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Menicon Co., Ltd.
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The corporate governance of Menicon Co., Ltd. (the "Company") is described below.

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

1. Basic Views

One of the basic policies of the Company is to carry out its corporate activities with the aim of being a company that is respected and loved by all stakeholders, including shareholders, investors, customers and employees. To achieve that, the Company has positioned earning the trust of stakeholders and fair and transparent sound corporate management as important issues and the Company is working to realize good corporate governance. The Company is working to realize good corporate governance based on the following basic principles.

1. The Company shall respect the rights of shareholders and ensure equal treatment of shareholders.
2. The Company shall take into consideration the interests of stakeholders including shareholders and cooperate with the stakeholders appropriately.
3. The Company shall disclose the Company information properly and ensure transparency.
4. The Board of Directors, mainly independent outside directors, shall effectively supervise management's execution of business with regard to the execution of business from an independent and objective standpoint.
5. The Company shall have constructive dialogue with shareholders who have an investment policy that matches the medium- to long-term interests of shareholders.

Disclosure Based on the Principles of the Corporate Governance Code

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

[Principle 1.4 Cross-Shareholdings]

＜Policy on Cross-Shareholdings＞

The Company holds shares as cross-shareholdings, only when there is a business alliance or other reasonable reason, and it is determined that holding the shares will increase the Company's corporate value.

＜Verification of Appropriateness of Holding Shares＞

Shareholdings are kept to the minimum necessary and verified for their effectiveness in increasing corporate value and economic rationality. This verification is conducted annually, and in principle, the Company reduces its holdings of shares whose significance is judged to be insufficient.

＜Exercise Voting Rights Policy＞

When exercising voting rights related to shares held by the Company, the Company makes a comprehensive judgment based on the purpose of the shares and their impact on the issuing company and the Company's corporate value, and exercises its voting rights appropriately.

[Principle 1.7 Related Party Transactions]

The Company stipulates that the necessity and the validity of any transaction terms must be considered and submitted to the Board of Directors for approval before beginning related party transactions, or before the beginning of every new fiscal year in the case of continuing preexisting related party transactions. The Company conducts a questionnaire survey for all executives of the Company and related companies to confirm the existence of related party transactions, and also has a system to monitor any related party transactions.

[Supplementary Principle 2.4.1 Ensuring Diversity in the Promotion to Core Human Resources]

<Ensuring Diversity>

Under “Vision 2030”, the Company’s Medium-term Management Plan, the Company aims to continue providing products and services tailored to diverse circumstances and life stages so that all people can experience happiness and well-being. Based on the belief that achieving this goal requires the active participation of a diverse workforce, the Company promotes diversity by recruiting, developing, and appointing core talent regardless of gender, nationality, or professional background. In terms of recruiting activities, the Company has broadened its hiring channels and increased the proportion of new graduates with overseas study experience in order to strengthen its capability to promote globalization. In addition, recognizing that securing stable production capacity is essential for business expansion, the Company is working to attract manufacturing engineers and production personnel by highlighting its strengths and appeal through one-day workplace experience programs. Meanwhile, in mid-career recruitment, the Company actively recruits highly skilled professionals who can make immediate contributions, particularly in AI, digital transformation (DX), and other fields that support strategic initiatives and productivity improvement, thereby promoting greater workforce diversity. As a result of these initiatives, diversity among the Company’s core talent has steadily increased. Going forward, the Company will continue its efforts to recruit, develop, and appoint core talent regardless of gender, nationality, or professional background, and will strive to further enhance diversity beyond its current level.

Please also refer to the Company’s website.

Sustainable Development Goals : https://www.menicon.com/corporate/social-contribution-and-sustainability

Menicon Report : https://www.menicon.com/corporate/investor-relations/integrated-report

<Policies for Human Resources Development and Internal Environment Development to Ensure Diversity, and its Status>

・In appointing core talent, the Company selects individuals who are suitable in terms of ability and motivation through a highly transparent and fair process, and provides them with approximately six months of training as future management candidates.

・The Company is implementing training aimed at improving the IT literacy of all employees in order to effectively utilize AI and other IT technologies for the purpose of improving productivity.

・The Company introduced a new evaluation system as part of its organizational culture reform aimed at encouraging employees to take on challenges and learn from failures. By evaluating not only results but also the challenges undertaken throughout the process, the Company is fostering an organizational culture that embraces challenge and tolerates failure.

・As an approach to organizational culture reform from a training perspective, the Company provides training to managers on the importance of creating an environment that encourages subordinates to offer ideas and suggestions. The Company also provides regular training on idea generation and implementation.

・The Company provides career development training programs that encourage employees to reflect on their careers to date and consider their future career paths. With participation particularly high among female employees, these programs support career development for employees regardless of gender.

・To create a workplace that is comfortable and supportive for all employees, the Company promotes the use of a flextime system, has expanded eligibility for telework arrangements, adopted office designs that facilitate communication, and implemented childcare and caregiving support measures that exceed statutory requirements, including shortened working hours for childcare and expanded entitlement to child nursing care leave and family care leave.

[Principle 2.6 Roles of Corporate Pension Funds as Asset Owners]

The Company doesn't have Corporate Pension Funds.

[Principle 3.1 Full Disclosure]

Its policy is to properly disclose company information and ensure transparency.

(1) Corporate and Management Principles

The information is posted on its website.

Management Principles: https://www.menicon.com/corporate/about/our-vision

As for management strategies and business plans based on its management philosophy, the Company has established the Medium-term Management Plan called "Vision 2030." As a milestone for achieving this, the Company has set targets of net sales of over JPY 140 billion, operating profit ratio of 12%, and return on equity (ROE) of 12% in the fiscal year ending March 31, 2028.

The information is posted on its website.

Medium-term Management Plan: https://www.menicon.com/corporate/investor-relations/medium-term-management-plan

(2) Corporate Governance Guidelines

The information is posted on its website and in this Report.

Corporate Governance: https://www.menicon.com/corporate/investor-relations/esg-information/corporate-governance-1

(3) Policies and Processes of Compensation for Directors and Executive Officers

Details are contained within this Report.

(4) Policies and Processes Concerning the Nomination, Appointment, and Dismissal of Directors and Executive Officers

1. The Company is the “Company with Nomination Committee, etc.”, the Nomination Committee determines the content of proposals regarding the appointment and dismissal of Directors to be submitted to the General Meeting of Shareholders. In addition, the Nomination Committee has the authority to formulate proposals on the appointment and dismissal of Executive Officers and submit them to the Board of Directors, determine the basic policies necessary for the execution of duties, and to establish or revise operational regulations and procedures, etc.

2. In the appointment, etc., of Directors and Executive Officers, the Company selects from the viewpoint of enhancing the Company’s social value and corporate governance, taking into consideration factors such as abilities and experience necessary for each role.

3. The Nomination Committee deliberates on the eligibility of Directors for election and dismissal, then they are appointed or dismissed at the General Meeting of Shareholders after deliberation by the Board of Directors. The majority of the Board of Directors shall be composed of Outside Directors who are independent and objective.

4. The Nomination Committee deliberates on the eligibility of Executive Officers for appointment and dismissal, then they are appointed or dismissed after deliberation by the Board of Directors.

5. The Nomination Committee deliberates on the eligibility of the selection of a Representative Executive Officer, and the Representative Executive Officer shall be selected from the Executive Officers after deliberation by the Board of Directors. The Nomination Committee also deliberates on dismissals, and implements dismissals after deliberation by the Board of Directors.

(5) Explanation on Nomination and Appointment When Nominating Directors and Executive Officers

Please refer to “II-1 [Outside Directors] Outside Directors’ Relationship with the Company (2)” for information on reasons for the appointment of outside directors. With respect to the appointment of inside Directors and Executive Officers, the Company makes judgments according to the policy described in (4) above taking into consideration individual work experience and knowledge. The personal careers of Directors and Executive Officers are disclosed in the annual securities report.

Annual Securities Report: https://www.menicon.co.jp/company/ir/securities.html * In Japanese only

[Supplementary Principle 3.1.3 Initiatives on Sustainability, etc.]

Under the Corporate Slogan of "Contributing to society by providing superior visual correction," the Company has been providing the joy of sight to its customers through products and services centered on the provision of visual correction through business. In Medium-term Management Plan of the Company “Vision 2030”, the Company sets forth its vision to continue to be regarded as an essential company by people around the world through its global social contribution and environmentally friendly corporate activities. The Company will continue its activities to achieve this goal.

<Initiatives on Sustainability>

The Company aims to achieve a sustainable society through harmonization of people, society, and the global environment and provision of products and services beneficial for society. The Sustainability Committee actively discusses sustainability issues, and in the fiscal year ended March 31,2023, the committee set "To achieve a healthy and spiritually rich society" as the goal of sustainability, and has also identified "Providing a lifestyle that stimulates the Five Senses," "Reducing the burden on the global environment," "Contributing to a Happy Society," and "Building a corporate infrastructure that will last 100 years" as new key issues. Within its business domains related to the five senses, the Company will provide products and services focused on safety and reliability, primarily through its Vision Care Business. It will also reduce its environmental impact through activities consider the global environment, and revitalize local communities by promoting art, culture, and sports through global social contribution initiatives. Through these efforts, the Company aims to create a society where everyone is full of smiles. In addition, the Company will build a sustainable corporate foundation necessary to realize these goals through corporate activities that pursue the safety, security, and trust of its customers, as well as by improving the workplace environment, fostering human resources, strengthening relationships with business partners, and respecting human rights.

Please refer to the corporate website for its sustainability initiatives.

Sustainable Development Goals: https://www.menicon.com/corporate/social-contribution-and-sustainability

Menicon Report: https://www.menicon.com/corporate/investor-relations/integrated-report

<Investment in Human Capital and Intellectual Capital, etc.>

With regard to human capital, the Company actively invests in human resources development based on the belief that the growth of each employee is the growth of the company. The Company provides training aimed at systematic acquisition of necessary abilities, self-reflection, and supporting growth at career milestones for its employees. The Company has also implemented a management development program to nurture future core human resources. In addition, the Company respects support for personal development, partially covering expenses related to personal development. From the perspective of employee retention, the Company has implemented an internal job posting system as part of its efforts to support the career development of its employees. As values regarding work become increasingly diverse, the company aims to assign personnel to positions where they can feel a greater sense of fulfillment in their work by engaging with each employee on an individual basis. In terms of remuneration, the Company will strive to maintain a stable foundation for its employees' livelihoods through wage increases that exceed the rate of inflation, and to retain talent by offering competitive remuneration levels.

With regard to intellectual capital, the Company is implementing an intellectual property strategy based on three pillars: building a foundation for business expansion, cultivating an environment where intellectual property can be generated, and promoting innovation, in order to contribute to solving social issues and maximizing corporate value through the active creation and utilization of intellectual property. In addition, the Company views brands as important assets for the maintenance and development of a company, and the Company is actively working on trademark rights and anti-counterfeiting measures to enhance brand value.

Details of its intellectual property strategy and other information can be found in the Menicon Report.

Menicon Report: https://www.menicon.com/corporate/investor-relations/integrated-report

<Disclosure under the TCFD or equivalent framework>

The Company is addressing issues related to climate change by establishing a governance structure under the supervision of the Board of Directors, with discussions and deliberations conducted by the Sustainability Committee. Since the fiscal year ended March 31, 2022, the Company has conducted scenario analyses to develop strategies aimed at enhancing its medium- to long-term resilience to climate change and has identified related risks and opportunities. The identified risks are managed in accordance with the Company's enterprise-wide risk management procedures. As key indicators, the Company calculates its Group-wide carbon dioxide emissions (Scope 1 and Scope 2) from the fiscal year ended March 31, 2021 onward, as well as upstream and downstream supply chain emissions (Scope 3) from the fiscal year ended March 31, 2022 onward. The Company established reduction targets for Scope 1 and Scope 2 greenhouse gas (GHG) emissions in the fiscal year ended March 31, 2025, and published its TNFD (Taskforce on Nature-related Financial Disclosures) disclosure on its website in the fiscal year ended March 31, 2026. Details of its climate change initiatives will be disclosed on the corporate website, and through Menicon Report and Annual Securities Report, etc.

Disclosure in Line with TCFD Recommendations:

https://www.menicon.com/corporate/social-contribution-and-sustainability/disclosure-in-line-with-tcfd-recommendations

Disclosure in Line with TNFD Recommendations: https://www.menicon.com/tnfd

Menicon Report: https://www.menicon.com/corporate/investor-relations/integrated-report

Annual Securities Report: https://www.menicon.co.jp/company/ir/securities.html * In Japanese only

The Company will continue to further develop its efforts against climate change by utilizing the TCFD framework and other measures to continuously improve its resilience, and the Company will also enhance the disclosure of information such as targets against the indicators.

[Supplementary Principle 4.1.1 Scope of delegation to management]

The Company is a "Company with Nominating Committee, etc.", and the Board of Directors delegates the authority to make decisions on business execution matters to Executive Officers, barring matters which are declared by laws and regulations to be exclusive to the Board of Directors in order to promote prompt decision making and efficient group management, thereby devoting itself to the supervisory functions of management.

[Principle 4.9 Independence Standards and Qualification for Independent Directors]

The Company appoints Independent Outside Directors in accordance with the independence standards set forth by Financial Instruments Exchanges.

[Supplementary Principle 4.10.1 Use of Optional Approach]

The Company is a "Company with Nominating Committee, etc.", and the majority of whose members are Independent Outside Directors. For detail, please see the following item "2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System)" of "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management".

[Supplementary Principle 4.11.1 Roles of the Board of Directors and Clarification of Delegation to Executive Management]

The Company is a "Company with Nominating Committee, etc.", and the Nominating Committee determines the content of proposals regarding the election of directors to be submitted to the General Meeting of Shareholders. Directors are elected in consideration of the balance of knowledge, experience, ability, diversity, and appropriate size of each director in accordance with his / her role and responsibilities necessary for achieving "Vision 2030" of the Medium-term Management Plan. The Company has appointed several Outside Directors who possess management experience at other companies.

Reasons for appointment and skill matrix are disclosed in the Notice of the General Meeting of Shareholders and Menicon Report, etc.

Notice of the General Meeting of Shareholders: https://www.menicon.co.jp/company/ir/meeting.html* In Japanese only

Menicon Report: https://www.menicon.com/corporate/investor-relations/integrated-report

[Supplementary Principle 4.11.2 Concurrent Holdings of Positions by Directors]

In order to ensure that Outside Directors can devote the time and effort necessary to properly fulfill their roles and responsibilities, the Company limits the number of positions that Outside Directors concurrently hold at other listed companies to a reasonable range. The status of major concurrent positions held by Directors is disclosed in the Notice of the General Meeting of Shareholders, Annual Securities Report, and other documents.

Notice of the General Meeting of Shareholders: https://www.menicon.co.jp/company/ir/meeting.html* In Japanese only

Annual Securities Report: https://www.menicon.co.jp/company/ir/securities.html * In Japanese only

[Supplementary Principle 4.11.3 Analysis and Evaluation of the Effectiveness of the Board of Directors as a Whole]

To enhance the effectiveness of the Board of Directors, the Company conducts an annual evaluation of the Board's effectiveness. To ensure greater objectivity, the evaluation for the fiscal year ended March 31, 2026 was conducted by an independent third-party organization based on questionnaires completed by all directors and interviews with selected directors.

Based on the analysis and evaluation conducted by the third-party organization, the Board of Directors was assessed as having a diverse range of expertise and an effective separation of execution and oversight functions, and the Board's overall effectiveness was confirmed. The evaluation identified three key priorities for further enhancing effectiveness: (i) redefining the ideal state, roles, and responsibilities of the Board of Directors, (ii) establishing a more structured Board Secretariat function, and (iii) enhancing the quality of discussions regarding nomination and compensation matters.

Going forward, the Company will continue its efforts to further enhance the effectiveness of Board operations by enriching discussions on medium- to long-term corporate value enhancement and capital policies, while strengthening the governance framework and organizational functions that support such discussions.

[Supplementary Principle 4.14.2 Training Policy for Directors and Audit and Supervisory Board Members]

Persons who can fulfill the roles and responsibilities required of each Director are appointed. In accordance with revisions to laws and regulations such as the Companies Act and changes in the business environment, the Company provides opportunities to participate in external seminars and other events to update the knowledge required of Directors and to promote their understanding of their roles and responsibilities.

[Principle 5.1 Policy for Constructive Dialogue with Shareholders]

The Company has formulated the following basic policy regarding structural enhancement and initiatives aimed to promote constructive dialogue with shareholders.

1. The Company has established the "Finance & IR Department." as a dedicated IR department within the Corporate Management Head Office in order to actively, fairly, impartially, and timely disclose information on its management and financial conditions to shareholders and investors and to promote IR activities that contribute to further enhancement of its corporate value.

2. The Company will respond to requests for dialogue from its shareholders and investors, taking into consideration the purpose, importance of the content, attributes, and other factors.

3. As an effort for non-individualized dialogue, the Company actively holds briefing sessions for institutional and individual investors.

4. As a tool for constructive dialogue, the Company sets up a website for shareholders and investors to disclose IR information, including information on quarterly financial results.

IR Information: https://www.menicon.com/corporate/ir/

5. Regarding the management of insider information in the dialogues with shareholders, the Company will ensure a strict control on information management through structural enhancement and internal education.

6. Opinions received from its shareholders and investors will be provided as feedback to the executive management and the Board of Directors.

7. The Company will strive to grasp its shareholder structure as necessary.

Actions to Achieve Cost of Capital and Stock Price Conscious Management

Contents	Disclosure of Initiatives (Updates)
Availability of English disclosure	Disclosured
Update date	June 29, 2026

[Explanation of Applicable Items]

Management Conscious of Cost of Capital and Stock Price

In its Medium-term Management Plan, the Company sets a target for ROE, an indicator of return on capital, in order to continuously increase corporate value. The Company uses ROE as one of the indicators for calculating executive compensation, and is working to achieve this goal with a consciousness of the cost of capital based on the capital asset pricing model. As a specific numerical target, the Company aims to achieve ROE of 12% in the fiscal year ending March 31, 2028. The Company monitors its equity ratio and Net DER as indicators of financial soundness and seeks to maintain an appropriate level of equity capital while ensuring financial stability.

In the fiscal year ended March 31, 2026, ROE was 6.6%, Equity Ratio was 48.5%, and net D/E ratio was 0.4. As a result, the Company maintained a sound financial position while generating a level of capital efficiency that exceeded its cost of capital. In addition, the Company has established ROIC as an internal management target and is striving to enhance medium- to long-term corporate value by strengthening its business foundation through growth investments while improving the profitability of invested capital. The Company will also work to review its business portfolio with the objective of improving capital efficiency in the future.

As part of its efforts to reduce the cost of capital, the Company is enhancing communication with shareholders and investors. To deepen investors' understanding of the Company's management strategy, current business situation, future growth potential, and the perspectives of management, the Company has increased opportunities for dialogue between management and investors by holding quarterly earnings briefings since the fiscal year ended March 31, 2025. In addition, the Company is enhancing its disclosure practices through initiatives such as publishing earnings briefing scripts and Databook.

Going forward, the Company will seek to enhance corporate value by achieving sustainable profit growth and improving returns on capital while maintaining a strong awareness of its cost of capital.

Please refer to the Company's Medium-term Management Plan for further details regarding these initiatives.

Medium-term Management Plan: https://www.menicon.com/corporate/ir/mid-term-management-plan

[Status of Dialogue with Shareholders, etc.]

・Main Respondents in Dialogue with Shareholders

Requests for dialogue with shareholders are coordinated by the department in charge of IR, and are basically carried out by the department in charge of IR. Depending on the content of the dialogue, Executive Officers and Directors may respond to the request.

・Summary of shareholders with whom dialogue was held

In the fiscal year ended March 31, 2026, the Company held a total of more than 200 meetings with domestic and international investors. These dialogues were held with a variety of personnel, including fund managers, analysts, ESG managers, and those in charge of exercising voting rights, regardless of their investment style. In addition, the Company held a briefing session for individual investors to deepen their understanding of its business.

・Main themes of the dialogue

(1) Market environment by region and its strategy

(2) Details of the current fiscal year's forecast and the probability of the forecast

(3) Medium-term Management Plan and growth strategies to achieve the plan

(4) ESG initiatives

・Feedback of shareholder opinions and other information to the Board of Directors

The content and status of dialogues with shareholders are reported to the Executive Officers as appropriate, and any content that should be considered and addressed for the purpose of sustainable growth and medium- to long-term improvement of corporate value is reported to the Board of Directors through the Executive Officers.

・Details of items incorporated based on the dialogue and subsequent feedback, if any.

The Company uses their comments on its business operations as a reference in formulating its management policies. The Company also uses their comments on ESG initiatives to help it promote its initiatives and improve its disclosure.

2. Capital Structure

Foreign Shareholding Ratio	20% or more and less than 30%

Status of Major Shareholders

Name or Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	8,721,700	11.67
Toyotomi Co, Ltd.	3,964,000	5.30
Goldman, Sachs & Co.REG	3,304,225	4.42
Custody Bank of Japan, Ltd. (Trust Account)	3,109,500	4.16
Hidenari Tanaka	2,517,000	3.36
Kazuko Tsukamoto	2,266,900	3.03
Nomura Trust and Banking Co., Ltd. (Trust Account 2052116)	2,000,000	2.67
Menicon Group Employee Shareholder Association	1,834,944	2.45
Mami Co., Ltd.	1,747,400	2.33
State Street Bank And Trust Company 505001	1,617,694	2.16

Name of Controlling Shareholder, if applicable (excluding Parent Company)	---
Name of Parent Company, if applicable	None

Supplementary Explanation

The status of major shareholders is as of March 31, 2026.

The above "Percentage" is calculated excluding treasury stock. Note that treasury stock does not include the Company's shares held by The Custody Bank of Japan, Ltd. (Trust Account) as trust assets for the Employee Stock Ownership Plan (Stock Benefit Trust).

3. Corporate Attributes

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

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

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

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

1. Organizational Composition and Operation

Corporate Governance System	Company with Nominating Committee, etc.

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 of Directors	Other Director
Number of Directors	8

Outside Directors

Number of Outside Directors	5
Number of Independent Directors	5

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Shingo Watanabe	CPA								△			
Katsuhiko Yanagawa	From another company											
Hiroko Terasaki	Academic											
Yumi Takeuchi	Lawyer											
Katsuhiko Masumoto	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.)

a. Executive of the Company or a subsidiary
b. Executive or a non-executive director of a parent company
c. Executive of a fellow subsidiary
d. Person/entity for which the Company is a major client or a Executive for such person/entity
e. Major client of the Company or a Executive for such client
f. Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets in addition to director/Audit and Supervisory Board Member compensation from the Company
g. Major shareholder of the Company (in cases where the shareholder is a corporation, a Executive of the corporation)
h. Executive for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to self only)
i. Executive for another company holding cross-directorships/cross-auditorships with the Company (applies to self only)
j. Executive for an entity receiving contributions from the Company (applies to self only)
k. Other

Outside Directors' Relationship with the Company (2)

Name	Membership of Committee			Designation as Independent Director	Supplementary Explanation of the Applicable Relationship	Reasons for Appointment
	Nomination Committee	Remuneration Committee	Audit Committee			
Shingo Watanabe			○	○	Retired from EY ShinNihon LLC, the Company's accounting auditor in June 2017.	Mr. Shingo Watanabe possesses extensive overseas experience as a certified public accountant and is well versed in international accounting. He also has a high degree of expertise in finance and accounting in general. The Company expects that, by leveraging these achievements and his abundant insight and experience, he will be able to perform objective supervision of the Company's management, and nominates him as an Outside Director. He meets all requirements for designation as an independent director under the rules of the Tokyo Stock Exchange. He has been judged to pose no risk of giving rise to a conflict of interest with general shareholders and has therefore been designated as an independent director. Shingo Watanabe Certified Public Accountant Office has no business relationship with the Company Group.
Katsuhiko Yanagawa	○		○	○	---	Mr. Katsuhiko Yanagawa possesses a high degree of expertise in corporate management and outstanding oversight capabilities. The Company expects that, by leveraging his abundant knowledge and experience especially with regard to corporate management and marketing in Asia and China, he will be able to perform objective supervision of the Company's management, and nominates him as an Outside Director. He meets all requirements for designation as an independent director under the rules of the Tokyo Stock Exchange. He has been judged to pose no risk of giving rise to a conflict of interest with general shareholders and has therefore been designated as an independent director.

Name	Membership of Committee			Designation as Independent Director	Supplementary Explanation of the Applicable Relationship	Reasons for Appointment
	Nomination Committee	Remuneration Committee	Audit Committee			
Hiroko Terasaki			○	○	---	Ms. Hiroko Terasaki is a medical doctor, a specialist and supervisor of the Japanese Ophthalmological Society, and has made achievement in the field of ophthalmology as a physician and researcher. She plays an important role as the president of various academic societies and contributes to the development of academic research. The Company expects that, by leveraging these achievements and her abundant insight and experience, she will be able to perform objective supervision of the Company's management, and nominates her as an Outside Director. She meets all requirements for designation as an independent director under the rules of the Tokyo Stock Exchange. She has been judged to pose no risk of giving rise to a conflict of interest with general shareholders and has therefore been designated as an independent director.
Yumi Takeuchi		○	○	○	---	Ms. Yumi Takeuchi possesses extensive experience and a high degree of expertise as an attorney in legal affairs in general. The Company expects that, by leveraging these achievements and her abundant knowledge and experience, she will be able to perform objective supervision of the Company's management, and nominates her as an Outside Director. She meets all requirements for designation as an independent director under the rules of the Tokyo Stock Exchange. She has been judged to pose no risk of giving rise to a conflict of interest with general shareholders and has therefore been designated as an independent director. KITOH & TAKEUCHI LPC. where she serves as Partner is not a client or supplier of the Company Group.

Name	Membership of Committee			Designation as Independent Director	Supplementary Explanation of the Applicable Relationship	Reasons for Appointment
	Nomination Committee	Remuneration Committee	Audit Committee			
Katsuhiko Masumoto	○		○	○	---	Mr. Katsuhiko Masumoto has extensive experience across a broad range of corporate functions, including finance, investor relations, human resources, and corporate communications, and has led corporate reforms. In addition, he has experience in multinational management and possesses strong capabilities in cross-cultural management and global communications. The Company expects that he will leverage this experience to perform objective supervision of the Company, and therefore nominates him as an Outside Director. He meets all requirements for designation as an independent director under the rules of the Tokyo Stock Exchange. He has been judged to pose no risk of giving rise to a conflict of interest with general shareholders and has therefore been designated as an independent director.

Committees

Composition of Committees and Attributes of the Chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Committee Chair
Nomination Committee	3	1	1	2	Outside Director
Remuneration Committee	3	1	1	2	Outside Director
Audit Committee	7	2	2	5	Outside Director

Executive Officers

Number of Executive Officers	6

Status of Additional Duties

Name	Representative Authority	Concurrent Duties as Director			Concurrent Duties as Employee
			Nomination Committee Member	Remuneration Committee Member	
Koji Kawaura	Yes	Yes	No	No	No
Hideki Koga	No	No	No	No	No
Motonari Watanabe	No	No	No	No	No
Kenji Takeshita	No	No	No	No	No
Nicolaas Johannes Adrianus Engelhart	No	No	No	No	No
Kensuke Muraki	No	No	No	No	No

Auditing Structure

Appointment of Directors and/or Employees to Support the Audit Committee	Appointed

Matters Related to the Independence of Such Directors and/or Employees from Executive Officers

The Audit Committee is responsible for nominating staff to support the Audit Committee and for giving instructions on operations related to the support for the Audit Committee. The Audit Committee gives direct instructions and orders to the supporting staff. In addition, the supporting staff reports the results of their duties and other findings directly to the Audit Committee so as to ensure the independence of the supporting staff and the effectiveness of the instructions. Any decision regarding matters such as performance assessment and change in personnel for the supporting staff must be consented to by the chairperson of the Audit Committee.

Cooperation among Audit Committee, Accounting Auditors and Internal Audit Department

The Audit Committee receives reports and explanations about audit schedules and results from the Accounting Auditors, and verifies the results of audits of financial statements based on the information they provide. The Audit Committee also receives reports and explanations regarding the quality control system of the Accounting Auditors.
The Internal Audit Department investigates and evaluates on the following matters: whether the company's accounts are accurately processed in accordance with laws and regulations, and whether the company's assets are properly managed and maintained; whether the company's operations are managed rationally and effectively to achieve its management objectives in compliance with laws, regulations, the Articles of Incorporation and other rules; and whether the company's business is conducted in a manner that is appropriate for its business purposes. The results are reported to the Representative Executive Officer once a quarter. The results are also reported to the full-time Audit Committee member (Director) at the Audit Report Meeting as necessary and are reported to the Audit Committee and the Board of Directors by the full-time Audit Committee member.
Furthermore, in order to enhance the audit function, a “three-pronged audit liaison meeting” is held once a quarter by the Audit Committee, Accounting Auditor and Audit Department to exchange information and opinions and hold discussions.

Matters Concerning Independent Directors

Number of Independent Directors	5

Other Matters Concerning Independent Directors

Incentives

Implementation Status of Measures related to Incentives Granted to Directors and/or Executive Officers	Introduction of Performance-linked Remuneration Scheme / Introduction of Stock Options Scheme

Supplementary Explanation for Applicable Items

Annual compensation is determined based on assigned responsibilities and consolidated business performance. Compensation for Executive Officers is structured to place greater emphasis on business performance.

Persons Eligible for Stock Options	Inside Directors / Executive Officers / Employees / Subsidiaries’ Directors / Subsidiaries’ Employees

Supplementary Explanation for Applicable Items

The Company has implemented a share remuneration-type stock option scheme as an incentive for recipients to share awareness for profit with the shareholders and to strongly motivate them in continuously working to improve business performance from a mid- to long-term perspective.

Remuneration for Directors and Executive Officers

Status of Disclosure of Individual Directors' Remuneration	No Individual Disclosure
Status of Disclosure of Individual Executive Officers' Remuneration	No Individual Disclosure

Supplementary Explanation for Applicable Items

Remuneration for Directors and Executive Officers for the fiscal year ended March 31, 2026

1. Total amount of remuneration by category of Directors and Executive Officers; and the number of relevant Directors and Executive Officers.

Total amount of remuneration paid to the Inside Directors (5 Directors): JPY 175 million

Total amount of remuneration paid to the Executive Officers (7 Executive Officers): JPY 265 million

Total amount of remuneration paid to the Outside Directors (6 Outside Directors): JPY 46 million

(Notes) At the end of the fiscal year ended March 31, 2026, there were 8 Directors (including 5 Outside Directors) and 6 Executive Officers. One Director concurrently served as an Executive Officer.

2. Total amount of remuneration for the CEO and Executive Officers whose total amount of remuneration exceeds 100 million yen.

No individual received total consolidated remuneration of ¥100 million or more.

Policy on Determining Remuneration Amounts and the Calculation Methods Thereof	Established

Disclosure of Policy on Determining Remuneration Amounts and the Calculation Methods Thereof

The Company has established policies regarding the determination of compensation amounts, etc. for its Directors and Executive Officers. The policies are designed to maintain rationality and transparency in deciding compensation for Directors and Executive Officers of the Company as well as to provide strong motivation for Directors and Executive Officers by reflecting the results of their efforts to improve corporate value. Compensations are determined by the Remuneration Committee, which consists of three Directors (including two Outside Directors), based on an appropriate level and by taking into consideration factors such as the business environment, performance, and levels set by other companies. Compensation consists of (a) basic compensation and (b) share remuneration-type stock options. (a) As basic compensation, yearly compensation amounts are derived from the designated duties and performance results. Performance results are reflected more greatly for compensation for Executive Officers. (b) A share remuneration-type stock option scheme has been implemented as an incentive for recipients to share awareness for profit with the shareholders and to strongly motivate them in continuously improving business performance from a mid- to long-term perspective. In the processes to determine above compensations, detailed rules regarding executives' compensations are established and operational procedures and standards are clarified.

Support System for Outside Directors

The Human Resources Department., the Internal Audit Department., the Corporate Planning & Controlling Department., and the Finance & IR Department serve as contact points for outside directors, and in addition, administrative offices are placed in each of the three committees to support the committees' duties. The outside directors primarily perform supervisory duties by attending meetings of the Board of Directors, but they also serve to ensure effective supervision by receiving reports from the Executive Officers on the execution of their duties. In particular, the Outside Directors who compose the Audit Committee share audit information by communicating and consulting with Accounting Auditors and the Internal Audit Department. as needed.

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

[Outline of Corporate Governance Structure]

The Company is a "Company with Nominating Committee, etc.", as defined under the Companies Act, and the company's governance structure is made up of eight directors (among whom five are Outside Directors) and six Executive Officers (including one who is also a director).

・Board of Directors

The Board of Directors, which consists of Directors elected at the General Meeting of Shareholders, deliberates and decides on matters prescribed by law and important matters related to group management in accordance with the Board of Directors Regulations. The Board of Directors also supervises the execution of duties by the executive officers by receiving periodic reports from them on the status of business execution. The Board of Directors meets at least once a month in principle. 18 meetings were held in the fiscal year ended March 31, 2026.

・Audit Committee

The Audit Committee consists of 7 directors (including 5 outside directors) selected by resolution of the Board of Directors. Independence is ensured as no director may concurrently serve as a director executing the business of the Company or its subsidiaries. The Audit Committee is responsible for : (1) matters related to the Basic Policy on Auditing, the Implementation Plan, and the Auditing Method ; (2) inspects the compliance and suitability of the performance of their duties of the Directors and Executive Officers ; and (3) formulating proposals for the appointment and dismissal of Accounting Auditors and the non-reappointment of Accounting Auditors to be submitted to the General Meeting of Shareholders. In conducting investigations, the Audit Committee has the authority to request reports from other Directors, Executive Officers and employees on matters related to the conduct of their duties and to investigate the status of the Company's business and assets. The committee met at least once a month, for a total of 13 meetings in the fiscal year ended March 31, 2026.

・Nomination Committee

The Nomination Committee consists of three directors (including two outside directors) selected by resolution of the Board of Directors. Independence is ensured as no director may concurrently serve as a director executing the business of the Company or its subsidiaries. The Nomination Committee (1) decides on proposals to be submitted to the General Meeting of Shareholders concerning the election and dismissal of Directors ; (2) formulates proposals to be submitted to the Board of Directors concerning the election and dismissal of Executive Officers and the appointment and dismissal of Representative Executive Officer ; and (3) establishes, revises, and abolishes basic policies, operational rules, procedures, etc. necessary for the execution of duties. 8 meetings were held in the fiscal year ended March 31, 2026.

・Remuneration Committee

The Remuneration Committee consists of three directors (including two outside directors) selected by resolution of the Board of Directors. Independence is ensured as no director may concurrently serve as a director executing the business of the Company or its subsidiaries. The Remuneration Committee (1) determines the content of remuneration, etc. for individual Directors and Executive Officers, and (2) establishes, revises, and abolishes the basic policies, operational rules, procedures, etc. necessary for the execution of duties. 5 meetings were held in the fiscal year ended March 31, 2026.

・Directors

The Directors provide advice and supervision regarding the management performed by Executive Officers, from an objective and broad perspective that aims at increasing the corporate value.

・Executive Committee

Executive Committee consists of all Executive Officers appointed by the Board of Directors, and deliberates and decides on important matters related to business execution (excluding matters resolved by the Board of Directors). It was held 21 times in the fiscal year ended March 31, 2026.

・Executive Officers

Executive Officers are delegated to execute their duties by resolution of the Board of Directors, thereby achieving prompt and efficient business execution. The Executive Officers report the status of business execution to the Board of Directors and fulfill their accountability.

[Status of Audits]

・Status of Internal Audits

The Audit Department (5 internal auditors) has been established as an independent and dedicated organization under the direct control of the Representative Executive Officer to audit the Company's internal departments and subsidiaries (domestic and overseas) from the perspective of operational effectiveness and efficiency. The Audit Department investigates and evaluates whether the Company's accounting is accurately handled in accordance with laws, regulations, and other rules and regulations, and whether the Company's assets are properly managed and maintained, and whether the Company's operations are conducted rationally and effectively in accordance with laws, regulations, the Articles of Incorporation, and other rules and regulations to achieve its management objectives. The results are reported to the Audit Committee on an ongoing basis and to the Representative Executive Officer on a quarterly basis.・Status of Accounting Audit

a. Name of Audit Firm

Ernst & Young ShinNihon LLC

b. Continuous Audit Period

Since 1993

c. Certified Public Accountant who performed the audit

Hirotaka MizutaniNaruhiro Horiod. Composition of Assistants for the Audit

The Company's assistants for accounting audit services are 8 certified public accountants and 18 others.

The Company has made Contracts for Limitation of Liability with all Directors and Accounting Auditors, Ernst & Young ShinNihon LLC, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability for damages under the contract is the minimum liability amount stipulated in Article 425, Paragraph 1 of the same Act.

3. Reasons for Adoption of Current Corporate Governance System

In order to strengthen corporate governance, the Company is a “Company with Nominating Committee, etc.”, and has appointed a majority of Outside Directors to each committee. As a result, the Company has clearly separated the business execution function and supervisory function, thereby realizing prompt management decision-making and business execution by Executive Officers and strengthening the management and supervisory function by Directors

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Facilitate Exercise of Voting Rights

	Supplementary Explanation
Scheduling of the General Shareholders Meeting During Non-Peak Days	The Company held the 69th General Meeting of Shareholders on June 26, 2026.
Electronic Exercise of Voting Rights	Shareholders can exercise their voting rights via the Internet by accessing the website for exercising voting rights designated by the Company from a personal computer or smartphone.
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 participated an Electronic Voting Platform.
Provision of Notice (or Summary of Notice) of the General Shareholders Meeting in English	The Company posts the English version of the Notice of the General Meeting of Shareholders on its website.
Other	The Company provides live internet streaming of the General Meeting of Shareholders so that shareholders can observe the meeting from outside the venue on the day of the meeting.

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 discloses its corporate information in a timely and proper manner according to legal disclosure requirements based on the Financial Instruments Act and timely disclosure requirements based on the Securities Listing Regulations of the Tokyo Stock Exchange. The Company discloses information through TDnet (Timely Disclosure network) provided by the Tokyo Stock Exchange, and also immediately posts information on company's website. https://www.menicon.com/corporate	
Regular Investor Briefings held for Individual Investors	The Company holds briefings for Individual Investors by CEO and CFO as needed.	Held
Regular Investor Briefings held for Analysts and Institutional Investors	The Company holds financial results briefings for analysts and institutional investors by CEO and CFO once a quarter.	Held
Online Disclosure of IR Information	The Company discloses financial results and its corporate information on its website. https://www.menicon.com/corporate/ir/	
Establishment of Department and/or Placement of a Manager in Charge of IR	The Finance & IR Department has been established as a dedicated Department.	

3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	The Company states in its management principles that it respects its customers, society, industry, shareholders, and employees.
Implementation of Environmental Preservation Activities and CSR Activities, etc.	The Company has adopted the slogan, "Aspiring to be a global company that is kind to people, animals, and the environment." Under this philosophy, the Company is committed to reducing its environmental impact through its business activities, promoting environmentally conscious businesses and initiatives, fostering an environment in which people and animals can coexist through veterinary medical services and products, and supporting forest conservation activities that help sustain vital water and oxygen resources.
Formulation of Policies, etc. on Provision of Information to Stakeholders	The Company has established a Sustainability Committee and has strengthened efforts to fulfill its social responsibilities to stakeholders. The Company will continue to actively disclose corporate information to investors in a timely and appropriate manner. To provide information to its stakeholders, the Company issues Sustainability report.

IV. Matters Concerning the Internal Control System

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

[Basic Views]

The Company has established a necessary structure to ensure appropriate operations (hereinafter, the "internal control system") (1) based on its recognition that it is a system and a process that shall be internally established and operated in order for the Company and its subsidiaries (hereinafter collectively, the "Company Group") to conduct their businesses appropriately and effectively, and that the system must be actively utilized to achieve business purposes. (2) The aims of the structural enhancement are (a) compliance with laws and regulations and ethics, (b) securing of business effectiveness and efficiency, (c) asset protection, and (d) ensuring of credibility of financial reports. Furthermore, (3) all Directors and Executive Officers and Employees of the Company shall autonomously establish and make use of promotion structures required to achieve these objectives and strive to improve effectiveness by regularly conducting evaluations and improvement.

[The Progress of System Development]

The following is a description of the primary contents of the structures related to internal controls and risk management at the Company. The Board of Directors has resolved these to be the basic policies of the internal control system in accordance with the Companies Act.

(Internal Control System)

(1) Structures to ensure that the execution of duties by Executive Officers conforms with laws and regulations and the articles of incorporation

1) Matters that must be reported to the Board of Directors by the Executive Officers are determined by the Board of Directors regulations and other rules, and the Executive Officers make direct reports on these matters at the Board of Directors.

2) The Audit Committee will audit the business execution of the Executive Officers and report regularly to the Board of Directors.

3) The responsibilities of the Executive Officers will be specified in the Executive Officer regulations and the information will be disseminated thoroughly. Furthermore, by setting the term of office for Executive Officers to be one year, the Company will be able to respond flexibly in the optimization of the executive system.

4) Full-time directors participate in important meetings, etc. related to the execution of duties, stays informed of the business execution of Executive Officers from a supervisory standpoint, and provides advice, etc. as necessary.

(2) Structures related to the storage and management of information related to the execution of Executive Officers' duties

1) The Company will establish regulations on document management, and upon identifying important documents, etc. involved in the execution of duties by Executive Officers, and the Company will determine details such as their storage periods and proper management methods to ensure reliable operations.

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

1) The Company will establish regulations and manuals on the promotion of risk awareness, early detection and the prevention of actualization of risks, and methods for dealing with emergency situations, and provide education and training as necessary.

2) The Company will establish an umbrella organization of internal control system (hereinafter, the “internal controls umbrella organization”) led by the CEO in order to control the risks affecting management.

(4) Structures to ensure efficient execution of duties by the Executive Officers

1) The Company separates supervisory functions (the Board of Directors) and business execution functions (the Executive Officers) and improves the speed of business execution by assigning a substantial amount of authority to the Executive Officers.

2) The Company will establish regulations on the division of duties, chain of command, decision-making authority, etc., for Executive Officers, and clarify and disseminate such regulations.

3) Meetings of the Executive Committee, composed of all Executive Officers, will be held regularly, at which decisions are to be made on important matters regarding business execution through the verification of efficiency, effectiveness, appropriateness, and other factors.

(5) Structures to ensure that the execution of duties by employees conforms to laws and regulations and the articles of incorporation

1) The Company will provide employees with the education necessary for the purposes including improvement of awareness on compliance with laws and regulations and social standards, and the promotion of ethical conduct, as well as establish and disseminate regulations, manuals, etc. on internal control system.

2) Through audits by the Internal Audit Department., the Company evaluates the establishment and operation of internal control system and work towards early detection of potential problems.

3) By establishing a whistleblowing system and ensuring a thorough dissemination and proper management of the system, the Company will improve the effectiveness of compliance and the fairness of operations.

4) Under the internal controls umbrella organization, the system will be revamped, and its level will be improved by regularly conducting management reviews on the establishment and operation of the internal control system, identifying issues to work on, and reflecting such findings to the management plans for the following fiscal year.

(6) Systems to ensure credibility of financial reports

1) The Company will establish and operate internal control system related to financial reporting in order to ensure credibility of financial reports and practice effective and appropriate submission of internal control reports as stipulated by the Financial Instruments and Exchange Act.

2) The Company will evaluate its effectiveness in accordance with the “assessment and auditing standards for internal controls over financial reporting” based on the Financial Instruments and Exchange Act.

(7) Structures to ensure proper business practices by the Company Group

1) The Company will establish regulations concerning the management of subsidiaries as well as clarify the management system for the subsidiaries and the reporting system regarding execution of duties by Directors, etc. of subsidiaries, thereby ensuring that the regulations are thoroughly embedded.

2) The Company will appoint Executive Officers responsible for managing subsidiaries, and as each related company follows its basic policies, the Company will take the specific circumstances of each related company (business contents, scale, form, etc.) into consideration, and through supervising the establishment and operation of appropriate internal control system, the Company will manage subsidiaries' compliance with the laws and regulations, improvement in the appropriateness and efficiency of management, and control of management risks.

3) Internal controls umbrella organization of the Company will control and manage the internal control systems of the Company Group, and will report on its establishment and operation to the Board of Directors.

4) Audits on internal controls performed by the Audit Committee and the Internal Audit Department. of the Company covers the activities of subsidiaries, thereby including inspection and evaluation on the establishment and operation of internal control systems at the subsidiaries.

5) The Company's whistleblowing system covers subsidiaries, and its effectiveness is ensured by thoroughly disseminating information on the scope of the system and by practicing appropriate operation.

(8) Matters related to Directors and staff with duties to support the Audit Committee and matters related to the independence of staff from Executive Officers

1) The Audit Committee is responsible for nominating staff to support the Audit Committee and for giving instructions on operations related to the support for the Audit Committee.

2) The Audit Committee gives direct instructions and orders to the supporting staff. In addition, the supporting staff reports the results of their duties and other findings directly to the Audit Committee so as to ensure the independence of the supporting staff and the effectiveness of the instructions.

3) Any decision regarding matters such as performance assessment and change in personnel for the supporting staff has the consent of the chairperson of the Audit Committee.

(9) System for reporting to the Audit Committee by Directors, Executive Officers, Employees, etc. of the Company Group and other systems for reporting to the Audit Committee, and system to prevent unfair treatment to those who reported

1) Regulations on matters that must be reported to the Audit Committee will be established and disseminated throughout the Company Group. In addition, it will be clearly specified that those who report to the Audit Committee will not receive disadvantageous treatment on the grounds that they submitted a report, thereby protecting the reporter and improving effectiveness of the report.

2) A structure will be established in which all contents reported through the whistleblowing systems of the Company or any subsidiaries will be reported to the Audit Committee.

(10) Other structures to ensure effective audits by the Audit Committee

1) The Audit Committee, the Internal Audit Department, and the Accounting Auditors will mutually cooperate to perform appropriate and efficient auditing operations.

2) The Audit Committee will meet with the Board of Directors and the Representative Executive Officer as appropriate to deepen mutual understanding for the efficient execution of the Audit Committee's duties.

3) The expenses necessary for the execution of duties by Audit Committee members will be left to the discretion of the Audit Committee members and also available as prepayments, etc..

(11) Structures for eliminating relationships with anti-social forces

1) In order to ensure there are absolutely no relationships with anti-social forces, and to preemptively prevent any damage perpetrated by them, the Company will prepare necessary regulations, manuals, etc., to deal with these forces, and strive for sound corporate management by obtaining advice, etc., from experts.

2) The Company will conduct internal education and prevention training so that The Company may respond to these anti-social forces appropriately.

[Status of structures to ensure appropriate operations]

The Company endeavors to maintain an internal control system and operate it appropriately based on the policies detailed above. The status of the operation during the fiscal year ended March 31, 2026 is outlined as follows.

(1) Structures to ensure that the execution of duties by Executive Officers conform to laws and regulations
and the articles of incorporation

Each Executive Officer makes direct reports on matters that must be reported to the Board of Directors, and the Audit Committee audits the business execution of Executive Officers and regularly reports to the Board of Directors. In addition, full-time Directors participate in important meetings such as those of the performance review council and the Executive Committee, stay informed of the business execution of Executive Officers from a supervisory standpoint, and provide advice, etc. as necessary. Furthermore, the Company held executive study meetings for Executive Officers according to the plan and raised awareness of the duties and responsibilities of executives as well as for compliance.

(2) Structures related to the storage and management of information related to the execution of Executive Officers' duties

Documents related to the execution of the duties of Executive Officers are defined in the document management regulations and are managed accordingly.

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

The Sustainability Committee was convened in accordance with risk management regulations to conduct risk investigation and plan risk countermeasures. In addition, the Company identifies relevant matters related to various domestic and international issues and responds as appropriate on an ongoing basis. The quality management system was reviewed regularly, in order to maintain the quality of its products.

(4) Structures to ensure efficient execution of duties by the Executive Officers

The Company ensures the efficiency of the execution function by delegating significant authority to Executive Officers, thereby increasing the speed of business operations. In addition, the divisions of duties, chain of command, decision-making authority, etc., for Executive Officers are stipulated in the Executive Officer regulations and the approval regulations, and are observed accordingly. The Executive Committee, composed of all of the Executive Officers, and a performance review council meeting are held every month. Important matters related to business execution are discussed and decided at each meeting following prior inspections and confirmations on their efficiency, effectiveness, appropriateness, and other factors.

(5) Structures to ensure that the execution of duties by Employees conforms to laws and regulations and the articles of incorporation

Compliance education was provided through an e-learning system with courses on insider trading prevention, personal information protection, respect for human rights, fair competition, etc. for the purpose of raising awareness of compliance among Employees and preventing any violations of laws and regulations. In addition, a compliance guide is posted on the intranet for all Employees to read. Furthermore, newly identified issues are reflected in the management plan for the following fiscal year to improve the level of the internal control system. Through internal audits, audits on the protection of personal information protection audits and voluntary inspections by the Internal Audit Department, the Company is devoted to the early detection of any potential issues.

(6) Systems to ensure the credibility of financial reports

In order to ensure financial reporting, internal control system related to financial reporting is established and operated for each business process. The Company also aims to develop and operate internal controls through the development of regulatory measures, etc., from a company-wide perspective. Furthermore, in accordance with the "assessment and auditing standards for internal controls over financial reporting" based on the Financial Instruments and Exchange Act, the Company performs evaluations to determine whether its internal control system has been effectively developed and operated, and undergo audits by Accounting Auditors.

(7) Structures to ensure proper business practices by the Company Group

The Company stipulates with management regulations for subsidiaries, and compliance with it is included in its basic policies for the maintenance of internal control systems, and is operated accordingly. The Company has appointed Executive Officers responsible for managing subsidiaries, and through supervising the establishment and operation of appropriate internal control systems, the Company has managed subsidiaries' compliance with the laws and regulations, improvement in the appropriateness and efficiency of management, and control of management risks. The internal controls umbrella organization reports regularly to the Board of Directors on the status of operation of the internal control system. The Internal Audit Departments and the Audit Committee also perform audits of internal controls for subsidiaries, and inspect and evaluate the construction and operation of subsidiaries' internal control systems. The Company has established an internal reporting system for the Company Group, including its subsidiaries, and is operating it appropriately with thorough awareness. In addition, the Company operates in accordance with the revision of the Whistleblower Protection Act.

(8) Matters related to Directors and staff with duties to support the Audit Committee and matters related to the independence of Employees from Executive Officers

The Audit Committee is responsible for nominating Employees to support the Audit Committee and for giving instructions on operations related to the support for the Audit Committee, and performance assessment for the Employees must be consented to by the chairperson of the Audit Committee.

(9) System for reporting to the Audit Committee by Directors, Executive Officers, Employees, etc. of the Company Group and other systems for reporting to the Audit Committee, and system to prevent unfair treatment to those who reported

The Company has established and are implementing procedures for determining matters to be reported to the Audit Committee. In addition, the Company clearly specifies that those who report to the Audit Committee will not receive disadvantageous treatment on the grounds that they submitted a report, thereby protecting the reporter and improving effectiveness of the reports. All content reported through the whistleblowing systems of the Company or subsidiaries will be reported to the Audit Committee.

(10) Other structures to ensure effective audits by the Audit Committee

The Audit Committee, the Internal Audit Department, and the Accounting Auditors hold the three-pronged audit liaison meeting every quarter to facilitate cooperation and to perform appropriate and efficient auditing operations. In addition, the Representative Executive Officer and the Audit Committee hold discussion meetings to strengthen cooperation. Necessary expenses for the Audit Committee are secured and appropriately used.

(11) Structures for eliminating relationships with anti-social forces

An anti-social force check by the General Affairs Department is required before the start of all new transactions. The Company provides education to all its employees every year to prevent transactions with anti-social forces.

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

1.Basic Views

The Company believes that it is absolutely unforgivable for the Company to provide any sort of benefit to anti-social forces, or be involved with anti-social forces in any way. Officers and employees of the Company strictly adhere to a policy of social justice, and must demonstrate a firm stance on intolerance and elimination of perverse intervention by anti-social forces, in order to gain the trust of customers, markets, and society.

2.Status Development

In order to preemptively prevent any damage perpetrated by anti-social forces, the Company has prepared necessary regulations, manuals, etc., in order to deal with these forces, and the Company strives for sound corporate management by obtaining advice, etc., from experts. The Company provides internal education and prevention training so that the Company may respond to these anti-social forces.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted

Supplementary Explanation for Applicable Items

None

2. Other Matters Concerning the Corporate Governance System

In order to disclose appropriate corporate information to investors in a timely manner, the Company has established the following internal structures and practices for handling information which is subject to disclosure.

(a) Information on the occurrence of relevant events (including information on related companies)

In the event of any major incidents (serious accidents, disasters, etc.), the Executive Officers acting as information managers or the internal emergency contact system will immediately send a notice from the related office to the General Manager of the General Affairs Department, and a report will be issued to the personnel responsible for the handling of information. Subsequently, in accordance with the Timely Disclosure Rules of the Stock Exchange, the CEO or the personnel responsible for handling of information makes a decision on timely disclosure after discussing with the relevant departments the importance and necessity of disclosure, and strives to make prompt disclosure.

(b) Information on decisions (including information on related companies)

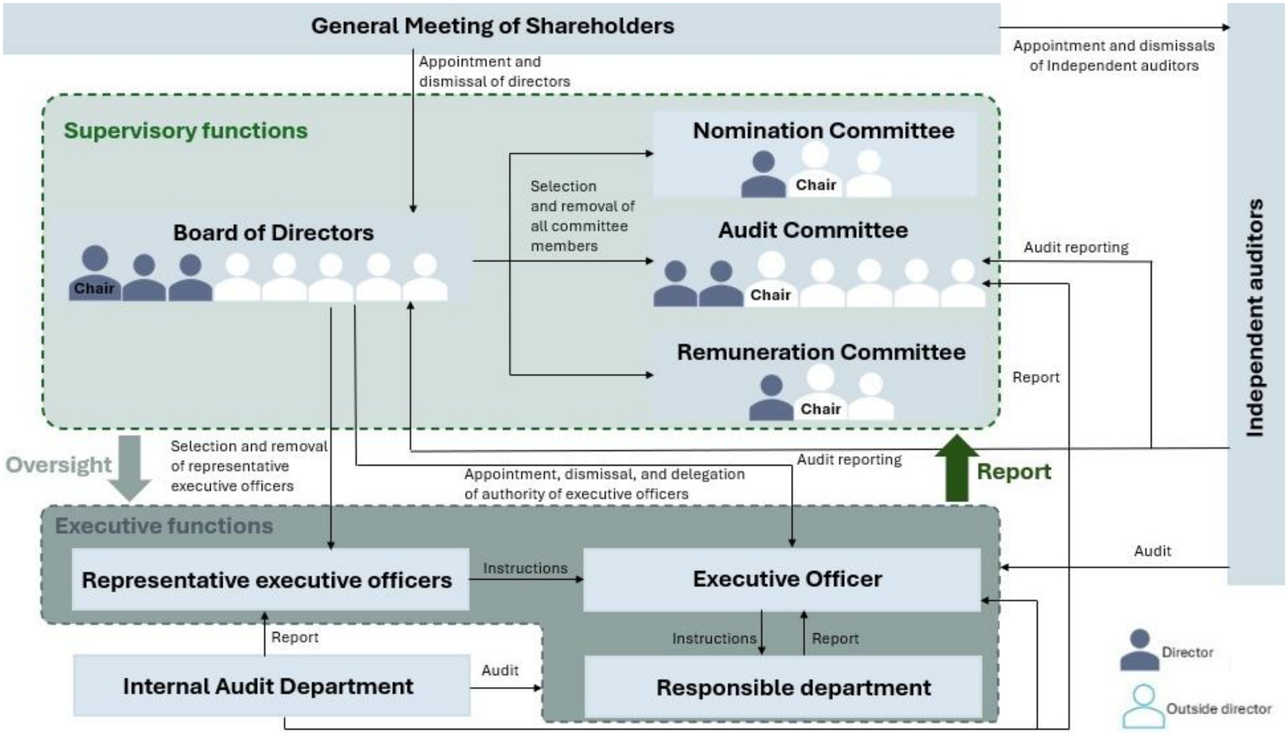
The most important decisions are made by the Board of Directors and the Executive Committee. With regard to the important facts that have been decided, in accordance with the Timely Disclosure Rules of the Stock Exchange, the personnel responsible for handling of information and other relevant departments discuss and examine whether disclosure is necessary for the determined material facts, and the personnel responsible for handling of information makes a decision on timely disclosure and strives to disclose them promptly.

(c) For financial information

Financial results are published as yearly financial results and quarterly financial results. The financial results information contained within are numerical values of financial results drafted by the managing Accounting Department. which are concurrently audited by the Accounting Auditors, and a report on its content is issued to the personnel responsible for the handling of information. Subsequently, the Company strives to disclose relevant information upon receiving the approval of the Executive Committee and the Board of Directors on the financial results.

Regarding the disclosure of any information, the Company intends to implement timely disclosure by the personnel responsible for handling of information, immediately upon the occurrence of a material fact or after receiving the approval of the Executive Committee and the Board of Directors with regard to a material facts and settlement of accounts.

END


General Meeting of Shareholders
Appointment and dismissal of directors
Appointment and dismissals of Independent auditors
Supervisory functions
Nomination Committee
Chair
Selection and removal of all committee members
Board of Directors
Chair
Audit Committee
Chair
Audit reporting
Remuneration Committee
Chair
Report
Independent auditors
Oversight
Selection and removal of representative executive officers
Appointment, dismissal, and delegation of authority of executive officers
Audit reporting
Report
Executive functions
Representative executive officers
Instructions
Executive Officer
Audit
Report
Instructions
Report
Internal Audit Department
Audit
Responsible department
Director
Outside director

Material Fact Disclosure and Timely Disclosure Flow