

Chapter I Basic Views on Corporate Governance of the Company

(Basic Policy) (Principle 3-1)

Article 1 At the Company, we shall regard corporate governance as one of our highest management priorities. Our basic management policy shall be to strengthen the business management of Group companies and to improve the management efficiency of, and ensure thorough governance of, the entire Group by improving our audit system. We shall also strive to ensure the transparency and soundness of our management through sufficient, appropriate and timely disclosure. In conducting business activities, based on these basic policies, efforts shall be made to implement the matters set forth in the Guidelines.

(Management Philosophy) (Basic Principle 2, Principles 2-1, 2-2, Supplemental Principle 2-2 (1))

Article 2 The Company shall establish Our Raison D'être (Purpose) and Our Values as the Group philosophy system that expresses the Group's basic stance, raison d'être and values, as well as the Daiwabo Group Charter of Corporate Behavior as the principles for the Group's governance.

1. Our Raison D'être (Purpose)
Connecting People and Society to the Future with our Value Chain
2. Our Values
 - Partnership
Build broad and solid cooperative relationships with partners and local communities.
Grow side by side and work together to solve issues.
 - Diversity and Respect
Respect each other's human rights and individuality and connect diverse abilities and ideas to individuals' growth and corporate value enhancement.
 - Gratitude and Passion
Value relationships with any stakeholder and respond to their trust on us with the feeling of being grateful and passion.
 - Sincerity and Fairness
Comply with laws and regulations and contribute to the evolvement of a healthy and sustainable society through sincere and fair business activities.
 - The Challenge to Value Creation
Respond to changes in society swiftly, pursue new technologies at all times and challenge ourselves to create value.
3. Daiwabo Group Charter of Corporate Behavior
All officers and employees of the Daiwabo Group, whether in Japan or overseas, shall respect human rights, shall comply with all laws and international rules, and behave with

social norms and high ethical standards in accordance with the ten principles set forth in the Daiwabo Group Charter of Corporate Behavior.

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| (1) Sustainable economic growth and resolution of social issues | (Contribution to solving social issues) |
| (2) Fair business practices | (Practice of law-abiding behavior based on self-responsibility) |
| (3) Fair information disclosure and constructive dialogue with stakeholders | (Timely and appropriate disclosure of information and constructive dialogue) |
| (4) Respect for human rights and diversity | (Respect for the human rights and diversity of all people) |
| (5) Trust with customers | (Satisfying customers and earning their trust) |
| (6) Improvement of the quality of the work environment | (Career formation and skill development of human resources) |
| (7) Initiatives to environmental issues | (Environmentally friendly business activities) |
| (8) Contribution to society | (Promotion of social contribution activities) |
| (9) Thorough implementation of risk management | (Thorough organizational implementation of risk management) |
| (10) Role of top management and thorough implementation of the Charter | (Organizational initiatives by top management) |

(Basic Management Policy and Management Plan) (Principle 5-2, Supplementary Principles 4-1 (2), 5-2 (1))

Article 3 In formulating a basic management policy and management plan, we shall work to improve the efficiency of shareholders' equity by referring to indicators such as "ROE (return on equity)," "ROIC (return on invested capital)," and "equity ratio," along with profitability, based on the Group philosophy system.

(Sustainability) (Principle 2-3, Supplemental Principles 2-3 (1), 3-1 (3), 4-2 (2))

Article 4 We shall task ourselves with developing a sustainable economic society by creating added value through fair competition and creating jobs, and at the same time, we shall provide products and services and conduct business activities with full consideration for the global environment by addressing environmental issues, and we shall strive to disclose the status of our initiatives in an appropriate manner.

(Diversity of Human Resources) (Principle 2-4, Supplemental Principles 2-4 (1), 3-1 (3), 4-2 (2))

Article 5 Recognizing that officers and employees are important assets supporting corporate growth, we shall operate systems and take measures, regardless of nationality, gender, age, etc., based on "Respect for human rights and diversity" and "Improvement of the quality of the workplace environment" as set forth in the Daiwabo Group Charter of Corporate Behavior.

Chapter II The Company's Approach to Capital Policy and Shareholders and General Meetings of Shareholders

(Capital Policy) (Principle 1-3)

Article 6 With the first priority put on providing continuous and stable dividends, we shall maintain the required sufficient level of shareholders' equity and pursue the optimal structure of investment and shareholder returns for sustainable enhancement of corporate value.

(Views on Cross-Shareholdings) (Principle 1-4 Supplemental Principle 1-4 (1), (2))

Article 7 Our cross-shareholdings are subject to our Board of Directors' determination that the shareholding will contribute to the maintenance and improvement of our Group's corporate value over the medium to long term, after the Board's deliberation. This is done by taking comprehensively into consideration: the qualitative side of the purposes of the shareholding, such as securing, enhancing or expanding a business relationship, or facilitating or stabilizing financing; and the quantitative side of purposes such as dividends, profits from related transactions, and other related income, a comparison between return on investment and capital cost, investment risk, and the relevant company's growth potential.

Our Board of Directors shall regularly check our individual cross-shareholdings in terms of their purposes, economic rationality, etc. to review whether or not the shareholdings should be continued and the number of shares held. If it is determined that any shareholding will not to lead to an increase in the corporate value of the Group over the medium to long term based on the determination criteria described above, the cross-shareholding shall be reduced through sufficient dialogue with the other company.

As for our voting rights, we shall exercise them after fully investigating the reasons, purposes, etc. of all proposals that we deem to require careful consideration in order to increase both our corporate value and that of the company we invest in over the medium to long term, and after checking also from the viewpoint of corporate governance and our social responsibility.

(General Meeting of Shareholders) (Principle 1-2, Supplementary Principles 1-1(1), (2), 1-2(1), (2), (3), (4), 3-1 (2))

Article 8 Recognizing that the general meeting of shareholders is a forum for constructive dialogue with shareholders, the Company shall establish the following environment to enable shareholders to properly exercise their rights at the general meeting of shareholders.

1. The notice of convocation shall be sent out at least three weeks prior to the general meeting of shareholders in order to ensure sufficient time to be secured for considering proposals.
2. The contents of the notice of convocation shall be published electronically on the Tokyo Stock Exchange website and the Company's website prior to the date of dispatching the notice.
3. The Company shall establish an appropriate environment for the exercise of voting rights at the general meeting of shareholders through the introduction of an English translation of the notice of convocation and the electronic exercise of voting rights via the internet and the use of an electronic voting platform.

4. With respect to votes against the company's proposals at the general meeting of shareholders, the Company shall analyze the reasons against the proposals and examine whether or not the Company should take subsequent actions.

(Securing Rights of Shareholders) (Basic Principle 1, Principles 1-1, 1-5, 1-6, Supplemental Principles 1-1 (3), 1-5 (1))

Article 9 In the event of all shareholders, including minority shareholders, exercise their rights, the Company shall respond promptly, giving consideration to the equality of shareholders.

In adopting anti-takeover measures, the Board of Directors shall make a resolution and submit it to the general meeting of shareholders for deliberation after examining the necessity and rationality of such measures from the viewpoint of contributing to the enhancement of the Company's corporate value and the common interests of shareholders.

If the Company's shares are put up for public offering, the Board of Directors shall promptly disclose its view on the matter by offering a time for consideration following legal procedures while respecting shareholders' rights and not unduly preventing them from exercising their rights.

Regarding capital policies that affect the interests of shareholders, the Company shall examine the necessity and rationality of such policies so as not to harm the common interests of shareholders unduly, ensure the legality of the procedures and provide sufficient explanations to shareholders at the general meeting of shareholders. Taking into account the opinions of Directors (outside) and Audit & Supervisory Board Members (hereinafter referred to as "ASBM") (outside), the Board of Directors shall provide sufficient explanations to shareholders through prompt disclosure of information on the process of consideration and the purpose of implementation.

Chapter III Governance Structure of the Company

(Institutional Structure) (Basic Principle 4, Principle 4-6)

Article 10 The Company is a company with a Board of Directors and an Audit & Supervisory Board.

Under group management in a pure holding company system, the Board of Directors shall engage exclusively in the "development of Group strategies," "optimal allocation of the Group's management resources," "supervision of the Group's operations," etc. Meanwhile, Directors of Group companies shall assume the role and responsibility of executing operations based on the Group strategy. Through this system, we shall speed up management decision-making and strengthen supervisory functions, thereby working on the development of an efficient and agile management structure.

(Responsibilities of the Board of Directors) (Principles 4-1, 4-2, 4-3, Supplementary Principle 4-1 (1))

Article 11 The Board of Directors shall establish business strategies, business plans, and other business policies, create an environment where appropriate risk-taking by the management is supported, and carry out effective oversight of the management.

(Composition of the Board of Directors) (Principles 4-7, 4-8, Supplementary Principle 4-11 (1))

Article 12 The Board of Directors shall consist of persons who are well versed in the relevant businesses and have knowledge of management. The number of members of the Board shall be no more than 10, with no less than one-third of the members appointed being Directors (outside).

(Measures to Ensure the Effectiveness of the Board of Directors)

(Principles 4-11, 4-12, 4-13, Supplementary Principles 4-11 (2), (3), 4-12 (1), 4-13 (1), (2))

Article 13 The Company shall enhance the effectiveness of the Board of Directors by invigorating deliberations at its meetings through devising procedures such as the distribution of materials before meetings and also obtaining useful advice from Directors (outside) and ASBMs (outside).

The Company shall hold meetings of the Board of Directors once a month, and by the end of the previous fiscal year, establish an annual schedule for the next fiscal year and notify each Director and ASBM to ensure that it is easy for them to attend the meetings.

With regard to matters to be presented to the Board of Directors, the information shall be provided prior to the meeting to secure time for prior preparation, such as confirmation of contents, by sending materials in advance, and opportunities shall be provided for Directors (outside) and ASBMs (outside) to receive explanations in advance to the greatest extent possible.

The Personnel & General Affairs Department and the Auditing Department shall cooperate with related departments to support Directors and ASBM, respectively, so they can obtain information necessary for meetings of the Board of Directors.

Directors may receive advice from outside experts, such as lawyers, when deemed necessary.

Each year, the Board of Directors shall analyze and evaluate its operations by referring to the self-evaluation of each Director and others.

If a Director concurrently serves as an officer of another listed company, the Board of Directors shall need to approve the appointment and disclose the status of the concurrent duties.

(ASBM and Audit System) (Principle 4-4, Supplementary Principles 4-4 (1), 4-13 (3))

Article 14 The Audit & Supervisory Board, with more than half of its members being outside ASBM, shall fulfill its responsibilities as ASBM from an independent standpoint and strive to strengthen management oversight through close cooperation with Directors (outside), thereby focusing on enhancing corporate governance.

ASBM shall attend the meetings of the Board of Directors and other meetings, receive reports on the status of business execution from officers and employees, and communicate and exchange information by requesting reports from officers and employees as necessary.

The Company shall select an ASBM and establish a system that enables such a member to exchange opinions with Directors at all times. Full-time ASBMs shall attend important meetings such as meeting of the Board of Directors, express their opinions, and conduct highly effective audits.

ASBMs (outside) shall actively express their opinions at meetings of the Board of Directors by drawing on their own knowledge and experience.

Where necessary, an ASBM shall order employees belonging to the Auditing Department to assist the duties of ASBM.

(Evaluation and Appointment of External Auditors) (Principle 3-2, Supplemental Principle 3-2 (1))

Article 15 The Audit & Supervisory Board shall secure the audit schedule and ensure an audit system in cooperation with relevant departments in order to ensure proper audits performed by external auditors.

The Audit & Supervisory Board shall determine the appropriateness of the appointment of an external auditor after ascertaining the status of the execution of duties by external auditors through the status of the implementation of audits and audit reports, etc. Also, the Audit & Supervisory Board shall evaluate the external auditor based on separately specified standards and confirm the independence and expertise of the external auditor.

(Cooperation with External Auditors) (Supplementary Principle 3-2 (2))

Article 16 The Company shall take the following measures in relation to cooperation with external auditors

1. The Company shall create an audit schedule after prior consultation with external auditors and secure sufficient time to audit.
2. The Company shall hold regular meetings with external auditors and senior management including Representative Directors.
3. The Company shall ensure cooperation between the external auditors and ASBM, the internal audit department and Directors (outside).
4. In order to provide feedback on the information, etc. required by external auditors, the full-time ASBM shall cooperate with the internal audit department to exchange necessary information and check the status of business execution as needed.
5. The Board of Directors and the Audit & Supervisory Board shall investigate matters pointed out by external auditors in cooperation with the internal audit department and relevant departments, mainly by the Director in charge and ASBMs, and establish a system to implement necessary corrections.

(Appointment and Dismissal of Directors and ASBM) (Principle 3-1, Supplemental Principle 4-3 (1), 4-10 (1), 4-11 (1))

Article 17 Our policy for appointing Directors shall be to appoint from candidates who accept management responsibility entrusted by shareholders, have extensive experience and knowledge in management, and are capable of fulfilling the duties and responsibilities of Directors. Our policy for appointing ASBM (corresponding to our ASBMs) shall be to appoint from candidates who have extensive knowledge and advanced expertise and are capable of fulfilling the duties and responsibilities of ASBM.

Pursuant to these policies, when we nominate Director candidates or appoint or dismiss the Representative Director, President and Chief Executive Officer, or other members of the management team, we shall prepare an original proposal by taking into consideration the knowledge, experience, and abilities required of Directors. We shall do this in light of the management strategy based on the continuous evaluation of the candidates' past performance records, knowledge, qualifications, etc. and the Nomination Committee, which consists of the Representative Director, President and Chief Executive Officer, and Directors (outside) and which the Board of Directors established as its advisory body, shall carry out deliberation, followed by submission to and a decision by the Board of Directors. When we nominate

candidates for ASBM or dismiss ASBM, we shall not only conduct examinations as with Director candidates but also take fully into consideration opinions expressed during discussions with the Audit & Supervisory Board and, upon the consent of the Audit & Supervisory Board, the Nomination Committee shall carry out deliberation, followed by submission to and a decision by the Board of Directors.

If a Director or ASBM violates any law or regulation or our Articles of Incorporation or if any other event arises that is considered to make it difficult for a Director or ASBM to perform their duties appropriately, we shall decide on their dismissal from their post or on any other action or on the submission of a proposal for their dismissal to the General Meeting of Shareholders after the Nomination Committee carries out deliberation, followed by submission to and a decision by the Board of Directors.

Reasons for the nomination of all candidates for Directors and ASBM shall be disclosed in Reference Materials in the notice of convocation of the general meeting of Shareholders.

(Independence Standards for Independent Officers) (Principle 4-9)

Article 18 Our basic requirements for appointing independent officers shall be: having an excellent personality and knowledge; being expected to fulfill such functions and roles as conducting objective and appropriate supervision and audit from a professional perspective; and being unlikely to cause conflicts of interest with general shareholders.

The independence criteria established by the Company shall be as follows, based on the “Criteria for judging the existence of a risk of conflict of interest with general shareholders,” set forth by the Tokyo Stock Exchange.

<Independence Criteria>

1. A person who has not served as a Director (excluding a Director (outside), ASBM (excluding an ASBM (outside), executive officer, or any other important employee of the Company and its subsidiaries or affiliates (hereinafter referred to as the “Group”) in the past or at present
2. A person who is not a major shareholder of the Company (a person who directly or indirectly holds 10% or more of the total voting rights) or an executive thereof
3. A person who is not an executive of an entity that the Company Group is a major shareholder thereof
4. A person who is not someone whose amount of transactions with the Group exceeds 2% of the Company’s consolidated net sales, or an executive thereof
5. A person who is not a consultant or an accounting or legal specialist who receives remuneration of more than 10 million yen or more from the Group other than executive remuneration
6. A person who is not a recipient of donations from the Group in excess of 2% of the Company’s consolidated net sales, or an executive thereof

(Successor Development for Representative Director, President and Chief Executive Officer)

(Supplemental Principles 4-1 (3), 4-3 (2), 4-3 (3))

Article 19 With regard to the successor to the Representative Director, President and Chief Executive Officer, the Company shall set the ideal model of Representative Director, President and Chief Executive Officer, as a person who has abundant experience in corporate management or

business execution, and extensive and advanced knowledge of management judgment gained through such experience. Such person shall also be someone who can lead the entire Group with a strong will to achieve the Company's sustainable growth and increase its corporate value over the medium to long term. In accordance with the ideal model, a successor shall be selected.

With respect to the selection of a successor candidate for the Representative Director, President and Chief Executive Officer, a successor candidate shall be selected from within or outside the Group. The selection of a successor candidate and the successor development plan in the case of a selection within the Group shall be as follows.

1. In the case of a selection from within the Group, a candidate shall be selected from Directors or senior management of the Company and its subsidiaries (hereinafter referred to as the Subject).
2. Through presentations and discussions of management policies, business policies, business strategies, medium-term management plans, etc. at meetings related to the management strategy that the Company holds regularly and as necessary, the plan shall provide opportunities for the Subject to develop a deeper understanding of management policies and management strategies aimed at increasing the medium- to long-term corporate value of the Group.
3. Utilizing regular meetings, etc. with outside officers of the Company, the plan shall provide opportunities for the Subject to exchange opinions with outside officers. The opportunities shall be the occasion for the Subject to absorb the professional knowledge and views of outside officers backed by their abundant experience in various fields. At the same time, the opportunities shall be the occasion for outside officers who are members of the Nominating Committee to learn the personal characteristics and views of the Subject through exchanging opinions with the Subject.
4. The plan shall hold internal training sessions by outside experts, as necessary, on social issues to be addressed by the Company, such as risk management, compliance, governance, ESG management, diversity, etc. and to provide opportunities for the Subject to develop and foster a wide range of knowledge.
5. Once a year in principle, the Representative Director, President and Chief Executive Officer of the Company, shall meet regularly with the Subject to confirm their understanding of the management policies of the Group, consistency with business operation policies and the status of business execution and provide guidance on future direction, thereby providing the Subject with opportunities for development to further improve their skills.
6. A person who is named as a successor candidate selected from among Directors of subsidiaries shall work as a Director of the Company to gain experience in business execution, thereby being given the opportunity to learn practical matters related to the management of the whole of the Group.

The Board of Directors shall receive reports from the Representative Director, President and Chief Executive Officer on the status of the successor development plan and supervise whether or not the process has been operated in a proper, reasonable and fair manner.

(Method of Determining Remuneration for Directors and ASBM) (Principle 3-1, Supplemental Principles 4-2 (1), 4-10 (1))

Article 20 Remuneration for Directors shall consist of base (fixed) remuneration, performance-based monetary remuneration, and performance-based stock remuneration. The performance-based monetary remuneration shall vary in accordance with the degree of achievement, etc. of target values for a single fiscal year, such as consolidated operating income (loss) and others, set by the Company.

Performance-based stock remuneration shall be paid in the form of stocks upon retirement as compensation linked to the achievement of performance targets and the enhancement of corporate value over the medium to long term. The compensation shall consist of the non-performance-based portion and the performance-based portion, and the non-performance-based portion shall be set at approximately 30% of the total amount of stock-based remuneration. For the performance-based portion, the maximum amount shall be set at approximately 70% of the total amount of stock-based remuneration. Indices shall be set for the amount of remuneration, including the level of achievement against target values for consolidated operating income (loss), etc. The amount of remuneration shall be varied depending on the performance of the previous fiscal year and shall range between 100% and 0%.

Remuneration for Directors (outside) shall be limited to base (fixed) remuneration. The amount to be paid to each Director shall be within the limit of the total amount determined at the general meeting of shareholders. Performance-based monetary remuneration and performance-based stock remuneration shall be determined by the Board of Directors after deliberation and submission of reports by the Remuneration Committee, which is composed of Representative Directors and Directors (outside) and is established by the Board of Directors as its advisory body.

Remuneration for ASBM consists only of base (fixed) remuneration, and the amount to be paid to each ASBM shall be determined by the Audit & Supervisory Board through deliberation among ASBM within the limit of the total amount determined by the general meeting of shareholders.

(Training for Directors and ASBM) (Principle 4-14, Supplemental Principle 4-14 (1) and (2))

Article 21 When new Directors and ASBM assume their positions, we shall provide them with opportunities to participate in internal and external training programs intended for them to acquire knowledge necessary to appropriately fulfill their roles and responsibilities.

To Directors (outside) and ASBM (outside), we shall continuously provide company information such as the details of the Group's businesses and management issues, etc.

Similarly, after Directors and ASBM have assumed their positions, we shall continuously provide them with, among other things, information to help them to appropriately fulfill the respective roles and responsibilities expected of them. We also strive to provide them with opportunities to attend meetings, inspect business offices, and do other activities that allow them to acquire the necessary knowledge or to otherwise receive training.

(Utilization of External Officers) (Principles 4-8 and 4-10, Supplemental Principles 4-8 (1) and (2))

Article 22 As an opportunity to provide corporate information relating to the management issues of the Group, exchange opinions and obtain appropriate advice, the Company shall quarterly hold

approximately one regular meeting between Directors (outside) and ASBMs (outside) and senior management including Representative Directors.

Chapter IV Compliance

(Internal Control) (Principle 2-5, Supplemental Principles 2-5 (1), 4-3 (4))

Article 23 Pursuant to the Companies Act, the Company shall formulate and implement the “Basic Policy for Establishing an Internal Control System” as a system to ensure appropriate operations of the Company and company group consisting of the Company and its subsidiaries.

The Group shall establish a whistle-blowing system to enable officers and employees to report information and serious suspicions about illegal or inappropriate acts and information disclosure without worrying about the risk of putting themselves in a disadvantageous position. The Group shall also put in place a mechanism to more effectively implement the system and appropriately utilize the reported information and suspicions.

(Related Party Transactions) (Principle 1-7)

Article 24 When the Company engages in related party transactions, such as with its Directors or with corporations substantially controlled by its Directors, the Board of Directors shall secure the soundness and appropriateness of the transactions by informing the Company’s Directors of the fact that the transactions are related party transactions and conducting careful deliberation and by seeking advice from Directors (outside) and the Audit & Supervisory Board. This is done to ensure that such transactions do not harm the interests of the Company or the common interests of our shareholders.

Chapter V Information Disclosure and Engagement with Shareholders

(Information Disclosure Policy) (Basic Principle 3, Principle 3-1, Supplementary Principle 3-1 (1), (2) and (3))

Article 25 In order to build long-term relationships of trust with stakeholders (consumers, customers, employees, shareholders, business partners, local communities, government agencies, etc.), the Company shall disclose information deemed useful to stakeholders, as well as information disclosed in accordance with laws and regulations, in a timely and appropriate manner.

(Approach to Engagement) (Basic Principle 5, Principle 5-1, Supplementary Principle 5-1 (1), (2) and (3))

Article 26 The Company shall engage in IR activities with the aim of building a relationship of trust by enhancing constructive dialogue with shareholders and contributing to the sustainable growth of the Company and the enhancement of corporate value.

Chapter VI Other

(Establishment, Revision or Abolition of the Guidelines)

Article 27 The establishment, revision, or abolition of these Guidelines shall be made by resolution of the Board of Directors.