries” (Article 120, Paragraph 1, Item 7 of the Ordinance for Enforcement of the

Companies Act) in the Business Report of the Company pertaining to the most recent fiscal year, or in other disclosure documents made public by the Company.

6. "Entity that receives a large amount of donations" is defined as an entity who received from the Group a donation amounting to 10 million yen or more, a year taken in average of the three most recent fiscal years, or an amount equivalent to 30% or more of the average total annual cost of such entity, whichever is higher.
7. "A consultant, accountant, or legal specialist who receives a large amount of monetary or other assets from the Group aside from executive compensation" is defined as an individual who receives from the Group, a financial benefit of 10 million yen or more a year taken in average of the three most recent fiscal years aside from executive compensation.
8. "A firm whose major client is the Group" is defined as a firm that received a payment from the Group in an amount equivalent to 2% or more of the consolidated net sales of the firm taken in average of the three most recent fiscal years.
9. "A close relative" is defined as a spouse or relative within the second degree, or a relative living together.
10. Of business executives, "an important business executive" is defined as an individual who executes significant business operations, including executive director, executive officer or general manager.

Incentives

Implementation Status of Measures related to Incentives Granted to Directors

Introduction of Performance-linked Remuneration Scheme / Other

Supplementary Explanation for Applicable Items

Details are included under II-1. (Director Remuneration) of this Report.

Persons Eligible for Stock Options

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Supplementary Explanation for Applicable Items

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Director Remuneration

Status of Disclosure of Individual Directors' Remuneration

No Disclosure for any Directors

Supplementary Explanation for Applicable Items **Updated**

The Company disclosed the aggregate amounts of individual remuneration for Internal Directors and for Outside Directors. Remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) in FY 2024 totaled ¥300 million (¥37 million of which was paid to Outside Directors).

Policy on Determining Remuneration Amounts and the Calculation Methods Thereof

Established

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

<Remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members)>

The Company believes the executive remuneration system is an important part of its corporate governance and has established the five policies below based on this understanding. The Company will also ensure that the system

adopts an objective perspective through the Nomination and Remuneration Advisory Committee which is chaired by an Outside Director.

- 1) Remuneration should be at a level that reflects economic conditions and corporate performance.
- 2) It should be at a level that enables the Company to attract and retain talent to increase its corporate value.
- 3) The remuneration system should embody the Company's Corporate Policy, reflect its medium- and long-term management strategies and strongly inspire sustainable growth.
- 4) Remuneration should adopt the performance-linked system and inspire the achievement of the disclosed performance forecasts.
- 5) It should be designed to be fair and rational from a perspective of accountability to the stakeholders. It should be determined through an appropriate process that increases fairness and transparency.

Remuneration for Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) shall consist of (a) Basic salary, (b) Performance-based compensation and (c) Restricted stock compensation, in accordance with the executives remuneration policy. The percentage of each constituent element of compensation (standard amount when the 100% of the targets for performance-based compensation are achieved) is as follows: (a) 65% Basic salary, (b) 35% Performance-based compensation and (c) 5% Restricted stock compensation. However, remuneration for Outside Directors (excluding Directors who are Audit and Supervisory Committee Members) is fixed and composed of only (a) Basic salary in light of their duties and roles of supervising the execution of business.

(a) Basic salary

The basic salary is cash-based and paid monthly according to the specific position.

(b) Performance-based compensation

The Company's performance-based compensation is designed to reflect the evaluation of consolidated financial results and takes the form of monthly compensation paid as a short-term incentive. The calculation method is as follows.

*Basic amount of performance-based compensation for each position x Payment rate (%) based on the evaluation of consolidated financial results

*The method for calculating the payment rate based on the evaluation of consolidated financial results is as follows. Target below is the published target at the beginning of the period.

- Indicators for the evaluation of consolidated financial results are the comparison of consolidated net sales and consolidated operating profit with the targets and the previous year respectively.
- The comparison of consolidated net sales with the target, the comparison of consolidated net sales with the previous year, the comparison of consolidated operating profit with the target and the comparison of consolidated operating profit with the previous year are weight-averaged using the following percentages: 24%, 16%, 36%, and 24%, respectively, and the payment ratio is determined based on their results.

These indicators were chosen because the Company believes that the degree of achievement of performance targets in each business year reflects increases and decreases in corporate value and judges them to be appropriate as indicators.

(c) Restricted stock compensation

The Company has established restricted stock compensation as a long-term incentive, with the aim of sharing the benefits and risks of fluctuations in share prices with shareholders, improving the Company's results over the medium and long terms based on a healthy entrepreneurial spirit, and increasing Directors' enthusiasm for and contribution to the improvement of corporate value. The Company will deliver its restricted stock compensation to Directors excluding Outside Directors and Directors who are Directors who are Audit and Supervisory Committee Members. The calculation method is as follows.

*Basic amount of restricted stock compensation for each position x Payment rate (%) based on the evaluation of consolidated financial results

*The method for calculating the payment rate based on the evaluation of consolidated financial results is as follows. Target is the published target at the beginning of the period.

- Indicators for the evaluation of consolidated financial results are the comparison of consolidated net sales and consolidated operating profit with the targets and the previous year respectively.
- The comparison of consolidated net sales with the target, the comparison of consolidated net sales with the previous year, the comparison of consolidated operating profit with the target and the comparison of consolidated operating profit with the previous year are weight-averaged using the following percentages: 24%, 16%, 36%, and 24%, respectively, and the payment ratio is determined based on their results.

The 184th Annual General Meeting of Shareholders held on March 23, 2022 passed a resolution deciding that the aggregate amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) would not exceed ¥500 million a year (including an aggregate amount for Outside Directors of ¥100 million or less). In addition, the Annual General Meeting of Shareholders passed a resolution deciding that the aggregate amount of monetary compensation claims to be provided as restricted stock compensation to Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) would be ¥100 million a year or less, outside the framework of the ¥500 million a year or less for monetary compensation. The number of Directors (excluding Directors who are Audit and Supervisory Committee Members) at the conclusion of the Annual General Meeting of Shareholders was seven (three of whom are Outside Directors).

In addition, the Board of Directors delegates decisions on the remuneration, etc. for individual directors to the advisory committee. The delegated authority consists of determining the amount of basic salary and performance-based compensation of each Director (excluding Directors who are Audit and Supervisory Committee Members) as well as the number of shares to be granted as restricted stock compensation to each Director excluding Directors who are Audit and Supervisory Committee Members and Outside Directors, within the maximum amounts of total compensation resolved by the General Meeting of Shareholders. The reason for delegating such authority is to increase the fairness, transparency and objectivity of procedures for determining the amount of remuneration for individual Directors by delegating decisions to the advisory committee, which is made up of a majority of independent outside directors. To ensure that this authority is exercised properly by the advisory committee, the committee must be made up of a majority of independent outside directors. Accordingly, the committee is made up of four members, outside director Yutaka Yokoi who serves as chair, outside directors Keiko Kimura and Yukihiro Tachifuji, and President, Group CEO & Representative Director Satoru Takashima. Since remuneration amounts for individual Directors are determined through such procedures, the Board of Directors judges that details of remuneration are in line with the determination policy.

<Remuneration for Directors who are Audit and Supervisory Committee Members>

Remuneration for Directors who are Audit and Supervisory Committee Members is fixed and composed of only the basic salary in light of their duties and roles of supervising and auditing the execution of business.

The 184th Annual General Meeting of Shareholders held on March 23, 2022 passed a resolution deciding that the aggregate amount of remuneration for Directors who are Audit and Supervisory Committee Members would not exceed ¥100 million a year. The number of Directors who are Audit and Supervisory Committee Members at the conclusion of the Annual General Meeting of Shareholders was four (three of whom are Outside Directors).

Support System for Outside Directors

There is a structure in place to enable Outside Directors to keep up to date with the Company's operations based on important matters from Management Committee meetings, including meetings of the Board of Directors, through measures such as receiving reports at the Board of Directors meetings and accessing important documents, regardless of whether or not they attended the relevant meeting. In addition, to enable independent Outside Directors to actively contribute to discussions at Board of Directors meetings and to further communicate and coordinate with management and the Directors who are full-time Audit and Supervisory Committee Members, the Company has established a forum for the exchange of information and understanding between independent Outside Directors who are not Audit and Supervisory Committee Members and the Audit and Supervisory Committee.

Statuses of Persons who have Retired as Representative Director and President, etc.

Information on Persons Holding Advisory Positions (*Sodanyaku, Komon*, etc.) after Retiring as Representative Director and President, etc. **Updated**

Name	Job title/ position	Responsibilities	Terms and Conditions of Employment (Full/part time, with/without remuneration, etc.)	Date when former role as president/ CEO ended	Term
Katsumi Kitagawa	Senior Advisor	to work for various outside organizations	Full time, with remuneration	March 26, 2025	One year (Renewable)

Number of Persons Holding Advisory Positions (*Sodanyaku, Komon, etc.*)

1

After Retiring as Representative Director and President, etc. **Updated**

Other Related Matters **Updated**

The Company's advisor, Mr. Katsumi Kitagawa works for various outside organizations as an advisor. He does not attend meetings of the Company's Board of Directors or Management Meetings and is not involved in the Company's business execution or decision-making.

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

(Board of Directors)

The Company convenes the Board of Directors as the body for making important decisions related to the management of the Company and the whole Group every month, to determine matters prescribed by laws and regulation and important matters related to management, as well as to supervise business execution. As of March 26, 2025, the Board of Directors is composed of 7 Directors (excluding Directors who are Audit and Supervisory Committee Members; 4 of whom are Outside Directors) and 4 Directors who are Audit and Supervisory Committee Members (3 of whom are Outside Directors), making a total of 11 Directors.

Issues discussed and deliberated at meetings of the Board of Directors in FY2024 included matters for resolution pursuant to laws and regulations, as well as matters required under the Corporate Governance Code (evaluation of effectiveness of Board of Directors, verification of the economic rationale of cross-shareholdings, analysis of results of voting at the General Meeting of Shareholders, status of dialogue with shareholders and investors, etc.), enactment and revision of sustainability-related policies, Medium-term Management Plan artience2027, the fiscal year plan, initiatives for improving capital efficiency, large investments and loans, status of activities of the Advisory Committee on Appointment and Remuneration, and initiatives for human capital, risk management and compliance.

In FY2024, the Board of Directors met 17 times.

(Audit and Supervisory Committee)

As of March 26, 2025, the Audit and Supervisory Committee consists of 4 Directors who are Audit and Supervisory Committee Members (3 of whom are Outside Directors). The Audit and Supervisory Committee cooperates with the Internal Audit Department and accounting auditor and audits the legality and appropriateness of Directors' execution of their duties.

The Audit & Supervisory Committee formulates audit plans and priority audit items and conducts its activities in accordance with the Code of Audit and Supervisory Committee Auditing and Supervising Standards. The specific contents of its review include the legal compliance of Directors' execution of duties, the appropriateness of audits by accounting auditors, the appropriateness of the contents of business reports, and the appropriateness of the appointment and remuneration of Directors (excluding Directors who are Audit and Supervisory Committee members) based on the results of deliberation at the Advisory Committee, in addition to the confirmation of the business and property status of each company and base of the Group, the operating status of the internal control system and responses to important matters based on audits by Audit & Supervisory Committee members, Group company auditors, the Internal Audit Department and accounting auditors.

In FY2024, the Audit and Supervisory Committee met 13 times.,

(Group Management Committee)

As consultative and policymaking body, subordinate to the Board of Directors, the Group Management Committee is the key executive decision-making body. Meetings are always attended by Audit and Supervisory Committee Members, as part of a system that enables sufficient oversight of operations carried out by Directors. Because the Group Management Committee mainly examines the Group's business strategies, business-related issues, and business results, its meetings are always attended by Executives in charge of technology, R&D and intellectual property, the General Managers of the Group General Affairs Department, the Group Finance Department and the Group Human Resources Department, and the representative directors of the Group's core operating companies, TOYOCOLOR CO., LTD., TOYOCEM CO., LTD. and TOYO INK CO., LTD.

In FY2024, the Group Management Committee met 26 times.

(Nomination and Remuneration Advisory Committee)

At a meeting held on February 9, 2017, the Company's Board of Directors approved a resolution to establish Nomination and Remuneration Advisory Committee aimed at further enhancing transparency and objectivity in processes for determining the nomination and remuneration of Directors. The committee is chaired by an independent Director and are composed of an internal Director and 3 Outside Directors who satisfy the criteria of independence of Outside Directors established by the Company.

The main issues discussed and deliberated by the committee during FY2024 included candidates for Directors (excluding Directors who are Audit & Supervisory Committee Members) at the 186th Annual General Meeting of Shareholders held on March 26, 2024 and their remuneration, succession planning initiatives, terms of office of Directors, etc., and candidates for Directors (excluding Directors who are Audit & Supervisory Committee Members) at the 187th Annual General Meeting of Shareholders held on March 26, 2025.

In FY2024, the Nomination and Remuneration Advisory Committee met 4 times.

3. Reasons for Adoption of Current Corporate Governance System

The Company has adopted an organizational design with an audit and supervisory committee under the Companies Act. By seeking to expedite decision-making processes and business execution through the delegation of decision-making authority on business execution from the Board of Directors to Directors and by allowing Audit and Supervisory Committee Members, who are Directors, to exercise their voting rights at meetings of the Board of Directors, the Company aims to increase fairness and transparency of management and strengthen oversight of the Board of Directors, thereby further enhancing corporate governance.

A majority of the Directors are Outside Directors. Outside Directors fulfil their role of overseeing management from an outside perspective and objective standpoint by attending (and contribute to) important meetings, including meetings of the Board of Directors, and being kept up to date with important management information via access to important documents.

The Company uses an executive officer system (term of office of Executive Officers is set at one year) to clarify the separation of roles between management supervisory functions and business execution functions and has speeded up decision making and strengthened the supervisory functions over business execution.

III. Implementation of Measures for Shareholders and Other Stakeholders

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

	Supplementary Explanation
Early Posting of Notice of the General Shareholders Meeting	<p>In 2025, measures were taken to electronically provide the Notice of the 187th Annual General Meeting of Shareholders and reference documents on March 3, 23 days prior to the date of the General Meeting of Shareholders. The Notice of the 187th Annual General Meeting of Shareholders and reference documents were sent out to shareholders on March 4, 22 days prior to the date of the General Meeting of Shareholders.</p> <p>In addition, if a proposal for the General Meeting of Shareholders is determined to have the potential to affect the rights and interests of shareholders, the Company promptly discloses information on the content of the proposal through the Company's website and TDnet, etc. following the resolution by the Board of Directors before sending the notice of convocation, to ensure shareholders have sufficient time to consider the proposal and that they are able to make an appropriate decision.</p>
Scheduling of the General Shareholders Meeting During Non-Peak Days	In 2025, the General Meeting of Shareholders was held on March 26.
Electronic Exercise of Voting Rights	The Company has set up a voting website to enable voting rights to be exercised online. The Company have also adopted the "The Portal of Shareholders' Meeting®," a one-stop service that provides from electronic provision of the Notice of the General Shareholders Meeting to the exercise of voting rights.

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 participates in the ICJ platform in order to encourage institutional and overseas investors to exercise their voting rights.
Provision of Notice (or Summary of Notice) of the General Shareholders Meeting in English	The Company provides reference documents accompanying notices of General Shareholders Meetings in English to encourage overseas investors to exercise their voting rights
Other	The Company streamed the General Meeting of Shareholders held on March 26, 2025 live to allow large number of shareholders to watch the meeting. In addition, the Company accepted questions in advance from shareholders who would be unable to attend the meeting.

2. Status of IR-related Activities **Updated**

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	The Company's Disclosure Policy is available on the website. ◇Disclosure Policy: https://www.artiencegroup.com/en/corporate/ir/management/disclosure-policy.html	
Regular Investor Briefings held for Individual Investors	The Company regularly appears at briefings for individual investors organized by IR support companies.	No
Regular Investor Briefings held for Analysts and Institutional Investors	The Company holds financial results briefings on a quarterly basis.	Yes
Online Disclosure of IR Information	The Company posts Financial Statements, materials of Results Presentations, Stock Information, IR News and other such documents on its website. ◇Investors: https://www.artiencegroup.com/en/corporate/ir/	
Establishment of Department and/or Placement of a Manager in Charge of IR	IR is handled by the Corporate Planning Division.	

3. Status of Measures to Ensure Due Respect for Stakeholders **Updated**

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	The Company has stated the Group's basic approach to sustainability in its Sustainability Charter, and has established matters that all executives and employees must comply with as members of the Group in its Code of Ethical Conduct. ◇Sustainability Charter: https://www.artiencegroup.com/en/corporate/sustainability/strategy/management/#qa_1_1 ◇Code of Ethical Conduct: https://www.artiencegroup.com/en/corporate/sustainability/governance/compliance/index.html/#qa_1_1

Implementation of Environmental Preservation Activities and CSR Activities, etc.	<p>The Company has been proceeding its sustainability activities including its environmental preservation activities and CSR activities with its responses as part of its corporate governance system by establishing the Sustainability Committee under the supervision of the Board of Directors through the President and Representative Director. Based on its Sustainability Charter, which is the Group's basic policy regarding overall sustainability, and the basic policies regarding each sustainability field, the Committee plays a central role in promoting and managing the progress of sustainability activities centered on the 15 material issues that were identified with the goal of balancing sustainable corporate growth and the improvement of the sustainability of society.</p> <p>The details of the Group's activities are disclosed through various reports.</p> <p>◇Sustainability Charter: https://www.artiencegroup.com/en/corporate/sustainability/strategy/management/#qa_1_1</p> <p>◇Integrated Report 2024: https://www.artiencegroup.com/en/corporate/ir/archives/integrated-report/</p> <p>◇Sustainability Data Book 2024: https://www.artiencegroup.com/en/corporate/sustainability/archives/sustainability-data-book/</p>
Formulation of Policies, etc. on Provision of Information to Stakeholders	<p>The Company resolved to adopt a policy of disclosing information in accordance with the Financial Instruments and Exchange Act and the timely disclosure rules issued by the Tokyo Stock Exchange, and disclosing information, in a manner as active and as fair as possible, that is not applicable to the above rules, but is critical for its shareholders and investors to understand the Group ("Disclosure Policy"), and published the Disclosure Policy on its website.</p> <p>◇Disclosure Policy: https://www.artiencegroup.com/en/corporate/ir/management/disclosure-policy.html</p>
Other	—

IV. Matters Concerning the Internal Control System

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

<Outline of Basic Policy on Development of Internal Control System>

Based on the "artience Group Philosophy System," which consists of the Corporate Philosophy, the Brand Promise, and the Our Principles, the Company conducts its business activities in accordance with the "artience Group Sustainability Charter" and its related policies, and the "artience Group Code of Ethical Conduct," to contribute to the creation of a sustainable society through its business activities and achieve its own sustainable growth.

The Company recognizes that the establishment of a system necessary to ensure the appropriateness of business operations (hereinafter referred to as the "internal control system") is a process necessary for sound corporate continuity and the building of social trust, and that it should be actively utilized to achieve management and business goals. The Company has established the following internal control system and modify it in response to changes in the business environment, to ensure that the Company's management is in the best interests of its shareholders and other stakeholders.

(1) Systems to ensure that Directors and employees perform their duties in compliance with the law and the Company's Articles of Incorporation

The Company has established the Group Philosophy System that describes the ideal image the Group should aspire to and the basic ideas and actions required of the Group's officers and employees, and the Code of Ethical Conduct that describes the rules to be observed by all officers and employees as members of the Group, and will

disseminate them to all officers and employees as part of its efforts to instill awareness of the Group's corporate ethics and compliance.

As a good corporate citizen, the Company aims to be part of a corporate group that is trusted by society based on the Sustainability Charter, which clearly defines the Group's stance on corporate social responsibility and contributions to improving the sustainability of society.

The Company has established the Sustainability Committee, which is responsible for driving Group-wide sustainability activities under the supervision of the Representative Director. Under the Sustainability Committee, the Company has established the Risk Management Subcommittee, the Compliance Subcommittee, and the ESG Promotion Subcommittee. The Compliance Subcommittee plays a central role in ensuring compliance management. In addition, through the Compliance Office (internal and external whistleblowing hotline), the Compliance Subcommittee enhances the system for early detection and correction of acts in violation of laws and regulations and the Code of Ethical Conduct.

The Board of Directors confirms the legality of Directors' execution of their duties and also makes decisions on important matters which impact the Company and the whole Group in accordance with laws and regulations and the articles of incorporation. The Representative Director performs their duties on behalf of the Company as a whole, based on decisions made by the Board of Directors.

The Audit and Supervisory Committee, where a majority of members are Independent Outside Directors, audits the legality and appropriateness of Directors' execution of their duties and reports the results obtained through its audit activities to the Board of Directors in a timely and appropriate manner. Meanwhile, in response to requests from Audit and Supervisory Committee Members selected by the Audit and Supervisory Committee (hereinafter referred to as "Selected Audit and Supervisory Committee Members,") Directors report to the Audit and Supervisory Committee on the status of execution of their duties.

The Group's Internal Audit Department reports directly to the Representative Directors, and audits operations within the Company to ensure they are being carried out in compliance with laws and regulations and the articles of incorporation and in an appropriate manner and that the internal control system is working effectively. In addition to reporting audit results to the Representative Director and the Director in charge of internal control, the department also reports to and works in cooperation with the Audit and Supervisory Committee.

(2) Systems for the storage and management of information relating to the performance of duties by Directors

The Company stores and manages information relating to the performance of duties by Directors in an appropriate manner in accordance with the law, and the Company's Articles of Incorporation, Board of Directors Regulations and Information Security Regulations.

Directors and Audit and Supervisory Committee Members are able access the relevant information as and when necessary.

(3) Crisis management regulations and other systems relating to losses

Based on a system presided over by the Officer in charge of Risk Management, in accordance with Risk Management Regulations in line with the artience Group Code of Ethical Conduct, the Company identifies Group-wide risks and operates a risk management system designed to implement risk countermeasures, in order to maintain sound corporate activities and earn public trust, by the Risk Management Subcommittee.

In an effort to raise awareness of risk management, the Company incorporates risks and issues facing individual divisions and Group companies into its annual plans and employs management techniques that are built into its evaluation standards. The Company is also focused on preventing risks at all times, by having companywide risk countermeasures established and implemented by the Risk Management Subcommittee and the division in charge.

In case of an emergency, there is an emergency contact system in place whereby individual facilities immediately contact the Representative Director if they detect a risk. If the apparent risk could have a serious impact on the Company's business, there is a business continuity system in place to immediately respond to the relevant emergency, by setting up an emergency task force for instance.

(4) Systems to ensure that Directors perform their duties efficiently

To ensure that Directors perform their duties efficiently, the Company holds additional meetings of the Board of Directors as and when necessary, as well as regular monthly board meetings, with the aim of speeding up management decisions and running the business efficiently.

The Company also holds regular monthly meetings attended by Executive Directors and Operating Officers, as a means of discussing and making decision regarding Group management issues and business strategy. Meetings enable management issues and strategies to be shared, in an effort to efficiently achieve management and business targets. Such meetings are also attended by Selected Audit and Supervisory Committee Members, who provide

the necessary input from an auditing perspective, thereby strengthening oversight with regard to the performance of duties by Directors.

The Board of Directors may delegate certain important business execution decisions to Directors who execute business in accordance with laws and regulations, the articles of incorporation, and the Board of Directors Regulations, for the purpose of increasing the flexibility of business execution.

(5) Systems to ensure that operations are carried out appropriately as a corporate group consisting of the Company and its subsidiaries

The Company strives to maximize the corporate value of the entire Group, by sharing the artience Group Philosophy System, and making the most of management resources within the Group.

The Company has set out Affiliate Management Regulations to ensure that Group management is implemented appropriately, and requires Group companies to report on the performance of important matters in accordance with the relevant regulations, whilst still respecting the autonomy of individual Group companies. This ensures appropriate Group management, underpinned by involvement from the Company.

In addition to applying the risk management system and emergency measures outlined in the above section (3) to Group companies, the Company holds regular Legal Committee meetings for selected Group company Directors, and shares details of legal risks affecting Group management, in an effort to ensure that the Group is being run in an appropriate manner. Group companies hold regular meetings attended by Directors, amongst others, and work to achieve their management and business targets efficiently. They also report to the Company on a regular basis.

The Audit and Supervisory Board Members of each Group company shall audit the legality and appropriateness of Directors' execution of duties at each company and report the results to the Board of Directors of each company and the Company's Audit and Supervisory Committee.

The scope of the audits conducted by the Internal Audit Department in the above section (1) shall include each Group company.

By way of systems to ensure the reliability of financial reports, the Company consults its accounting auditor as and when necessary, based on an organizational structure headed by the Representative Director. It also establishes and operates effective internal control systems in accordance with standards for evaluating and auditing internal controls in relation to financial reports, published by the Business Accounting Council, and in line with the basic internal control framework set out in the relevant practice standards. In addition, the Company will develop a mechanism collecting information from the Group companies and sharing it with them, raise awareness of proper operational procedures and implement the appropriate internal audits of operation bases which were not identified as important bases on the basis of sales, when appropriate, taking into account the risks peculiar to them.

(6) Matters relating to employees in the event that the Audit and Supervisory Committee requires the assignment of employees to assist with its duties

If the Audit and Supervisory Committee requires the assignment of employees to assist with its duties, the Company consults the Audit and Supervisory Committee and assigns employees to assist with the Audit and Supervisory Committee's duties. The Company also sets up information sharing meetings between the Audit and Supervisory Committee and the Internal Audit Department, in order to strengthen systems to enable them to implement audits in conjunction with one another, and works to improve internal auditing capabilities in order to strengthen the auditing capabilities of the Audit and Supervisory Committee.

(7) Matters relating to the independence of employees assisting the Audit and Supervisory Committee with its duties from Directors (excluding Directors who are members of the Audit and Supervisory Committee,) and ensuring that instructions issued to such employees are effective

In the event that employees are assigned to assist with the Audit and Supervisory Committee's duties as outlined in the above section (6), they will be appointed and transferred with the agreement of the Audit and Supervisory Committee, which will then be responsible for issuing instructions to and evaluating the relevant employees.

(8) Systems for Directors and employees to report to the Audit and Supervisory Committee; systems for Directors, Audit and Supervisory Board Members and employees at the Company's group companies, and parties in receipt of reports from such, to report to the Audit and Supervisory Committee; systems for other parties to report to the Audit and Supervisory Committee; and systems to ensure that reporting parties are not disadvantaged

The Company's Directors and Operating Officers report on the performance of operations under their supervision at important meetings attended by Audit and Supervisory Committee Members, including meetings of the Board of Directors.

Directors, Audit and Supervisory Board Members, Operating Officers and employees working for the Company or any Group company are required to report the following facts to the Audit and Supervisory Committee immediately, in accordance with Risk Management Regulations and other applicable regulations.

- Important facts relating to compliance
- Facts that will cause, or could potentially cause, serious damage to the company
- Any other facts that are required to be reported based on consultation with the Audit and Supervisory Committee

The utmost care is taken to protect and maintain the confidentiality of reporting parties, in accordance with Compliance Office Regulations.

In addition to requiring that Directors working for the Company or any Group company report the above facts to the Audit and Supervisory Committee, Selected Audit and Supervisory Committee Members also attend various meetings essential to auditing, and have access to information liable to have a serious impact on business operations, including approval documents.

Directors, Operating Officers and employees of the Company and each Group company are required to report on the status of company operations and property if instructed to do so by Selected Audit and Supervisory Committee Members.

(9) Matters relating to procedures for advance payment or reimbursement of expenses incurred by Audit and Supervisory Committee Members in performing their duties (only expenses related to performance of duties of Audit and Supervisory Committee), and policies for processing other expenses or debts arising from the performance of such duties

If an Audit and Supervisory Committee Member claims for expenses incurred from auditing activities, the claim will be processed immediately. If incurring emergency auditing expenses or new research expenses for expert services, in addition to regular auditing expenses, the Audit and Supervisory Committee Member will notify the relevant officer in advance.

(10) Other systems to ensure that Audit and Supervisory Committee Members conduct audits effectively

The Company continues to improve systems so that Audit and Supervisory Committee Members can conduct audits effectively, while exchange opinions with Representative Directors and other Directors regularly regarding management issues and other important issues affecting business operations.

The Audit and Supervisory Committee receives reports on planned internal audits conducted by the Internal Audit Department and regularly exchanges opinions with the Audit and Supervisory Board Members of each Group company and the accounting auditor, to ensure that audits are conducted by Audit and Supervisory Committee Members efficiently and effectively.

(11) Systems aimed at combating antisocial forces

The Company is resolute in its rejection of antisocial forces posing a threat to the order or safety of people's everyday lives, as specified in the artience Group Code of Ethical Conduct and the Regulations for Dealing with Antisocial Forces. The Company will not respond to any unreasonable or illegal demands, and will not have any relationship with antisocial forces, trading or otherwise. The Company also coordinates with external specialist organizations to gather and manage information relating to antisocial forces.

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

The Company is resolute in its rejection of antisocial forces posing a threat to the order or safety of people's everyday lives, as specified in the Code of Ethical Conduct and the Regulations for Dealing with Antisocial Forces, and will not respond to any unreasonable or illegal demands. The Company clearly states in its Basic Policy on Development of Internal Control System that it will not have any relationship with antisocial forces, trading or otherwise, and that it will coordinate with external specialist organizations to gather and manage information relating to antisocial forces.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
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The Company introduced anti-takeover measures by resolution of the 170th Annual General Meeting of Shareholders held on June 27, 2008 and updated these measures by resolution of the Annual General Meeting of Shareholders every three years thereafter. However, at the meeting of the Board of Directors held on February 17, 2020, the Company resolved not to renew the anti-takeover measures and to abolish them as of the close of the 182nd Annual General Meeting of Shareholders held on March 26, 2020 when their period of validity expired. Accordingly, the Company does not have anti-takeover measures in place as of the date of submission of this report.

The Company will ask those who have conducted or will try to conduct a large purchase of the Company's shares to provide necessary and sufficient information for the Company's shareholders to make an appropriate decision on the appropriateness of the large purchase and strive to secure time and information for their consideration by disclosing the opinions of the Company's Directors at the same time. The Company will also take measures in an appropriate and timely manner based on the Financial Instruments and Exchange Act, the Companies Act and other relevant laws and regulations.

2. Other Matters Concerning the Corporate Governance System

1. Disclosure structure

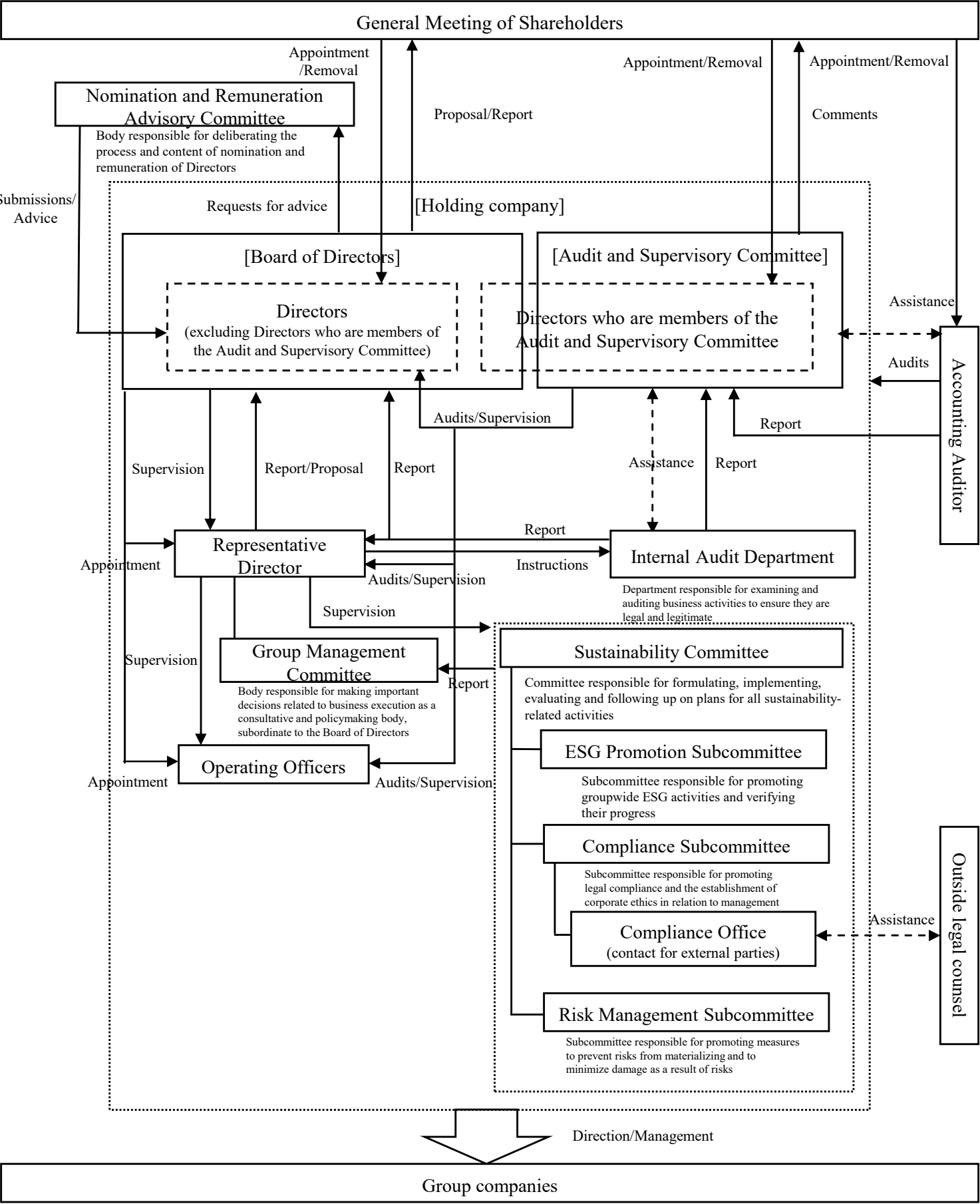
- (1) Information relating to financial results is drafted by the General Manager of the Finance & Accounting Department, submitted to the President via the relevant supervising Director, and then disclosed on a timely basis as soon as it has been approved by the Board of Directors.
- (2) Corporate information other than that specified in the above point (1) (decisions, incidents, etc.) is gathered by the General Manager of the General Affairs Department in accordance with the Company's internal Guidelines on the Timely Disclosure of Corporate Information. The General Manager of the General Affairs Department then determines whether or not disclosure is required, in consultation with the relevant department. If proceeding with timely disclosure, the relevant information will be disclosed as soon as it has been approved by the Board of Directors.

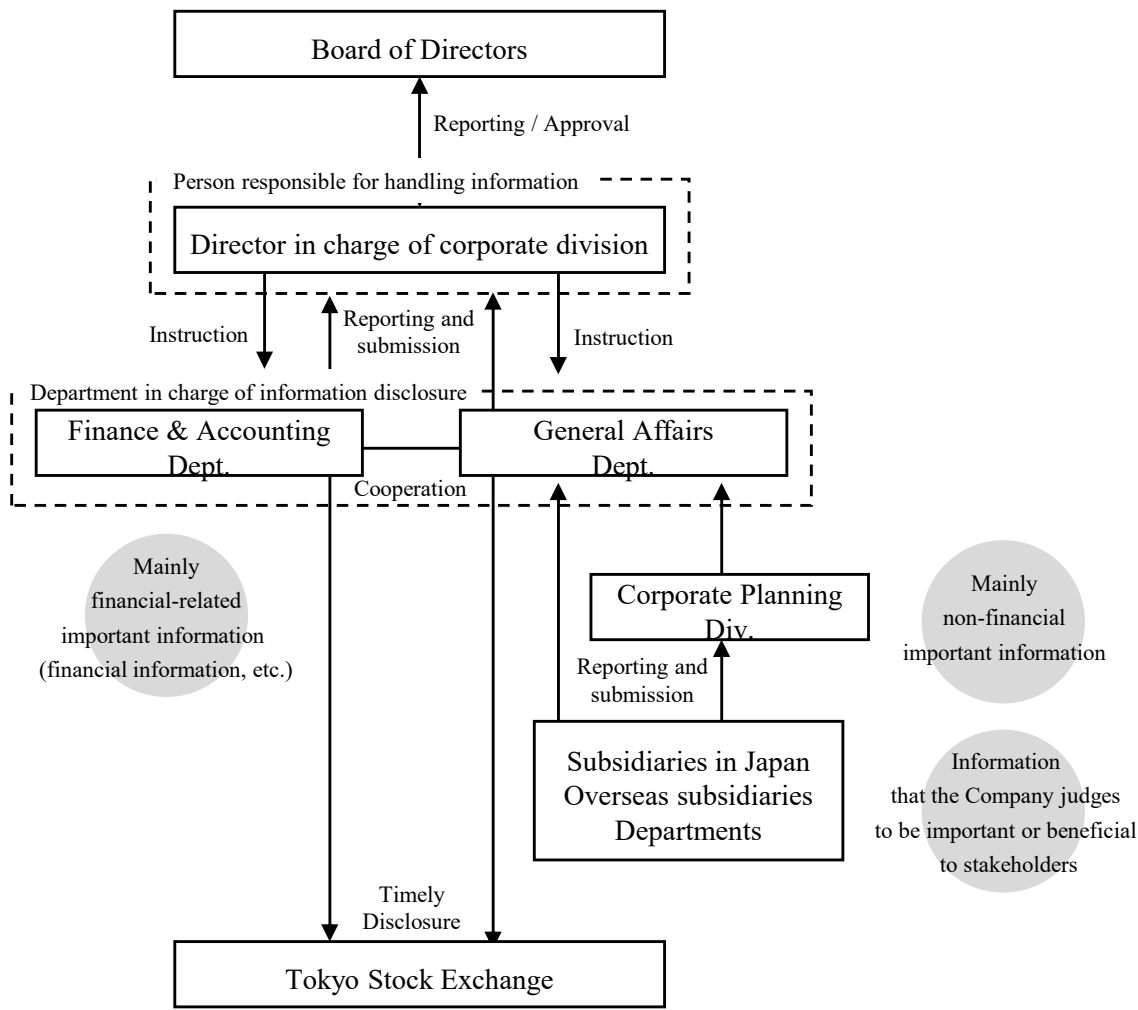
2. Information management structure

The Company will set out regulations in relation to information management, including Information Protection & Management Regulations and Insider Trading Prevention Regulations, and will make every effort to adequately manage and operate corporate information.

3. Auditing structure

The Company will ensure that audits in accordance with the Companies Act are regularly conducted by Directors who are Audit and Supervisory Committee Members and the accounting auditor, that audits in accordance with the Financial Instruments and Exchange Act are regularly conducted by the accounting auditor, and that the performance of general duties, including at subsidiaries, is regularly audited by internal auditing departments, in order to maintain and improve sound operations.





[Skills matrix of the Board of Directors and the Group Management Committee]

The Board of Directors is composed of a diverse range of directors with a wealth of experience and specialized knowledge. The Company use a skills matrix to set areas of particular expectation, to enable useful supervision and advice on management issues.

<Details of each skill and reason for selection>

Section		Reason for selection
Matters relating to the base and growth of the company	Corporate Management	Formulating and implementing a sustainable growth strategy in the medium to long term requires comprehensive judgment in corporate management, and experience in business management and/or organizational management were selected as necessary knowledge and skills, with no bias toward individual expertise.
	Technical / R&D / Production	Sound knowledge and experience in the fields of technology, research and development, quality, and production were selected as necessary knowledge and skills to further advance and develop the technologies the Group has developed and bring about various innovations.
	Sales / Marketing	Extensive knowledge and experience in sales and marketing were selected as necessary knowledge and skills to steadily increase sales and profits in the market and continue to achieve growth in the medium to long term.
	Global	A wide range of insights and experience relating to overseas management experience, overseas lifestyles and culture, business environments, geopolitics, and regional strategies were selected as necessary knowledge and skills in view of the Group's global business presence.
Matters that ensure the company's growth	Finance / Accounting	Solid knowledge and experience enabling accurate financial reporting, building a solid financial base, making growth investments to sustainably increase corporate value, and strengthening shareholder returns were selected as key knowledge and skills to maximize corporate value through the efficient management of the Company's capital.
	Human Resources / DE&I	Human resources are the most important management resource for the Company, and experience, insight, and expertise in the field of human resources (including HR development and DE&I) were selected as necessary knowledge and skills for securing diverse human resources to support the Group's value creation.
	ESG / Compliance / Risk Management	A wide range of experience, insights, and expertise in ESG, compliance, and risk management were selected as key knowledge and skills to implement sustainable management, achieve the asv2050/2030 sustainability vision, and solve social issues indicated by the Group's material issues.

*DE&I: Diversity, Equity & Inclusion

<Configuration of the Board of Directors> (As of March 26, 2025)

Name Positions at the Company	Main expertise and experience that the Company regards as strengths of the members						
	Corporate Management	Technical / R&D / Production	Sales / Marketing	Global	Finance / Accounting	Human Resources / DE&I	ESG/ Compliance/ Risk Management
Director (excluding Director who is an Audit & Supervisory Committee Member)							
Satoru Takashima Male	●		●	●			
Hiroyuki Hamada Male	●		●	●	●		●
Tomoko Adachi Outside Director Independent Female	●	●				●	
Yoshinobu Fujimoto Outside Director Independent Male				●			●
Yukihiro Tachifuji Outside Director Independent Male	●	●					
Noriko Kosugi Outside Director Independent Female	●			●	●		
Tetsuaki Sato Male		●					●
Director who is an Audit & Supervisory Committee Member							
Masayuki Kano Male						●	●
Yutaka Yokoi Outside Director Independent Male				●			●
Keiko Kimura Outside Director Independent Female						●	●
Minoru Matsumoto Outside Director Independent Male					●		●

*The above table does not indicate all expertise and experiences of the members.

<Members of the Group Management Committee> (As of April 1, 2025)

Below are main expertise and experience that the Company regards as strengths of the members of the Group Management Committee, a voluntary body responsible for making important decisions related to business execution.

Name Positions and Responsibilities	Main expertise and experience that the Company regards as strengths of the members						
	Corporate Management	Technical / R&D / Production	Sales / Marketing	Global	Finance / Accounting	Human Resources / DE&I	ESG/ Compliance/ Risk Management
Satoru Takashima President, Representative Director, Group CEO	●		●	●			
Hiroyuki Hamada Vice President and Director, Supervisor of Overall Management and Corporate Departments	●		●	●	●		●
Tetsuaki Sato Director, Supervisor of Quality Assurance, Production and Environment, Sustainability, Purchasing, and Logistics		●					●
Masayuki Kano Director, Full-time Audit & Supervisory Committee Member						●	●
Toshinori Machida Executive Operating Officer, Supervisor of Technology, Research and Development, Intellectual Property Senior General Manager of Corporate R&D Division	●	●					
Takahiro Nakamura Managing Operating Officer, Supervisor of Incubation Center, General Manager of General Affairs Department			●				●
Takeshi Arimura Operating Officer, General Manager of Finance & Accounting Department					●		
Junji Sekino Operating Officer, General Manager of Human Resources Department						●	●

Name Positions and Responsibilities	Main expertise and experience that the Company regards as strengths of the members						
	Corporate Management	Technical / R&D / Production	Sales / Marketing	Global	Finance / Accounting	Human Resources / DE&I	ESG/ Compliance/ Risk Management
Hideki Okaichi Executive Operating Officer, President & Representative Director, TOYOCOLOR CO., LTD.	●		●	●			
Yasushi Ariyoshi Executive Operating Officer, President & Representative Director, TOYOICHEM CO., LTD.	●	●					
Hideki Yasuda Executive Operating Officer, President & Representative Director, TOYO INK CO., LTD.	●	●					

* The Company has an operating officer system, and some of the Operating Officers attend Group Management Committee meetings.

* The table above does not indicate all expertise and experiences of the members.