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## CORPORATE GOVERNANCE

Last update: June 21, 2024  
MEITEC Group Holdings Inc.  
Masato Uemura, President & CEO  
(Code 9744, TSE Prime Market)  
(URL <https://www.meitecgroup-holdings.com>)

**The corporate governance of MEITEC CORPORATION (the “Company”) is as follows:**

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

#### **1. Basic Views**

The MEITEC Group takes action to enhance its corporate governance, aiming to continuously improve the five values described in the “Ideal State” based on the Group’s management concept. To that end, it makes unceasing efforts to pursue a balance between management oversight and business execution appropriate to the Group. Other measures include efforts to develop a structure that violates no social ethics and conducts decision making that is sound, transparent, and fair, as well as timely and decisive.

<Management Concept of the MEITEC Group>

“Mutual Growth & Prosperity”

<Corporate Slogan of the MEITEC Group>

Develop a new era by People and Technology

< “Ideal State” of the MEITEC Group>

We, the MEITEC Group, with cooperation of all the employees, shall improve the five values continuously from the “Value to Engineers” as a starting point.

#### **1. Value to Engineers**

We continue to provide optimum “opportunities and placement” for all engineers who aim for affluent “Career Style of Engineer.”

#### **2. Value to Employees**

We continue to provide optimum “opportunities and placement” for employees who sympathize with the intension of “independence and mutual supports” and continue to grow as professional.

#### **3. Value to Clients**

We continue to provide optimal services of “People and Technology,” aiming to becoming a “reliable Best-Partner” for all clients.

#### **4. Value to Shareholders**

We maximize mid and long-term shareholders returns by creating “sound profits” based on continuous improvement of the Values.

#### **5. Value to the Society**

We will continue to be a pioneer in creating a “Professional Labor Market” in Japan, through establishing a career style of “lifetime professional engineers.”

## **[Reasons for Non-compliance with the Principles of the Corporate Governance Code]**

### **[Supplemental Principle 2.4.1]**

The composition of core human resources has already been diverse, and we continue the provision of equal opportunities as well as fair and just promotion with ongoing attention to homogeneity of mid-career hires. Therefore, we do not set voluntary and measurable goals on promotion regarding mid-career hires and foreigners.

Details of views, etc. are provided in [Disclosure Based on the Principles of the Corporate Governance Code].

### **[Principle 3.1iv) v)]**

For selections, appointments, and nominations of candidates, as previously disclosed, the Company has established procedures that effectively utilize the non-statutory committees that independent outside directors chair, and standards.

The Company does not have established standards for removals or dismissals. The reason for the absence of such standards is to avoid overly rigid application of rules whereby a level of freedom is lost and the timeliness of the decision is impaired.

The Company has set forth procedures concerning removals or dismissals that are meant to be carried out using the non-statutory committees that independent outside directors chair. Unlike the procedures for selections, etc., these procedures are not mandatory. The reason for the non-mandatory nature of these procedures is to avoid overly rigid application of rules whereby a level of freedom is lost and the timeliness of the decision is impaired.

Note that when the Company executes any removal or dismissal only by a resolution of the statutory Board of Directors without using any non-statutory committee, the Company ensures that analysis and evaluation, via discussion by a non-statutory committee that is chaired by an independent outside director, are carried out in a more painstaking manner than usual into the effectiveness of the Board of Directors regarding this decision while paying attention to the objectivity, timeliness, and transparency of the decision.

### **[Supplementary Principle 3.1.3]**

The Company has already disclosed its initiatives on sustainability when disclosing the management strategy, and will continue to enhance the content. In addition to our collaboration with our customers promoting technological innovations to cope with environmental issues, as a partner that provides high added value through "people and technology," we will tackle sustainability issues positively and proactively also by working on energy conservation, etc. in our own activities. Due to our business model that engineers dispatched from our company engage in R&D activity of our customers, it is difficult to quantify greenhouse gas emissions generated from our business. In addition, risks and profit opportunities caused by climate change only have an indirect impact through customers on our business and, as we have a wide and diverse range of industries as customers, these indirect effects are limited. Therefore, we do not disclose the impact of risks and profit opportunities on our business to be caused by climate change.

### **[Supplementary Principle 4.1.3]**

As part of the succession planning for Representative Director and President/Group CEO, the matters are discussed at the Officer Appointment Advisory Committee that is chaired by an independent outside director and made up of the Representative Director and President/Group CEO and independent outside directors. However at this current point in time, the Company is progressing with the establishment of the specific rationale concerning the qualities desirable for the CEO, etc., and specific policies that the Board of Directors is actively involved in concerning the formulation and operation of the plan.

While taking suitable care to avoid the harmful effects that may arise from narrowing down the succession candidates too hastily, the Company is continuing to further such discussion at the Officer Appointment Advisory Committee to examine the concrete measures that will further improve the plan's effectiveness going forward.

### **[Supplementary Principle 4.2.1]**

The individual allocation amounts of the performance-linked directors' remuneration allocable to each director shall first be discussed at the Officer Appointment Advisory Committee that is chaired by an independent outside director and made up of the Representative Director and President/Group CEO and independent outside directors, then put before the board of directors for a decision on only the "allocation method," and finally left to the Representative Director and President/Group CEO to decide on the "specific individual allocation amounts."

Note that the Company has already disclosed the specific details of the amount of fixed remuneration and the calculation method for the total amount of the performance-linked directors' remuneration.

Therefore, although different from the Supplementary Principle "Matters to be Decided by the Board of Directors," this procedure is deemed as suitable in light of the limiting of the Board of Directors decision to the allocation of the predetermined total amount, and the objective and transparent procedures that include performance evaluation of each director, which will form the basis of the individual allocation.

[Supplementary Principle 4.3.2, 4.3.3]

The selection of Representative Director and President/Group CEO shall be carried out using the procedure that requires discussions to be held by Officer Appointment Advisory Committee that is chaired by an independent outside director and made up of the Representative Director and President/Group CEO and independent outside directors. However, at this current point in time, the Company is progressing with the establishment of the specific rationale concerning the qualities desirable for the CEO, etc. Like for the succession plan, the Company is continuing to further discussions at the Officer Appointment Advisory Committee on examining the rationale, etc. concerning such qualities moving forward.

Furthermore, the Company has not established procedures for removal of the Representative Director and President/Group CEO to any detail exceeding the standards and statutory requirements. The reason for the absence of more detailed procedures is to avoid overly rigid application of rules whereby a level of freedom is lost and the timeliness of the decision is impaired. However, in order not to miss the opportune timing for a removal, the Company has established a procedure to hold an Officer Appointment Advisory Committee under the initiative of an independent outside director and discuss the personnel change in Representative Director and President/Group CEO. Note that when the Company executes a removal only by a resolution of the statutory Board of Directors without using any non-statutory committee, the Company ensures that analysis and evaluation, via discussion by a non-statutory committee that is chaired by an independent outside director, are carried out in a more painstaking manner than usual into the effectiveness of the Board of Directors regarding this decision while paying attention to the objectivity, timeliness, and transparency of the decision.

[Principle 4.11]

The Company recognizes that current composition of Board of Directors is an appropriate size, in which diversity is mostly ensured.

As for the gender and internationalism, the Company acknowledges that they are important in view of further expansion of the diversity and will continue to make efforts to respond appropriately. Note that at this point in time, although the Company believes it to be desirable to appoint officers with abundant international experience, it does not recognize the necessity to appoint non-Japanese officers.

[Supplementary Principle 4.11.1]

Identifying required skills for accurate, prompt and decisive decision-making and appropriate management supervision, we will make efforts to have appropriate balance of knowledge, experience and abilities as well as diversity in terms of expertise, internationality, gender, age, and work experiences in the board.

[Principle 5.2, Principle 5.2.1]

When deciding on matters concerning the allocation of management resources, including revisions to the business portfolio and the various kinds of investments, the Company is taking prudent measures that give adequate consideration to confidentiality as matters that disclosed in detail beforehand could have a detrimental effect on the Group's competitiveness in the market.

#### **[Disclosure Based on the Principles of the Corporate Governance Code]**

The Company enacts the following policies, and post them on the Company's website.

The Policies

MEITEC Group: Basic Policy Regarding Corporate Governance (the "Basic Policy" hereafter)

MEITEC Group: Standards for Nomination of Director Candidates

Standards for Independence from MEITEC Group in Electing Outside Directors

MEITEC Group: Policy on Dialog with Shareholders and Investors

Place for posting on the website

Japanese: <https://www.meitecgroup-holdings.com/ja/sustainability/governance/governance.html>

English: <https://www.meitecgroup-holdings.com/en/sustainability/governance/governance.html>

Please see followings for the information which is to be disclosed according to the Corporate Governance Code.

[Principle 1.4] the Basic Policy “1.4. Cross-Shareholdings Policy”

[Principle 1.7] the Basic Policy “1.7. Related Party Transactions”

[Supplementary Principle 2.4.1]

The composition of core human resources has already been diverse, and the Company continues the provision of equal opportunities as well as fair and just promotion with ongoing attention to homogeneity of midcareer hires.

In order to ensure diversity, the Company strives to incorporate diverse opinions, etc., while lastingly enhancing the effectiveness of efforts to provide opportunities and environments from a medium- to long-term perspective. We get employees to forecast a skill matrix required in the future so they can focus on improving technological capabilities and refine their ability to handle changes flexibly on their own. We also employ initiatives that help fuel their motivation to learn and take on challenging issues inside and outside the company on their own.

The details are posted on the Company’s website as follows.

<Views on Ensuring Diversity>

Basic policy “2. 4. Ensuring Diversity, Including Active Participation of Women”

<Voluntary and Measurable Goals for Ensuring Diversity>

Promotion of women to middle managerial positions

Japanese: <https://www.meitecgroup-holdings.com/ja/sustainability/diversity.html>

English: <https://www.meitecgroup-holdings.com/en/sustainability/diversity.html>

<Status of Ensuring Diversity>

Promotion of women to middle managerial positions

Japanese: <https://www.meitecgroup-holdings.com/ja/sustainability/diversity.html>

English: <https://www.meitecgroup-holdings.com/en/sustainability/diversity.html>

<Policies for Human Resource Development and Internal Environment Development, and Status Thereof>

(1) Policies for human resource development and internal environment development

Basic policy “2. 4. Ensuring Diversity, Including Active Participation of Women”

(2) Initiatives for promoting active participation of women

Japanese: <https://www.meitecgroup-holdings.com/ja/sustainability/diversity.html>

English: <https://www.meitecgroup-holdings.com/en/sustainability/diversity.html>

(3) Career development system for engineers, education and training, and training facilities and tools:

Japanese: <https://www.meitec.co.jp/advantage/career.html>

English: <https://www.meitec.co.jp/e/advantage/career.html>

[Principle 2.6] the Basic Policy “2.6. Roles of Corporate Pension Funds as Asset Owners”

[Principle 3.1] the Basic Policy “4.3.Policies Relating to Nomination of Director Candidates and Appointment and Dismissal of Executives”,

“4.4.Procedures Relating to Nomination of Director Candidates and Appointment and Dismissal of Executives”,

MEITEC Group: Standards for Nomination of Director Candidates

It shall be noted that when nominating director candidates, who are judged to be able to fulfill the roles stipulated in the “MEITEC Group: Standards for Nomination of Director Candidates” above.

[Supplementary Principle 3.1.3]

<Sustainability Initiatives>

Resolution of social challenges, “provision of optimal opportunities and places,” fair and reasonable transactions with clients (purchasing policy)

Japanese:

[https://www.meitecgroup-holdings.com/ja/sustainability/Issues\\_and\\_solutions.html](https://www.meitecgroup-holdings.com/ja/sustainability/Issues_and_solutions.html)

<https://www.meitecgroup-holdings.com/ja/sustainability/professional.html>

<https://www.meitecgroup-holdings.com/ja/sustainability/governance/compliance.html>

English:

[https://www.meitecgroup-holdings.com/en/sustainability/Issues\\_and\\_solutions.html](https://www.meitecgroup-holdings.com/en/sustainability/Issues_and_solutions.html)

<https://www.meitecgroup-holdings.com/en/sustainability/professional.html>

<https://www.meitecgroup-holdings.com/en/sustainability/governance/compliance.html>

<Investments in Human Capital and Intellectual Property, etc.>

Career development system for engineers, education and training, and training facilities and tools:

Japanese: <https://www.meitec.co.jp/advantage/career.html>

English: <https://www.meitec.co.jp/e/advantage/career.html>

[Supplementary Principle 4.1.1] the Basic Policy “4.1.1. Board of Directors”

[Principle 4.9] Standards for Independence from MEITEC Group in Electing Outside Directors

[Supplementary Principle 4.10.1] the Basic Policy “4.7 Officer Appointment Advisory Committee”

[Supplementary Principle 4.11.1] the Basic Policy “4.2 Composition of Board of Directors”

MEITEC Group: Standards for Nomination of Director Candidates

Standards for Independence from MEITEC Group in Electing Outside Directors

The experience and expertise held by each director are stated at the end of this report.

[Supplementary Principle 4.11.2] the Basic Policy “4.6. Restrictions on Concurrent Posts Held by Directors”

[Supplementary Principle 4.11.3] the Basic Policy “4.8. Evaluation of Board of Directors’ Effectiveness”

Overview of the results of evaluation of effectiveness is as follows:

1. Objective of evaluation of effectiveness

The Company analyzed and evaluated the effectiveness of the Board of Directors primarily for the purpose of improving the roles and responsibilities of the Board of Directors in a sustainable fashion, in accordance with the Basic Policy “4.8. Evaluation of Board of Directors’ Effectiveness.”

2. Specifics of the evaluation

The effectiveness of the Board of Directors was evaluated using the following methods:

(1) All directors including directors who are Audit and Supervisory Committee members completed self-evaluations of effectiveness (anonymous questionnaire format) in which they answered questions on the composition of the Board of Directors and on initiatives related to its operating conditions, etc.

(2) Based on the evaluations in (1) above, discussions were held on the effectiveness at Board of Directors’ meetings.

(3) Based on the contents of these discussions, an evaluation proposal and disclosure proposal on the effectiveness were again presented to the Board of Directors and were determined.

3. Overview of the results of analysis and evaluation

Considering factors such as the contents and scale of the Group’s businesses, the independent outside officers on the Company’s Board of Directors are generally of the appropriate scale, composition, and diversity. However, the evaluation of effectiveness confirmed that to enhance the effectiveness of the Board of Directors further, it would be necessary to strengthen the business execution system to strike a balance with stronger oversight through the combination of strong business promotion and multi-faceted discussion, etc. It was also confirmed that as part of efforts to improve the operation of the Board of Directors, further efforts were needed with regard to the training of the personnel who take on key roles in the Company’s management. The evaluation of effectiveness further confirmed the need to make improvements in terms of the continuous enhancement of both shareholder value and social value and in terms of innovative reforms.

#### 4. Future efforts for improvement of effectiveness

Considering the recommendations and opinions of the process leading to the evaluation of effectiveness, the Company will work to increase the effectiveness of the Board of Directors through specific initiatives such as creating opportunities for focused discussion at the Board of Directors.

[Supplementary Principle 4.14.2] the Basic Policy “4.11. Policy on Director Training”

[Principle 5.1] the Basic Policy “5.1. Policy for Constructive Dialogue with Shareholders and Investors”,  
MEITEC Group: Policy on Dialog with Shareholders and Investors

[Action to Implement Management that is Conscious of Cost of Capital and Stock Price]

##### 1. Analysis of Current Situation

The level of our equity spread, is something we have paid strong attention to for a long time.

The two key indicators we use for such analysis are cost of equity (return expected by investors) and ROE (return on equity), and we use PBR (price book value ratio) as a complementary indicator. Of these indicators, we have paid the strongest attention to the trend of the  $\beta$  value used in the calculation for cost of equity.

Our capital profitability and market evaluation are generally at a high level and have been maintained over a long period. In accordance with the foregoing our self-assessment, we judge that it is appropriate to continue our sincere efforts thus far.

Additionally, there are differences of opinion regarding the level of cash and deposits on the balance sheet. The Group provides explanation on the level of capital profitability and market evaluation, along with the importance of our inherent financial health, with reference to the existence of diverse stakeholders and the regulations on shareholders' equity of specific industries.

##### 2.Planning & Disclosure

For a long time, in our medium-term plans, we have formulated and continued to disclose quantitative targets for ROE. Currently, the medium-term management plan [2023-2025] M2CX has set an ROE target of 30% for fiscal 2025. Moreover, we have formulated and continued to disclose a clear policy on profit distribution, taking into account consistency in fiscal discipline. Additionally, in May 2024, we revised our distribution policy to incorporate PBR.

##### 3.Implementation of Initiatives

In past dialogues with shareholders and investors, there was a very high interest in the  $\beta$  value. Moving forward, we will continue to engage in constructive dialogue about the impact on the  $\beta$  value and the advisability of adopting strategies that could cause different fluctuations from before, as we strive to maintain and improve capital profitability and market evaluation.

## 2. Capital Structure

Foreign shareholding ratio: 30% or more

### [Status of Major Shareholders]

Name / Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (trust account)	11,577,100	14.99
Custody Bank of Japan, Ltd. (trust account)	6,534,600	8.46
SSBTC CLIENT OMNIBUS ACCOUNT	5,056,807	6.55
Meiji Yasuda Life Insurance Company	4,696,764	6.08
Nippon Life Insurance Company	3,341,874	4.33
THE BANK OF NEW YORK MELLON 140044	2,467,070	3.20
MEITEC Group Holdings Employee Stock Ownership Plan	2,269,706	2.94
BNYM AS AGT /CLTS 10 PERCENT	1,827,448	2.37
STATE STREET BANK AND TRUST COMPANY 505025	1,714,900	2.22
NORTHERN TRUST CO. (A VFC) RE FIDELITY FUNDS	1,245,700	1.61

Controlling shareholder (except for parent company): —

Parent company: None

### Supplementary explanation

1. Status of major shareholders is at the end of the previous fiscal year ended March 31, 2024.
2. A large-shareholdings report was filed as of November 7, 2022 by Sumitomo Mitsui Trust Asset Management Co., Ltd. which reported that, with purpose of management based on investment trust contract and discretionary investment contract, in form of joint ownership, Sumitomo Mitsui Trust Asset Management Co., Ltd. and Nikko Asset Management Co., Ltd. owns 4,314 thousand shares (equivalent to 5.12% of shares issued) as of October 31, 2022. But since the Company could not confirm the actual ownership of the shares as of the record date for exercise of voting rights, it is not included in the above list.
3. A large-shareholdings report was filed as of April 7, 2023 by Nippon Life Insurance Company which reported that, with purpose of securities investment based on investment, securities investment trust contract and discretionary investment contract, in form of joint ownership, Nippon Life Insurance Company and Nissey Asset Management Corporation own 4,128 thousand shares (equivalent to 5.00% of shares issued) as of March 31, 2023. But since the Company could not confirm the actual ownership of the shares as of the record date exercise of voting rights, the above list is prepared in accordance with shareholder's list as of March 31, 2024.
4. A large-shareholdings report was filed as of April 5, 2024 by Meiji Yasuda Life Insurance Company which reported that, with purpose of investment, it owns 4,781 thousand shares (equivalent to 5.07% of shares issued) as of March 29, 2024. But since the Company could not confirm the actual ownership of the shares as of the record date exercise of voting rights, the above list is prepared in accordance with shareholder's list as of March 31, 2024.

## 3. Corporate Attributes

Listed stock market and market section: Tokyo Stock Exchange, Prime Market

Fiscal year-end: March

Type of business: Services

Number of employees (consolidated) as of the end of the previous fiscal year: 1,000 or more

Sales (consolidated) for the previous fiscal year: From 100 billion yen to less than 1 trillion yen

Number of consolidated subsidiaries as of the end of the previous fiscal year: less than 10

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

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**5. Special Circumstances which may have 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 in Management

### 1. Organizational Composition and Operation

Organization form: Company with Audit and Supervisory Committee

#### [Directors]

Maximum number of directors stipulated in articles of incorporation: 12

Term of office stipulated in articles of incorporation: 1 years

Chairperson of the board: President

Number of directors: 7

Appointment of outside directors: Appointed

Number of outside directors: 5

Number of independent directors: 5

#### Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Akira Yamaguchi	From another company											
Kumi Yokoe	Academic											
Masatoshi Uematsu	From another company											
Toru Kunibe	Lawyer											
Mitsunobu Yamaguchi	CPA											

\* Categories for "Relationship with the Company"

\* "○" 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;

"▲" when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiaries

b. Non-executive director or executive of a parent company of the Company

c. Executive of a fellow subsidiary company of the Company

d. A party whose major client or supplier is the Company or an executive thereof

e. Major client or supplier of the listed company or an executive thereof

f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/audit & supervisory board member

g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)

h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)

i. Executive of a company, between which and the Company outside directors/audit & supervisory board members are mutually appointed (the director himself/herself only)

j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)

k. Others

## Outside Directors' Relationship with the Company (2)

Name	Audit and Supervisory Committee member	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Akira Yamaguchi		Yes	There are no personal, financial, or other interests between company and Mr. Yamaguchi	<p>Mr. Akira Yamaguchi has served as the representative director of a listed company on the first section of the Tokyo Stock Exchange and possesses abundant experience and a high level of knowledge with respect to corporate management. by acting from an objective and neutral position in view of protecting interest of general shareholders, candidly asking questions or expressing opinions, and exercising his voting rights appropriately, he will continuously contribute to overseeing management and strengthening the function of the board of directors of the Company as an independent outside director. As he satisfies the qualifications for independence stipulated by Tokyo Stock Exchange, Inc. and the "Standards for Independence from MEITEC Group in Electing Outside Directors," and therefore has independency. Accordingly, the Company has submitted a notification to the aforementioned exchange that he has been designated as an independent executive.</p>
Kumi Yokoe		Yes	There are no personal, financial, or other interests between company and Ms. Yokoe	<p>Ms. Kumi Yokoe has a wide knowledge on international politics and others as a university professor. The Company expects that, utilizing her experiences as a senior researcher at a major think-tank and the president of a company, by acting from an objective and neutral position in view of protecting interest of general shareholders, candidly asking questions or expressing opinions, and exercising her voting rights appropriately, she will continuously contribute to overseeing management and strengthening the function of the board of directors of the Company as an independent outside director. As she satisfies the qualifications for independence stipulated by Tokyo Stock Exchange, Inc. and the "Standards for Independence from MEITEC Group in Electing Outside Directors," and therefore has independency. Accordingly, the Company has submitted a notification to the aforementioned exchange that she has been designated as an independent executive.</p>

Name	Audit and Supervisory Committee member	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Masatoshi Uematsu	Yes	Yes	There are no personal, financial, or other interests between company and Mr. Uematsu.	Mr. Masatoshi Uematsu possesses a wide range of experience and knowledge from having been involved in management and internal audits at major banks. Utilizing this experience and knowledge, as well as taking advantage of his experience as an audit & supervisory board member at financial institutions, the Company expects that as an outside director who is Audit and Supervisory Committee member, he will contribute to the enhancement of the Company's management monitoring framework. He satisfies the qualifications for independence stipulated by Tokyo Stock Exchange, Inc. and "Standards for Independence from MEITEC Group in Electing Outside Directors," and therefore has independency. Accordingly, the Company has submitted a notification to the aforementioned exchange that he has been designated as an independent executive.
Toru Kunibe	Yes	Yes	There are no personal, financial, or other interests between company and Mr. Kunibe.	Mr. Toru Kunibe is an attorney at law and the Company expects that, utilizing his high level of knowledge in law, he will contribute to overseeing the management of the Company as an outside director who is Audit and Supervisory Committee member. Although he had not participated in the management of company by the method other than being an outside director nor an outside audit & supervisory board member, the Company expects that he can carry out the duty as an outside director who is Audit and Supervisory Committee member properly because of above reasons. As he satisfies the qualifications for independence stipulated by Tokyo Stock Exchange, Inc. and the "Standards for Independence from MEITEC Group in Electing Outside Directors," and therefore has independency. Accordingly, the Company has submitted a notification to the aforementioned exchange that he has been designated as an independent executive.
Mitsunobu Yamaguchi	Yes	Yes	There are no personal, financial, or other interests between company and Mr. Yamaguchi	Mr. Mitsunobu Yamaguchi holds a certified public accountant license and possesses sufficient knowledge on finance and accounting, and the Company expect that as an outside director who is Audit and Supervisory Committee member, he will contribute to the Company's management monitoring framework. Although he had not participated in the management of company by the method other than being an outside director nor an outside audit & supervisory board member, the Company expects that he can carry out the duty

				as an outside director who is Audit and Supervisory Committee member, properly because of above the reasons. He satisfies the qualifications for independence stipulated by Tokyo Stock Exchange, Inc. and the “Standards for Independence from MEITEC Group in Electing Outside Directors,” and therefore has independency. Accordingly, the Company has submitted a notification to the aforementioned exchange that he has been designated as an independent executive.
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**[Audit and Supervisory Committee]**

**Composition of Audit and Supervisory Committee and Attributes of the Chairperson**

Committee name	Total members	Full-time members	Internal directors	Outside directors	Committee chairman
Audit and Supervisory Committee	4	1	1	3	Internal director
Appointment of Directors and/or Staff to Support the Audit and Supervisory Committee	Appointed				

**Matters Concerning Independence of Said Directors and/or Staff from Executive Officers/Reasons for Adopting Current System**

The Company shall establish the Office of Audit and Supervisory Committee which consists of employees who exclusively work in the said office and are independent from the execution of business to improve the effectiveness of audit. In order to reflect the opinion from the Audit and Supervisory Committee as much as possible, the evaluation and re-assignment of the said exclusively working employees, who are to assist the Audit and Supervisory Committee, are carried out with the consent of the Audit and Supervisory Committee, and instructions to such employees shall be given by the Audit and Supervisory Committee.

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

At the beginning of the fiscal year, the Audit and Supervisory Committee receives a report from the accounting auditors on the results, etc. of the accounting audit and the internal control procedures and its audit for the previous fiscal year, and exchanges opinions with accounting auditors regarding the auditing plans, priority auditing items, and auditing organization of the accounting auditors and the Audit and Supervisory Committee for the fiscal year. The Standing Chairman of the Audit and Supervisory Committee also receives reports from the accounting auditors on the results of reviews during the fiscal year and as necessary on the status of audits and exchanges opinions. The Chairman then reports these to the Audit and Supervisory Committee and discusses the issues regarding the accounting audit and internal control audit. The Audit and Supervisory Committee regularly receives reports from the person in charge of the MEITEC Group internal audits on the internal auditing plan (including priority auditing items) and the status of audits and exchanges opinions. To facilitate cooperation for such exchange of opinions, the Audit and Supervisory Committee invites the outside directors (excluding directors who are Audit and Supervisory Committee members) to voluntarily attend the meetings of the Audit and Supervisory Committee. Furthermore, when necessary, the Audit and Supervisory Committee may give commands directly to the person in charge of the MEITEC Group internal audits and carry out audits, etc. If, in such cases, the details of commands by the Representative Director and President/Group CEO and the Audit and Supervisory Committee are contrary or contradictory to each other, the instructions of the Audit and Supervisory Committee shall prevail.

Also, in order to execute efficient and effective audits, the Standing Chairman of the Audit and Supervisory Committee holds monthly meetings with the person in charge of the MEITEC Group internal audits according to the “Rules Regarding Reporting to the Audit and Supervisory Committee or Audit & supervisory board members” receives reports from the person in charge of the MEITEC Group internal audits regarding the internal auditing plan (including priority auditing items) and the status of audits, and exchanges opinions. Furthermore, departments in charge of internal control

receive reports as needed on the conditions and evaluations of internal control systems, hold exchanges of opinions, make relevant reports to the Audit and Supervisory Committee, and discuss issues related to the auditing of internal control.

The person in charge of the MEITEC Group internal audits holds meetings with the accounting auditors when necessary regarding audits based on the internal control reporting system, and exchanges opinions.

The Chairman of the Audit and Supervisory Committee, the person in charge of the MEITEC Group internal audits, and accounting auditors hold meetings twice a year to share information and exchange opinions, and report it to the Audit and Supervisory Committee.

**[Voluntarily Established Committees]**

**Voluntary committees corresponding to the Nomination Committee or Compensation Committee:** Established

**Voluntarily Established Committees, Committee Members, and Position of Committee Chairman**

	Committee name	Total members	Full-time members	Internal directors	Outside directors	Outside specialists	other	Committee chairman
Any Committees Corresponding to the Nomination Committee	Officer Appointment Advisory Committee	6	0	1	5	0	0	Outside director
Any Committees Corresponding to the Compensation Committee	Officer Appointment Advisory Committee	6	0	1	5	0	0	Outside director

**Supplementary explanation**

Officer Appointment Advisory Committee

The Officer Appointment Advisory Committee comprises the Representative Director and President as well as outside directors and is chaired by an outside director in order to enhance its independence and objectivity. The committee will be charged with the following matters and meets at least once each year in order to improve oversight of the Board of Directors and also strengthen accountability relating to “evaluation, candidate nomination, remuneration for executives (directors and audit & supervisory board members)”. Audit & supervisory board members may participate as observers.

1) Evaluation of the appropriateness of the following processes

- Selection or removal of the Representative Director and President/Group CEO (including supervising succession planning)
- Selection or removal of executive directors
- Nomination of director and audit & supervisory board member candidates
- Dismissal of internal director
- Evaluation of internal executive directors’ performance
- Remuneration for internal executive directors

2) The following recommendations and reports to the Board of Directors

- Recommendations for proposed appointments, dismissals, selections, and removals
- Reports on results of evaluation
- Recommendations of improvement measures for procedures when necessary

**[Independent Directors]**

**Number of independent directors: 5**

**Matters relating to independent directors:**

The Company designates all the outside directors who satisfy the qualification for independent director.

**[Incentives]****Incentive policies for directors:** Performance-linked remuneration**Supplementary explanation**

As stated in “[Director Remuneration] Disclosure of policy on determining remuneration amounts and calculation methods” below.

**Recipients of stock options:****Supplementary explanation**

—

**[Director Remuneration]**

Disclosure of individual directors’ remuneration: No individual disclosure

**Supplementary explanation**

Amount of executive remuneration are as follows (for the fiscal year ended March 31, 2024).

**Remuneration for the Directors and Audit & Supervisory Board Members**

	Number of Persons	Amount of Remuneration (million yen)
Directors(excluding directors who are Audit and Supervisory Committee members) (Of which, outside directors)	9(4)	221(24)
Directors who are Audit and Supervisory Committee members (Of which, outside directors)	3(3)	22(22)
Audit & supervisory board members (Of which, outside audit & supervisory board members)	3(3)	19(19)

**Policy on determining remuneration amounts and calculation methods:** Established**Disclosure of policy on determining remuneration amounts and calculation methods**

The Company determined the “Policy on determining and calculation methods of amounts of remuneration, etc. for Directors” at a Board of Directors meeting as follows:

## 1. Method of Determination

The total amount of remuneration of directors shall be within the total amount of remuneration adopted at the 50th Annual General Meeting of Shareholders held in June 2023, and individual amounts of remuneration will be determined in accordance with the policy amended or abolished by resolutions of the Board of Directors.

<Overview of the Resolution for the General Meeting of Shareholders: Amounts of remuneration for directors>

\*Indicated in yearly amount

## ■ Fixed remuneration

Directors(excluding directors who are Audit and Supervisory Committee members)	Up to 135 million yen
Portion for outside directors of above	Up to 54 million yen
Directors who are Audit and Supervisory Committee members	Up to 60 million yen
Total	Up to 195 million yen

## ■ Performance-linked remuneration

Directors(excluding directors who are Audit and Supervisory Committee members)	Up to 2.5% of consolidated profit*, and up to 250 million yen
Portion for outside directors of above	(excluded from payment)
Directors who are Audit and Supervisory Committee members	(excluded from payment)
Total	Up to 250 million yen

## ■ Total remuneration

Directors(excluding directors who are Audit and Supervisory Committee members)	Up to 385 million yen
Portion for outside directors of above	Up to 54 million yen
Directors who are Audit and Supervisory Committee members	Up to 60 million yen
Total	Up to 445 million yen

\*“Profit attributable to owners of parent” of “Consolidated Statements of Income and Comprehensive Income”

## 2. Policy about executive remuneration

- By maintaining the stance of clarifying and disclosing methods of calculation and the process of determinations of remuneration in the same manner as before, the Group will enhance management transparency and strengthen corporate governance, and thus further improving corporate value.
- The rate of performance-linked executive remuneration for executive directors will be increased to enhance sharing the mid and long-term interest with shareholders.
- In order to preserve the independence of outside directors and directors who are Audit and Supervisory Committee members, they will not be compensated with performance-linked remuneration.
- The retirement bonus system for directors and audit & supervisory board members, which was abolished in the fiscal year ended March 31, 2002, will not be adopted.

## 3. Specific executive remuneration amount

Total amount of executive remuneration = (1) Fixed remuneration + (2) performance-linked remuneration < (3) appropriation of the amount equivalent to 20%>

### (1) Individual fixed remuneration

Representative Director and President, Group CEO, CEO/COO  
yearly 28,800 thousand yen(2,400 thousand yen monthly)

Senior Vice President and Directors  
yearly 24,000 thousand yen(2,000 thousand yen monthly)

Internal executive directors(excluding “President” and “Senior Vice President”)  
yearly 19,200 thousand yen(1,600 thousand yen monthly)

Outside directors  
yearly 10,800 thousand yen(900 thousand yen monthly)

Standing Chairman of the Audit and Supervisory Committee  
yearly 24,000 thousand yen(2,000 thousand yen monthly)

Directors who are Audit and Supervisory committee members (excluding Standing Chairman of the Audit and Supervisory Committee)  
yearly 10,800 thousand yen(900 thousand yen monthly)

### (2) Performance-linked remuneration

- The total amount shall be an amount up to 2.5% of profit attributable to owners of parent. However, that it is up to 250 million yen annually.

- Performance-linked remuneration will be limited to be paid to directors, except for outside directors and directors who are Audit and Supervisory Committee members.

- In principle, individual allocation amount for individual directors will be determined at Board of Directors’ meetings after the consultation at the Officer Appointment Advisory Committee. However, while this is exclusively the case for the determination of the allocation method, it is also permissible that determinations are made to entrust the Representative Director and President/Group CEO with the determination of specific allocation amounts.

- Performance-linked remuneration is paid within three months after the end of the applicable fiscal year.

### (3) Appropriation of the amount equivalent to 20% of performance-linked remuneration (after deduction of tax)

- The amount equivalent to 20% of performance-linked remuneration (after deduction of tax) for each director will, with approval from each director, be contributed to the Officers Shareholding Group (the relevant amount will be divided into twelve (12) equally, and the same amount will be contributed each month for the 12 months from July each year) and utilized to acquire own shares.

- Acquired own shares are prohibited to be transferred during the period in office and until one year passes from resignation in principle, in accordance with the Officers Shareholding Group Rules and other internal rules.

- When a person subject to payment of the relevant remuneration resigns, in accordance with the Officers Shareholding Group Rules of the Company, this handling shall not be applied.

(4) Percentage of fixed remuneration and performance-linked remuneration

- The allocation of performance-linked remuneration for each director is determined based on the performance assessment following the procedures described in 3.(2) above in accordance with the "Policy about executive remuneration" described in 2 above. Therefore, the percentage of fixed compensation and performance-based compensation in Executive Remuneration for each director (except for outside directors and directors who are Audit and Supervisory Committee members) shall vary based on such determination.

4. Additional Rules

- For remuneration for directors who are Audit and Supervisory Committee members, determination upon consultation by directors who are Audit and Supervisory Committee members is required in accordance with the provisions of the law.
- Remuneration to directors from subsidiaries in which a director holds a concurrent post is waived in principle.
- Allowances for commutation, job transfer unattended by family, or job relocation as well as a daily allowance for business trip expenses will be paid separately.

**[Supporting System for Outside Directors]**

- No support staff is assigned to outside directors, but outside directors receive support from Meitec Management Administration Dept. which serves as the Board of Directors Secretariat.
- Prior to the Board of Directors' meetings, the Board of Directors Secretariat distributes materials pertinent to the meeting, and provides explanations of major issues to be discussed if necessary.



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

The Company has adopted the “Company with Audit and Supervisory Committee” as the organizational design under the Companies Act. The Company will strive to establish an effective corporate governance system by strengthening the supervisory function of the Board of Directors by having a majority of the Board of Directors independent outside directors and by establishing an advisory board chaired by an independent outside director, and by delegating authority to executive directors for prompt and appropriate decision making. By these systems, the Company acknowledges that the corporate governance systems is effectively applied, and we have established the following systems.

### 1. Directors and the Board of Directors

The Company has transitioned to a pure holding company and a Company with Audit & Supervisory Committee, effective October 1, 2023, and the Company’s Board of Directors consists of seven directors (of which, five are outside directors) [of which five are male and two female]. The board meeting is basically held once a month. Its function is to make important business decisions regarding the Group and oversight the execution of directors. Also with the neutral and objective view of outside directors, the Company is strengthening the appropriate management decision making and oversight.

#### Activities of the Board of Directors

During the fiscal year ended March 31, 2024, the Board of Directors held 14 meetings and the attendance of each director is as follows.

In addition to matters stipulated by laws and regulations and the Company’s Articles of Incorporation, the Board of Directors makes decisions on legal matters, basic management policy of the Company and the Group, and important matters for the execution of business, in accordance with the agenda items for meetings of the Board of Directors. It also supervises the execution of business by directors as a supervisory board for the execution of business by directors.

President & CEO Hideyo Kokubun: 14/14 (100%)

Senior Vice President and Director Masato Uemura: 14/14 (100%)

Director Hiroyuki Rokugo: 3/3 (100%)

Director Keisuke Ito: 3/3 (67%)

Director Keiya Iida: 3/3 (100%)

Outside Director Minao Shimizu: 3/3 (100%)

Outside Director Hiroyuki Kishi: 3/3 (100%)

Outside Director Akira Yamaguchi: 14/14 (100%)

Outside Director Kumi Yokoe: 13/14 (93%)

Standing Directors who are Audit and Supervisory Committee members Masatoshi Uematsu: 14/14 (100%)

Non-executive Directors who are Audit and Supervisory Committee members Toru Kunibe: 14/14 (100%)

Non-executive Directors who are Audit and Supervisory Committee members Mitsunobu Yamaguchi: 14/14 (100%)

\*As of the conclusion of the 50th Annual General Meeting of Shareholders held on June 22, 2023, three directors: Hiroyuki Rokugo, Keisuke Ito, and Keiya Iida, and two outside directors: Minao Shimizu and Hiroyuki Kishi retired. The board of Directors met three times before he retired.

### 2. Audit and Supervisory Committee

In principle, the Audit and Supervisory Committee shall meet once a month to determine the Audit and Supervisory Committee’s audit plan, report on the status of audits conducted in accordance with the said audit plan, audit the execution of duties by directors, and other matters. In addition, directors who are audit and supervisory committee members shall supervise the execution of the duties of the directors through “the exercise of voting rights at meetings of the Board of Directors” as “Directors” and “the exercise of the right to express opinions regarding the personnel and remuneration of directors, excluding directors who are Audit and Supervisory Committee members” as the “Audit and Supervisory Committee.

### 3. Officer Appointment Advisory Committee

The Officer Appointment Advisory Committee comprises the Representative Director and President as well as outside directors and is chaired by an outside director in order to enhance its independence and objectivity. The committee will be charged with the following matters and meets at least once each year in order to improve oversight of the Board of Directors and also strengthen accountability relating to “evaluation, candidate nomination, remuneration for directors”.

#### 1) Evaluation of the appropriateness of the following processes

- Selection or removal of the Representative Director and President/Group CEO (including supervising succession planning)
- Selection or removal of executive directors
- Nomination of director candidates
- Dismissal of internal director
- Evaluation of internal executive directors’ performance
- Remuneration for internal executive directors

#### 2) The following recommendations and reports to the Board of Directors

- Recommendations for proposed appointments, dismissals, selections, and removals
- Reports on results of evaluation
- Recommendations of improvement measures for procedures when necessary

### **About Internal Audit, and Accounting Audit**

#### 1. Internal Audit

The MEITEC Group has established the Meitec Internal Audit Office, comprising one person in charge of the MEITEC Group internal audits and four staff members. They audit the business operation of each division and department of each company of the MEITEC Group according to group internal audit rules and internal auditing plan. They inspect and evaluate the preparation and operation of internal control regarding financial report in view of ensuring the reliability of the financial reports, and provide necessary opinions and advice regarding improvements. They regularly report the status of the internal audits to the President and CEO and the Chairman of the Audit and Supervisory Committee as needed and is also regularly reported to the Board of Directors and the Audit and Supervisory Committee.

#### 2. Audit by Accounting Auditor

The Company receives audit by Deloitte Touche Tohmatsu LLC according to the Companies Act, Financial Instruments and Exchange Law, auditing standard generally considered as fair and appropriate, and their auditing plan.

There are no special interests between their auditor and the Company. They restrict period for the specific auditor to conduct audit of the Company over specific time.

Continuous audit period: 39years

CPAs who conducted the audit

Partner: Takuma Ueki

Partner: Shinsuke Tsuji

Composition of the team assisting with auditing operations

CPAs 5persons

Other 27 persons

Note: Other people are persons who passed the accountant examination, and systems auditor.

#### 3. Description of Limited Liability Agreement

The Company enters into a liability limitation agreement with each individual director (excluding persons who are executive directors, etc.) as set forth in Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability limitation provided under such an agreement would be the minimum liability limitation amount stipulated in Article 425, Paragraph 1 of the Companies Act.

### **3. Reasons for Adoption of Current Corporate Governance System**

The Company has adopted the “Company with Audit and Supervisory Committee” as the organizational design under the Companies Act. The Company will strive to establish an effective corporate governance system by strengthening the supervisory function of the Board of Directors by having a majority of the Board of Directors independent outside directors and by establishing an advisory board chaired by an independent outside director, and by delegating authority to executive directors for prompt and appropriate decision making. By these systems, the Company acknowledges that the corporate governance systems is effectively applied, and continues the current system.

### III. Implementation of Measures for Shareholders and Other Stakeholders

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

	Supplementary Explanation
Early notification of general meeting of shareholders	We send convocation notice three weeks prior to the annual general meeting of shareholders. Also, up until the convocation notice is sent, the information provided in the convocation notice is disclosed on our website and on the Tokyo Stock Exchange, Inc.'s website.
Scheduling general meetings of shareholders avoiding the peak day	We schedule our general meeting of shareholders to avoid the peak days and hold the meeting at earlier time.
Allowing electronic exercise of voting rights	For institutional investors at home and abroad, we use an electronic voting platform provided by Investor Communications Japan Inc., and for individual investors, we use a website for the exercise of voting rights provided by Mitsubishi UFJ Trust and Banking corporation.
Participation in electronic voting platform	The Company participates to a voting platform provided by ICJ for the institutional investor both domestic and overseas.
Providing convocation notice in English	We post convocation notice of annual general meeting of shareholders in English on our website.

#### 2. IR Activities

	Supplementary Explanation	Explanation by Representative
Preparation and publication of disclosure policy	Posted on the Company's website.	
Regular investor briefings for analysts and institutional investors	We hold regular presentations, including presentations by the MEITEC Group CEO, to institutional investors twice a year.	Yes
Posting of IR materials on website	Materials such as settlement-related documents, and presentation materials used in each type of briefing are posted on the Company's website ( <a href="https://www.meitecgroup-holdings.com/en/index.html">https://www.meitecgroup-holdings.com/en/index.html</a> ).	
Establishment of department and/or manager in charge of IR	We have established the department in charge of IR and dedicated staff.	

#### 3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Stipulation of internal rules for respecting the position of stakeholders	<p>We adopted the following "Ideal State" of the MEITEC Group for stakeholders: We, the MEITEC Group, with cooperation of all the employees, shall improve the five values continuously from the "Value to Engineers" as a starting point.</p> <p>1. Value to Engineers We continue to provide optimum "opportunities and placement" for all engineers who aim for affluent "Career Style of Engineer."</p> <p>2. Value to Employees We continue to provide optimum "opportunities and placement" for employees who sympathize with the intension of "independence and mutual supports" and continue to grow as professional.</p> <p>3. Value to Clients We continue to provide optimal services of "People and Technology," aiming to becoming a "reliable Best-Partner" for all clients.</p> <p>4. Value to Shareholders We maximize mid and long-term shareholders returns by creating "sound profits" based on continuous improvement of the Values.</p> <p>5. Value to the Society We will continue to be a pioneer in creating a "Professional Labor Market" in Japan, through establishing a career style of "lifetime professional engineers."</p>

Implementation of environmental activities, CSR activities, etc.	The Company gives donations of disaster stockpiles and conducts Cool Biz (business casual) campaign, among other efforts. The Company established the CSR Dept. in order to meet the social responsibilities as a company.
Development of policies on information provision to stakeholders	MEITEC's policies on providing information to stakeholders are described in its Charter of Corporate Behavior, which is posted on its website.

#### IV. Matters Related to the Internal Control System

##### **1. Basic Views on Internal Control System and the Progress of System Development**

At the Board of Directors, the Company resolved the basic policy on internal control systems based on the Companies Act, and the internal control system has been appropriately established and operated based on this resolution. Additionally, important management information for the entire MEITEC Group on the appropriateness and effectiveness of operations evaluated by the departments associated with internal control, as well as by the person in charge of internal auditing, was appropriately submitted and reported to the Company's Board of Directors.

A summary of the resolutions of the Board of Directors and operating status thereof is as follows:

##### **Basic Policy Regarding the Development and Maintenance of Internal Control System**

While aggressively pursuing opportunities for high added value, the Company and its subsidiaries (hereinafter collectively referred to as the "MEITEC Group") aim to continue to improve both earning power and capital efficiency. To achieve this goal, the internal control system covers every aspect of the MEITEC Group, and the Company, responsible for the business management and oversight of the MEITEC Group, leads the establishment and management of this system.

##### **(1) Framework to ensure compliance by directors with laws and regulations and the Company's articles of incorporation in the course of the execution of their duties**

In its interaction with the rest of society, the MEITEC Group shall comply with all laws and regulations and its articles of incorporation. The MEITEC Group shall maintain high ethical standards and management that is sound and highly transparent. Concerning directors' execution of duties, the MEITEC Group shall establish the Group's internal rules that are appropriate to the particular characteristics of the business and size of each company of the MEITEC Group to clarify the process and results of its decision-making. At the same time, the MEITEC Group shall establish a framework where directors and audit & supervisory board members (roles of directors and audit & supervisory board members of subsidiaries are limited to those of the company in which they hold office) can view such process and results as necessary.

In addition, through the establishment of the MEITEC Group Helpline System—based on a framework that provides measures to protect whistleblowers in personnel terms—and programs to inform employees about this helpline, the Company shall endeavor to quickly detect and take appropriate action against any malfeasance that may occur relating to the MEITEC Group's directors' execution of duties.

##### **(2) Framework for storing and managing information relating to the directors' execution of duties**

In accordance with the stipulations of all laws and regulations, the Company's articles of incorporation and internal rules, the MEITEC Group shall record, store and manage information regarding the execution of duties by directors in an appropriate and timely manner.

Moreover, the Company shall build an appropriate management system for safekeeping media to ensure there is no loss of trust as a company or fatal damage inflicted on the MEITEC Group through conduct involving leakage, alterations, loss, or unauthorized use, or conduct involving unauthorized disclosure, etc.

##### **(3) Rules and other frameworks for management of risk of loss**

Based on the risk management rules, the MEITEC Group shall work to comprehensively and systematically gather information on risk of loss faced by the Company before such risks emerge. Risks trends shall be monitored appropriately, and timely measures shall be taken in response to risks, commensurate with the severity of the risk. By responding quickly to the risks when they materialize, the Company aims to minimize the impact of such risks, develop a system to restore operations as soon as possible. The Company shall continually strive to maintain and enhance the soundness of its management.

**(4) Framework to ensure the efficient execution of duties by directors**

The MEITEC Group shall make the directors appropriately divide up their duties and supervisory responsibilities and delegate authority in accordance with internal rules to speed up decision-making. In addition, the directors shall formulate a business plan stipulating clear targets and goals, and undertake appropriate management of operations and progress based on this plan. Targets and goals shall be revised as necessary.

**(5) Framework to ensure compliance by employees with laws and regulations and the Company's articles of incorporation in the course of the execution of their duties**

The MEITEC Group shall formulate the MEITEC Group Management Concept, the MEITEC Group Charter of Employee Behavior, the Employee Code of Conduct and other related documents. And with these, the MEITEC Group shall continuously strive to take initiatives to raise awareness of the MEITEC Group's employees to carry out their duties in compliance with all laws and regulations, the MEITEC Group's articles of incorporation and internal rules in a fair and reasonable manner.

In addition, through the establishment of the MEITEC Group Helpline System—based on a framework that provides measures to protect whistleblowers in personnel terms—and programs to inform employees about this helpline, the MEITEC Group shall endeavor to quickly detect and take appropriate action against any malfeasance that may occur relating to the employees' execution of duties.

**(6) Framework to ensure sound business operations within the Group comprising the Company and its subsidiaries**

The Company shall respect the right of each subsidiary to develop its business operations in an autonomous manner. The Company shall design the institution in accordance with the subsidiary's purpose, business characteristics and size, and place its directors and employees in all of its subsidiaries and manage and supervise the subsidiaries' business execution appropriately to maximize the MEITEC Group's corporate value.

In addition, the Company shall formulate rules on the administration of subsidiaries and establish the department in charge of administrating the Group companies (the "Group Company Administration Department") and develop a framework by which important matters related to the business execution of directors in subsidiaries are reported to the Company regularly.

**(7) Matters related to employees to be assigned to assist the Audit & Supervisory Committee and Audit & supervisory board members, matters related to such employees' independence from directors (excluding directors who are audit & supervisory committee members) and matters related to ensuring effectiveness of instructions given to such employees**

In order to improve the effectiveness of audits by the Company's Audit & Supervisory Committee and the Audit & supervisory board members of subsidiaries, the Company shall establish the Office of Audit & Supervisory Committee which consists of employees who exclusively work in the said office and are independent from the execution of business, subsidiaries of large companies under the Companies Act establish an auditor's office with a similar structure.

In order to reflect the opinion from the Company's Audit & Supervisory Committee and Audit & supervisory board members of subsidiaries as much as possible, the evaluation and re-assignment of the said exclusively working employees, who are to assist the Company's Audit & Supervisory Committee and Audit & supervisory board members of subsidiaries, are carried out with the consent of the Audit & Supervisory Committee, and instructions to such employees shall be given by the Company's Audit & Supervisory Committee (For subsidiaries, the Audit & supervisory board members of the subsidiaries).

**(8) Framework for reporting to the Audit & Supervisory Committee or Audit & supervisory board members**

**1. Framework for reporting by directors and employees to the Audit & Supervisory Committee or Audit & supervisory board members**

The Meitec Group shall develop a framework for reporting to the Company's Audit & Supervisory Committee or Audit & supervisory board members of subsidiaries, to ensure that proper reports are made by directors and employees. The Company's directors who are audit & supervisory committee members (hereinafter referred to as the Audit & supervisory committee members) or Audit & supervisory board members of subsidiaries shall be given the authority to attend the Board of Directors' meetings and all other internal meetings of the company

to which they belong. Furthermore, the Audit & supervisory committee members and Audit & supervisory board members shall have access to all important information relating to decision-making and the execution of business operations.

**2. Framework for reporting by subsidiaries' directors, Audit & supervisory board members, employees or those who received reports from them to the Audit & Supervisory Committee of the Company**

The Company shall develop a framework by which any matters that took place at subsidiaries are reported to the Company's Audit & Supervisory Committee from subsidiaries' directors and employees through the Company's Executive officer in charge of Management Administration and the Group Company Administration Department. In the case where the Company's Audit & Supervisory Committee requests that subsidiaries' directors and employees directly report, etc. concerning matters that have been deemed necessary in order to ensure appropriateness of the Group's operation, the subsidiaries' directors and employees are obliged to meet the aforesaid request.

In addition, Audit & supervisory board members of subsidiaries and via communication with the Company's Audit & supervisory committee members, they report the situation of subsidiaries in a timely way to the Company's Audit & Supervisory Committee.

**(9) Framework to ensure that a person who made report to the Audit & Supervisory Committee or Audit & supervisory board members does not receive disadvantageous treatment for making such report**

The MEITEC Group prohibits any disadvantageous treatment being given to directors, audit & supervisory board members and employees of the Company and subsidiaries who made a report to the Company's Audit & Supervisory Committee or Audit & supervisory board members of subsidiaries. The Company shall disseminate this policy throughout the Group.

**(10) Matters related to the policy on the prepayment or repayment procedure of costs that accrue as a result of execution of duties by the Audit & Supervisory Committee members or Audit & supervisory board members, or settlement of other liabilities**

The Company (For subsidiary, the company to which the Audit & Supervisory Board Member belongs) shall, in principle, be liable to pay the costs or liabilities that accrue as a result of execution of duties by the Company's Audit & Supervisory Committee members or Audit & supervisory board members of subsidiaries. The Company shall settle such costs or liabilities as appropriate each time the Audit & Supervisory Committee members or Audit & supervisory board members of subsidiaries submit such request to the Company, with the exception of cases where the Company (For subsidiary, the company to which the Audit & Supervisory Board Member belongs) has proven that such costs or liabilities were not necessary in the execution of duties by the Company's Audit & Supervisory Committee members or Audit & supervisory board members of subsidiaries.

**(11) Framework to ensure auditing activities by the Audit & Supervisory Committee or Audit & supervisory board members are carried out effectively**

The MEITEC Group shall develop a framework to deepen the mutual cooperation among the person in charge of the group internal audits and the accounting auditor for internal audits, the Company's Audit & Supervisory Committee audits or Audit & supervisory board members of subsidiaries and accounting audits by exchanging their opinions regularly or as necessary.

The MEITEC Group shall also strive to improve, on an ongoing basis, the effectiveness of audit function performed by the Company's Audit & Supervisory Committee by making directors and employees cooperate with inspections or hearing request submitted by the Company's Audit & Supervisory Committee.

**(12) Basic policy toward removal of anti-social forces**

The Company shall interdict any and all relationship with anti-social forces and groups which threaten the order and safety of the civil society. And against such anti-social forces, the entire MEITEC Group, from the presidents of each company down, shall respond in uncompromising manner.

## **2. Basic Views on Eliminating Anti-social Forces**

### **1. Basic views on eliminating anti-social forces**

The Company has prescribed that “The Company shall interdict any and all relationship with anti-social forces and groups which threaten the order and safety of the civil society. And against such anti-social forces, the entire MEITEC Group, from the presidents of each company down, shall respond in uncompromising manner” in the Basic Policy Regarding the Development and Maintenance of Internal Control System.

### **2. Implementation status toward eliminating anti-social forces**

The Company have prescribed that employees do not have any relationship with anti-social forces in the Employee Code of Conduct and in the purchasing policy.

## **V. Other**

### **1. Adoption of Anti-Takeover Measures**

Adoption of anti-takeover measures: Not adopted

#### **Supplementary explanation**

The Company has not introduced the measure for the defense from hostile TOB, poison pill.

The Group sees that by maximizing five values with “Value to Engineers” as a starting point based on the Group Management Concept of “Mutual Growth & Prosperity” and it will realize the defense for the hostile TOB.

### **2. Other Matters Concerning to Corporate Governance System**

#### **Structure for Disclosure**

##### **1. Basic Stance**

The Company discloses information to its shareholders, investors, and other stakeholders, taking care to ensure that such disclosure is fair, accurate, timely, and continuous. It avoids disclosing material non-public information only to specific third parties, thereby ensuring that its disclosure of information is fair in terms of both content and timing.

##### **2. Structure for disclosure**

###### **(1) Collection of important information and judgment to disclose**

- Financial result: The Board of Director shall collect and judge the disclosure.
- Decisions: The Board of Director shall collect and judge the disclosure.
- Fact occurred: Management Administration Dept. and the Corporate Communication Dept. shall gather the information.

And a group of people consisting of representative director and other specialized department shall judge the disclosure of important information.

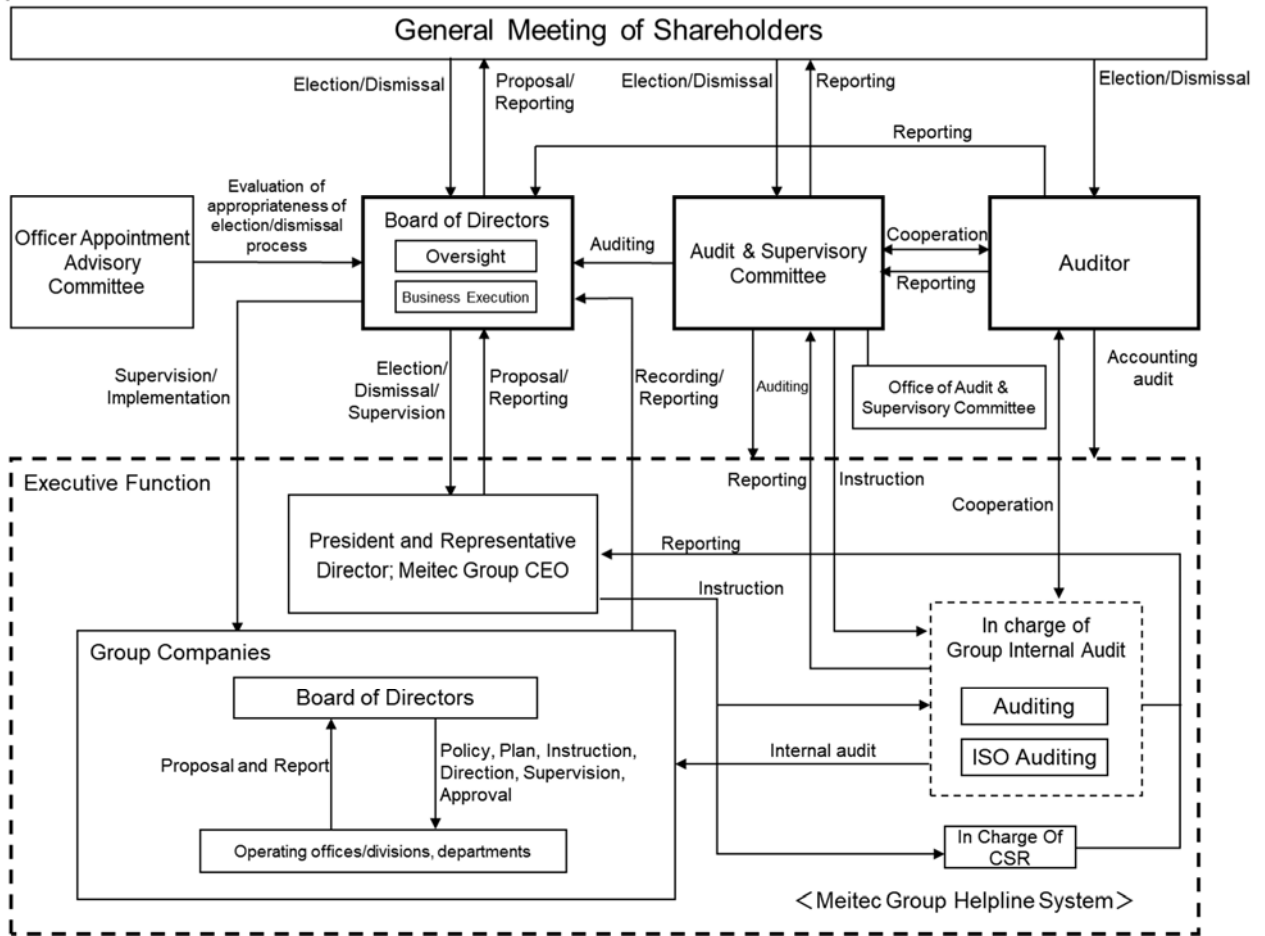
###### **(2) Outside disclosure**

The Group shall register the disclosure according to the Timely Disclosure Rules to the TDnet system, a timely disclosure system provided by the Tokyo Stock Exchange.

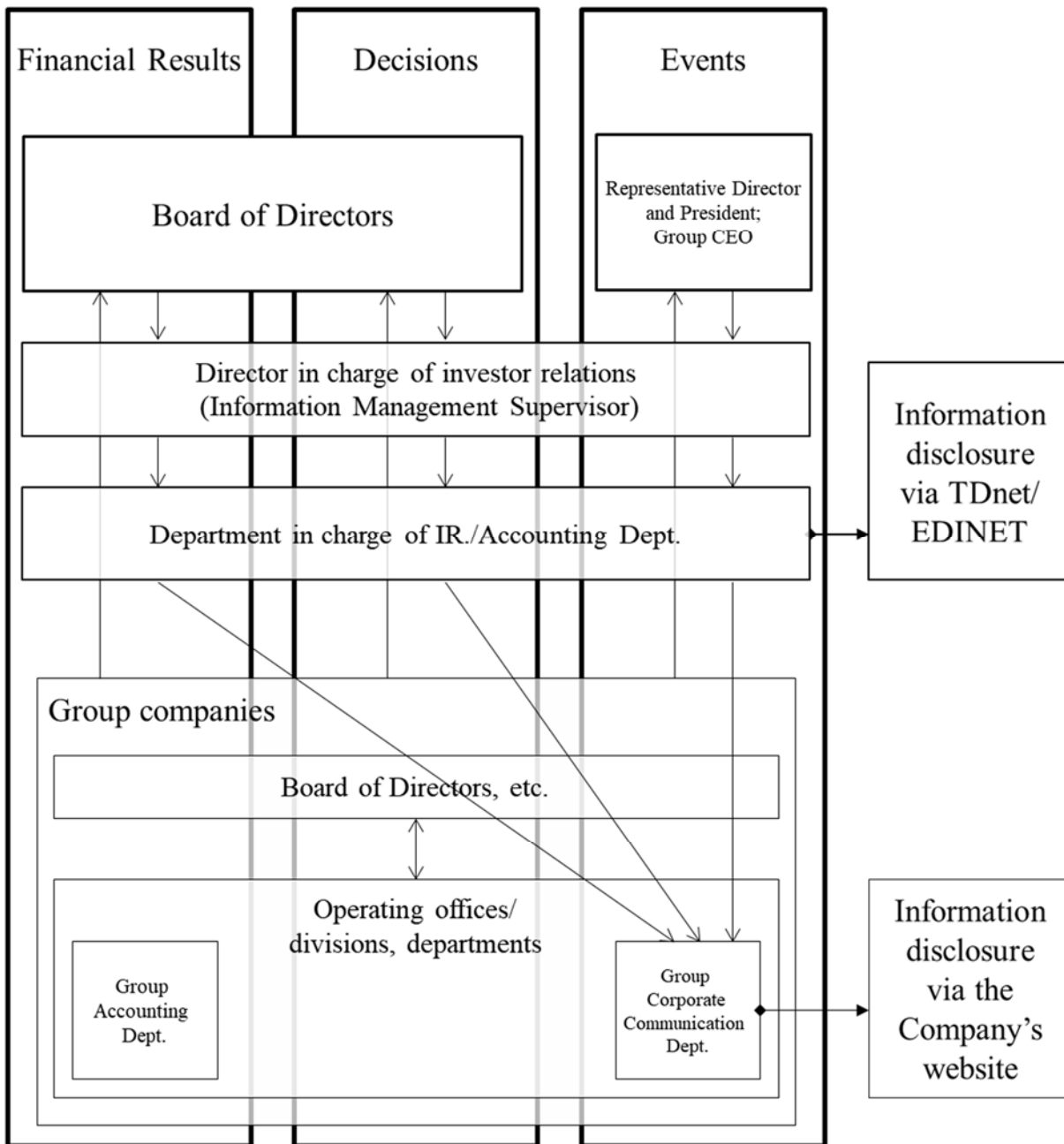
And the information disclosed on the TDnet shall be posted on the Company’s website as well.



### Corporate Governance Structure



**【The MEITEC Group’s Timely Disclosure Structure】**



This chart lists the specific experience that the Company expects to be utilized at the Board of Directors' meetings, etc. and is not a complete list of the experience of each officer (As of June 20, 2024)

Name	Attributes	Position in the Company	Years in office	Experience and expertise, etc. possessed												Certifications held, etc.	Gender		
				Corporate management	Technology/ Design Development	Sales effort to obtain new orders	Recruiting	CS (Note)	Human resources	IT	Finance, accounting, taxation	Law	Management administration	Academic background in specialized field	Global				
Masato Uemura		CEO, MEITEC Group Representative Director President	15	○		○	○	○	○	○	○			○					Male
Akira Yamaguchi	Outside Independent	Director	5	○										○				Experience as a representative director at a listed company	Male
Kumi Yokoe	Outside Independent	Director	5	○						○					○	○		University professor	Female
Terumi shikano		Directors who are Audit and Supervisory Committee members	New											○	○				Female
Masatoshi Uematsu	Outside Independent	Directors who are Audit and Supervisory Committee members	1											○					Male
Toru Kunibe	Outside Independent	Directors who are Audit and Supervisory Committee members	1											○				Attorney at Law	Male
Mitsunobu Yamaguchi	Outside Independent	Directors who are Audit and Supervisory Committee members	1										○					Certified Public Accountant	Male

Note : "CS" is an abbreviation of Career Support.