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CORPORATE GOVERNANCE REPORT

Last updated: April 1, 2026

ALLIED TELESIS HOLDINGS K.K.

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(code:6835, TSE Standard Market)

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The state of corporate governance of ALLIED TELESIS HOLDINGS K.K. (“the Company”) and its group is as follows:

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

1. Basic Views

The Group considers the establishment of sound, transparent, and efficient management practices, and the continuous enhancement of corporate value, to be the foundation of its corporate governance, and positions corporate governance as one of its key management issues.

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

[Supplementary Principle 2-4-1: Approach to Ensuring Diversity and Policies for Human Resource Development and Improvement of the Internal Environment]

The Company currently has consolidated subsidiaries in 19 countries. Across the Group, a significant number of women, foreign nationals, and mid-career hires have been appointed to managerial positions, both in Japan and overseas, and the Company believes that workplace diversity is sufficiently ensured.

In addition, the Company has adopted a personnel evaluation system based on capabilities and performance, which promotes the appointment of managerial personnel from an objective perspective. For these reasons, the Company has not set voluntary or measurable numerical targets for the appointment of women, foreign nationals, or mid-career hires to managerial positions at this time.

The Company and its major domestic subsidiary within the Group have established a Diversity Promotion Office with the aim of fostering a corporate culture that respects diversity and enables all employees to perform to the best of their abilities. The Group is advancing comprehensive initiatives

to ensure diversity, including efforts to promote the active participation of women, and discloses information such as the ratio of women in managerial positions; however, no voluntary or measurable numerical targets have been established at present.

[Principle 3-1: Full Disclosure]

(iv) In the appointment and dismissal of senior management, the Board of Directors comprehensively considers the management capabilities, knowledge, experience, character, and other attributes required for the execution of their duties, and deliberates and determines the most appropriate individuals for each role.

Candidates for directors who are not Audit and Supervisory Committee members are nominated based on a comprehensive assessment of their management capabilities, knowledge, experience, character, and other attributes necessary for the performance of their duties.

Candidates for directors who are Audit and Supervisory Committee members are nominated with consideration given to whether they possess professional expertise, extensive experience and insight, and the qualities necessary to perform audits and supervision of management from an objective standpoint.

In each case, the suitability of candidates is deliberated and determined by the Board of Directors. While certain aspects of these matters are described in the Securities Report, the Company has not disclosed them as formal policies.

[Supplementary Principle 4-10-1: Use of Optional Approach]

The Company has adopted an Audit and Supervisory Committee structure. The Board of Directors consists of seven members: four directors who are not Audit and Supervisory Committee members and three directors who are Audit and Supervisory Committee members, of whom two are independent outside directors.

Accordingly, independent outside directors do not constitute a majority of the Board of Directors, and the Company has not established a Nomination Committee or a Compensation Committee at this time.

In the appointment and dismissal of senior management, the Board of Directors comprehensively considers the management capabilities, knowledge, experience, character, and other attributes required for the execution of their duties, and deliberates and determines the most appropriate individuals for each role. Candidates for directors who are not Audit and Supervisory Committee members are nominated based on a comprehensive assessment of such attributes, while candidates for directors who are Audit and Supervisory Committee members are nominated with consideration given to whether they possess professional expertise, extensive experience and insight, and the qualities necessary to audit and supervise management from an objective standpoint. In each case, the suitability of candidates is deliberated and determined by the Board of Directors.

With regard to the determination of directors' compensation, within the limits of the total compensation amounts for directors who are not Audit and Supervisory Committee members and those who are Audit and Supervisory Committee members as resolved by the General Meeting of Shareholders, compensation is determined based on the Company's performance, business environment, and other factors, and in accordance with each director's role, responsibilities, and performance.

For these reasons, the Company does not currently consider it necessary to establish a Nomination Committee or a Compensation Committee.

[Supplementary Principle 4-11-1: Ideas Regarding the Balance, Diversity and Size of the Board of Directors as a whole]

As described in Supplementary Principle 4-10-1, the Board of Directors consists of a total of seven members: four directors who are not Audit and Supervisory Committee members (including two foreign nationals, one of whom is female) and three directors who are Audit and Supervisory Committee members (including one foreign national), of whom two are independent outside directors.

Based on this composition, the Company believes that an appropriate balance of skills, diversity, and size has been achieved within the Board as a whole. While a skills matrix has not been prepared at this time, the Company recognizes this as a future issue to be addressed.

The Company's views on, as well as its policies and procedures for, the appointment and dismissal of directors are as described in Supplementary Principle 4-10-1: Use of Optional Approach.

[Supplementary Principle 4-11-3: Analysis and Evaluation of the Effectiveness of the Board of Directors' Meetings Overall]

Based on the content of discussions and the exchange of views at meetings of the Board of Directors, the Company believes that the Board is functioning effectively and that its effectiveness is being appropriately maintained.

With regard to the analysis and evaluation of the effectiveness of the Board of Directors and the disclosure of a summary of the results thereof, the Company will consider implementing such measures in the next period.

[Principle 5-2: Establishing and Disclosing Business Strategies and Business Plans]

The Company's management philosophy and management plan are disclosed on its website. (<https://ir.at-global.com/en/management01/>)

With regard to the cost of capital, although the Company has not disclosed specific numerical targets related to profitability or capital efficiency, it recognizes the cost of capital as one of its key management issues. The Company is currently discussing appropriate ways to allocate management resources, including the enhancement of shareholder returns. The Company will further consider disclosure of the cost of capital at an appropriate time, once it becomes possible to calculate it with a reasonable level of reliability.

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

[Principle 1-4: Cross-Shareholdings]

The Company does not currently hold any cross-shareholdings.

In the event that the Company acquires cross-shareholdings in the future for strategic business purposes other than pure investment, the exercise of voting rights will be determined comprehensively based on whether such actions contribute to the enhancement of the Company's corporate value, and will be handled appropriately.

[Principle 1-7: Related Party Transactions]

With respect to transactions between the Company and its directors, matters requiring approval by the Board of Directors are stipulated in the Board of Directors Regulations.

Details of such transactions are disclosed in the Securities Report and the financial statements.

[Supplementary Principle 2-4-1: Approach to Ensuring Diversity and Policies for Human Resource Development and Improvement of the Internal Environment]

The Group positions human resources as its most important management asset and is committed to recruiting a diverse workforce, developing systems to enhance work-life balance, and improving the workplace environment.

At present, the Group has not set voluntary or measurable numerical targets for the appointment of women, foreign nationals, or mid-career hires to managerial positions. The reasons for not establishing such targets are as described in Reasons for Non-compliance with the Principles of the Corporate Governance Code.

In addition, the Group encourages male employees to take childcare leave and has established target ratios for its uptake. By introducing flexible working arrangements and systems to support work-life balance, the Group strives to ensure diversity in work styles. Furthermore, through a wide range of human resource development programs tailored to different career levels and functions, the Group is fostering a rewarding and motivating workplace.

[Principle 2-6: Roles of Corporate Pension Funds as Asset Owners]

The Group has introduced a defined contribution pension plan (Japanese-style 401(k)). The Group does not have in place any fund-type or contract-type defined benefit pension plans, nor does it operate a Employees' Pension Fund, as assumed under the Corporate Governance Code.

[Principle 3-1: Full Disclosure]

(i) Since its establishment, the Group has contributed to the development of a comfortable, safe, and secure ICT society by providing optimal network solutions to customers, leveraging the track record, know-how, and advanced technological capabilities it has cultivated over the years.

Furthermore, from the current fiscal year, the Group has adopted a new corporate philosophy: "Guided by integrity, we build social infrastructure worldwide through advanced technologies"

Under this corporate philosophy, the Group will continue to expand its business globally and promote corporate management that places importance on responsibility and transparency, as required of a company supporting social infrastructure.

The Group's corporate philosophy and business activities are disclosed on the Company's website.

(ii) The basic approach to corporate governance and related matters are described in "I.1. Basic Views" of this Report.

(iii) Explanations of the policies and procedures for the Board of Directors' determination of compensation for senior management and directors are provided in the Notice of Convocation of the General Meeting of Shareholders and the Securities Report.

(iv) Explanations of the policies and procedures for the appointment and dismissal of senior management, as well as the nomination of director candidates by the Board of Directors, are as described in Reasons for Non-compliance with the Principles of the Corporate Governance Code.

(v) Explanations regarding the nomination of director candidates are provided in the Notice of Convocation of the General Meeting of Shareholders.

[Supplementary Principle 3-1-3: Initiatives for Sustainability]

(1) Initiatives for Sustainability

The Group aims to achieve sustainable value creation through corporate activities centered on advanced technologies and integrity. As a basic policy, the Group seeks to contribute to the sustainable development of society by utilizing its technological capabilities and creativity in the development of products and technologies that give due consideration to environmental conservation.

As part of these initiatives, the Group has obtained certification under the ISO 14001 environmental management system and is proactively engaged in continuous improvement with respect to the environment and the prevention of environmental pollution. In addition, the Group calculates greenhouse gas emissions arising from business activities across its entire supply chain, sets reduction targets, and promotes initiatives to manage and reduce CO₂ emissions while sharing relevant information with related stakeholders.

Furthermore, in order to fulfill its social responsibilities in procurement activities, the Group works in collaboration with its business partners to ensure transparency throughout the supply chain and promotes initiatives aimed at the elimination of conflict minerals*.

*Conflict minerals refer to minerals for which the extraction or trading of mineral resources serves as a source of funding for armed groups, thereby fueling conflicts, or is associated with human rights abuses.

(2) Investment in Human Capital

As described in Supplementary Principle 2-4-1.

(3) Investment in Intellectual Property

With regard to investment in intellectual property, the Group conducts regular deliberations and approvals on the maintenance and management of intellectual property through the Patent Review Committee. By appropriately managing intellectual property and protecting related rights, the Group is committed to enhancing its corporate value.

[Supplementary Principle 4-1-1: Scope of Delegation to the Management]

Matters to be submitted to the Board of Directors are specified in the Board of Directors Regulations, and an overview of such matters is disclosed in the Securities Report and other disclosure documents.

The scope of authority delegated to executive management is stipulated in internal regulations, including the Regulations on Division of Duties.

[Principle 4-9: Criteria for Independence of Outside Directors and Qualifications for Them]

The Company ensures that its independent directors meet the independence criteria established by the Tokyo Stock Exchange. In order to further enhance and strengthen its corporate governance framework, the Company appoints individuals who possess a high level of expertise and a broad range of experience.

[Supplementary Principle 4-10-1: Use of Optional Approach]

As described in Reasons for Non-compliance with the Principles of the Corporate Governance Code.

[Supplementary Principle 4-11-1: Ideas Regarding the Balance, Diversity and Size of the Board of Directors as a whole]

As described in Reasons for Non-compliance with the Principles of the Corporate Governance Code.

[Supplementary Principle 4-11-2: State of Concurrent Positions Held by Directors]

The Company limits the number of concurrent directorships held by its directors to a small number of companies. Details of such concurrent positions are disclosed in the Notice of Convocation of the General Meeting of Shareholders and the Securities Report.

[Supplementary Principle 4-11-3: Analysis and Evaluation of the Effectiveness of the Board of Directors' Meetings Overall]

As described in Reasons for Non-compliance with the Principles of the Corporate Governance Code.

[Supplementary Principle 4-14-2: Policy for Training of Directors]

Upon appointment, the Company provides directors with opportunities to acquire sufficient knowledge of the Company's business, financial condition, and organizational structure, and to fully understand the roles and responsibilities required of them. Following their appointment, directors attend important internal meetings in order to gain an understanding of the Company's management strategies and business plans.

In addition, with respect to the knowledge and roles required of directors, each director endeavors to engage in continuous self-improvement by participating in internal and external seminars and other training programs, as necessary.

[Principle 5-1: Policy for Constructive Dialogue with Shareholders]

As stated in the Medium-Term Management Plan, the Company places importance on sincere and constructive communication with investors and shareholders. Specifically, the Company discloses earnings supplementary materials and other relevant information in a timely manner in both Japanese and English, and actively conducts investor relations (IR) activities, including responding to inquiries from domestic and overseas investors and shareholders through its IR website, as well as handling media interviews.

2. Capital Structure

Foreign Shareholding Ratio	More than 30%
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[Status of Major Shareholders]

Name	Number of Shares Owned	Percentage (%)
OSHIMA GENERAL HOLDINGS NO.1, LLC	47,660,000	45.39
Tachibana Securities Co., Ltd.	6,761,100	6.44
Naoyuki Yokoyama	1,512,200	1.44
UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	960,046	0.91
JPMorgan Securities Japan Co., Ltd.	798,198	0.76
Nomura Securities Co., Ltd.	784,504	0.75
BOFAS INC SEGREGATION ACCOUNT	634,400	0.60
Allied Telesis Holdings Employee Stock Ownership Plan	551,900	0.53
Rakuten Securities, Inc. Shared Account	545,615	0.52
Yoshiyuki Fukunaga	520,600	0.50

Controlling shareholders (except for Parent Company)	None
Parent Company	None

Supplementary Explanation

None

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange, Standard
Fiscal Year-End	December
Type of Business	Electrical Equipment
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1,000
Sales (Consolidated) as of the End of the Previous Fiscal Year	From ¥10 billion to less than ¥100 billion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 10 to Less than 50

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

None

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

None

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

1. Organizational Composition and Operation

Organization Form	Company with an Audit & Supervisory Committee
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[Directors]

Maximum Number of directors Stipulated in Articles of Incorporation	13
Term of Office Stipulated in Articles of Incorporation	1 years
Chairperson of the Board	President
Number of directors	7
Appointment of outside directors	Appointed
Number of Outside Directors	2
Number of Independent Directors	2

Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company ^(*)											
		a	b	c	d	e	f	g	h	i	j	k	
Takashi Inoue	Certified Public Accountant												
Kazuaki Ishimoto	Tax Accountant												△

*Items for selection with respect to the relationship with the Company

*If the relevant persons themselves come under the items “currently/recently,” enter a circle (○), and if “in the past” applies, enter a triangle (△).

*If the relatives come under the items “currently/recently,” enter a filled-in circle (●), and if “in the past” applies, enter a filled-in triangle (▲).

a. The persons who execute the business of a listed company or its subsidiaries

b. The persons who execute the business or the non-executive director of the parent company of a

listed company

- c. The persons who execute the business of a sister company of a listed company
- d. The entities whose main clients include a listed company or the persons who execute the business of the said entity
- e. The main clients of a listed company or the persons who execute the business of the said clients
- f. Consultants, accountants and legal experts who receive a large amount of money and other properties in addition to remuneration for officers from a listed company
- g. Major shareholders of a listed company (if the major shareholders are a corporation, the persons who execute the business of the said corporation)
- h. The persons (themselves only) who execute the business of clients (that do not come under d, e or f above) of a listed company
- i. The persons (themselves only) who execute the business of an entity to which outside officers are mutually dispatched
- j. The persons (themselves only) who execute the business of an entity to which a listed company provides donations
- k. Others

Outside Directors' Relationship with the Company (2)

Name	Audit and Supervisory Committee	Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Takashi Inoue	○	○	—	<p>Mr. Takashi Inoue has been appointed as an Outside Director who is a member of the Audit and Supervisory Committee. Leveraging his professional expertise as a Certified Public Accountant, he appropriately and effectively performs auditing and supervisory functions over the execution of business.</p> <p>In addition, as he does not fall under any of the categories from items (a) through (k) of “Outside Directors’ Relationship with the Company (1)” above and there is no concern regarding conflicts of interest with general shareholders, he has been designated and notified as an independent director.</p>
Kazuaki Ishimoto	○	○	<p>Mr. Kazuaki Ishimoto served as an Outside Audit and Supervisory Board Member of the Company from 1995 to 2016, during which time the Company operated under an Audit and Supervisory Board system</p>	<p>Mr. Kazuaki Ishimoto has been appointed as an Outside Director who is a member of the Audit and Supervisory Committee. He possesses professional knowledge and experience as a licensed tax accountant and, having previously served as an outside Audit and Supervisory board member of the Company, is well acquainted with the Company’s business.</p> <p>Mr. Ishimoto was previously appointed as an independent director of the Company and meets the requirements for an independent director as stipulated by the Tokyo Stock Exchange. As there is no risk of conflicts of interest with general shareholders, he has been designated and notified as an independent director.</p>

[Audit and Supervisory Committee]

Committees Composition and Attributes of the Chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Committee Chair
Audit and Supervisory Committee	3	0	1	2	Outside Directors

Appointment of Directors and/or Employees to Support the Audit and Supervisory Committee	Appointed
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Matters Concerning the Independence of the Relevant Director and Employees from Executive Directors

Matters are handled as appropriate by the General Affairs Department, working in coordination with relevant departments.

Cooperation among Audit and Supervisory Committee, Accounting Auditors and Internal Audit Departments

The Audit and Supervisory Committee members attend important meetings in addition to meetings of the Board of Directors, and conduct audits of the execution of duties through activities such as reviewing important documents and receiving reports from directors and other officers.

In addition, the Audit and Supervisory Committee exchanges information and opinions with the independent accounting auditor as necessary, and endeavors to enhance the effectiveness of the audit function.

With regard to internal audits, the internal audit department conducts internal audits, including audits of internal controls over financial reporting of the Group, based on an annual audit plan. The effectiveness of internal audits is further enhanced through consultations, as necessary, with the Audit and Supervisory Committee and the independent accounting auditor.

[Voluntary Committee]

Whether there is any voluntary committee equivalent to the Nomination or Remuneration Committee	None
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[Independent Directors]

Number of Independent Directors	2
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[Other Matters Concerning Independent Directors]

None

[Incentives]

State of Implementation of Measures for Grant of Incentives to Directors	Introduction of a Stock Option Plan
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Supplementary Explanation

The purpose of this plan is to enhance motivation and leadership toward improving the Group's performance and increasing its corporate value, as well as to foster a stronger sense of participation in management by incorporating the perspective of shareholders.

Grantees of Stock Options	Internal Directors, Outside Directors, Employees, Employees and Directors of the Company's group Companies
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Supplementary Explanation

The plan is positioned as a means of enhancing motivation and leadership toward improving the Group's performance and increasing its corporate value, as well as remuneration for the execution of duties.

[Directors Remuneration]

Disclosure of Individual Directors' Remuneration	Partially disclosed
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Supplementary Explanation

Directors' compensation and other remuneration are disclosed as aggregate amounts by category of director. In addition, individual disclosure is provided for any director whose total remuneration exceeds ¥100 million.

Policy on Determining Remuneration Amounts and Calculation Methods	Established
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Supplementary Explanation

With respect to the amounts of directors' compensation and other remuneration, such amounts are determined within the limits of the total compensation amounts for each category of director approved by resolution of the General Meeting of Shareholders, after comprehensively taking into consideration factors such as the Company's performance, the level of responsibility for management, and compensation for the execution of duties.

[Supporting System for Outside Directors]

Matters are handled as appropriate by the General Affairs Department, working in coordination with relevant departments.

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

(Board of Directors)

As of the date of submission, the Board of Directors consists of a total of seven directors: four directors who are not Audit and Supervisory Committee members and three directors who are Audit and Supervisory Committee members, of whom two are independent outside directors.

The Board of Directors makes decisions on matters stipulated by laws and regulations or the Articles of Incorporation, as well as other important management matters, and supervises the execution of duties by directors. In principle, meetings of the Board of Directors are held once a month. In addition, as necessary, information sharing and exchanges of opinions are conducted through means such as electronic mail.

The Company also utilizes resolutions deemed to have been adopted by the Board of Directors pursuant to Article 370 of the Companies Act and the provisions of the Articles of Incorporation, thereby aiming to enable prompt decision-making and improve operational efficiency.

(Audit and Supervisory Committee)

As of the date of submission, the Audit and Supervisory Committee consists of three directors who are Audit and Supervisory Committee members, of whom two are independent outside directors.

The Audit and Supervisory Committee, in principle, convenes once a month, and also holds extraordinary meetings as necessary. In accordance with laws and regulations, the Articles of Incorporation, and the audit plan established by the Audit and Supervisory Committee, its members attend meetings of the Board of Directors and other important meetings.

In addition, the Committee conducts on-site inspections at major business locations of the Company and its group companies, and carries out audits and supervision of management in cooperation with the internal audit department and the accounting auditor.

(Functions Related to Nomination and Remuneration Decisions)

The Company's Board of Directors consists of a total of seven directors: four directors who are not Audit and Supervisory Committee members and three directors who are Audit and Supervisory Committee members, of whom two are independent outside directors.

Audit and Supervisory Committee members oversee the legality and appropriateness of directors' execution of duties from an independent and objective standpoint, and the Representative Director takes such opinions into consideration. Accordingly, the Company believes that the Board of Directors maintains sufficient independence and objectivity, and therefore has not established advisory committees such as a Nomination Committee or a Compensation Committee at this time.

3. Reasons for Adoption of Current Corporate Governance System

Based on the resolution adopted at the 32nd Annual General Meeting of Shareholders held on March 28, 2019, the Company transitioned from a company with an Audit & Supervisory Board to a company with an Audit and Supervisory Committee.

This transition was implemented with the aim of further enhancing corporate governance by strengthening the supervisory function of the Board of Directors, while also enabling prompt decision-making and improving management efficiency through the delegation of authority to directors responsible for the execution of business.

III. Implementation of Measures for Shareholders and Other Stakeholders

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

	Supplementary Explanation
Electronic Exercise of Voting Rights	Shareholders may exercise their voting rights by electronic means.

Use of electronic voting platform and other system improvement initiatives for exercise of voting rights by institutional investors	Beginning with the 39th Annual General Meeting of Shareholders held on March 27, 2026, the Company has participated in the electronic voting platform for institutional investors operated by ICJ, Inc.
Providing Convocation Notice in English	Through the disclosure of the English version of the summary of the Notice of Convocation, the Company endeavors to ensure that information is effectively communicated to foreign shareholders.
Others	The Company has implemented the use of visualized (video-based) business reports.

2. IR Activities

	Supplementary Information	Presentation of the Company's representative
Preparation and Publication of the disclosure policy	The Company has established a disclosure policy and makes it publicly available on its website.	
Regular Investor Briefings for Analysts and Institutional Investors	The Company had previously held earnings briefings for institutional investors and analysts led by the Representative Director twice a year; however, such briefings have been suspended since the outbreak of the COVID-19 pandemic. At present, taking into comprehensive consideration factors such as the expected number and attributes of participants and the effectiveness of such events, the Company has decided not to resume these briefings. As an alternative, the Company discloses earnings supplementary materials on its website.	None
Posting of IR Materials on Website	In addition to timely disclosure materials, the Company publishes news releases, earnings presentation materials, and other related information on its website.	
Establishment of Department and/or Manager in Charge of IR	The Company has established an Investor Relations Department.	
Others	Through an email distribution service, the Company delivers timely information to registered subscribers, including business performance summaries, the latest news, and other relevant topics.	

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Stipulation of Internal Rules for Respecting the Position of Stakeholders	<p>The Group has established a Code of Corporate Ethics as its code of conduct and strives to act with integrity and social conscience, complying with the laws and regulations of each country. From a global perspective, the Group endeavors to maintain harmony with the international community and to provide products and services that contribute to the lives of local communities and stakeholders. In corporate management, recognizing the importance of value co-creation not only with shareholders but also with a wide range of stakeholders, including customers, business partners, creditors, employees, and local communities, the Group is committed to appropriate collaboration with multiple stakeholders. The “Multi-Stakeholder Policy” is disclosed on the website of Allied Telesis K.K.</p>
Implementation of environment conservation activities, CSR activities, etc.	<p>Based on the belief that “recognizing the importance of global environmental conservation and utilizing our technological capabilities and creativity in the development of environmentally conscious products and technologies will contribute to the sustainable development of society,” the Group engages in activities to protect the global environment.</p> <p>Furthermore, in order to preserve rich natural environments for future generations across the Group, the Company undertakes the following corporate initiatives.</p> <p>< ISO 14001 Certification ></p> <p>The Company and its domestic subsidiaries, as well as its manufacturing sites in Singapore and China, have obtained certification under ISO 14001, the international standard for environmental management systems.</p> <p>< Greenhouse Gas Emissions across the Supply Chain ></p> <p>The Group calculates greenhouse gas emissions not only from its own operations but also from business activities across its entire supply chain, and has set reduction targets. Based on these calculation results, the Group promotes CO₂ emission management and reduction initiatives throughout the entire supply chain while sharing information with relevant stakeholders.</p> <p>< Green Procurement Activities ></p> <p>In order to promote the procurement of products, components, and raw materials with lower environmental impact, the Group has added environmental criteria to its conventional procurement considerations of quality, cost, delivery, and service.</p> <p>< Environmentally Conscious Product Development ></p> <p>Through the development of environmentally conscious products, the Group works to address global environmental issues, including reducing the use of hazardous substances that impose a burden on the global environment.</p>

	<p>< “Fun to Share” Initiative ></p> <p>The Group supports the “Fun to Share” initiative, which aims to widely share efforts toward environmental sustainability in order to realize a low-carbon society.</p> <p>< Initiatives Regarding Conflict Minerals ></p> <p>The Group is promoting initiatives aimed at ensuring supply chain transparency and eliminating the use of conflict minerals.</p>
Development of Policies on Information Provision to Stakeholder	The Company has established a disclosure policy and makes it available on its website (Japanese language only).

IV. Matters Related to the Internal Control System

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

The Company has established the following Basic Policy for the Development of the Internal Control System in accordance with the Companies Act and the Enforcement Regulations of the Companies Act, and is working to develop and strengthen its internal control system.

(Basic Policy for the Development of the Internal Control System)

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

Regulations relating to the compliance framework, including the “Code of Corporate Ethics,” are established as a code of conduct to ensure that all officers and employees act in compliance with laws and regulations, the Articles of Incorporation, and social norms.

Under this policy, education and other initiatives for officers and employees are conducted under the leadership of the Legal Department to ensure thorough compliance. The internal audit department, under the direction of the Representative Director, audits the status of compliance and reports the results on a regular basis.

In addition, the Company has established and operates a compliance hotline as a means for employees to directly provide information regarding acts suspected of violating laws or regulations. Furthermore, an Integrated Compliance Committee has been established with the purpose of proposing necessary measures for evaluating the operation of the compliance framework across the entire Group and for maintaining, improving, and strengthening its effectiveness.

- (b) System for the preservation and management of information relating to the execution of duties by directors

In accordance with the “Document Management Regulations,” information relating to the execution of duties by directors is recorded in documents or electronic media (hereinafter referred to as “documents”) and is properly preserved and managed.

Directors who are not Audit and Supervisory Committee members and directors who are Audit and Supervisory Committee members are entitled, pursuant to the “Document Management Regulations,” to inspect these documents at any time.

- (c) Regulations and other systems for managing the risk of loss

With respect to risks relating to quality, compliance, information security, disasters, and export/import control, the relevant departments establish various rules and conduct training and other initiatives.

Organization-wide monitoring of risk conditions and company-wide responses are carried out primarily by the Integrated Compliance Committee. In the event that any new material risks arise, a director in charge is appointed and prompt action is taken to address such risks.

(d) System to ensure the efficient execution of duties by directors

The Board of Directors establishes company-wide objectives to be shared by all officers and employees. Directors responsible for business operations set specific objectives for each department and determine efficient methods for achieving such objectives based on the Regulations on Authority and Responsibility.

Directors responsible for business operations report the status of progress to the Board of Directors on a regular basis, and the Board of Directors reviews such reports and encourages improvements as necessary.

(e) System to ensure the appropriateness of operations within the corporate group consisting of the Company and its subsidiaries

Directors in charge are appointed for each business segment of the Group, and are granted the authority and responsibility to establish compliance and risk management frameworks.

This includes providing guidance to directors of subsidiaries regarding the development of systems for the preservation and management of information related to the execution of directors' duties. The General Affairs Department promotes and manages these initiatives on a cross-organizational basis.

(f) System for reporting important matters related to the execution of duties by directors and other officers of subsidiaries to the Company, and for ensuring the efficient execution of duties

In accordance with the "Group Management Regulations" established by the Company, the Board of Directors regularly receives reports on subsidiaries' business performance, financial condition, important personnel matters, and other important information, and conducts risk management in response to such circumstances.

In addition, the Company develops internal systems to ensure the efficiency of business operations.

(g) System concerning employees who assist the Audit and Supervisory Committee in the performance of its duties, matters relating to the independence of such employees from directors, and the effectiveness of instructions given to such employees

The Company does not appoint any dedicated employees to assist the Audit and Supervisory Committee. However, when deemed necessary, the Audit and Supervisory Committee may, with the consent of the General Manager of the General Affairs Department, instruct employees belonging to the General Affairs Department to perform matters necessary for audit activities.

Such employees shall not be subject to the direction or orders of directors or the General Manager of the General Affairs Department with respect to such instructions. Matters relating to the personnel evaluation and disciplinary actions of such employees require the prior consent of the Audit and Supervisory Committee.

(h) System for reporting to the Audit and Supervisory Committee by directors, employees, and others of the Company and its subsidiaries, and other reporting systems to the Audit and Supervisory Committee

Directors (excluding directors who are Audit and Supervisory Committee members) and employees of the Company and its subsidiaries shall promptly report to the Audit and Supervisory Committee matters stipulated by laws and regulations (including Article 357 of the Companies Act), as well as

matters that have a material impact on the Company as a whole, the status of internal audits, and the status of reports made through the compliance hotline.

Methods of reporting shall be determined through discussions between directors (excluding Audit and Supervisory Committee members) and the Audit and Supervisory Committee.

- (i) System to ensure that persons who make reports do not receive unfavorable treatment as a result of making such reports

The Company prohibits any unfavorable treatment of persons who have made reports to the Audit and Supervisory Committee pursuant to the preceding item, on the grounds that such reports have been made.

- (j) Policies concerning the handling of expenses or liabilities incurred in the execution of duties by Audit and Supervisory Committee members

When an Audit and Supervisory Committee member requests advance payment of expenses or reimbursement of liabilities from the Company pursuant to Article 399-2, paragraph (4) of the Companies Act in connection with the execution of his or her duties, the Company shall promptly handle such expenses or liabilities, unless it is determined that they are not necessary for the execution of the duties of such Audit and Supervisory Committee member.

- (k) Other systems to ensure the effective conduct of audits by the Audit and Supervisory Committee

The Company establishes regular meetings for the exchange of opinions between the Audit and Supervisory Committee and the Representative Director, directors responsible for business operations, and other relevant parties.

In addition, the Audit and Supervisory Committee receives explanations from the accounting auditor as necessary and works to strengthen cooperation through the exchange of information and other means.

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

In its Code of Corporate Ethics, the Group clearly states that it will not support any activities of antisocial forces or organizations that threaten the order or safety of civil society, and that it will deal with such forces with a resolute attitude.

In addition, led by the General Affairs Department, the Group cooperates with external organizations such as the police and legal counsel, and endeavors to collect relevant information.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
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Supplementary Explanation

The Company has not adopted any specific takeover defense measures. However, with respect to large-scale purchases of shares or similar actions that do not contribute to the enhancement of the Company's corporate value or the common interests of shareholders, the Company will take appropriate measures in accordance with applicable laws and regulations.

2. Other Matters Concerning to Corporate Governance System

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

1. Policy on Timely Disclosure

Through its investor relations (IR) activities, the Company seeks to disclose management information, including financial information and business activities, in a fair and equitable manner, and endeavors to help shareholders and investors gain a deeper understanding of the Company's business operations and management policies.

(a) Standards for Information Disclosure

The Company conducts information disclosure in accordance with the Financial Instruments and Exchange Act, other applicable laws and regulations, and the timely disclosure rules established by the stock exchange on which the Company's securities are listed.

In addition, even if certain information does not fall under items required to be disclosed pursuant to the timely disclosure rules, the Company endeavors to disclose such information promptly and fairly when it involves decisions, events, or financial results that may influence investment decisions, or when the Company deems it desirable to communicate information regarding products, technologies, services, or other matters to stakeholders.

(b) Methods of Information Disclosure

Information subject to the timely disclosure rules is disclosed through TDnet, the system provided by the Tokyo Stock Exchange. In addition, including information beyond such requirements, the Company endeavors to provide broad and fair disclosure to a wide range of stakeholders through various means, including press releases, postings on its website, and inclusion in financial documents such as earnings presentation materials.

(c) Quiet Period

In order to prevent the leakage of financial results information and to ensure fairness, the Company observes a "quiet period" from the day following the end of each fiscal period until the date of the earnings announcement. During this period, the Company refrains from responding to inquiries or providing comments concerning financial results.

2. Internal System for Timely Disclosure

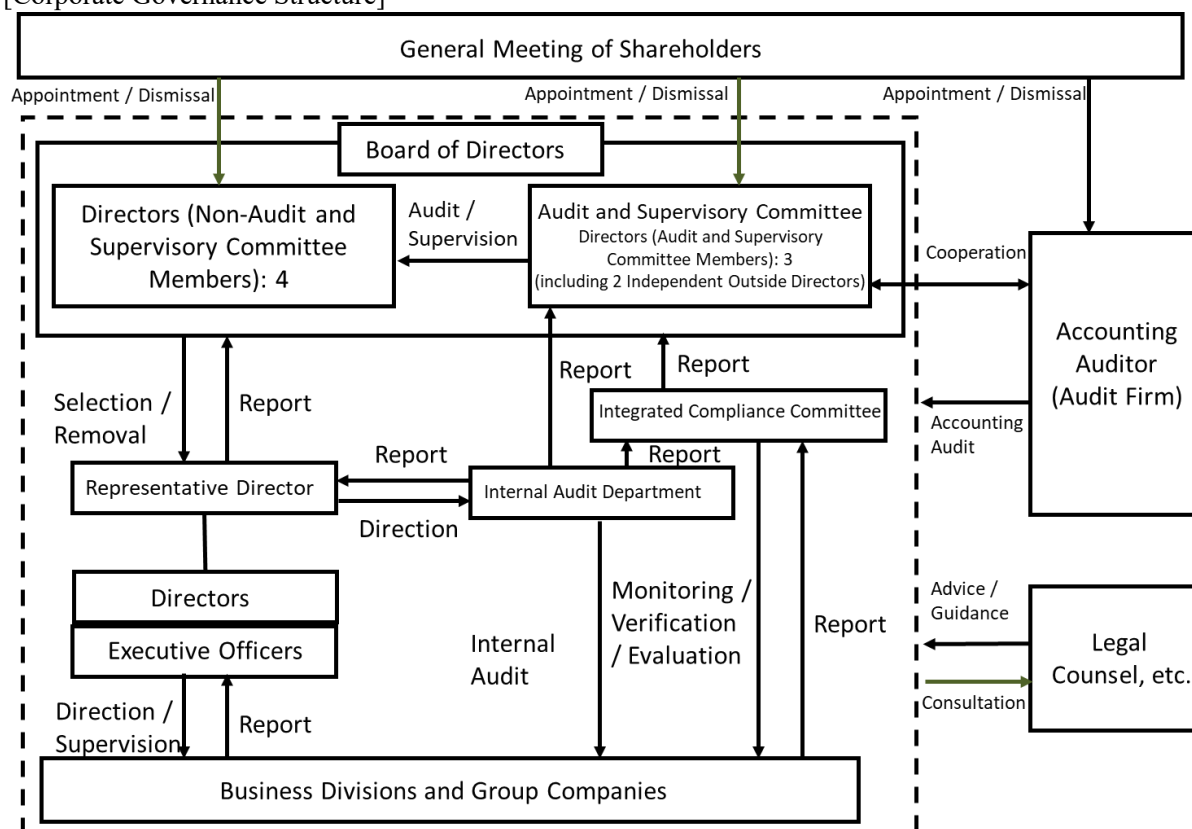
Under the supervision of the Information Handling Officer, the Investor Relations Department serves as the department responsible for information disclosure, including timely disclosure, and carries out the related administrative procedures.

With regard to disclosure procedures, based on information received from the department in charge, the disclosure department and relevant departments verify the accuracy and appropriateness of the content. Information deemed to require timely disclosure is disclosed by the disclosure department after deliberation and resolution by the Board of Directors or other relevant bodies. As necessary, the disclosure department conducts prior consultations with the Tokyo Stock Exchange and, in cooperation with relevant departments, seeks opinions from external advisors such as legal counsel and lead managing securities firms, in order to ensure accurate and fair disclosure.

For urgent disclosures relating to material events, after reporting to the Representative Director, the content is reviewed by the relevant department responsible for the matter and the executive officers, and the disclosure department promptly makes the disclosure. Subsequently, the head of the department responsible for the matter reports the details to the Board of Directors.

Disclosure is made promptly after the conclusion of Board of Directors meetings through TDnet. At the same time, the disclosed documents are posted on the Company’s website, distributed to investors and other parties via email, and, as necessary, communicated to media organizations, thereby ensuring proactive and comprehensive disclosure.

[Corporate Governance Structure]



[Outline of Timely Disclosure System]

