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（Translation）

Final update :December 22, 2021
Hamamatsu Photonics K.K.
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Chief Executive Officer
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Securities code: 6965
https://www.hamamatsu.com/jp/en/index.html

Corporate governance at Hamamatsu Photonics K.K. (the "Company") is as follows:

I. Basic policy on corporate governance and capital structure, business attributes and other basic information

1.Basic Policy

The Company will realize sustainable growth and medium- to long-term corporate value by realizing effective corporate governance, ensuring the transparency and soundness of corporate decision-making, and prompt and appropriate decision-making, while maintaining a good corporate culture that should contribute to the enhancement of the corporate value of our group in the future.
The corporate culture that forms the basis of our corporate governance is described below.

In order for our country to survive in the world, it is important to acquire knowledge and establish new industry by pursuing the unknown and unexplored for mankind. The Company should realize that there are boundless fields that are yet unknown and unexplored by mankind in which to establish new industries.
In addition, it is necessary for each employee to discover the things that only they can do, and to conduct technology development backed up by the knowledge, needs and competitive technologies necessary for building the photonics industry that the Company is working in. At the same time, it is necessary to take the attitude to seek out what is correct, both whole in mind and body.
In order to establish new industries, it is necessary to clearly communicate to our stakeholders the importance of new industries, and to encourage their correct understanding.
Companies are based on each employee 's behavior. Each employee must pursue the unknown and unexplored through improving themselves everyday through their work, absorbing new knowledge and communicating information accurately with having responsibility, duties and recognition. In addition, the Company must respect human rights and strictly abide by all relevant laws and international rules in letter and spirit. Moreover, the Company has to cultivate a corporate culture in which every employee acts ethically as a member of society.
Furthermore, the Company rejects any relationship with groups or individuals which pursue economic interests by the use of force or fraudulent means, threaten social order and security such as organized criminal groups, or organized crime related enterprises and corporate racketeers in a resolution attitude.
The Company must grow and develop as a strong and trusted company, with each employee having a clear and high consciousness when following the Company's corporate ethics and compliance.
The Company aims to contribute to society and human welfare by creating new industries through maintaining high ethical outlook each employee has and leveraging photonics technology.

[Reasons for non-compliance with the principles of the Corporate Governance Code] Updated
The Company complies with all the principles of the Corporate Governance Code.

[Disclosures required by the principles of the Corporate Governance Code] Updated
[Principle 1.4. Cross-Shareholdings]
(1) Basic Policy on Cross-Shareholdings
With regard to Cross-Shareholdings, when it is judged that it will contribute to our sustainable growth and the enhancement of corporate value over the medium-to long-term, the Company's policy is to closely examine whether business benefits and risks are commensurate with our cost of shareholders' equity, verify the appropriateness of possession, and hold them to a minimum.
In accordance with the above policy, each year, the Board of Directors examines the medium-to long-term

economic rationality and future outlook for major Cross-Shareholdings, and decides on policies such as holding or selling shareholdings after discussing the significance and rationality of shareholdings.
(2) Basic Policy on the Exercise of Voting Rights
When exercising voting rights for Cross-Shareholdings, the Company makes judgments from the viewpoint of whether such shareholdings will contribute to the enhancement of corporate value and the improvement of shareholder interests of the relevant company after thoroughly considering management policies, strategies, and the content of proposals.

[Principle 1.7. Transactions between Related Parties]
In accordance with the provisions of the Companies Act, any conflict-of-interest transactions with related parties (such as our individual officers or other corporations whose representatives are our officers) shall be approved by the Board of Directors and reported to the Board of Directors. In addition, the terms and conditions of such transactions are the same as those of business partners who do not have any other interests, and appropriate transactions are conducted.

[Principle 2.4.① Ensuring Diversity in the Promotion of Core Human Resources]
The Company believes that each and every employee bears a great deal of responsibility to pursue the unknown and unexplored and to create new industries that utilize optical technology to improve corporate value. In other words, since the foundation of our management is "employees," the Company has promoted efforts to respect our employees, support their ability development, and provide a comfortable and safe working environment. As a result, for the four consecutive year since 2018, the Company has been certified as a "Excellent Health and Productivity Management Corporation (Large Enterprise Division)≪ White 500 ≫". These human resource strategies are disclosed on the Company's website.
https://www.hamamatsu.com/jp/en/our-company/csr/social/index.html
The Company has worked to clarify the human resources the Company needs, regardless of gender, nationality, new graduates, or mid-career, with regard to recruitment, which is the entry point. At present, however, the percentage of females in science-related college students is low, so the Company will take measures to increase the number of females interested in science-related college students from a long-term perspective. In addition, management and other core personnel are appointed based on the abilities (insight, competence, and bargaining power) of the employees regardless of gender, nationality, new graduates, or mid-career.
(1) Appointment of women to managerial positions
Our action plan through March 2022 is to ① increase the percentage of women in recruitment (career-track and general positions, including mid-career) to at least 15%, and ② increase the number of women in positions to at least 80 in October 2021.The most recent results were ① 13.3% and ② 97 employees. The Company will continue to improve the comfortable working environment, and the Company will actively recruit women by increasing the number of students who are interested in science, and the Company will accumulate experience and foster awareness of core human resources.
(2) Appointment of foreign nationals to managerial positions
The Company is promoting recruitment activities regardless of nationality, and to date the Company has nine foreign nationals. Three of these employees are also active managers. The Company does not decide whether or not to promote employees to managerial positions depending on nationality, and our judgment is based on the abilities of those persons. However, due in part to the global deployment of our business, the Company anticipates that the Company will continue to hire more foreigners as appropriate, and accordingly, the Company believes that the number of employees promoted to managerial positions will increase.
(3) Appointment of mid-career recruits to managerial positions
The Company does not distinguish between new graduates and mid-career recruits. As a result, the Company does not have measurable goals for promotion to managerial positions by new graduates/mid-career.Meanwhile, mid-career recruits are important as an immediate force. In most years, mid-career recruits account for one-third of new recruits, and the status of this is disclosed in the CSR data on our website.

[Principle 2.6. Functioning as an asset owner of corporate pensions]
The Pension Asset Management Committee, which includes individuals with accounting knowledge, meets twice a year (extraordinary meetings as necessary) to confirm the status of investment. Information collaboration is conducted between related parties inside and outside the Company to improve operational expertise.

The Company has also introduced a defined contribution corporate pension plan, shares information with operational management institutions regularly, and plans and implements education for employees.

[Principle 3.1. Enhancement of information disclosure]
(1) Photonics has become a basic technology that supports various industries, and the Company recognizes that its market will continue to expand on a global scale. In order to respond flexibly and swiftly to the expansion of the photonics industry and changes in the business environment, the Company aims to build a sustainable and stable high-profit structure by aggressively investing in R&D and capital investment for growth under a medium- to long-term vision. The Company intends to maintain a high level of cash on hand so that the Company can flexibly invest in the medium-to long-term in an ever-changing business environment.
In addition, the Company believes that people, technology, and knowledge are the foundation of our management, and the Company bases our efforts on a cumulative approach based on the front-line method. Regarding medium- to long-term plans, the Company formulates a three-year plan and annual plans in line with it through a rolling planning approach, based on the perspectives of each Division with abundant knowledge of market and technology, and proceeds with measures such as market cultivation and product development to achieve such plans (especially for profits).
(2) The Company will continue to maintain a good corporate culture that contributes to the enhancement of our corporate value while realizing effective corporate governance, ensuring transparency and soundness in corporate decision-making, achieving sustainable growth and enhancing corporate value over the medium-to long-term through prompt and appropriate decision-making.
(3) People, technology, and knowledge are the foundation of our management, and our medium- to long-term development and research efforts are based on a front-line approach. For this reason, the Company also requires Directors to achieve results from a medium-to long-term perspective rather than from a short-term perspective, and the Company believes that it is appropriate to base remuneration on fixed remuneration. On the other hand, in light of the fact that Directors are obligated to respond to the entrustments made by shareholders, in January 2020 the Company introduced stock-based remuneration (restricted stock remuneration) as a part of their remuneration with the aim of contributing to sustainable increases in corporate value from the same perspective as shareholders by promoting long-term, stable shareholdings by Directors. In conjunction with the establishment of the Nomination and Compensation Committee in July 2021, the Company respects the report of the Nomination and Compensation Committee in regard to Director compensation, and the specific amount of such compensation is determined by the Board of Directors.
(4) The Board of Directors nominates candidates for management positions and Directors and Audit & Supervisory Board Members (based on the report of the Nomination and Compensation Committee for Director candidates) that are appropriate for the Company based on a comprehensive consideration of performance, achievements, insight and personality. The Company determines candidates for Audit & Supervisory Board Members with the consent of the Audit & Supervisory Board, comprehensively taking into account their background, achievements, insight, and other factors.
(5) Reasons for designating candidates for Director and Audit & Supervisory Board Member can be found in the Notice of Convocation of the General Meeting of Shareholders.

[Supplement Principle 3.1 ③Sustainability Initiatives, etc.]
The Company recognizes our business partners, suppliers, employees, shareholders, and local communities as important stakeholders, and the Company intends to contribute to the sustainable development of our social infrastructure through collaboration with these stakeholders. Since our founding the Company has prioritized employees, and the Company is striving to create a comfortable working environment. In addition, as a company advocating the research industry, the Company places importance on intellectual property, which can be a source of competitiveness, and actively apply for patents, etc. These matters are disclosed on our website or in an integrated report.
On the other hand, the Company believes that climate-change issues are risky and has the potential to lead to profit opportunities. The Company endorsed TCFD in August 2020. Based on TCFD recommendations, the Company will analyze the financial impact of climate-change risks and opportunities on our business and disclose information.

[Supplement Principle 4.1 ①Summary of scope of delegation to management]
The Company has established concrete board resolutions in the rules of the Board of Directors on matters that are required to be resolved by the Laws and the Articles of Incorporation, the basic policy of

management, and decisions on the execution of important operations, and have clarified the assignment of power and the system of responsibility for making decisions on other matters in the functional assignment table described in the rules on the authority.
In conjunction with the introduction of the Executive Officer System, some authority was transferred to the Board of Executive Officers to strengthen the supervisory functions of the Board of Directors. Accordingly, the matters resolved by the Board of Executive Officers are reported to the Board of Directors to ensure the supervisory function of the Board of Directors.

[Principle 4.9. Independence Criteria and Qualifications of Independent Outside Directors]
The Company appoints Outside Directors based on the independence standards established by the Tokyo Stock Exchange.

[Supplement Principle 4.10①Voluntary Nomination and Compensation Committees]
The Company established the Nominating and Compensation Committee in July 2021. Prior to the establishment of this committee, candidates for Director were advised by Outside Directors in advance. Following the establishment of this committee, candidates for Director to be consulted at the Ordinary General Meeting of Shareholders in December 2021 were resolved at the Board of Directors after receiving the committee's report.
The purpose of the committee is to strengthen the fairness, transparency, and objectivity of the procedures. The committee's regulations clarify that a majority of the members of the committee shall be Outside Directors, and it also clarifies that the committee's reports shall be respected.

[Supplement Principle 4.11①Approach to balance, diversity, and scale of knowledge, experience, and abilities of the Board of Directors as a whole]
The Company approved the skill matrix at the Board of Directors meeting in June 2021 and disclosed the details from the notice of convocation of the 74th Ordinary General Meeting of Shareholders.
In deciding Director candidates, the Board of Directors makes decisions after consulting with the Nomination and Compensation Committee with respect to Director candidates who understand our technology after comprehensively take into account ① consideration of "skills," ② ensuring a balance between knowledge, experience, and abilities, and ③ performance, achievements, insight, and personality.
The Company currently has four Outside Directors, two of whom are women, and two of whom have management experience at other companies.

[Supplement Principle 4.11②Concurrent Positions of Directors and Audit & Supervisory Board Members]
In order to fulfill their duties as Directors or Audit & Supervisory Board Members of the Company, when they serve concurrently as officers of other listed companies, the number of concurrent positions shall be kept within a reasonable range. In addition, the status of concurrent positions is disclosed in the reference documents and business reports of the notice of convocation of the Ordinary General Meeting of Shareholders, etc.

[Supplement Principle 4.11③Analysis and Evaluation of the Effectiveness of the Board of Directors as a Whole]
The Board of Directors meets at least once a month and reports on and makes resolutions on important matters in accordance with the rules of the Board of Directors and the rules on the authority to perform duties. Matters for Consultation have also been introduced to facilitate lively discussions.
Since September 2016, the Board of Directors and Audit & Supervisory Board Members have conducted an evaluation questionnaire of our Board of Directors once a year. To enhance objectivity and transparency, the evaluation was conducted by a third-party organization in 2020. The results of the questionnaire are reported to the Board of Directors and, based on the results of the questionnaire, improvements are made to improve the effectiveness of the Board of Directors as necessary.

[Supplement Principle 4.14②Policy for training Directors and Audit & Supervisory Board Members]
The Company appoints persons who are capable of fulfilling the roles and responsibilities required of Directors and Audit & Supervisory Board Members. On this basis, the Company appoints qualified individuals internally who understand our policies and business operations and have management skills. For external individuals, the Company occasionally explains the Company's history, business outline, and

management philosophy in an effort to share our medium- to long-term direction.
In addition, each Director and Audit & Supervisory Board Member is encouraged to provide various types of training.　The Company provides and arranges for them opportunities for such training, and help with the costs of such training.
For newly appointed Directors (excluding Outside Directors), there is an opportunity to participate in seminars to understand the duties and responsibilities of Directors.

[Principle 5.1. Policy on Constructive Dialogue with Shareholders]
The Company actively responds to a request for dialogue when the Company believes such a dialogue contributes to enhancing our corporate value. In the event that the Company is unable to respond individually, the Company will engage in dialogue in proper ways as appropriate, taking into account cost-effectiveness, such as guidance for small meetings.
(1)Directors/Executive Officers who are responsible for constructive dialogue with shareholders are designated, and actual interviews are basically handled by the relevant Directors/Executive Officers and other executive employees.
(2)Under the supervision of the Director in charge, the relevant divisions work together, centered on the Investor Relations Office.
(3)Financial results briefings for interim and full-year financial results and briefings for individual investors are held as necessary.
(4)Opinions gained through dialogue are reported to the management team, including the representative Directors, as appropriate.
(5)The Company conducts IR activities after paying close attention to insider information. From the day after each quarterly settlement of accounts to the date of announcement of financial results, the period is the "silent period."

２．Capital Structure

Percentage of Shares Held by Foreign Investors	30% or more

[Description of Major Shareholders] Updated

Name of Shareholders	Number of Shares Held(Shares)	Ownership Interest(%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	23,110,500	14.90
Toyota Motor Corporation	8,400,000	5.42
Custody Bank of Japan, Ltd. (Trust Account)	6,429,300	4.15
Hamamatsu Photonics K.K. employees	4,181,971	2.70
Custody Bank of Japan, Ltd. (Trust Account 9)	4,181,800	2.70
SSBTC Client Omnibus Account	3,563,917	2.30
The Nomura Trust and Banking Co., Ltd. (Investment Trust)	3,327,700	2.15
State Street Bank West Client - Treaty 505234	2,773,887	1.79
JP Morgan Chase Bank 385635	2,764,400	1.78
RBC ISB S/A DUB NON RESIDENT/TREATY RATE UCITS-CLIENTS ACCOUNT	1,964,300	1.27

Existence of Controlling Shareholders (excluding parent company)	—
Existence of Parent Company	None

Special note for description of major shareholders Updated

1 Major shareholders are as of September 30, 2021.
2 The Company held 9,945,645 shares of treasury stock as of September 30, 2021, which is not included in the list of major shareholders.
3 BlackRock Japan Co., Ltd. and its six joint holders submitted a report of large shareholdings(Share

Certificates, etc. Subject to Special Provision)dated June 6, 2018 (reporting obligation occurring on May 31, 2018) and reported that they owned 8,559,066 shares as of May 31, 2018. However, as the Company is unable to confirm the number of shares beneficially owned as of September 30, 2021, they are not included in the above list of major shareholders.
4 Capital Research and Management Company and its four joint holders submitted a report of large shareholdings(Change Report and Share Certificates, etc. Subject to Special Provision)dated July 26, 2021 (reporting obligation occurring on July 15, 2021) and reported that they owned 10,914,093 shares as of July 15, 2021. However, as the Company is unable to confirm the number of shares beneficially owned as of September 30, 2021, they are not included in the above list of major shareholders.
5 T.ROW PRICE JAPAN CO., LTD. and one of its joint holders submitted a report of large shareholdings dated August 20, 2021 (reporting obligation occurring on August 13, 2021) and reported that they owned 9,056,200 shares as of August 13, 2021. However, as the Company is unable to confirm the number of shares beneficially owned as of September 30, 2021, they are not included in the above list of major shareholders.

３．Business Attributes

Stock exchange and section	Tokyo:1st Section
Fiscal year end	September
Sector	Electric Appliances
Number of employees at the most current end of fiscal year (consolidated)	1,000 or more
Net sales (consolidated)	100 billion yen to less than 1 trillion yen
Number of consolidated subsidiaries at the most current end of fiscal year	10 to less than 50

４．Guidelines for measures to protect minority shareholders in the event of transactions with controlling shareholders
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５．Other particular conditions that may materially affect corporate governance
Not applicable.

II Corporate governance system of management business organization, etc. for management decision making, execution of duties and management audit

1. Organization structures and organizational operations

Organizational form	Company with Audit & Supervisory Board Member

【Directors】 Updated

Number of Directors stipulated in Articles of Incorporation	20 persons
Director's term of office stipulated in Articles of Incorporation Updated	1 year
Chairman of the Board of Directors	President
Number of Directors Updated	10 persons
Election of Outside Directors	Elected
Number of Outside Directors Updated	4 persons
Number of Independent Directors out of Outside Directors Updated	4 persons

Relation with the Company (1) Updated

Name	Attribution	Relationship with the Company※										
		a	b	c	d	e	f	g	h	i	j	k
Kashiko Kodate	Academic											○
Ken Koibuchi	From another company								○			
Kazue Kurihara	Academic											○
Takuo Hirose	From another company											○

※ Categories for "Relationship with the Company"
※ "○" when the person presently falls or has recently fallen under the category;
"△" when the person fell under the category in the past
※ "●" when a close relative of the person presently falls or has recently fallen under the category;
"▲"when a close relative of the person fell under the category in the past

a Person who executes business of the Company or a subsidiary
b Person who executes business or a non-executive Director of a parent company
c Person who executes business of a fellow subsidiary
d Person/entity for which the Company is a major client or a person who executes business for such person/entity
e Major client of the Company or a person who executes business for such client
f Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets in addition to Director/Auditor compensation from the Company
g Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business of the corporation)
h Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above)
i Person who executes business for another company holding cross-directorships/cross-auditorships with the Company
j Person who executes business for an entity receiving contributions from the Company
k Others

Relation with the Company (2)	Updated

Name	Designation as Independent Director/Auditor	Supplementary information	Reasons for appointment
Kashiko Kodate	○	Ms. Kashiko Kodate is a professor emeritus at Japan Women's University. There is no special interest between the Company and Japan Women's University.	Ms. Kashiko Kodate has experience over many years as a university professor and extensive expertise in sectors such as information photonics. In addition, she also possesses experience as a business manager. In light of the above, the Company expects that she will utilize her broad experience and various discernments for the Company's management to provide well-informed advice from an independent standpoint and supervise business execution. Therefore, the Company has appointed her as an Outside Director. The Company has determined that she meets the requirements for independence of Independent Officers stipulated by the Tokyo Stock Exchange and that there is no risk of conflicts of interest with our general shareholders. Accordingly, the Company has designated her as an Independent Officer.
Ken Koibuchi	○	Mr. Ken Koibuchi serves as a Fellow of Toyota Motor Corporation's Advanced R&D and Engineering Company, Vehicle Development Center and Mid-size Vehicle Company, with which the Company has transactions. The Company has transactional relationships with Toyota Motor Corporation including sales of electronic devices, but the scale of transactions with this company is insignificant. Therefore, the Company has judged that this presents no issues to his independence.	Mr. Ken Koibuchi has a wealth of knowledge and experience gained through his many years of service at Toyota Motor Corporation, a global company. In light of the above, the Company expects that he will utilize his wealth of experience and outstanding insight for the Company's management to provide well-informed advice from an independent standpoint and supervise business execution. Therefore, the Company has appointed him as an Outside Director. The Company has determined that he meets the requirements for independence of Independent

			Officers stipulated by the Tokyo Stock Exchange and that there is no risk of conflicts of interest with our general shareholders. Accordingly, the Company has designated him as an Independent Officer.
Kazue Kurihara	○	Ms. Kazue Kurihara is a professor emeritus at Tohoku University, with which the Company has transactions. The Company has transactional relationships with Tohoku University including sales of electronic devices, but the scale of transactions with this company is insignificant. Therefore, the Company has judged that this presents no issues to her independence.	Ms. Kazue Kurihara has experience over many years as a university professor and extensive expertise in the scientific technology field. In addition, she has many achievements in collaboration with private companies through industry-academia partnerships. In light of the above, the Company expects that she will utilize her wealth of experience and outstanding insight for the Company's management to provide well-informed advice from an independent standpoint and supervise business execution. The Company has determined that she meets the requirements for independence of Independent Officers stipulated by the Tokyo Stock Exchange and that there is no risk of conflicts of interest with our general shareholders. Accordingly, the Company has designated her as an Independent Officer.
Takuo Hirose	○	Mr. Takuo Hirose is an Outside Director of Roland DG Corporation which the Company has transactions and Partner of Anderson Mori & Tomotsune LPC. The Company has transactional relationships with Roland DG Corporation including sales of electronic devices, but the scale of transactions with this company is insignificant. And there is no special interest between Anderson Mori & Tomotsune LPC. Therefore, the Company has judged that this presents no issues to his independence.	Mr. Takuo Hirose has experience over many years as an international attorney, and has a wealth of experience and outstanding insight in the field of corporate legal affairs. In light of the above, the Company expects that he will utilize his wealth of experience and outstanding insight for the Company's management to provide well-informed advice from an independent standpoint and supervise business execution. Therefore, the Company has appointed him as an Outside Director. The Company has determined that he meets the requirements for independence of Independent Officers stipulated by the Tokyo Stock Exchange and that there is no risk of conflicts of interest with

			our general shareholders. Accordingly, the Company has designated him as an Independent Officer.

Establishment of voluntary committee(s) corresponding to nomination committee or compensation committee Updated	Established

Committee's Name, Composition, and Attributes of Chairperson Updated

	Committee's Name	Number of Committee Members	Number of Standing Committee Members	Number of Inside Directors	Number of Outside Directors	Number of External Experts	Number of Others	Chairperson
Voluntary committee corresponding to nomination committee	Nomination and Compensation Committee	6	0	2	4	0	0	Inside Director
Voluntary committee corresponding to compensation committee	Nomination and Compensation Committee	6	0	2	4	0	0	Inside Director

Supplementary information

Our company established the Nomination and Compensation Committee in July 2021.The Nomination and Compensation Committee (composed of 6 members as of the date of submission, of which 4 are Outside Directors) is composed of 3 or more members who are Directors of the Company, and the majority of them are selected from Outside Directors. As an advisory body to the Board of Directors, the committee meets at least once each fiscal year (held once in the fiscal year ended September 2021) to strengthen the fairness, transparency, and objectivity of procedures for nomination and compensation of Directors, and to enhance our corporate governance.

【Audit & Supervisory Board Members】

Establishment or non-establishment of an Audit & Supervisory Board	Established
Number of Audit & Supervisory Board Members stipulated in articles of incorporation	5 persons
Number of Audit & Supervisory Board Members	4 persons

Cooperative relationships among Audit & Supervisory Board Members, Independent Auditor and Internal Audit Division Updated

In the fiscal year ending September 2021, Audit & Supervisory Board Members have held 18 meetings with the Independent Auditor to exchange information on audit plans, reports and status among other things in order to improve the efficiency of our audits.

Election or non-election of Outside Audit & Supervisory Board Members	Elected
Number of Outside Audit & Supervisory Board Members	2 persons
Number of Independent Audit & Supervisory Board Members out of Outside Audit & Supervisory Board Members	2 persons

Relation with the Company (1)

Name	Attribution	Relation with the Company※												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Yuji Maki	From another company										△			
Muneo Kurauchi	From another company										△			

※ Categories for "Relationship with the Company"
※ "○" when the person presently falls or has recently fallen under the category;
"△" when the person fell under the category in the past
※ "●" when a close relative of the person presently falls or has recently fallen under the category;
"▲"when a close relative of the person fell under the category in the past

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

Relation with the Company (2)

Name	Independent Directors / Auditors	Supplementary information	Reasons for appointment
Yuji Maki	○	Mr. Yuji Maki is a commission employee of Toyota Motor Corporation, with which the Company has transactions. The Company has transactional relationships with Toyota Motor Corporation including sales of electronic devices, but the scale	Mr. Yuji Maki has accumulated a wealth of business experience and knowledge through his many years of working at Toyota Motor Corporation. In order to have this knowledge and experience reflected in the Company's audits, the Company

		of transactions with this company is insignificant. Therefore, the Company has judged that this presents no issues to his independence.	has appointed him as an Outside Audit & Supervisory Board Member. The Company has determined that he meets the requirements for independence of Independent Officers stipulated by the Tokyo Stock Exchange and that there is no risk of conflicts of interest with our general shareholders. Accordingly, the Company has designated him as an Independent Officer.
Muneo Kurauchi	○	Mr. Muneo Kurauchi held the positions of Managing Executive Officer and Senior Managing Executive Officer at The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd.). Currently, the Company has loans with MUFG Bank, Ltd. However, he retired from his position of Senior Managing Executive Officer for that bank in June 2014 and the scale of loans with that bank is insignificant. Therefore, the Company has judged that this presents no issues to his independence.	The Company has appointed Mr. Muneo Kurauchi as an Outside Audit & Supervisory Board Member in order to have his many years of experience in financial institutions and extensive knowledge of finance among other things, reflected in the Company's audits. The Company has determined that he meets the requirements for independence of Independent Officers stipulated by the Tokyo Stock Exchange and that there is no risk of conflicts of interest with our general shareholders. Accordingly, the Company has designated him as an Independent Officer.

【Independent Directors / Auditors】

Number of Independent Directors / Auditors Updated	6 persons

Other notes regarding Independent Directors / Auditors

The Company designates all Outside Directors / Auditors as Independent Directors / Auditors.

【Incentives】

Implementation of measures on incentive allotment to Directors	Other

Supplementary information

On January 17, 2020, the Company issued stock-based remuneration (restricted stock remuneration) as part of the remuneration for Directors. This will provide them with an incentive to sustainably increase the Company's corporate value and to further promote shared value between our shareholders and them.

Recipients of stock options	

Supplementary information

【Director's Remuneration】

Disclosure of Directors' remuneration	No Individual Disclosure

Supplementary information Updated

・Directors (excluding Outside Directors)
11 persons: JPY412million (Fixed Remuneration: JPY351million, Restricted Stock Remuneration: JPY 60million)
・Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)
2 persons: JPY38million (Fixed Remuneration: JPY38million)
・Outside Directors and Outside Audit & Supervisory Board Members
6 persons: JPY 30million (Fixed Remuneration: JPY 30million)

Policy on determining remuneration amounts and calculation methods	Established

Disclosure of policy on determining remuneration amounts and calculation methods

The Company has established a policy on determining the amount of remuneration for Directors/ Audit & Supervisory Board Members and the method of calculating such remuneration. Within the remuneration limit decided at the General Meeting of Shareholders, the remuneration for Directors is determined by a resolution of the Board of Directors including Outside Directors after consultation by the Nomination and Remuneration Committee, and the remuneration for Audit & Supervisory Board Members is determined through a consultation at the Audit & Supervisory Board.
The Company pursues the unknown where no one has yet explored. By leveraging photonics technology to establish new industries and reach for the world's highest levels of manufacturing excellence, we build enterprise value and contribute to the development of science and technology. However, only a small fraction of the nature of light has been elucidated. We explore fields not yet explained. Based on the knowledge generated by that inquiry, we require our Directors and employees to seek potential applications. Based on this idea, the Company requires Directors to pursue outcomes from a medium-to long-term rather than a short-term perspective. Therefore, the Company considers that fixed remuneration is most suitable as the base remuneration for Directors. On the other hand, as Directors are obligated to fulfill their commitments to our shareholders, aiming to contribute to continuous improvement in corporate value from the same position as our shareholders by promoting the long-term, stable holding of the Company's stock by Directors, in January 2020 we introduced stock-based remuneration (restricted stock remuneration).
As a result, remuneration for Directors of the Company (excluding Outside Directors) is composed of fixed remuneration and stock-based remuneration. Regarding the amount of Director remuneration, fixed monthly remuneration established based on position is decided at the Board of Directors and paid monthly. Furthermore, the rate of stock-based remuneration is set so that it is approximately 15% of the total remuneration for Directors. Additionally, only fixed remuneration is paid as remuneration for Outside Directors. The amount of remuneration for Directors was resolved to be a monthly amount up to JPY60 million (including a monthly amount up to JPY10 million for Outside Directors) at the Ordinary General Meeting of Shareholders convened on December 17, 2021. In addition, at the Ordinary General Meeting of Shareholders held on December 20, 2019, introduction of restricted stock remuneration for our Directors(excluding Outside Directors) was resolved, and its annual amount to be up to JPY200 million(within 200,000 shares per year). Additionally, the amount of remuneration for Audit & Supervisory Board Members was resolved to be a monthly amount up to JPY10 million at the Ordinary General Meeting of Shareholders held on December 17, 2021.

【Support system for Outside Directors (Outside Audit & Supervisory Board Members)】

In order to establish a system for communicating information to Outside Directors and Outside Audit & Supervisory Board Members, the Company clarifies the contact point. In addition, the Company discloses an annual schedule of important meetings such as those of the Board of Directors and sends materials (matters to be resolved) for the Board of Directors to them in advance, and provides them with necessary information and opportunities for explanations as appropriate.

【Retired presidents/CEOs holding advisory positions (sodanyaku, komon, etc.)】

Information on retired presidents/CEOs holding advisory positions (sodanyaku, komon, etc.)

Name	Job title/position	Responsibilities	Employment terms (Full/part time, with/without compensation, etc.)	Date when former role as President/CEO ended	Term
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Number of retired presidents/CEOs holding advisory positions (sodanyaku, komon, etc.)	---

Others

There is a system of advisory position (soudanyaku, komon, etc,), but at present no person has resigned from the position of former representative Director and President among other positions.

2. Matters pertaining to functions relating to the execution of duties, audit and supervision, appointment and decisions regarding remuneration, etc (overview of the current corporate governance system)) Updated

(1) Overview of the current corporate governance system

The Company has adopted the Audit & Supervisory Board Member system, which includes the Board of Directors and the Audit & Supervisory Board stipulated in the Companies Act as organs of the Company. Our management supervisory functions have been enhanced by appointing Outside Directors and Outside Audit & Supervisory Board Members. Furthermore, the Company has established the Board of Executive Officers to separate the business execution function from the Board of Directors, which functions as a management decision-making and supervisory body. Through this measure, the Company aims to speed up and streamline management decision-making and strengthen supervisory functions. In addition, the Company has established the Nomination and Compensation Committee as a voluntary advisory body to the Board of Directors. The committee strives to ensure fairness, transparency, and objectivity by discussing the nomination and compensation of executive candidates.

①Directors and the Board of Directors

The Board of Directors meets once a month and on an as-needed basis to determine basic management policies and important matters related to management as well as supervise the execution of business by Directors. Moreover, the Board of Directors receives reports from Executive Officers and supervises the execution of business by Executive Officers.

②Nomination and Compensation Committee

The Nomination and Compensation Committee is composed of 3 or more members who are Directors of the Company, and the majority of them are selected from Outside Directors. As an advisory body to the Board of Directors, the committee meets at least once each fiscal year (held once in the fiscal year

ended September 2021) to strengthen the fairness, transparency, and objectivity of procedures for Director nomination and compensation, and to enhance our corporate governance.

③Audit & Supervisory Board Members, the Audit & Supervisory Board, and the Internal Audit System
The Company has adopted the Audit & Supervisory Board Member system, and the Audit & Supervisory Board (held 6 meetings in the fiscal year ending September 2021) has an auditing system in which two of the four Audit & Supervisory Board Members are Outside Audit & Supervisory Board Members at present. In accordance with the auditing policies and implementation plans established by the Audit & Supervisory Board, each Audit & Supervisory Board Member attends monthly meetings of the Board of Directors and important internal meetings, to ascertain the status of management execution, and audits Directors' execution of duties by interviewing and confirming with executive divisions about the status of business execution. In addition, Audit & Supervisory Board Members meets with the Independent Auditor, regularly or on an as-needed basis (held 18 meetings in the fiscal year ending September 2021), to exchange information.
Furthermore, the Company has established the Internal Audit Division (3 persons) to audit the business processes and overall operations of each division and our group company in an appropriate and efficient manner in accordance with laws, regulations, and in-house regulations. The Internal Audit Division strives to improve auditing efficiency by exchanging opinions with standing Audit & Supervisory Board Members and the Independent Auditor as necessary based on the annual plan approved by the President. The results of these audits are reported to the President, the Board of Executive Officers, and related divisions.

④Executive Officers and the Board of Executive Officers
The Company has adopted an Executive Officer System, and the Board of Executive Officers regularly holds meetings, which Directors, standing Audit & Supervisory Board Members, and Executive Officers attend, in accordance with the regulations of the Board of Executive Officers. The Board of Executive Officers examines basic matters and important matters related to business execution from multiple perspectives and shares information with Directors, Executive Officers and Executive employees. In addition, the Company has established a system to realize speedy corporate management by delegating decisions on business execution to the Board of Executive Officers to the maximum extent possible. The Company also communicates information to other employees through various other meetings.

⑤Cooperation between Outside Directors, Outside Audit & Supervisory Board Members, Internal Audit Division, Accounting Auditors, and Internal Audit & Control Division
Outside Directors strengthen their management supervisory functions by expressing opinions at meetings of the Board of Directors, exchanging information or opinions with other Directors.
Outside Audit & Supervisory Board Members receives explanations and reports on the content of audits by other Audit & Supervisory Board Members and Internal Audits & Control Division at the Audit & Supervisory Board. The Audit & Supervisory Board Members cooperate with the Independent Auditor by receiving reports on the Company's auditing policies and the results of audits. In addition to the above, the Company has been strengthened our supervisory functions, through exchanging information and opinions as needed.
Moreover, the Audit & Supervisory Board sends comments on the proposals of the Board of Directors to Outside Directors in advance. Through the exchange of opinions with them, the Audit & Supervisory Board further strengthens their supervisory function of management.

（2）Summary of contents of agreements to limit liability

Based on the Articles of Incorporation, Agreement Limiting Liability has been entered into between the Company and each of Outside Directors and Outside Audit & Supervisory Board Members regarding the obligations set in Article 423 paragraph (1) of the Companies Act, to limit their obligation to the minimum liability amount set by Article 425 paragraph (1) of the Companies Act. Such limitation of liability is permitted only when such Outside Director or Outside Audit & Supervisory Board Member is in good faith and is not grossly negligent in performing his/her duties for which he/she was responsible.

3．Reason for adopting the current corporate governance system

The Company considers that by creating new industries through photonics technology based on the Audit & Supervisory Board Member system and maintaining high ethical standards for each and every officer/employee, together with the high aspiration to contribute to society and mankind, the Company can realize a system that continuously ensures sound management, legal compliance and transparency.

Ⅲ. Implementation of measures for shareholders and other stakeholders

1. Status of implementation of measures for revitalization of the shareholders' meeting and smoothing of the execution of voting rights Updated

	Supplementary information
Early dispatch of notice of shareholders' meeting	At the Ordinary General Meeting of Shareholders for FY 2021, the Company sent out a notice of convocation for the General Meeting of Shareholders (held on December 17) on November 25. The notice was sent more than three weeks before the date of the Ordinary General Meeting of Shareholders, and the disclosure on the Internet was made on November 24 to consider the exercise of investors' voting rights.
Scheduling of shareholders' meeting away from 'concentrated days	Because the Company has a fiscal year ending in September and holds a General Meeting of Shareholders in December, the Company originally does not pay attention to the "concentrated days." In addition, as the Meeting is held in the end of the year, the Company holds it as much as possible around December 20.
Electronic execution of voting rights	From the Ordinary General Meeting of Shareholders for FY2006, the Company has allowed electronic exercise of voting rights.
Participation in electronic voting platforms and other activities to improve voting environment for institutional investors	The Company has been participating in the electronic voting platform since the Ordinary General Meeting of Shareholders for FY2006.
Availability of English translation of general shareholders meeting notice	From the Ordinary General Meeting of Shareholders for FY2010, the Company has prepared English version of the convocation notice (summary edition) and has disclosed it to its website, as well as providing it to institutional investors via platforms. From the Ordinary General Meeting of Shareholders for FY2013, the Company has expanded the scope of its English translation and translated business reports and consolidated calculation documents into English. In addition, from the Ordinary General Meeting of Shareholders for FY2014, the Company has translated non-consolidated financial statements into English. At present, the scope of English translation is substantially equivalent to Japanese texts.

2. IR activities

	Supplementary information	Explanation by representative members of the board
Convene periodic briefing for individual investors	The Company participates in briefings for individual investors sponsored by securities companies, etc.	No
Convene periodic briefing for analysts and institutional investors	Financial results briefings are held once every six months, and individual visits to institutional investors and small meetings are held as needed.	No
Convene periodic briefing for foreign investors	The Company participates in domestic conferences for overseas institutional investors and small meetings.	No
Disclosure of IR documents on the website	Materials distributed at the regular briefing are posted on the Company's website.	

IR related divisions (personnel)	The Company has established the Investor Relations Office and is engaged in IR activities mainly in this department.

3. Activities concerning respect for stakeholders

	Supplementary information
Setting forth provisions in the internal regulations concerning respect for the stakeholders' position	The Company has formulated the Fundamental CSR policy, disseminated it within the Company, and made it available on its website.
Promotion of environmental preservation activities and CSR activities	The Company has formulated the Fundamental CSR policy, which is available on its website. As a company that contributes to society through optical technology, the Company recognizes that harmony with the environment, society, and the economy is the most important issue. The Company aims to realize a sustainable society for a future in which the earth, people, and all lives coexist in an optimal balance. Our environmental and CSR initiatives are available on its website.

IV Matters regarding internal control system

1. Basic approach to internal control system and its development Updated

[Basic Policy on Company-wide Efforts for Corporate Management]

The Company's basic policies for company-wide initiatives as a corporate management are as follows. Based on these basic policies, the Board of Directors has resolved on the basic approach to internal control system and its development.

- The Company's business is carried out based on the conduct of its employees. Therefore, we will strive to foster each individual and create an organization that will grow and develop as a sound, trusted company.
- Each individual must study through their daily work, and foster a corporate culture to engage in absorption of new knowledge, correct communication of information and correct conduct, with a sense of responsibility, duty, and awareness.

(1) System to ensure the execution of Directors' duties complies with laws and regulations and the Articles of Incorporation

1. The Company strives to clarify its basic approach concerning corporate ethics and compliance, and ensure all employees are well-acquainted with the Company's thinking.
2. Apart from the Board of Directors, the Company has established the Board of Executive Officers to speed up management decision-making and separate executive and supervisory functions.
3. The Company strengthens the supervisory function of the Board of Directors by reporting the resolutions of the Board of Executive Officers to the Board of Directors.

(2) System for retaining and managing information concerning the execution of Directors' duties (Article 100 paragraph (1) item(i) of Regulation for Enforcement of the Companies Act)

1. The Company prepares and retains minutes of the Board of Directors , the Board of Executive Officers, and other important meetings.
2. Information will be computerized and retained in an easy to inspect format.

(3) Rules and other systems related to management of loss risks(Article 100 paragraph (1) item(ii) of Regulation for Enforcement of the Companies Act)

The Company will establish respective divisions responsible for risks related to information security, quality, environment, disasters, export control, etc., and these divisions prepare rules and guidelines concerning such risks, and conduct training and education.

(4) Systems to ensure the execution of Directors' duties is performed efficiently, and systems to ensure the execution of employees' duties complies with laws and regulations and the Articles of Incorporation (Article 100 paragraph (1) item(iii) and (iv) of Regulation for Enforcement of the Companies Act)

1. Under the rules of the Board of Directors, the Company holds regular meetings of the Board of Directors once a month to make decisions on important matters and receive reports from the

Executive Officers to supervise the status of business execution. In addition, the Executive Officer System separates management decision-making from business execution, enabling swift and flexible decision-making, while revitalizing the Board of Directors and strengthening management oversight functions.

2. Under the rules of the Board of Executive Officers, the Company holds regular meetings of the Board of Executive Officers attended by the Directors, the Executive Officers and Audit & Supervisory Board Members to review and resolve matters delegated by the Board of Directors. In addition, the Business promotion meeting, which is affiliated with the Board of Executive Officers, is attended by General Managers and above, and examines basic and important matters related to business execution from a variety of perspectives, and directly explains and directs them to the relevant parties. In this way, the Company aims to expedite and improve the efficiency of business execution and to share information among officers and executive employees. Furthermore, information is also communicated to other employees through other meetings.
3. The Company will prepare the organization regulations, division of duties provisions, and administrative authority provisions, and clarify responsibilities and authorities.
4. To understand budget execution status and operating results trends, the Company will establish a Budget Committee to study progress reports and actions to be taken.
5. The Company will conduct training to improve areas such as the safety and health of employees and compliance awareness at the time when individuals join the Company and when individuals are appointed to management positions, and continually after that.
6. The Company will prepare a system for disclosing inside information accurately and on a timely basis.
7. The Company will prepare various guidelines based on the Personal Information Management Guidelines to address the management of personal information.
8. The Company will clarify the basic policy for eliminating anti-social forces, and thoroughly acquaint all employees with it.
9. Based on the Internal Controls and Audit Provisions, the Company will prepare the internal control systems necessary to ensure the appropriateness of financial reporting.

(5) Systems to ensure appropriate business operations in our Group (meaning the Company and its consolidated subsidiaries)

1. For domestic and foreign consolidated subsidiaries, the Company will establish a management division responsible for ensuring appropriate operations while respecting, as a rule, each subsidiary's autonomy. The Company will respond as follows based on the size and business of consolidated subsidiaries.
   a) For domestic consolidated subsidiaries, the Company executes operations in accordance with the Company's policy and monitors the execution of operations by dispatching Directors or executive employees of the Company to serve as Directors of these subsidiaries. In addition, the Company strives to avoid risks by dispatching Directors or executive employees of the Company to serve as Audit & Supervisory Board Members.
   b) For overseas consolidated subsidiaries, in addition to the actions described in a), the Company periodically brings together responsible individuals of the overseas consolidated subsidiaries for reporting and conferring, to build a consensus about the management. In addition, the Company dispatches or seconds responsible individuals to the subsidiaries in order to collect information as necessary.
2. Domestic and foreign consolidated subsidiaries of the Company shall regularly report on their operating results etc. to the Company, and if necessary, the Company shall convene a liaison meeting to encourage communication, in order to promote cooperation within our Group.
3. The Company will address the risks at its domestic and foreign consolidated subsidiaries by sharing risk information corresponding to size and business category, preparing and disseminating various provisions, and implementing training and education, with using the responsible division of the Company as a contact.
4. The Company will formulate a consolidated earnings plan while sharing information between the Company and its consolidated subsidiaries.
5. The Company will make the Fundamental CSR Policy and the Corporate Code of Conduct known to its consolidated subsidiaries, with the goal of improving compliance within our Group.

(6) Matters concerning employees to be appointed when the Audit & Supervisory Board Members have

requested that employees be assigned to assist their duties (Article 100 paragraph (3) item(i) of Regulation for Enforcement of the Companies Act)
If the Audit & Supervisory Board Members have requested staff to assist an audit, the Company will appoint individuals from among its employees based on the Audit & Supervisory Board request about the number and the abilities of staff.

(7) Matters concerning ensuring the independence of the employees in the preceding paragraph from the Directors and ensuring the effectiveness of instructions to said employees
As dedicated staff to assist the Audit & Supervisory Board, the relevant employees must act solely in accordance with the standards set by the Audit & Supervisory Board, and must follow the Audit & Supervisory Board Members' instructions and orders. Furthermore, they are not to serve concurrently in an office related to the execution of operations or as employees in other divisions.

(8) System for Directors and employees of our Group to report to Audit & Supervisory Board Members, and system concerning other reports to Audit & Supervisory Board Members
When Directors, Executive Officers and employees (including Directors, Audit & Supervisory Board Members, and employees of consolidated subsidiaries) are requested to report on matters concerning the execution of operations by Audit & Supervisory Board Members of the Company, they will make an appropriate report promptly.
Furthermore, as soon as they have discovered any facts that might cause a significant loss to our Group, including acts that will violate laws and regulations or the Company's Articles of Incorporation, they shall make a report immediately to an Audit & Supervisory Board Member, or to the Audit & Supervisory Board.

(9) System to ensure individuals who have made a report under the preceding paragraph are not subjected to disadvantageous treatment because they made said report
The Company will not subject a Director or employee of our Group who made a report to an Audit & Supervisory Board Member to disadvantageous treatment because they made said report.

(10) Matters concerning the policy with respect to the procedure for advances or reimbursements of expenses incurred with respect to the execution of an Audit & Supervisory Board Member's duties or other processing of expenses or debts incurred with respect to the execution of said duties
When an Audit & Supervisory Board Member has submitted a request for advance payment of expenses with respect to the execution of duties based on Article 388 of the Companies Act, the Company will process said expenses or debts promptly except when it has determined, based on discussions with the responsible division, that the expenses or debts with respect to the relevant payment request were not necessary for execution of said Audit & Supervisory Board Member's duties.

(11) Other systems to ensure that audits by Audit & Supervisory Board Member are conducted effectively
The Company will ensure that the Audit & Supervisory Board Members will conduct effective audit activities for operating audits and accounting audits, based on a system of appropriate reports from parties such as the Independent Auditor, the Internal Audit & Control Division, the Internal Audit Division, subsidiaries' Directors and Audit & Supervisory Board Members and the audit assistance staff, as well as coordination and information sharing with them.

See the reference material [diagram] : attachment at the end of the document

[Operation status of the systems for ensuring appropriate business operations]
(1) Execution of Directors' duties
By separating the operational execution function from the Board of Directors and delegating authority for operational execution to Executive Officers, the Company is working to strengthen the monitoring function of the Board of Directors and to promote flexible decision-making. For the purpose of maintaining and improving the effectiveness of the Board of Directors, the Company has also continually conducted evaluations of the Board of Directors in the form of questionnaire based on self-assessment by the Directors and Audit & Supervisory Board Members. Based on the results of these evaluations, the Company changes the management policy of the Board of Directors as necessary. In addition, the Company has formulated a basic policy concerning corporate governance in which it identified the management philosophy, and has disclosed the policy on its website to make known not

only to its employees but also to various stakeholders.
As part of our corporate governance activities, Directors, Audit & Supervisory Board Members and Executive Officers are provided with officer training programs as appropriate. The Company has also created opportunities for Directors to exchange ideas regarding current business development and topics and the medium- to long-term direction of the Company.
In the fiscal year under review, aiming to enhance the fairness, transparency, and objectivity of nominations for candidates for Director and remuneration procedures, and to strengthen the monitoring function of the Board of Directors, the Company established a Nomination and Compensation Committee whose members are composed of a majority of Outside Directors.
The Company has also made its Basic approach to corporate ethics and compliance, its Fundamental CSR Policy and its Corporate Code of Conduct known to employees by posting this information on its intranet website and through various educational efforts. In August 2017, the Company became a signatory to the UN Global Compact and declared its support for the UN's 10 principles. In this fiscal year, the Company has been recognized under the 2021 Certified Health & Productivity Management Outstanding Organizations Recognition Program (large enterprise category) "White 500," for the fourth consecutive year. The Company will continue to implement policies to enable all employees to balance work and family and to continue working actively on a long-term basis.
On the other hand, the Company holds the Business promotion meeting attended by the Directors, the Executive Officers, Audit & Supervisory Board Members and other managers once every week under the rules of Business promotion meeting to conduct multifaceted studies of basic matters and important issues regarding the execution of operations and from time to time prepares reports and studies on various issues. This meeting prepares and retains all the Business promotion meeting minutes.

(2) Management of loss risk
The Company has formulated a business continuity plan, which it continuously revises through means such as training, to prepare for disasters such as earthquakes. It also has strengthened its risk management system for overseas business travel. Training with regard to other risks related to information security, quality, environment, disasters and export control, etc., is implemented by each responsible division.
Furthermore, in response to COVID-19, the Company has worked to prevent infections and spread among our employees and to ensure safety, while promoting thorough infection prevention policies to prevent any impact on production activities.

(3) Execution of employees' duties
The Company holds the Business promotion meeting once every week and communicates information to its executive employees through various discussions, including our Group's management policies and conformity with our corporate culture. In addition, the Company holds a meeting of its employees holding the managerial position regularly, where the management side gives reports and seeks to deliver and share information in their own words.
The Company has also prepared rules and provided education to prevent research activity misconduct and the improper use of public research funds.

(4) Ensuring proper operations in our Group
To ensure the propriety of operations, including those of consolidated subsidiaries, the Company works to identify the administrative authority including those of consolidated subsidiaries, create risk management systems for our entire Group and achieve thorough compliance with laws and regulations. Furthermore, in addition to dispatching or seconding executives to consolidated subsidiaries, for its domestic consolidated subsidiaries the Company exchanges information monthly if necessary, and for its overseas consolidated subsidiaries implements meetings where all managers attend.

(5) Systems to ensure audits and supervision are conducted effectively
To improve the effectiveness of audits by the Audit & Supervisory Board Members, if necessary the Company confers beforehand with the Audit & Supervisory Board Members concerning the contents of materials to be submitted to the Board of Directors. Furthermore, to improve the effectiveness of audits and supervision by the Outside Directors and Outside Audit & Supervisory Board Members, the Company provides them with the necessary information by sending beforehand the materials related

to matters to be resolved at the regular Board of Directors and creates an opportunity to explain to them the matters as needed. The Internal Audit Division, which is directly controlled by the Representative Director and President, conducts internal audits, reports the results of those audits to the Representative Director and President in a timely manner, and also reports them to the Business promotion meeting.

2. Basic policy to reject antisocial forces and the progress of development

The Company rejects any relationship with groups or individuals which pursue economic interests by the use of force or fraudulent means, threaten social order and security such as organized criminal groups, or organized crime related enterprises and corporate racketeers in a resolute attitude. The Company must grow and develop as a strong and trusted company, with each employee having a clear and high consciousness when following the Company's corporate ethics and compliance.

V Others

1. Introducing takeover defense measures

Introducing takeover defense measures	None

Supplementary information

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2. Matters regarding other corporate governance systems, etc.

The status of the Company's internal system for timely disclosure of corporate information is as follows.

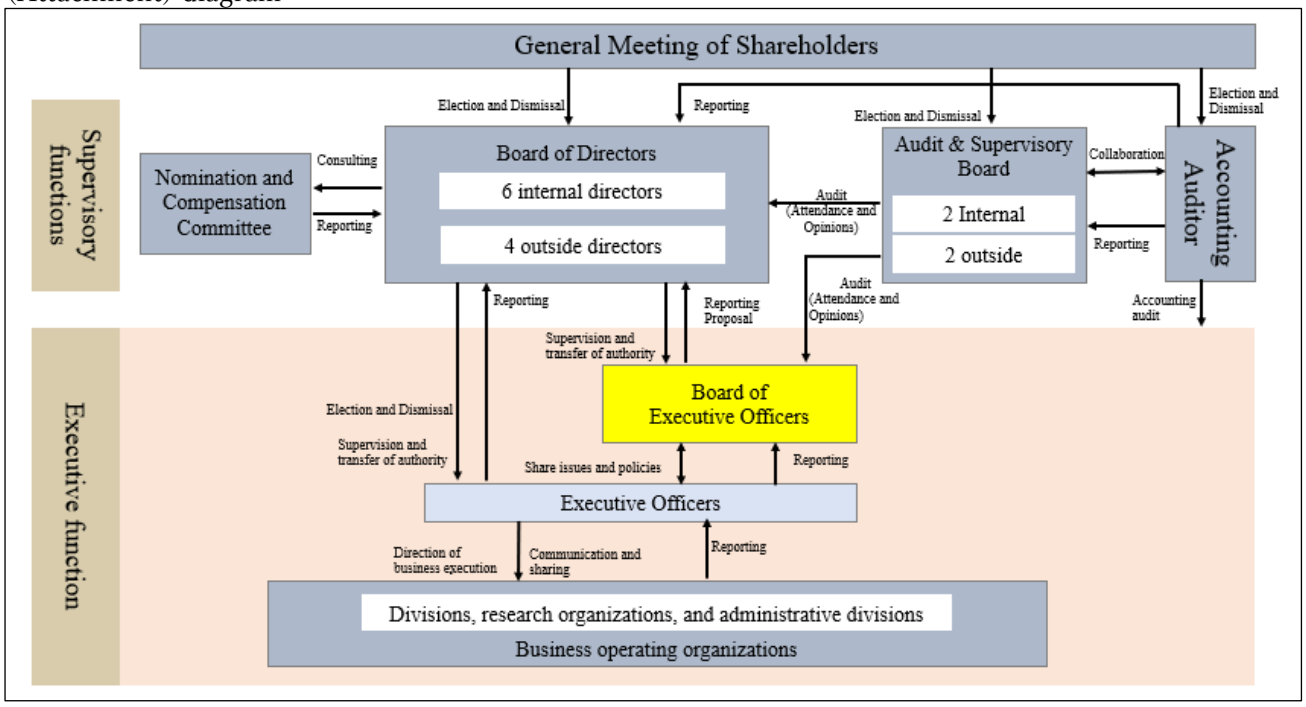
1.

In order to disclose corporate information that should be disclosed in a timely manner without omission, the Company collaborates with each department and has an internal system in place to unify the understanding of matters that have arisen or decided in each department. The Director appointed to the Corporate Information Manager handles corporate information under the Timely Disclosure Regulations, and the Internal Information Management Regulations have been established as internal regulations to ensure thorough internal management of important company information.

See the reference material [Internal system of timely disclosure] : attachment at the end of the document

2. Information on important decisions, important matters arising and the status of business execution is submitted and reported to the Board of Directors in a timely manner. In accordance with Timely Disclosure Regulations, such information is provided without delay when disclosure is required. When discussing the necessity of information disclosure, the Company receives advice and guidance from the Independent Auditor and the counsel as necessary, and strives to disclose accurate and fair corporate information.

(Attachment) diagram



(Attachment) Internal system of timely disclosure

