

## Corporate Governance Report

CORPORATE GOVERNANCE

EIKEN CHEMICAL CO., LTD.

Last Update: June 25, 2025

**EIKEN CHEMICAL CO., LTD.**

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<https://www.eiken.co.jp/en/>

The corporate governance of EIKEN CHEMICAL CO., LTD. (the “Company”) is described below.

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

### 1. Basic Views

The Company’s policy on corporate governance is based on its management philosophy, management vision and motto.

☐ Management Philosophy

Protect the health of the public through healthcare services.

☐ Management Vision

Eiken group is dedicated to leveraging expertise as a medical testing pioneer in order to increase corporate value by protecting the health of the public with products and services that customers can trust.

☐ Motto

We, Eiken, provide trustworthy quality and develop with technology.

Eiken Chemical Co., Ltd. recognizes that corporate governance with a strong focus on the shareholders’ perspective is one of its most vital management issues for the purposes of enhancing management soundness, speed and transparency and improving corporate value, and carries out activities on that basis.

The Company is organized as a company with a nominating committee etc., maintaining separation of the executive and supervisory functions of management. Important matters relating to the basic management policy are decided through the deliberations of the Board of Directors, and business is executed swiftly and smoothly in accordance with internal rules and regulations and under the appropriate chain of command.

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

The Company complies with all principles of the Corporate Governance Code.

## Disclosure Based on each Principle of the Corporate Governance Code

### Principle 1.3 Basic Strategy for Capital Policy

The Company’s basic strategy for capital policy is to improve the capital efficiency and stabilize shareholder returns to maintain and improve shareholder value on a sustainable basis. If the Company intends to implement a capital policy which will cause a change of control or a significant dilution, the Company will fully deliberate its necessity and reasonability at a Board of Directors meeting, ensure appropriate procedures, and provide full explanation to the Company’s shareholders and investors.

The Company’s management objective with respect to shareholder returns is to continuously enhance its corporate value through proactive, strategic investment and business development to strengthen and grow its financial position. The Company focuses on a continuous return of profits to its shareholders through the enhancement of invested capital efficiency while conscious of capital costs as one of its most important management measures. Following this policy, the Company aims for a “total return ratio of 50% or more” in order to improve shareholder returns with dividends of surplus twice annually in the form of an interim dividend and a year-end dividend.

### Principle 1.4 Cross-Shareholdings

1. Policy concerning cross-holding listed shares

The Company’s basic policy is that if the Company considers it reasonable for smooth promotion of sales activities, maintenance

of business relationships, or business or capital tie-ups, the Company holds its business partners' shares, and if the Company determines that such cross-shareholdings contribute to the development of its business, the Company maintains such holdings. As part of validation of the meaning of such holdings, every year, the Board of Directors deliberates whether returns (in addition to quantitative factors such as dividends and business conditions, the importance of such holdings in business strategies, business relationships etc. are comprehensively evaluated) and risks are proportionate to each other in light of the Company's capital costs. For shares which the Company has determined to be meaningless to hold, the Company proceeds with selling said shares in view of its share price trend etc. Regarding listed shares, in fiscal year 2024, the Board of Directors decided on May 9, 2024 to sell the shares of two companies, and on March 7, 2025, the Board of Directors decided to acquire the shares of one company.

## 2. Standards for exercising voting rights of cross-shareholdings

The Company exercises voting rights on its cross-shareholdings after comprehensively evaluating the state of corporate governance of the relevant company, whether the relevant proposal contributes to the enhancement of shareholder value, and other impact etc. on the Company.

### Principle 1.7 Related Party Transactions

The Company has stipulated in, and disseminated through, the Board of Director Regulations and the Executive Officer Regulations that if a director or an executive officer intends to carry out a transaction with the Company for the benefit of itself or a third party, said director or executive officer must obtain the approval of the Board of Directors. It is also stipulated as a rule that a transaction approved by the Board of Directors must be reported to the Board of Directors. A transaction with a major shareholder etc. will be deliberated and decided by the Board of Directors in accordance with the Board of Directors Regulations and in view of the importance and nature of the transaction.

### Supplementary Principle 2.4.1 Ensuring Diversity in Promotion etc. of Core Human Resources

The Company employs human resources and appoints officers regardless of nationality, gender or time of joining the company. As of April 1, 2025, the Company has 25 female officers, accounting for 18.5% of the total number of officers. Fifty-one officers were hired mid-career, accounting for 37.8% of the total number of officers. Going forward, in order to further promote diversity, the Company aims to have female officers accounting for 30% of the all officers by 2030.

Following this policy, the Company is encouraging the success of diverse human resources regardless of nationality, gender and age. The Company has also introduced a telework system, a flex time system without core work hours, and other various work systems, and established an environment where the diversity of workstyles can be increased, and its employees can show their capabilities to the fullest.

### Principle 2.6 Roles of Corporate Pension Funds as Asset Owners

The Company has adopted a defined benefit (DB) pension plan and a defined contribution (DC) pension plan.

#### 1. Defined benefit (DB) pension plan

The Company has strategically formulated the composition of assets from a long-term viewpoint after obtaining opinions from the pension manager so that pension benefits can be provided into the future.

In appointing a pension manager, in accordance with the established "Basic Policy for the Management of Pension Assets", the Company carries out a quantitative evaluation on aspects such as the pension manager's management performance, and also considers its investment policy, management process, compliance and other factors. The Company evaluates the management of pension assets quarterly by monitoring the pension manager, reviews the formulated strategic asset composition as needed, and strives to accumulate wealth for its employees in a stable manner. Further, the Company deploys human resources with necessary experience and qualities in the human resources and accounting departments so that the pension manager is monitored and other activities are carried out in an appropriate manner, and at the same time, strives to develop such human resources through external seminars etc.

#### 2. Defined contribution (DC) pension plan

The Company periodically provides its employees with continuous education on asset management so that its employees can steadily accumulate wealth.

### Principle 3.1 Full Disclosure

In addition to appropriate disclosure in compliance with laws and regulations, the Company strives for full disclosure of information with high added value for users for the purpose of ensuring transparency and fairness in decision-making as a company and attaining effective corporate governance.

#### 1. Management philosophy etc., business strategies and business plans

The Company publishes on its website the "EIKEN WAY", which is focused on its management philosophy, management vision and motto, and its management plan based on the management concept "EIKEN ROAD MAP 2030", and by implementing these, is trying to enhance its corporate value on a sustainable basis.

EIKEN WAY (<https://www.eiken.co.jp/en/company/concept.html>)

Management plan (<https://www.eiken.co.jp/en/ir/plan.html>)

2. Basic approach to, and basic policy on, corporate governance

The above is disclosed in “I-1 Basic Views” of this Report and the Company’s website.

(<https://www.eiken.co.jp/en/sustainability/governance/corporate/>)

3. Policies and procedures in determining the compensation of directors and executive officers

The Company is organized as a company with a nominating committee etc., and determines compensation for directors and executive officers on an individual basis in accordance with resolutions of the Compensation Committee, which consists of three outside directors. To incentivize directors and executive officers to bolster the Company group’s business results and contribute to enhancing shareholder value, the criteria for determining compensation are decided in consideration of each executive’s responsibilities based on factors such as rank and executive duties, the Company’s business results, the management environment and industry norms. Compensation for directors and executive officers is composed of “fixed pay”, “performance-based pay” and “restricted stock compensation”. Executive officers are also evaluated on their achievement levels in reestablishing the Company’s operating base to attain sustainable growth, making specific efforts to achieve sustainability goals, and other strategic targets which cannot be measured by financial figures such as business results. For outside directors, whose positions are independent of business execution, pay is not based on performance and consists of fixed pay and restricted stock compensation.

4. Policies and procedures in the election/dismissal of officers

(1) Directors

The Company is organized as a company with a nominating committee etc., and the Nominating Committee consisting of three outside directors decides in light of the criteria for nominating directors the content of proposals for the election of directors to be submitted to the General Meeting of Shareholders. Likewise, the Nominating Committee decides in light of the criteria for dismissing directors proposals for the dismissal of directors to be submitted to the General Meeting of Shareholders.

(2) Executive officers

The Board of Directors elects executive officers in light of the criteria for electing executive officers. Likewise, executive officers are dismissed by Board of Directors resolution in light of the criteria for dismissing executive officers.

5. Explanations with respect to the election of director candidates

After the Nominating Committee passes a resolution on director candidates, the Company promptly discloses to that effect so that such resolution can be viewed on its website and the Tokyo Stock Exchange website. The Company also discloses the brief career of, and reasons for electing, director candidates on the convocation notice for the General Meeting of Shareholders.

(20250602.pdf)

Supplementary Principle 3.1.3 Sustainability Activities etc.

Under the management philosophy “Protect the health of the public through healthcare services”, the Company has strived to resolve various social issues through its business activities. In order to promote the sustainability of the group as a whole more proactively, we have established the sustainability policy, and installed the Sustainability Committee consisting of the President & CEO as the chair and executive officers in charge of each function and business group to promote related activities. The activities of the Sustainability Committee are reported to, and supervised by, the Board of Directors.

In the “EIKEN ROAD MAP 2030”, the materialities for the realization of a sustainable society are identified, and translated into specific action plans, the progress of which is monitored by the Sustainability Committee in light of key performance indicators (KPIs) that have been set.

The Company’s sustainability approach and policy, promotion system, and efforts are disclosed on its website.

(<https://www.eiken.co.jp/en/sustainability/>)

In recognition of risks to the financial market caused by climate change, in February 2023, the Company endorsed the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), in the framework of which the Company has identified risks and opportunities brought by climate change. The Company has also conducted scenario analyses on financial impact caused by the identified risks and opportunities, further pushing forward its current activities to tackle climate change, and disclosing information in accordance with the TCFD recommendations.

(<https://www.eiken.co.jp/en/sustainability/environment/weather/>)

Regarding investment in human capital, the Company is establishing an environment where management focusing on human resources is promoted, employees’ sense of challenge and reward is heightened, and things and ideas can be innovated, and is aiming at sustainable growth and steady revenue improvement. For details, please see the Company’s website.

(<https://www.eiken.co.jp/en/sustainability/social/engagement/>)

Regarding investment in intellectual property, concurrently with the steady growth of the existing business, the Company will distribute management resources to expand its core technology to peripheral businesses, and develop new businesses through open innovation with external resources. For details, please see the Company’s website.

(<https://www.eiken.co.jp/en/rd/license/>)

#### Supplementary Principle 4.1.1 Scope of Authority of Executive Officers

Organized as a company with a nominating committee etc., the Company strives to cause executive officers to make swift management decisions and execute business operations, and the Board of Directors and three committees (the Nominating Committee, the Compensation Committee and the Audit Committee) monitor the efficiency of business execution on a continuous basis to attain transparent and fair management.

The Board of Directors authorizes executive officers to perform their work duties to the extent permitted by laws and regulations, and is dedicated to monitoring decisions on important matters relating to basic management policies and the state of business execution.

#### Principle 4.9 Independence Standards and Qualifications for Independent Outside Directors

In March 2015, on the basis of the Companies Act and the standards set by the Tokyo Stock Exchange, the Company established the “Independence Standards for Outside Directors”, which were published in the convocation notice for the General Meeting of Shareholders and the securities report.

The Company elected all seven outside directors satisfying the requirements under the standards as independent officers pursuant to the standards of the stock exchange. The Company’s outside directors have highly professional knowledge and abundant experience as doctors, corporate managers, attorneys, pharmaceutical industry insiders, certified public accountants etc., contributing to candid, active and constructive consideration by the Board of Directors.

#### Supplementary Principle 4.10.1

Not applicable as the Company is organized as a company with a nominating committee etc.

#### Supplementary Principle 4.11.1 Balance, Diversity and Size of the Board of Directors

The Company has elected three internal directors and seven outside directors. To internal directors, the Company has assigned personnel who can play a satisfactory role in making decisions on important management matters and supervising business execution by other executive officers to implement the management plan under the management vision. Regarding outside directors, the Company emphasizes their highly professional knowledge and abundant experience which cannot be obtained only from internal directors. The Company expects each director to fully exert their abilities as evidenced by their experience, and supervise decisions on important matters relating to the basic management policy and business execution.

The Director Skill Matrix was published in the convocation notice for the General Meeting of Shareholders and on the Company’s website.

(<https://www.eiken.co.jp/en/sustainability/governance/corporate/>)

The policy and procedures for electing directors are as described in Principle 3.1.4(1).

#### Supplementary Principle 4.11.2 State Where Directors Serve as Directors at Other Companies

The Company’s directors are devoting sufficient time and effort required to appropriately fulfill their respective roles and responsibilities, and their work outside the Company is limited to the extent reasonable. The state of directors serving as directors at other companies is disclosed in the state of directors and executive officers in the convocation notice for the General Meeting of Shareholders.

#### Supplementary Principle 4.11.3 Evaluation of the Effectiveness of the Board of Directors and Disclosure of the Evaluation Results

The Company hereby discloses an overview of the results of analysis and evaluation of the effectiveness of the Board of Directors for fiscal year 2024.

##### 1. Purpose

To objectively confirm that the Board of Directors is appropriately functioning, and effectively operating, and to correct and improve indicated concerns (if any) as needed.

##### 2. Subjects and method

An essay-style questionnaire survey was conducted to all directors, in which directors wrote their names.

##### 3. Questionnaire items

(1) Composition of the Board of Directors, (2) Operation of the Board of Directors, (3) Monitoring and Supervision by the Board of Directors, (4) Response of the Executive Side, (5) Use of External Evaluation Agency, (6) Seminars, Training etc. for Directors

##### 4. Overview of analysis and evaluation results

For the following reasons, the Company’s the Board of Directors was evaluated as appropriately functioning and ensuring satisfactory effectiveness.

(1) The composition ratios of internal and outside directors in the Board of Directors are appropriate, and experience and knowledge are well balanced.

(2) The conciseness of documents and the clarity of explanations have been improved to a certain degree, and directors are diligently expressing their opinions.

(3) Regarding the response of the executive side to the matters indicated, efforts to visualize such response and to routinize monitoring using a list of responses are underway.

Although the lack of advance consideration and the lack of clarity to the overall picture of and process to achieve goals which are viewed as issues have been improved to a certain degree, the Company gives satisfactory advance consideration before submitting agenda items to the Board of Directors on a continuous basis, clarifying the position of each agenda item on the “EIKEN ROAD MAP 2030”, so that more effective discussions will take place.

#### Supplementary Principle 4.14.2 Training Policy for Directors

The Company has set a training policy under which the Company provides training to all directors and executive officers at least once annually at the Company’s expense so that directors and executive officers appropriately fulfill their roles and responsibilities, and the Company provides from time to time the information necessary for them to learn and renew in an appropriate manner necessary knowledge, and if deemed necessary for business, provides financial support.

For newly appointed outside directors, the Company provides opportunities for them to receive explanation on the Company’s management policy, articles of incorporation, business activities, state of management, corporate governance system and internal rules etc., and to visit offices (plants, laboratories).

#### Principle 5.1 Policy for Constructive Dialogue with Shareholders

The Company has put in place the disclosure policy approved by the Board of Directors, in accordance with which the Company discloses the basic policy, disclosed information, method for disclosing information, quiet period etc., and to the extent reasonable, responds to the requests from shareholders to engage in dialogue so as to support sustainable growth and increase corporate value over the medium to long term.

The Company has the IR system in place in which the Sustainability Promotion Department is assigned as the department in charge of IR, and the General Manager of the Business Management Division who manages the Sustainability Promotion Department as the executive officer in charge of IR, and strives to win understanding and trust from the Company’s shareholders and investors by providing venues for dialogue with them. The General Manager of the Business Management Division also concurrently manages the Strategic Planning & Business Development, Accounting and General Affairs Department, Human Resources Department and other IR-related departments, and by sharing information on a constant basis, these departments are trying to cooperate with each other.

The Company periodically organizes financial results explanatory meetings for analysts and institutional investors in which the President & CEO provides explanations to and engages in dialogue with shareholders, and the videos of the meetings and documents used in the meetings are published on the Company’s website. Further, the Sustainability Promotion Department meets with shareholders and investors individually, but if necessary and to the extent reasonable, the management and outside directors participate in such individual meetings.

Key opinions etc. from shareholders and investors collected through dialogues are periodically reported by the executive officer in charge of IR to the Board of Directors.

The Company engages in dialogue with shareholders and investors in accordance with the disclosure policy, while paying full attention so that no insider information is included in such dialogue, and properly manages information in accordance with the internal rules put in place in light of the relevant laws and regulations.

#### Efforts to Attain Management Conscious of Capital Costs and Share Prices

In the management concept “EIKEN ROAD MAP 2030”, the Company sets net sales, overseas sales ratio, operating profit margin, and ROE as important management indexes. For details on the efforts to attain management conscious of capital costs and share price, please refer to the New Medium-Term Management Plan published on May 13, 2025.

[https://ssl4.eir-parts.net/doc/4549/ir\\_material3/250376/00.pdf](https://ssl4.eir-parts.net/doc/4549/ir_material3/250376/00.pdf)

#### State of Dialogue with Shareholders

In accordance with “Principle 5.1 Policy for Constructive Dialogue with Shareholders”, a financial results explanatory meeting is held semiannually which the President & CEO and the executive officer in charge attend, and the persons in charge of IR have approximately 100 individual meetings in total annually with analysts and institutional investors in and outside Japan.

Key themes in dialogues with shareholders are the overview of financial results and performance forecast, as well as the state of business etc. in light of the mid-to-long-term growth strategies and capital efficiency, and details of such dialogues are periodically reported by the executive officer in charge of IR to the Board of Directors.

By appropriately and effectively reflecting knowledge and opinions collected from the above efforts, the Company will further enhance its corporate value.

## Action to Implement Management That Is Conscious of Cost of Capital and Stock Price

Content of Disclosure	Disclosure of Initiatives (Update)
Availability of English Disclosure	Available
Date of Disclosure Update	May 13, 2025

### Explanation of Actions

In the management concept “EIKEN ROAD MAP 2030”, the Company sets net sales, overseas sales ratio, operating profit margin, and ROE as important management indexes. For details on the efforts to attain management conscious of capital costs and share price, please refer to the New Medium-Term Management Plan published on May 13, 2025.

[https://ssl4.eir-parts.net/doc/4549/ir\\_material3/250376/00.pdf](https://ssl4.eir-parts.net/doc/4549/ir_material3/250376/00.pdf)

## 2. Capital Structure

Foreign Shareholding Ratio	30% or more
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### Status of Major Shareholders

Name or Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	5,089,100	15.23
NIPPON ACTIVE VALUE FUND PLC	3,228,600	9.66
STATE STREET BANK AND TRUST COMPANY 505103	2,009,759	6.01
Custody Bank of Japan, Ltd. (Trust account)	1,703,400	5.10
AVI JAPAN OPPORTUNITY TRUST PLC	1,620,800	4.85
THE BANK OF NEW YORK -JASDECTREATY ACCOUNT	1,362,000	4.08
The Dai-ichi Life Insurance Company, Limited	1,100,000	3.29
NAVF SELECT LLC	857,900	2.57
CACEIS BANK, LUXEMBOURG BRANCH / AIF CLIENTS ASSETS	822,700	2.46
The Japan Life Insurance Company	799,200	2.39

Name of Controlling Shareholder, if applicable  
(excluding Parent Companies)

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Name of Parent Company, if applicable

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### Supplementary Explanation

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### 3. Corporate Attributes

Listed Stock Exchange and Market Segment	Prime Market
Fiscal Year-End	March
Business Sector	Pharmaceuticals
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	500 or more but fewer than 1,000
Net Sales (Consolidated) for the Previous Fiscal Year	¥10 billion yen or more but less than ¥100 billion yen
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	Fewer than 10

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

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

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

### 1. Organizational Composition and Operation

Corporate Governance System	Company with Three Committees (Nomination, Audit and Remuneration)
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#### Directors

Number of Directors Stipulated in Articles of Incorporation	10
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Outside Director
Number of Directors	10

#### Outside Directors

Number of Outside Directors	7
Number of Independent Directors	7

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

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Kiyoshi Ishii	From another company											
Kiyomi Nakamura	Lawyer											
Akira Fujiyoshi	From another company											
Naoki Matsutake	CPA											
Rie Ueki	Other											
Yuta Kinose	From another company											
Tatsuki Toda	From another company											

\*Categories for "Relationship with the Company".

(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

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



- j. Person who executes business for an entity receiving donations from the Company (applies to director him/herself only)  
k. Other

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

Name	Membership of Committee			Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
	Nomination Committee	Remuneration Committee	Audit Committee			
Kiyoshi Ishii	○			○	—	Mr. Kiyoshi Ishii has abundant experience and wide-ranging knowledge as a company manager in the aerospace business over many years. With his strong knowledge of management accumulated throughout his career, he is proactively providing advice and warnings on management from an independent and objective standpoint on the Company's Board of Directors. By deciding on officer elections in a transparent, fair, and reasonable manner as the chair of the Nominating Committee, and providing appropriate and necessary advice in deliberations of the Nominating Committee on the succession plan, the operational policy and other matters, he is also greatly contributing to strengthening the management personnel function. As a member of the Compensation Committee, he is greatly contributing to strengthening the management personnel function by providing appropriate and necessary advice in deliberations on specific amounts of compensation, modifications of the officer compensation system and other matters. As an outside director standing in an independent and objective position, with the above experience and knowledge, he is expected to further contribute to effectively strengthening the supervision and monitoring of management by the Company's Board of Directors, and therefore, has been reappointed as an outside director.
Kiyomi Nakamura			○	○	—	Ms. Kiyomi Nakamura is an attorney. Although Ms. Nakamura has never been involved in the management of a company other than serving as an outside director, she is providing advice on management from an independent and objective standpoint on the Company's

						<p>Board of Directors pursuant to the abundant experience and wide-ranging knowledge in legal circles she has accumulated until now, and is thus contributing to strengthening the Company's corporate governance.</p> <p>As the chair of the Audit Committee, she audits the execution of duties by directors and executive officers at a company with a nominating committee etc., and discusses from a perspective of legality and validity at the Audit Committee agenda items submitted to the Board of Directors and agenda items which she as the chair of the Audit Committee determines require attention, thereby greatly contributing to maintaining and strengthening the audit function.</p> <p>As an outside director standing in an independent and objective position, with the above experience and knowledge, she is expected to further contribute to effectively strengthening the supervision and monitoring of management at the Company's Board of Directors, and the Company has reappointed her as an outside director.</p> <p>As a female attorney, Ms. Nakamura also has deep knowledge of gender issues, diversity and inclusion, and from fiscal year 2017 until March 2021, served as the deputy chair of the Committee Concerning Sexual Equality of the Tokyo Bar Association, and from April 2021, has been an active member of the committee.</p>
Akira Fujiyoshi	○	○		○	—	<p>Mr. Akira Fujiyoshi has abundant experience and wide-ranging knowledge through his engagement in research and development, overseas businesses, IR etc. for many years at a leading pharmaceutical company. With his strong knowledge of management and the pharmaceutical industry accumulated throughout his career, and his experience of engaging in dialogues etc. with investors, he is proactively providing advice and warnings on management from an independent and objective standpoint at the Company's Board of Directors.</p>

						<p>As the chair of the Compensation Committee, he is greatly contributing to strengthening the management personnel function by providing appropriate and necessary advice in deliberations on specific amounts of compensation, modifications of the officer compensation system, and other matters. As a member of the Nominating Committee, he decides on officer election in a transparent, fair, and reasonable manner, and provides appropriate and necessary advice in deliberations of the Nominating Committee on the succession plan, the operational policy and other matters, thereby also greatly contributing to strengthening the management personnel function.</p> <p>As an outside director standing in an independent and objective position, with the above experience and knowledge, he is expected to further contribute to effectively strengthening the supervision and monitoring of management at the Company's Board of Directors, and therefore, has been reappointed as an outside director.</p>
Naoki Matsutake	○		○	○	—	<p>Mr. Naoki Matsutake is a certified public accountant with professional knowledge and abundant experience in finance and accounting. As a management consultant, he contributed to strengthening corporate governance and improving the audit system at a listed company.</p> <p>As a member of the Audit Committee, he audits the execution of duties by directors and executive officers at a company with a nominating committee etc., and discusses from a perspective of legality and validity at the Audit Committee agenda items submitted to the Board of Directors and agenda items which he as a member of the Audit Committee determines require attention, thereby greatly contributing to maintaining and strengthening the audit function.</p> <p>As an outside director standing in an independent and objective position, with the above experience and knowledge, he</p>

						is expected to further contribute to effectively strengthening the supervision and monitoring of management at the Company's Board of Directors, and therefore, has been reappointed as an outside director.
Rie Ueki		○	○	○	—	Ms. Rie Ueki is a doctor. Although Ms. Ueki has never been involved in the management of a company, the Company expects her to provide advice from an independent and objective standpoint on the Company's Board of Directors pursuant to her professional and advanced knowledge and abundant experience accumulated throughout her career as a doctor, and has elected her as an outside director.
Yuta Kinose		○		○	—	Mr. Yuta Kinose has professional and abundant knowledge and business experience in corporate investment as the manager of an investment company for many years. With the deep knowledge accumulated throughout his career, on the Company's Board of Directors he is expected to evaluate and supervise the Company's activities from the perspectives of the capital market and shareholders, and to contribute to enhancing the Company's corporate value and shareholder value; thus, the Company has elected him as an outside director.
Tatsuki Toda			○	○	—	Mr. Tatsuki Toda has wide-ranging knowledge and experience in business management, financial affairs and finance, and investment in overseas businesses at a business company in addition to experience working at a bank. With the deep knowledge accumulated throughout his career, on the Company's Board of Directors he is expected to evaluate and supervise the Company's activities from the perspectives of the capital market and shareholders, and to contribute to enhancing the Company's corporate value and shareholder value; thus, the Company has elected him as an outside director.

## Supervisory Committees

### Composition of Supervisory Committee and Attributes of the Chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Committee Chair
Nomination Committee	3	0	0	3	Outside Director
Remuneration Committee	3	0	0	3	Outside Director
Audit Committee	4	0	0	4	Outside Director

## Executive Officers

### Number of Executive Officers

11

### Status of Concurrent Duties

Name	Representative Authority	Concurrent Duties as Director			Concurrent Duties as Employee
			Nomination Committee Member	Remuneration Committee Member	
Tsugunori Notomi	Yes	Yes	No	No	No
Yuji Segawa	Yes	Yes	No	No	No
Yasuyoshi Mori	No	Yes	No	No	Yes
Michitoshi Doi	No	No	No	No	Yes
Hiroyasu Furuhashi	No	No	No	No	Yes
Toshiyuki Tsuchitani	No	No	No	No	Yes
Keiichiro Yoshida	No	No	No	No	Yes
Satoshi Akaishi	No	No	No	No	Yes
Katsunori Watanabe	No	No	No	No	Yes
Norihiro Tomita	No	No	No	No	Yes
Tomohiro Kudo	No	No	No	No	Yes

## Auditing Structure

### Appointment of Directors and/or staff to Support the Audit Committee

Appointed

### Matters Related to the Independence of Said Directors and/or Staff from Executive Officers/Reasons for Adopting Current System

In accordance with internal rules (“Rules for Employees Who Assist with the Duties of the Audit Committee”), the Company has established the Secretariat of the Audit Committee to assist with the duties of the Audit Committee, the work of which is handled by the Internal Audit Department. Employees belonging to the Internal Audit Department are independent from executive officers. Their transfer in/out is decided with the prior approval of the Audit Committee, and their performance evaluation and salaries are not treated unfavorably on the grounds that the employees perform their duties.

## Cooperation among Audit Committee, Accounting Auditors and Internal Audit Department

The Company has quarterly Joint Audit Meetings, in which the Audit Committee members are informed of internal audit results, the operations of the quality system and the environment management system, and the activities of the Sustainability Promotion Committee and the Risk Management & Compliance Committee to ensure the performance of audits, and periodically shares information with the Accounting Auditor. The Audit Committee is also informed by the Accounting Auditor of annual audit and interim review plans, quarterly audit progress reports, and interim and fiscal year audit result reports (eight times in fiscal year 2024), and cooperate with the Accounting Auditor such as by consulting on key audit consideration matters etc. and participating in audits conducted by the Accounting Auditor as needed.

## Matters Concerning Independent Directors

Number of Independent Directors	7
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## Other Matters Concerning Independent Directors

The Company has elected as independent officers all outside directors qualified to be independent officers.

## Incentives

Implementation Status of Measures related to Incentives Granted to Directors and/or Executive Officers	Introduction of Performance-linked Remuneration Scheme / Other
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## Supplementary Explanation for Applicable Items

### (1) Performance-based pay

Performance-based pay is provided to full-time directors and executive officers, and as an incentive for performance improvement on a sustainable basis every term, the total amount is determined in view of the evaluation indexes of achievement levels in consolidated sales and consolidated operating profit for the current fiscal year, improvement levels from the previous fiscal year, and ROE which is a management index emphasized by the Company. For executive officers who are evaluated additionally on their achievement levels in reestablishing the Company's operating base to attain sustainable growth, making specific efforts to achieve sustainability goals, and other strategic targets which cannot be measured by financial figures such as business results, said pay is provided on the basis of evaluation of their achievement levels to their individually assigned duties.

### (2) Restricted stock compensation

For the purpose of clarifying incentives and sharing shareholder value with its shareholders, the Company provides restricted stock compensation to directors and executive officers so that these officers are motivated to maintain keen focus on sustainably improving the Company's medium-to-long-term shareholder value and corporate value.

Persons Eligible for Stock Options	—
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## Supplementary Explanation for Applicable Items

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## Remuneration for Directors and Executive Officers

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

### Supplementary Explanation for Applicable Items

The Company discloses in the securities report the total amount of compensation etc. for each officer category, the total amount of compensation etc. by type, and the number of eligible officers.

### Policy on Determining Remuneration Amounts and Calculation Methods

Established

### Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

The Company is organized as a company with a nominating committee etc., and determines compensation for directors and executive officers on an individual basis in accordance with resolutions of the Compensation Committee, which consists of three outside directors. To incentivize directors and executive officers to bolster the Company group's business results and contribute to enhancing shareholder value, the criteria for determining compensation are decided in consideration of each executive's responsibilities based on factors such as rank and executive duties, the Company's business results, the management environment and industry norms. Compensation for directors and executive officers is composed of "fixed pay", "performance-based pay" and "restricted stock compensation". In the model case, the ratio is 50% fixed pay, 30% performance-based pay and 20% restricted stock compensation. However, the actual ratio of pay may vary by individual.

For outside directors, whose positions are independent of business execution, pay is not based on performance and consists of fixed pay and restricted stock compensation.

## Support System for Outside Directors

The Secretariat of the Board of Directors (Strategic Planning & Business Development Department) and the Secretariat of the Audit Committee (Internal Audit Department) provide support for outside directors, distributing Board of Directors materials beforehand and providing advance explanation as needed. For newly appointed outside directors, the Company provides opportunities for them to receive explanation on the Company's management policy, articles of incorporation, business activities, state of management, corporate governance system and internal rules etc., and visit offices (plants, laboratories). The Company has set a basic policy on outside director training under which the Company provides training to all directors at least once annually at the Company's expense so that directors appropriately fulfill their roles and responsibilities, and the Company provides from time to time the information necessary for them to learn and renew in an appropriate manner necessary knowledge, and if deemed necessary for business, provides financial support.

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

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

Name	Job title/ position	Responsibilities	Terms and Conditions of Employment (Full/part time, with/without remuneration, etc.)	Date when former role as president/ CEO ended	Term
Morifumi Wada	Sodanyaku	Advice and support in response to our company's request	part time position with remuneration	June 24, 2025	1 year

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

1

- There are cases where the Company rehires a person who retired from the role of Chief Executive Officer as a consultant, or a person who retired from the role of executive officer as a special advisor or counselor.
- With the experience and knowledge they accumulated from engaging in the management of the Company for many years, such persons may provide advice upon request from the Company, but are never involved in management decision-making.
- The term of consultants and special advisors is limited to one year, and no extension or re-election is allowed. The term of counselors is renewed every year, and expires in the fiscal year when the relevant counselor turns 65 years old.
- The rehire of such persons is resolved by the Board of Directors, and their compensation is determined by the Compensation Committee.

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

Organized as a company with a nominating committee etc., the Company strives to cause executive officers to make swift management decisions and execute business operations, and the Board of Directors and three committees (the Nominating Committee, the Compensation Committee and the Audit Committee) monitor the efficiency of business execution on a continuous basis to attain transparent and fair management.

(1) In accordance with internal rules and regulations, executive officers swiftly and smoothly execute business operations under the appropriate chain of command, and report the state of business execution at the Management Meeting held every month.

(2) The Board of Directors authorizes executive officers to perform their work duties to the extent permitted by laws and regulations, and is dedicated to monitoring decisions on important matters relating to basic management policies such as the medium-term management plan and the management policy and to the state of business execution. In fiscal year 2024, the Board of Directors held 22 meetings.

(3) The Nominating Committee consists of three directors (two outside directors and one internal director), the chair of which is an outside director. In light of the criteria for nominating directors, the Nominating Committee decides the content etc. of proposals for election and dismissal of directors to be submitted to the General Meeting of Shareholders. In electing outside director candidates, after full consideration is given to their neutrality and independence, the Company will prepare the Skill Matrix, which enables the supervisory function of the Board of Directors to be executed from diverse viewpoints, so that candidates are selected to attain a well-balanced composition of the Board of Directors. In electing and dismissing the Chief Executive Officer, the Nominating Committee also gives advance consideration to candidates before submitting a proposal of candidates to the Board of Directors. Additionally, the Nominating Committee supervises and provides advice on the selection and development of successors to the Chief Executive Officer, which is one of the important missions of the Nominating Committee. In fiscal year 2024, the Nominating Committee held eight meetings in which director candidate proposals, the Chief Executive Officer candidate proposals, and the development of successor candidates thereto were considered and discussed.

It should be noted that as of June 24, 2025, the Nominating Committee consists of three outside directors.

(4) The Compensation Committee consists of three directors (two outside directors and one internal director), the chair of which is an outside director. The committee decides policies relating to making decisions on compensation for directors and executive officers on an individual basis, and individual compensation etc. To incentivize directors and executive officers to bolster the Company group's business results and contribute to enhancing shareholder value, the criteria for determining compensation are decided in consideration of each executive's responsibilities based on factors such as rank and executive duties, the Company's business results, the management environment and social norms. In fiscal year 2024, the Compensation Committee held nine meetings through which the compensation structure of directors and executive officers, the objectives for executive officers, and the method for setting objectives for executive officers were improved.

It should be noted that as of June 24, 2025, the Compensation Committee consists of three outside directors.

(5) The Audit Committee consists of four directors (three outside directors and one internal director), the chair of which is an outside director. The committee decides matters relating to the basic audit policy and audit plans, and the content of proposals of election and dismissal of the Accounting Auditor and the proposal of not reappointing the Accounting Auditor to be submitted to the General Meeting of Shareholders. The committee also monitors each internal control system of the Company and its subsidiaries in order to ensure appropriate business affairs in the Eiken Group, and take other proper measures. The Audit Committee members attend the Board of Directors meetings and other important meetings to understand the state of business execution, in which they express their opinions as needed, and hold Joint Audit Meetings quarterly in which they receive reports from relevant departments to ensure the effectiveness of audits. In fiscal year 2024, the Audit Committee held six meetings, in which the committee confirmed that governance and risk management were functioning in an appropriate manner by receiving periodic reports from the Business Management Division, the Production Division, the quality control departments, and other departments in accordance with the Audit Committee Regulations, as well as through opinion exchange with the Chief Executive Officer and information exchange with the Accounting Auditor.



It should be noted that as of June 24, 2025, the Audit Committee consists of only four outside directors.

(6) Each officer's attendance at the Board of Directors meetings and committee meetings is disclosed in the convocation notice for the General Meeting of Shareholders.

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## 2. States of Internal Audit and Accounting Audit

### (1) State of Internal Audit

As the internal audit system, the Company has established the Internal Audit Department, which consists of five members, directly under the President & CEO. Persons in charge of audits conduct internal audits on conformity with various laws and regulations, internal rules etc. including evaluation of internal control of financial reports pursuant to the annual plan, provide recommendations on more efficient management and better operations, and verify the audited departments' response to matters to be improved. Regarding internal audits on environment and quality required by ISO standards, internal auditors qualified by the Company periodically conduct said audits.

### (2) State of Accounting Audit

#### a. Audit firm

Ernst & Young ShinNihon LLC

#### b. Certified public accountants in charge of executing audit work

Designated limited liability partner / Engagement partner Shigeru Sekiguchi

Designated limited liability partner / Engagement partner Saori Nakata

#### c. Composition of assistants engaging in audit work

Six certified public accountants and 13 others assist the Company with accounting audit work.

## 3. Liability Limitation Agreement

Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has executed agreements with seven directors (excluding those in the position of executive director etc.) to limit the damages set forth in Article 423, Paragraph 1 of said act. The maximum amount of damages under such agreements is limited to 10 million yen or the amount provided by laws and regulations, whichever is higher.

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

(1) To maintain separation of the executive and supervisory functions of management, and enable swift management decisions and business execution by executive officers.

(2) To strengthen the supervisory function of the Board of Directors and attain transparent and fair management by three committees (the Nominating Committee, the Compensation Committee and the Audit Committee).

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

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

	Supplementary Explanation
Early Posting of Notice of the General Meeting of Shareholders	The Company strives to send convocation notices early on so as to ensure sufficient time for shareholders to consider agenda items for the General Meetings of Shareholders. The Company sends convocation notices at least 15 days prior to the date of a General Meeting of Shareholders, and prior to the date of sending convocation notices, publishes the convocation notice on the Tokyo Stock Exchange's website, the Electronic Voting Platform and the Company's website.
Scheduling of the General Meeting of Shareholders on a Non-Peak Day	General Meetings of Shareholders are usually held so as to avoid days on which other companies hold shareholder meetings so that more shareholders can attend (the 87 <sup>th</sup> Annual General Meeting of Shareholders will be held on June 24 (Tuesday), 2025).
Electronic Exercise of Voting Rights	Voting rights can be exercised electromagnetically by accessing the voting website designated by the Company through a personal computer, smartphone etc.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	The Company has introduced the use of the Electronic Voting Platform and the exercise of voting rights via the Internet, and also sends Voting Forms by mail so that all shareholders, including shareholders who do not attend the General Meeting of Shareholders, can appropriately exercise their voting rights.
Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	The English version of a convocation notice (summary) is published on the Tokyo Stock Exchange's website, the Electronic Voting Platform and the Company's website concurrently with the Japanese version.

#### 2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	The Company has prepared, and published on its website, its disclosure policy. ( <a href="https://www.eiken.co.jp/en/ir/policy.html">https://www.eiken.co.jp/en/ir/policy.html</a> )	
Regular Investor Briefings held for Analysts and Institutional Investors	The Company holds a financial results explanatory meeting twice annually at the time of announcement of full-year results and the time of announcement of the second quarter results.	Held
Online Disclosure of IR Information	The Company's website has the "Investor Relations" page where financial statements, financial results presentation materials, annual securities reports, integrated reports, IR reports for individual investors and other materials are posted in Japanese and English. The "Investor Relations" page also posts financial results presentation videos, General Meeting of Shareholders-related documents, stock-related procedures, frequently asked questions and other information. ( <a href="https://www.eiken.co.jp/en/ir/">https://www.eiken.co.jp/en/ir/</a> )	
Establishment of Department and/or Placement of a Manager in Charge of IR	The Sustainability Promotion Department is in charge of IR.	

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

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	In the "EIKEN WAY", which is focused on its management philosophy, management vision and motto, the Company stipulates its position and responsibilities to its stakeholders (customers, shareholders, suppliers, supply destinations, partners, employees, society). The same is also set forth in the "Eiken Group Global Code of Conduct". ( <a href="https://www.eiken.co.jp/en/company/concept.html">https://www.eiken.co.jp/en/company/concept.html</a> )

Implementation of Environmental Preservation Activities and CSR Activities, etc.	In recognition that responding to sustainability-related issues is an important management concern, the Company is carrying out (environmental and social) activities to tackle a variety of social issues. Details of such activities are published for perusal on the Company's website and in integrated reports. ( <a href="https://www.eiken.co.jp/en/sustainability/">https://www.eiken.co.jp/en/sustainability/</a> )
Formulation of Policies, etc. on Provision of Information to Stakeholders	The Company has established the "Information Disclosure Regulations" under which as a basic policy, corporate information is disclosed promptly, accurately, and fairly to shareholders, investors, customers, society and other stakeholders. The Company has also prepared, and published on its website, its disclosure policy. ( <a href="https://www.eiken.co.jp/en/ir/policy.html">https://www.eiken.co.jp/en/ir/policy.html</a> )

## IV. Matters Concerning the Internal Control System

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

#### Matters necessary for the Audit Committee to execute its duties

(1) Matters relating to Company employees who assist with the duties of the Audit Committee

For the purpose of assisting with the duties of the Audit Committee, the Company shall establish the Secretariat of the Audit Committee, and the Internal Audit Department shall be in charge of the Secretariat's work.

(2) Matters relating to the independence from the Company's executive officers of Company employees who assist with the duties of the Audit Committee

In accordance with the internal rules ("Rules for Employees Who Assist with the Duties of the Audit Committee"), the Company shall ensure that employees belonging to the Internal Audit Department are independent from executive officers of the Company. Their transfer in/out shall be decided with the prior approval of the Audit Committee, and their performance evaluation and salaries shall not be treated unfavorably on the grounds that the employees perform their duties.

(3) Matters relating to ensuring the effectiveness of the Audit Committee's instructions given to Company employees who assist with the duties of the Audit Committee

The Company shall ensure that employees belonging to the Internal Audit Department are not unjustifiably restricted in performing their duties. If an employee belonging to the Internal Audit Department is unjustifiably restricted from within or outside the Company in performing his/her duties, said employee must inform the Audit Committee or an Audit Committee member predesignated by the Audit Committee to that effect, requiring said unjustifiable restriction to be eliminated.

(4) Systems for the directors, executive officers and employees of the Company to report to the Audit Committee of the Company, and systems for directors etc. and employees of the Company's subsidiaries, or for persons who have received reports from the foregoing, to report to the Audit Committee

The Company shall stipulate matters to be reported to the Audit Committee in the internal rules ("Rules for Reporting Information to the Audit Committee etc."), under which directors (excluding those who are Audit Committee members), executive officers and employees, and directors etc. and employees of the Company's subsidiaries, or persons who have received reports from the foregoing must report to the Audit Committee. The Audit Committee members shall attend the Board of Directors meetings and other important meetings of the Company to understand the state of business execution, and hold Joint Audit Meetings quarterly in which they receive reports from relevant departments. It should be noted that in order to disseminate compliance, the Company has in place internal and external whistleblowing hotlines.

(5) Systems for ensuring that persons who make a report to the Audit Committee are not treated unfavorably on the grounds that they made such report

The Audit Committee shall ensure that persons who made a report to the Audit Committee are not treated unfavorably on the grounds that they made such report.

(6) Matters relating to policies concerning advance payment or reimbursement of expenses arising from execution of duties by the Audit Committee members, and to the processing of other expenses or obligations arising from execution of such duties

If the Audit Committee seeks advice, investigation, appraisal or any other services from an attorney, certified public accountant or any other external professional for the purpose of audit, or if a claim is made for reimbursement of advance payment of a retainer etc. and expenses etc. arising after the fact or any other expenses, unless such expenses or obligations pertaining to said claim are deemed unnecessary for execution of such duties of the Audit Committee, the Company must pay such expenses or process such obligations.

(7) Other systems to ensure effective audits by the Audit Committee

The Audit Committee members shall attend Board of Directors meetings and other important meetings to understand the state of business execution, in which they will express their opinions as needed, and smoothly perform audit work. They shall confirm the effectiveness of audits through Joint Audit Meetings, and as necessary, cooperate with the Accounting Auditor.

#### Systems for ensuring that the execution of duties by executive officers conforms with laws and regulations and the articles of incorporation, and other systems necessary to ensure the appropriateness of business affairs

(1) Systems for retaining and managing information on execution of duties by executive officers of the Company

In accordance with the internal rules for information retention and management, the Company shall retain information on execution of duties by executive officers, meeting minutes and related documents, and any other important information and documents, and make them available for perusal as needed.

(2) Rules and any other systems for loss risk management of the Company and its subsidiaries

The Risk Management & Compliance Committee shall capture and manage loss risks ("Risk") in promoting business of the Company and its subsidiaries ("Company Group") in accordance with the "Eiken Group Risk Management Regulations" which systematically set forth the Company Group's Risk management. Pursuant to said regulations, the executive officer in charge of Risk management whose duty is to oversee company-wide Risks shall in an emergency convey information in a swift and appropriate manner and put in place an emergency response system.

(3) Systems for ensuring efficient execution of duties by the Company's executive officers and its subsidiaries' directors etc. Important matters pertaining to the Company Group's basic management policy shall be decided to be executed through deliberations by the Board of Directors of the Company. Business shall be executed swiftly and smoothly in accordance with the "Executive Officer Regulations" and the "Management Authority Regulations" and under the appropriate chain of command. A Board of Directors meeting shall be held monthly, and as needed and as appropriate, to monitor the efficiency of business execution on a continuous basis. The Company's subsidiaries shall also set in place rules for management authority, and efficiently execute business. The Audit Committee shall monitor each internal control system of the Company and its subsidiaries in order to ensure appropriate business affairs in the Eiken Group, and take other appropriate measures.

(4) Systems for reporting to the Company matters pertaining to execution of duties by directors, executive officers, members engaging in business execution etc. of the Company's subsidiaries  
The Company's executive officer in charge of the Company's subsidiaries shall respect the subsidiaries' autonomy and independence, and depending on the importance etc. of a subsidiary-related matter, report said matter to the Company's Chief Executive Officer.

(5) Systems for ensuring that the execution of duties by the Company's executive officers and employees, and its subsidiaries' directors etc. and employees, conforms with laws and regulations and the articles of incorporation  
The "Eiken Group Global Code of Conduct" and the "Eiken Group Compliance Regulations" shall be established as codes of conduct in accordance with which the Company's executive officers and employees, and its subsidiaries' directors etc. and employees comply with laws and regulations and the articles of incorporation, and act in conformity with social norms, and internal training shall be provided on a continuous basis so as to enhance their effectiveness together with the "Management Authority Regulations". The Risk Management & Compliance Committee shall be established at the Company and its subsidiaries, and the Risk Management & Compliance Promotion Subcommittee shall also be established under the foregoing as a working-level organization for each office. Through these committees, corporate ethics and compliance with laws and regulations shall be promoted, and legality and efficiency shall be monitored on a continuous basis by Internal Audit Department audits, the Risk Management & Compliance Committee, the Internal Audit Meeting and others.

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

The Company takes a strong stance against, and uncompromisingly confronts, anti-social forces and groups. Said basic approach is stipulated in the "Eiken Group Global Code of Conduct" which has been thoroughly communicated among directors, executive officers and employees so that they comply with said code. Setting up a department which responds to anti-social forces and groups, the Company strives to strengthen cooperation with the police, attorneys and other external specialized bodies, and appropriately respond as an organization.

## V. Other

### 1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
Supplementary Explanation for Applicable Items	
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### 2. Other Matters Concerning the Corporate Governance System

Overview of the system of timely disclosure

#### 1. Basic policy on timely disclosure

As a listed company, the Company is fully aware that the timely and appropriate disclosure of corporate information to shareholders and investors is fundamental to a sound financial instruments marketplace, and with its investors in mind, discloses corporate information promptly, accurately, and fairly. To customers, local communities and other stakeholders, for the purpose of enhancing the transparency of management and winning their understanding of the Company, the Company also discloses corporate information promptly, accurately, and fairly.

#### 2. System for disclosing information in a timely manner

The Company has set forth in the “Information Disclosure Regulations” the policy and system for timely and appropriate disclosure of important management-related information on the Company’s financial, social and environmental aspects, and the system for disclosure of the Company’s PR information.

(1) Corporate information (such as financial results and related information) which is required by securities exchange-related laws and regulations (such as the Financial Instruments and Exchange Act) to be disclosed in a timely manner, public notice under the Companies Act and other statutory information shall be approved by the President & CEO and the Board of Directors, and then, undergo disclosure procedures set forth by laws and regulations, and various rules. Subsequently, without delay, a press release to that effect shall be issued to the news media.

(2) Information (important decisions, important matters that have arisen) which is required by various rules of the securities exchange to be disclosed in a timely manner shall be approved by the President & CEO and, if necessary, the Board of Directors, and then, undergo disclosure procedures set forth by various rules of the securities exchange. Subsequently, without delay, a press release to that effect shall be issued to the news media.

(3) Other important information for which disclosure is determined to be necessary shall be approved by the President & CEO, and then disclosed in the manner decided by the executive officer in charge of business management.

(4) The Sustainability Promotion Department shall be responsible for the above press release to be issued to the news media. In principle, the Sustainability Promotion Department shall be the sole point of contact with the news media.

## Corporate Governance Structure

