Last Update: November, 26, 2026
Hirose Electric Co., Ltd.
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https://www.hirose.com/corporate/en/

The corporate governance of Hirose Electric Co., Ltd. is described below.

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

1. Basic Views

We, at Hirose Electric Co., Ltd. (the "Company"), recognize that strengthening and enhancing corporate governance is an important management issue in order to maintain and improve our long-term competitiveness in the global market, and will address this issue based on the following basic views.
(1) We will respect the rights of shareholders and ensure their equality.
(2) We will strive for appropriate cooperation with all stakeholders, including shareholders, customers, suppliers, employees, and local communities.
(3) We will ensure transparency through appropriate disclosure of corporate information.
(4) The Board of Directors will provide major direction for corporate strategy, etc., create an environment that supports risk-taking by senior management, and provide highly effective supervision over business execution from an independent and objective standpoint.
(5) We will engage in constructive dialogue with shareholders in order to achieve sustainable growth and increase corporate value over the medium to long term.

Disclosure Based on each Principle of the Corporate Governance Code

[Principle 1.4 Cross-Shareholdings]
We do not hold listed shares as cross-shareholdings.

[Principle 1.7 Related Party Transactions]
It is the Company's policy that when the Company enters into a transaction with an officer of the Company, the Board of Directors will approve or reject the transaction by determining the appropriateness of the terms and conditions of the transaction and the method of determining such terms and conditions in accordance with the Regulations of the Board of Directors. The Regulations of the Board of Directors also stipulate that any material facts regarding transactions between the Company and its officers shall be reported to the Board of Directors by the said officers without delay. Similarly, in the case of transactions with major shareholders, etc., the Board of Directors will approve or reject the transactions by determining the appropriateness of the transactions in accordance with the Regulations of the Board of Directors.

[Supplementary Principle 2.4.1]
The Company has always promoted suitable candidates to management positions and other core human resources regardless of gender, nationality, etc., and there will be no change in this policy in the future. As such, because we promote core human resources based on their abilities and suitability for jobs, we do not set specific numerical targets for the number of employees promoted by gender or nationality. However, we have been operating a personnel system to ensure that women, non-Japanese nationals, or mid-career hires are never denied promotion to management and other key positions because of unfairly low evaluations, and we have already had women and non-Japanese nationals in management positions. With regard to female employees in particular, while having taken action based on the action plan established with the promotion of women's advancement in mind, We have formulated a plan that aims to achieve a 30% or more female ratio of new hires from FY2024 onwards, and achieved a 26.6% female ratio of new hires in FY2025. In addition, we have put forth a plan to achieve an average tenure of ten years for female employees by the end of FY2028 and have implemented measures to, for among other purposes, promote the use of a remote work system. The actual result was 9.51 years at the end of March 2026. As a result of these efforts, the number of female leaders who are expected to lead the Company in the future is increasing year after year. Furthermore, the number of male employees using the childcare leave system has also been increasing and the acquisition ratio was 64.0% in FY2025. In the mid-career hiring field, we have now over 44 employees in managerial positions (40.3% of the total), who are actively engaged in daily activities, taking advantage of their varied experience.
As part of our efforts to promote the revitalization of employees and the organization, we have implemented "iki-iki" projects aimed at organizational revitalization across the entire company since FY2019. Although the working environment is changing rapidly these days due to a variety of factors, we aim to build a better working environment while actively utilizing employee insights. In FY2026, the eighth year of the program, activities are being carried out under the slogan “Comfortable workplace, full of motivation.”
As we aim for continued growth on a global scale, we are committed to developing human resources who can sympathize and empathize with our values, the HIROSE Philosophy, and act based on these values, while emphasizing diversity, in order to strengthen our response to the ever-expanding global market. We will continue our efforts to strengthen and promote a corporate culture in which diverse human resources are continuously recruited, trained and promoted, as well as treated fairly in accordance with their abilities and achievements.

[Principle 2.6 Roles of Corporate Pension Funds as Asset Owners]
The Company has both contract-type and fund-type defined benefit corporate pension plans, as well as a defined contribution pension plan. In the case of the contract-type defined benefit corporate pension plan, as the Company fully recognizes that the management of the corporate pension affects the asset formation of employees and the Company's financial position, it has established an investment policy and formulated a pension asset portfolio in consideration of risk and return. The Company's Human Resources & General Affairs Department and Finance Department conduct comprehensive evaluation and monitoring of investment institutions, taking into consideration their investment performances, investment systems, investment processes, and other factors.
The Tokyoto Electric Industry Corporate Pension Fund Organization, which manages a fund-type defined benefit corporate pension plan in which the Company participates, is an organization independent of the Company, and its investment decisions are left to the discretion of the fund. However, the Company's Human Resources & General Affairs Department and Finance Department monitor the investment status of the fund.
The Company has also adopted a defined contribution pension plan through the Tokyoto Electric Industry Corporate Pension Fund Organization, and while employees are responsible for managing their own reserves, the Company educates its employees on defined contribution pension plan asset management, in consideration of the impact on employee asset formation and other factors.

[Principle 3.1 Full Disclosure] Updated
(i)The Company’s Inseparable Principles and other information are disclosed on its website (https://www.hirose.com/corporate/en/about/philosophy/) and Integrated Report. The Company discloses a summary of its management targets and strategies for the fiscal year in its earnings briefings, financial reports, and other materials.
(ii) The basic policy of corporate governance is described in the Company’s Corporate Governance Report and Annual Securities Report.
(iii) In determining the remuneration of directors, the Company sets a standard amount for each position in accordance with their responsibilities, and takes into consideration the Company's business performance and the standards of other companies. In addition, the Company's performance is evaluated annually based on the degree of achievement against the Company's performance indicators and others established in accordance with the management strategy, and the results of the evaluation are reflected in the remuneration of directors.
(iv) In nominating candidates for directors, they are nominated by the Board of Directors in accordance with the following selection criteria, and the nomination is submitted as an agenda item for the General Meeting of Shareholders.
[i] Possess excellent character, insight, ability and high ethical standards
[ii] Have a strong law-abiding spirit
[iii] Have an ability to make objective judgments regarding management, as well as excellent foresight and perception
[iv] Have no interest or business relationship that may influence management decisions in the Company's major business fields
[v] Executive directors must have achieved business results in the division(s) for which they are responsible.
[vi] Outside directors must meet the qualifications for independent directors stipulated by the financial instruments exchange and the Company's criteria for independence of outside directors, have a proven track record and insight in their respective fields, and be able to devote sufficient time to performing their duties as directors.
In addition, when proposing the dismissal of a director, the Board of Directors will make a decision in accordance with the following dismissal criteria.
[i] When the director has committed an act that offends public order and morals
[ii] When it becomes difficult for the director to continue his/her duties due to health reasons
[iii] When the director's failure to perform his/her duties significantly damages the corporate value of the Company
[iv] When the director no longer possesses the qualities specified in the selection criteria
(v) The Company explains the reasons for nominating candidates for appointment or dismissal of directors in the reference materials for the General Meeting of Shareholders. In addition, dismissal of directors shall be conducted in accordance with the provisions of the Companies Act and other relevant laws. The reasons for nominating candidates are explained in the reference materials for the General Meeting of Shareholders.
The Company will make efforts to further enhance the information in the reference materials for the General Meeting of Shareholders.

[Supplementary Principle 3.1.3] Updated
To achieve carbon neutrality, in line with the TCFD framework, the Company has identified climate change risks and opportunities for the Group, has assessed their effects on its businesses, and disclosed the quantitative impact in the Securities Report. In addition, we obtained SBTi certification, an international initiative, in FY2025, which deemed that our greenhouse gas emissions reduction target was a science-based one that was consistent with the “1.5°C target” set out in the Paris Agreement. We will continue to proactively disclose information and contribute to reducing greenhouse gas emissions throughout the supply chain and achieving carbon neutrality for society as a whole.
Regarding investment in human capital, the Company positions human capital as a source of medium- to long-term corporate value enhancement and invests in it systematically and continuously. Specifically, we are promoting the development of systems that support the education and training tailored to employees' expertise and roles, the development of next-generation leaders, and proactive career development. Along with these efforts, we aim to improve organizational capabilities and achieve sustainable growth by improving engagement and developing a rewarding work environment.
Regarding investment in intellectual property, we position it as a source of sustainable corporate growth and competitiveness, and disclose our basic approach to intellectual property, etc., through "Intellectual Property Initiatives" on our website. In addition, we also disclose individual cases related to intellectual property through our website.
- “Intellectual Property Initiatives”: https://www.hirose.com/corporate/en/about/philosophy/

[Supplementary Principle 4.1.1]
The Company's Board of Directors delegates decisions on business execution to the President and other executive directors, executive officers, and other members of the management team, except for important matters stipulated in the Companies Act, such as the disposition and transfer of important assets. At the same time, the General Managers' Meeting, consisting of directors (excluding outside directors) and executive officers, is held at least once a month to communicate and coordinate business execution, and important matters are referred to the Board of Directors for decision.

[Principle 4.9 Independence Standards and Qualification for Independent Directors]
For independent outside directors, the Company selects those who meet the qualifications for independent directors stipulated by the financial instruments exchange and have a proven track record and insight in their respective fields. Specifically, the Company considers an outside director to be independent if none of the following items apply.
- The outside director is currently serving or has served during the past 10 years as a business executive of the Company or its subsidiary
- The outside director is currently serving, as a business executive, a company that has transactions with the Company Group, and the transaction amount exceeds 2% of consolidated net sales of either the company or the Company Group in any one fiscal year in the last three fiscal years.
- As a legal or accounting expert or consultant, the outside director directly receives from the Company remuneration exceeding 10 million yen per year on average in the last three fiscal years (excluding remuneration as a director of the Company and remuneration paid to the organization or office to which the outside director belongs).

- The outside director is a member of a corporation, association, or other organization, such as a law firm, audit corporation, tax accounting corporation, or consulting firm, and the average annual amount of remuneration received from the Company exceeds the higher of 2% of the total sales of the corporation,
association, or other organization or 100 million yen in the three most recent fiscal years of the corporation, association, or other organization.
- The outside director is currently an employee, etc., of an audit corporation that is the accounting auditor of the Company or its subsidiaries.
- The outside director has performed auditing services for the Company or its subsidiaries as an employee, etc. of an audit corporation that is the accounting auditor of the Company or its subsidiaries in the last three years.
- A relative of the outside director within the second degree is currently serving or has served in the past as a business executive of the Company or its subsidiary

[Supplementary Principle 4.10.1]
Although the Company is a company with an Audit & Supervisory Committee and independent directors constitute half of the Board of Directors, objectivity and transparency are enhanced by establishing a Nomination and Remuneration Committee that is composed of a majority of independent outside directors and chaired by an independent outside director.
With regard to the appointment and dismissal of director candidates, the Board of Directors refers a draft proposal to the Nomination and Remuneration Committee, receives its report, and then deliberates fully based on the appointment and dismissal criteria before making a decision. The Board of Directors also decides remuneration within the range of the total amount of remuneration resolved at the General Meeting of Shareholders, in accordance with the remuneration policy established by the Board of Directors, after referring a draft proposal to the Nomination and Remuneration Committee and receiving its report. The report of the Nomination and Remuneration Committee is respected to the maximum extent possible, and the amount of remuneration for each individual is determined in accordance with the content of the report.

[Supplementary Principle 4.11.1]
At the Company, the Board of Directors gives consideration in nominating director candidates to ensure balance and diversity in the Board of Directors as a whole in terms of knowledge, experience, and ability, and the criteria for such nominations are as described in Principle 3.1 (iv). As a result, in making management decisions, we have our outside directors apply their knowledge and management experience gained at other companies, and our other directors apply their expertise in their respective fields of responsibility as well as their multifaceted perspectives based on their various backgrounds.
As a manufacturer specializing in connectors, the Company constantly pursues cutting-edge technology and aims for growth through the promotion of further globalization. The Company believes that the Board of Directors should be equipped with skills in "general management," "technology development, manufacturing and quality," "sales and marketing," "financial and accounting," "legal and compliance and risk," "organization and human resources management" and "sustainability." We will review the required skills in the future according to the characteristics of our business and changes in the business environment.
In addition, a skills matrix showing the skills possessed by directors was disclosed in the Notice of Convocation of the General Meeting of Shareholders and Integrated Report.

[Supplementary Principle 4.11.2]
The status of directors holding concurrent positions is disclosed in this Corporate Governance Report, the Annual Securities Report, and the Notice of Convocation of the General Meeting of Shareholders.

[Supplementary Principle 4.11.3]
The Company performs annual effectiveness evaluations for its Board of Directors. A summary of the results of the evaluation conducted in FY 2025 is as follows.
1. Evaluation method
The Company administered a questionnaire on the effectiveness of its Board of Directors to all its directors, discussed that effectiveness at meetings of its Board of Directors with the results of that questionnaire as a reference, and compiled an evaluation.
2. Summary of evaluation results
The Company has deemed that our Board of Directors is fulfilling its role and functioning effectively based on the following points:
- The proportion and diversity of outside directors on the Board of Directors are improving due to an increase in the number of female directors, and are appropriate given the company's organizational structure.
- There are issues such as providing materials to directors even earlier depending on the agenda, but certain improvements have been made, such as providing materials earlier, and a certain amount of time is being secured for consideration.
- Sufficient deliberations and decision-making are carried out by the Board of Directors.
- Discussions, etc., on the succession planning for the President, the remuneration policy for directors, etc., are considered in advance by a voluntary nomination and remuneration committee and are fully and sufficiently conducted.

On the other hand, the need to address the following issues has become clear:
- To continue to consider the diversity in the Board of Directors and the proportion of outside directors.
- To deepen discussions regarding medium-term management strategies in response to the increasingly complex external environment.
- To continue to improve challenges surrounding sustainability.
- To deepen discussions regarding strategies for allocating management resources, including human capital and intellectual property.
3. Future actions
Based on the results of the evaluation conducted in FY 2025, the Board of Directors of the Company will endeavor to further enhance its effectiveness as it moves forward.

[Supplementary Principle 4.14.2]
The training policy for directors is to help them fulfill their roles by creating opportunities for them to actively collect information and study at all times and to participate in outside training sessions and networking events in order to acquire the necessary knowledge regarding the Company's financial position, legal compliance, corporate governance and other matters.

[Principle 5.1 Policy for Constructive Dialogue with Shareholders]
The Company builds trust based on mutual understanding by engaging in proactive and constructive dialogue with shareholders. In order to contribute to the Company's sustainable growth and medium- to long-term enhancement of corporate value, the Representative Director, the IR Officer, and the Public Relations and IR Office respond according to the purpose of the dialogue and the number of shares held. In conducting such dialogue, the Company makes every effort to ensure that there will be no substantial information disparities among shareholders. The opinions of shareholders that the Company obtained through dialogue activities are shared with management and relevant divisions by reporting at meetings and distributing reports

to share and utilize the information. For shareholders, institutional investors, and securities analysts, the Company holds quarterly financial results briefings and conducts individual one-on-one dialogues.

Updated

[Actions Aimed at Realizing Management Mindful of Capital Cost and Share Price][English-language disclosure available] [Last Update: Nov, 26, 2026]
Regarding "Actions Aimed at Realizing Management Mindful of Capital Cost and Share Price", we disclose our website. In addition, we also disclose "Promotion of Actions with Shareholders and Associated Disclosure" through our website.
・"Actions Aimed at Realizing Management Mindful of Capital Cost and Share Price" : https://www.hirose.com/corporate/en/ir/strategy/mid-term-business-plan/
・"Promotion of Actions with Shareholders and Associated Disclosure" : https://www.hirose.com/corporate/en/ir/stocks/promoting-dialog/

2. Capital Structure

Foreign Shareholding Ratio	30% or more

Status of Major Shareholders

Updated

Name or Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,410,400	13.68
Custody Bank of Japan, Ltd. (Trust Account)	3,321,783	10.30
Hirose Foundation	3,147,637	9.76
THE CHASE MANHATTAN BANK, N.A. LONDON SPECIAL ACCOUNT NO.1	2,617,902	8.12
HS Planning Limited	1,246,522	3.87
National Mutual Insurance Federation of Agricultural Cooperatives	1,125,100	3.49
Mizuho Trust & Banking Co., Ltd. Trust Account No. 0700210	870,754	2.70
Mizuho Trust & Banking Co., Ltd. Trust Account No. 0700211	865,222	2.68
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	746,800	2.32
HSBC-FUND SERVICES HSBC-006 MF EFM	499,800	1.55

Name of Controlling Shareholder, if applicable (excluding Parent Companies)	---
Name of Parent Company, if applicable	N/A

Supplementary Explanation

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3. Corporate Attributes

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

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

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

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

1. Organizational Composition and Operation

Corporate Governance System	Company with an Audit & Supervisory Committee

Directors

Number of Directors Stipulated in Articles of Incorporation	16
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	14
Election of Outside Directors	Elected
Number of Outside Directors	7
Number of Independent Directors	7

Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Tetsuji Motonaga	From another company											○
Masanori Nishimatsu	From another company											○
Seiji Sakata	From another company								△			
Yoko Kagami	Scholar											○
Kentaro Miura	From another company											○
Kenji Takashima	CPA											○
Harumi Ishida	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.)

a. Person who executes business for the Company or its subsidiary
b. Person who executes business for a non-executive director of the Company's parent company
c. Person who executes business for a fellow subsidiary
d. Person/entity for which the Company is a major client or a person who executes business for said person/entity
e. Major client of the Company or a person who executes business for said client
f. Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/company auditor
g. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
h. Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to director him/herself only)
i. Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to director him/herself only)
j. Person who executes business for an entity receiving donations from the Company (applies to director him/herself only)
k. Other

Outside Directors' Relationship with the Company (2)

Name	Membership of Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Tetsuji Motonaga		○	Representative Director of Ichthys Co., Ltd. Auditor of Keisei Medical Corporation Board Chair of Japan Family Business Institute	He was appointed for the purpose of strengthening the Company's supervisory function based on his extensive track record and deep insight as a management consultant, and also because the Company has determined that there is no risk of a conflict of interest with general shareholders as he fulfills the requirements of an independent director.
Masanori Nishimatsu		○	———	He was appointed for the purpose of strengthening the Company's supervisory function based on his extensive experience and deep insight as a business manager, and also because the Company has determined that there is no risk of a conflict of interest with general shareholders as he fulfills the requirements of an independent director.
Seiji Sakata		○	Outside Director (Audit and Supervisory Committee Member), of MIRAINI HOLDINGS CO., LTD.	He was appointed for the purpose of strengthening the Company's supervisory function based on his extensive experience and deep insight as a business manager, and also because the Company has determined that there is no risk of a conflict of interest with general shareholders as he fulfills the requirements of an independent director.
Yoko Kagami		○	Professor of Faculty of Global Media Studies, Komazawa University Member of the Japan Association of Corporate Executives (KEIZAI DOYUKAI) Member of the Ministry of Education, Culture, Sports, Science and Technology (MEXT) School Corporation Management Investigation Committee	She was appointed for the purpose of strengthening the Company's supervisory function based on her extensive overseas experience and deep insight into global management, and also because the Company has determined that there is no risk of a conflict of interest with general shareholders as she fulfills the requirements of an independent director.
Kentaro Miura	○	○	———	He was appointed for the purpose of strengthening the Company's supervisory function based on his extensive track record and deep insight as a management consultant, and also because the Company has determined that there is no risk of a conflict of interest with general shareholders as he fulfills the requirements of an independent director.
Kenji Takashima	○	○	President of K.TAKASHIMA Certified Public Accountants Office Representative Director of Naka Meguro Net Kaikei LLC	He was appointed for the purpose of strengthening the Company's supervisory function based on his expertise, experience, etc., cultivated as a certified public accountant, and also because the Company has determined that there is no risk of a conflict of interest with general shareholders as he fulfills the requirements of an independent director.
Harumi Ishida	○	○	Professor of Department of Business Administration, Faculty of Business Administration, at Bunkyo University Chair of National Diet Library Oversight Committee on Contracts, ETC. Chair of Supervisory Commission for Public-Private and Private-Private Competitive Tenderings, Ministry of Internal Affairs and Communications	She was appointed for the purpose of strengthening the Company's supervisory function based on her expertise, experience, etc., cultivated as a certified public accountant, and also because the Company has determined that there is no risk of a conflict of interest with general shareholders as she fulfills the requirements of an independent director.

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 Staff from Executive Officers/Reasons for Adopting Current System

In the evaluation, etc. of the employees, the opinions of the Audit & Supervisory Committee are respected, and independence from directors (excluding directors who are Audit & Supervisory Committee members) is ensured. In addition, when assisting the Audit & Supervisory Committee in its duties, the employees are subject exclusively to the directions and orders of the Audit & Supervisory Committee members.

Cooperation among the Supervisory Committee, Accounting Auditors and Internal Audit Department

Three of the four Audit & Supervisory Committee members are outside directors, strengthening the supervisory function over the management. Each Audit & Supervisory Committee member conducts audits in accordance with the audit policy and audit plan established by the Audit & Supervisory Committee at the beginning of each fiscal year, focusing on ascertaining the status of management execution and the status of operations of internal checks, compliance, internal audits, and internal controls, and checking the efficiency of these systems. In addition, the Company has established a system to ensure that management monitoring functions appropriately through supervision by outside directors and audits by outside directors who are Audit & Supervisory Committee members, as well as through active exchange of opinions at Board of Directors meetings, where outside directors provide various recommendations to the Company's management.

Voluntary Established Committee(s)

Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee	Established

Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chairperson

	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	Nomination and Remuneration Committee	5	0	2	4	0	0	Outside Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Nomination and Remuneration Committee	5	0	2	4	0	0	Outside Director

Supplementary Explanation

-The Company established the Nomination and Remuneration Committee as a voluntary advisory body to the Board of Directors on April 1, 2020 to strengthen the fairness, transparency, and objectivity of procedures related to the nomination and remuneration of directors.
-The Nomination and Remuneration Committee consists of five members appointed by a resolution of the Board of Directors, three of whom are independent outside directors. In addition, the chairperson of the Committee is an independent outside director appointed through a resolution of the Board of Directors.

Matters Concerning Independent Directors

Number of Independent Directors	7

Other Matters Concerning Independent Directors

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Incentives

Implementation Status of Measures related to Incentives Granted to Directors	Introduction of Performance-linked Remuneration Scheme

Supplementary Explanation for Applicable Items

Performance-Linked Stock Remuneration
(1) Policy for determining the ratio of remuneration, etc. to be paid and the details thereof
At the Ordinary General Meeting of Shareholders held on June 25, 2021, the Company resolved to introduce a performance-linked stock remuneration system for its directors (excluding directors who are Audit and Supervisory Committee members and outside directors) and executive officers (hereinafter referred to as "directors, etc."). Under this system, a trust established by the Company acquires shares of the Company's common stock, and the number of shares equivalent to the number of points granted by the Company to each director, etc. is delivered to them through the trust.
The total number of points granted to all directors, etc. shall not exceed 8,800 points per year, and each point is equivalent to one share of the Company's common stock. In addition, points are granted on the condition that predetermined values of performance indicators (consolidated operating margin) determined by the Board of Directors.
(2) The indicators related to such performance-linked stock remuneration and the reason for their selection
The Company has set consolidated operating margin and other performance indicators determined by the Board of Directors as indicators that will contribute to the enhancement of shareholder value and the improvement of medium-to long-term business performance as well as the increase in corporate value.
(3) The method of determining the amount of such performance -linked stock remuneration
The points to be granted to each director, etc. are calculated according to the following formula:
Points granted = (Total basic remuneration for the applicable period + bonus for the applicable period) x 10% ÷ Acquisition price of the Company's common stock by the trust

Persons Eligible for Stock Options	

Supplementary Explanation for Applicable Items

Director Remuneration

Status of Disclosure of Individual Director's Remuneration	No Disclosure for any Directors

Supplementary Explanation for Applicable Items

The amount of compensation paid by our company is as follows.

Directors (excluding Directors who are Audit & Supervisory Committee members, and outside Directors) 312 million yen, Audit & Supervisory Committee members 23 million yen, Outside Directors 80 million yen
The amount paid does not include the salary for the employee portion of directors who are also employees.

Policy on Determining Remuneration Amounts and Calculation Methods	Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

Remuneration for Company Directors (excluding Directors who are Audit & Supervisory Committee members, and outside Directors) consists of basic remuneration which is fixed in accordance with position, as well as, for performance linkage, a performance-linked bonus and performance-linked stock remuneration which are calculated based on the consolidated operating margin.
The payment ratio in terms of how the remuneration is constituted varies in accordance with performance. By means of the consolidated operating margin, determined by the Board of Directors as the base, generally a policy is set such that the ratio of basic remuneration: bonus: stock remuneration is 44: 47: 9.
Remuneration for non-executive Directors, Directors who are Audit & Supervisor Committee members, and outside Directors consists of only basic remuneration.

Support System for Outside Directors

The Human Resources & General Affairs Department provides outside directors with materials necessary for their supervision and auditing.
-The Company is a company with an Audit & Supervisory Committee. -The Company has invited seven independent, outside officers to ensure the appropriateness of management decisions by having them take on the role of management supervision from a more objective perspective and by receiving useful advice from them from multiple perspectives based on their diverse backgrounds as former managers of other companies, as a scholar and as a certified public accountant. -The Company has filed all of the outside directors who are not likely to cause conflicts of interest with general shareholders as independent officers, as required by the Tokyo Stock Exchange. -At the Company, the Board of Directors, consisting of 14 directors, an appropriate size for quick decision-making, meets at least once a month. -The General Managers' Meeting, consisting of directors (excluding outside directors), executive officers, General Managers, and directors who are full-time Audit & Supervisory Committee members, is held at least once a month to communicate and coordinate business execution. -The Audit & Supervisory Committee system is functioning effectively, as four directors who are Audit & Supervisory Committee members attend Board of Directors meetings and also conduct sufficient audits by directly interviewing directors and others regarding business execution. -Directors who are Audit and Supervisory Committee members interview internal control departments, such as the Human Resources & General Affairs Department, the Accounting Department, and the IT General Administration Department, regarding the status of development and continuous improvement of internal control systems, and make suggestions and recommendations as well as express their opinions as necessary. -Outside Director Kenji Takashima and Harumi Ishida are certified public accountants and have considerable finance and accounting knowledge. -The Group's internal audit is conducted by an independent internal auditor, who verifies the appropriateness and effectiveness of operations in the internal control departments, instructs the departments concerned to submit solutions to problems as necessary, and reports important matters to the President.The internal auditor, The Human Resources & General Affairs Department, the Accounting Department, and the IT General Administration Department jointly implement the development and operation of internal controls, and promote improvements in consultation with the accounting auditor. Directors who are Audit and Supervisory Committee members conduct audits based on the audit plan, in close cooperation with the Accounting Department, the internal auditor, and the accounting auditor, including periodic exchange of information. -The Company's independent auditor is KPMG AZSA LLC, with designated partners and engagement partners performing duties, and certified public accountants and others assisting in the performance of duties.

Status 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.

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
―――	――	―――	―――	―――	―――

Number of Persons Holding Advisory Positions (*Sodanyaku*, *Komon*, etc.) After Retiring as Representative Director and President, etc.	0

Other Related Matters

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

At the Ordinary General Meeting of Shareholders held on June 25, 2021, a resolution was passed to amend the Company's Articles of Incorporation to make the Company a Company with an Audit & Supervisory Committee. As a result, the Company has changed to a company with an Audit & Supervisory Committee as of the same date.
This transition was made to strengthen the auditing and supervisory functions to ensure the legality and appropriateness of business execution, and to further enhance corporate governance. - The Board of Directors consists of 10 directors (including 4 outside directors) who are not Audit & Supervisory Committee members and 4 directors who are Audit & Supervisory Committee members (including 3 outside directors), and holds a meeting at least once a month. - The General Managers' Meeting, consisting of directors (excluding directors who are Audit & Supervisory Committee members) who are not outside directors, executive officers, and directors who are full-time Audit & Supervisory Committee members, is held at least once a month to communicate and coordinate business execution. The General Managers' Meeting is chaired by the President.

3. Reasons for Adoption of Current Corporate Governance System

The Board of Directors makes decisions promptly, and directors mutually supervises the state of business execution, thereby fulfilling a management checking function. - In addition, the Company has invited seven independent, outside directors to ensure the appropriateness of management decisions by having them take on the role of management supervision from a more objective perspective and by receiving useful advice from them from multiple perspectives based on their diverse backgrounds as former managers of other companies and as a certified public accountant. Based

on the determination that this system is appropriate, the Company has adopted it since June 25, 2021.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize General Meeting of Shareholders and Facilitate Exercise of Voting Rights

	Supplementary Explanation
Early Posting of Notice of the General Meeting of Shareholders	The mailing date has been moved up since the fiscal year ended March 31, 2006.
Scheduling of the General Meeting of Shareholders on a Non-Peak Day	Implemented since the fiscal year ended March 31, 2016.
Electronic Exercise of Voting Rights	Implemented since the fiscal year ended March 31, 2015.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	Implemented since the fiscal year ended March 31, 2015.
Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	Implemented since the fiscal year ended March 31, 2012.
Other	———

2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	1. Basic policy The Company will disclose accurate, fair, and timely information as required to promote understanding of the Company among shareholders, investors, and other stakeholders, as well as to fulfill the Company's accountability and enhance management transparency. In addition to disclosing material factual information in accordance with the timely disclosure rules of the stock exchange on which the Company is listed, the Company will also disclose information that is not subject to the timely disclosure rules if the Company believes, at its own discretion, that such information will be effective in helping the public understand the Company. Through such timely and appropriate information disclosure, the Company will strive to increase shareholder value by building a good relationship of trust with the capital market and obtaining market evaluation to reflect it in the Company's management. 2. Information disclosure criteria The Company discloses information on EDINET, an electronic disclosure system, and TDnet, a timely disclosure system, in accordance with the Companies Act, Financial Instruments and Exchange Act, and other related laws and regulations, as well as the timely disclosure rules of the Tokyo Stock Exchange, where the Company is listed. The Company also voluntarily discloses information that is not subject to the said rules but is considered necessary or useful for understanding the Company, to the press or through the Company's website. 3. Quiet period The Company has a quiet period to prevent leaks of financial information and to ensure fairness. In principle, the quiet period is set from the day following the last day of each fiscal quarter to the day of the announcement of the financial results for that quarter. During this period, as a general rule, the Company refrains from disclosing information related to financial results and answering related questions. This does not apply to inquiries regarding information that has already been made public. 4. Forward-looking statements Information regarding future business performance in the materials disclosed by the Company includes statements based on information available to the Company at the time of publication and certain assumptions that the Company judges to be reasonable. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results to differ materially.	
Regular Investor		Not Held

Briefings held for Individual Investors		
Regular Investor Briefings held for Analysts and Institutional Investors	Financial results briefings have been held quarterly since FY2008. Since the fiscal year ended March 31, 2015, explanations from the President have been provided.	Held
Regular Investor Briefings held for Overseas Investors		Not Held
Online Disclosure of IR Information	https://www.hirose.com/corporate/en/about/philosophy/	
Establishment of Department and/or Placement of a Manager in Charge of IR	Department in charge: IR Office, Administration Group	
Other	———	

3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	Stipulated in the HRS Group Code of Conduct
Implementation of Environmental Preservation Activities and CSR Activities, etc.	Since 2011, we have prepared an environmental report, and from 2013, we added a CSR report to it and published them together as a Sustainability Report on our website. Since 2022, we have published an Integrated Report, which is available on our website.
Formulation of Policies, etc. on Provision of Information to Stakeholders	Stipulated in the HRS Group Code of Conduct
Other	———

IV. Matters Concerning the Internal Control System

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

The Company has established, operates, and continuously improves the following internal control system to ensure that the entire group, including subsidiaries, complies with laws, regulations, and the Articles of Incorporation and conducts its business appropriately.

1. Systems to ensure the appropriateness of business operations

(1) System to ensure that the execution of duties by directors and employees complies with laws, regulations, and the Articles of Incorporation

Directors shall take the initiative in upholding the "HRS Group Code of Conduct," which was established based on The Company's Inseparable Principles and the HIROSE Philosophy , and shall ensure that all employees are thoroughly familiar with the Code through education, audits, and guidance, thereby establishing a compliance system.

The Company shall establish and appropriately operate an internal reporting system for directors and employees of the Company group.

It is prohibited to treat whistleblowers in a disadvantageous manner. In the event that a violation of laws or regulations is discovered, the department in charge shall formulate and implement corrective measures and measures to prevent recurrence.

(2) System for the storage and management of information related to the execution of duties by directors

The Company Group shall appoint a "person in charge of document handling" in accordance with the "Document Control Regulations" that are under the supervision and control of the Director, Group President-Administration, and shall store information related to the execution of duties, such as minutes, approval documents, and contracts, in written or electronic media for a prescribed period in a safe place. Directors may inspect these documents, etc. at any time.

(3) Regulations and other systems for managing risk of loss

Each director shall manage the risks of the entire group companies in a comprehensive and integrated manner, such as by developing regulations concerning risk management for the operations he/she is in charge of. The Internal Audit Department shall audit the status of risk management in the divisions under its jurisdiction and report important matters to the President in a timely and appropriate manner.

(4) System to ensure that directors execute their duties efficiently

Each director shall establish a policy for the fiscal year for the operations he/she is in charge of, and in response to this policy, the person in charge of each department shall develop an efficient method of achieving the policy, including specific targets and assignments to be implemented, and shall put the policy into practice upon approval of the President.

The Board of Directors, including those of Group companies, shall periodically review the results and provide feedback to ensure efficient execution of duties.

(5) Systems to ensure the appropriateness of operations of the corporate group consisting of the Company and its subsidiaries

[i] System for reporting matters related to the execution of duties by directors, etc. of subsidiaries to the Company

In accordance with the Company's "Group Company Management Regulations," the Director, Group President-Administration shall manage and provide guidance to Group companies in cooperation with related divisions, and request submission of materials on management and other matters as necessary.

[ii] Regulations and other systems for managing risk of loss of subsidiaries

The Company shall apply the rules for risk management to the Group companies and require directors and employees of the Group companies to execute their duties in accordance with the rules.

[iii] System to ensure that directors, etc. of subsidiaries execute their duties efficiently

The Company shall ensure the efficiency of the execution of duties by directors, etc. of Group companies by regularly receiving reports from Group companies on their business activities and by holding prior discussions on important matters.

[iv] System to ensure that the execution of duties by directors and employees of subsidiaries complies with laws, regulations, and the Articles of Incorporation

In addition to the appointment of the Company's officers, etc., as officers, etc., of Group companies, the Company's Audit & Supervisory Committee and Internal Audit Department shall conduct audits, etc., to verify the appropriateness of operations.

(6) Matters concerning employees to assist the Audit & Supervisory Committee in its duties

The Audit & Supervisory Committee shall be assisted in its duties by designated employees.

(7) Matters concerning the independence of the employees in the preceding item from directors (excluding directors who are Audit & Supervisory Committee members)

In the evaluation, etc. of the employees mentioned in the preceding item, the opinions of the Audit & Supervisory Committee shall be respected, and independence from directors (excluding directors who are Audit & Supervisory Committee members) shall be ensured. In addition, when assisting the Audit & Supervisory Committee in its duties, the employees shall be subject exclusively to the directions and orders of the Audit & Supervisory Committee members.

(8) System for directors (excluding directors who are Audit & Supervisory Committee members) and employees to report to the Audit & Supervisory Committee and other systems for reporting to the Audit & Supervisory Committee

[i] System for directors (excluding directors who are Audit & Supervisory Committee members) and employees to report to the Audit & Supervisory Committee

Directors (excluding directors who are Audit & Supervisory Committee members) and employees shall report to the Audit & Supervisory Committee on the status of the execution of their duties at meetings of the Board of Directors and other important internal meetings. In addition, they shall promptly and appropriately report to the Audit & Supervisory Committee any information that may have a material impact on the Company's finances and business as well as any acts in violation of laws, regulations, or the Articles of Incorporation of the Company.

[ii] System for persons who have received reports from directors, auditors, or employees of subsidiaries to report to the Audit & Supervisory Committee of the Company

Persons who have received reports from directors, auditors, or employees of subsidiaries through audits, etc., of the subsidiaries shall report to the Audit & Supervisory Committee of the Company in a timely and appropriate manner.

In addition, they shall report promptly and appropriately to the Company's Audit & Supervisory Committee when requested by the Committee to report on matters related to the execution of business. "

(9) System to ensure that persons who make reports as described in the preceding item will not be treated disadvantageously because of such reports

The Company shall prohibit any disadvantageous treatment of persons for having reported to the Audit & Supervisory Committee.

(10) Matters concerning the policy for processing advance payments of expenses to be incurred in the execution of duties by Audit & Supervisory Committee members

When an Audit & Supervisory Committee member requests the Company for advance payment of expenses for the execution of his/her duties, the Company shall promptly meet such request, except in cases where such expenses are deemed not necessary for the execution of the duties of the Audit & Supervisory Committee member.

(11) Other systems to ensure that the Audit & Supervisory Committee's audits are conducted effectively

The Company shall ensure that the Audit & Supervisory Committee has opportunities to hear from executive directors and employees, and the Audit & Supervisory Committee shall hold regular meetings with the accounting auditor to exchange opinions.

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

The Company Group clearly states in the "HRS Group Code of Conduct" its policy to have no relationship with antisocial forces, and shall take a firm stand against such antisocial forces in cooperation with the police and other external organizations.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted

Supplementary Explanation for Applicable Items

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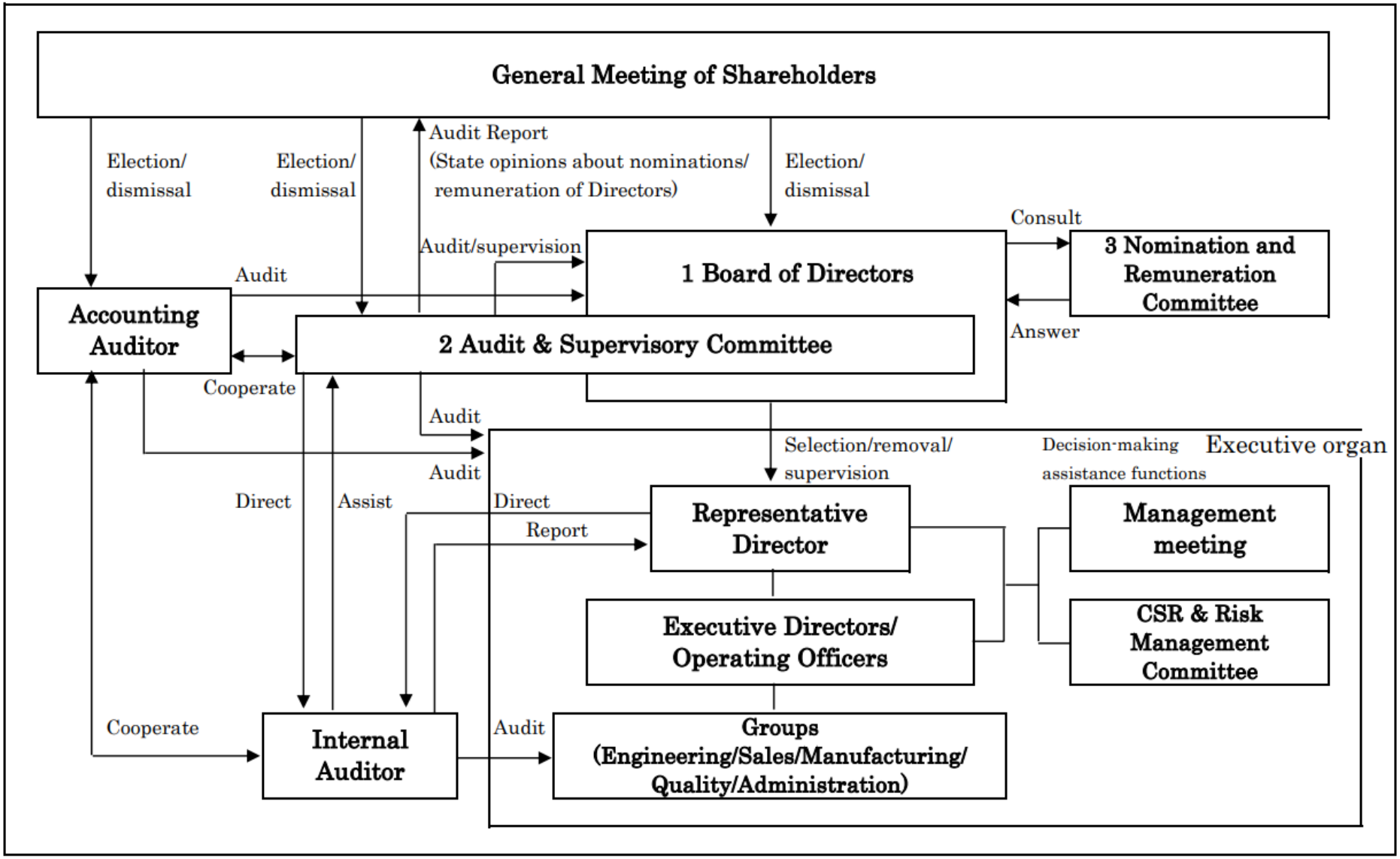
2. Other Matters Concerning the Corporate Governance System

Status of the internal system for timely disclosure of corporate information
1. The Company's basic stance on information disclosure
The Company will disclose accurate, fair, and timely information as required to promote understanding of the Company among shareholders, investors, and other stakeholders, as well as to fulfill the Company's accountability and enhance management transparency.
2. Facts that have a material impact on investors' investment decisions
(1) Occurrence of material events
Upon the occurrence of a material event as defined in the Company's regulations, the person responsible for the department in charge of the material event shall immediately report it to the person in charge of handling inside information.
(2) Material decisions
When a material decision as defined in the Company's regulations has been made, the person responsible for public disclosure will be informed of the material decision.
3. Information disclosure
Disclosure of information will be discussed and decided by the Board of Directors.
4. Implementation of information disclosure
Disclosure of information is conducted by the IR Office on behalf of the Representative Director.


General Meeting of Shareholders
Election/ dismissal
Election/ dismissal
Audit Report (State opinions about nominations/ remuneration of Directors)
Election/ dismissal
Consult
Audit/supervision
1 Board of Directors
3 Nomination and Remuneration Committee
Audit
Accounting Auditor
2 Audit & Supervisory Committee
Answer
Cooperate
Audit
Audit
Selection/removal/ supervision
Decision-making assistance functions
Executive organ
Direct
Assist
Direct
Report
Representative Director
Management meeting
Executive Directors/ Operating Officers
CSR & Risk Management Committee
Cooperate
Internal Auditor
Audit
Groups (Engineering/Sales/Manufacturing/ Quality/Administration)