Last updated: June 26, 2026

INNOTECH CORPORATION

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Following is the status of corporate governance at INNOTECH Corporation (hereinafter referred to as "INNOTECH")

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

1. Basic Views

Based on the recognition that corporate governance functioning effectively is indispensable for a company to remain competitive and efficient, and thus to maximize the return on investment for our shareholders, INNOTECH pursues fair and sound management in line with the global standards.

INNOTECH has established its Corporate Governance Guidelines (hereinafter "Guidelines").
Please refer to the various basic policies and approaches related to INNOTECH's governance,
https://www.innotech.co.jp/english/corporate/pdf/guideline_en.pdf

【Disclosure in Accordance with Principles of Corporate Governance Code】 Updated

【Principle 1 – 4 Cross-Shareholdings】
Please refer to Article 24 and 25 of the Guidelines.
Regarding Cross-Shareholdings with our transaction banks, we divested all remaining shares in the fiscal year ended March 2026.

【Principle 1 – 7 Transactions between related parties】
Please refer to Article 13 of the Guidelines.

【Principle 2 – 4 Ensuring Diversity, Including Active Participation of Women】
Supplementary Principle 2-4-1
1. Policy for Core Personnel Assignment and Promotion
Under our vision 'Innotech, Changing the Future through Innovation Technology,' and to take on challenges to 'contribute to a future society, INNOTECH aims at providing workplace where each employee is motivated, is encouraged to demonstrate his or her unique talent and personality, and works with different work style and makes new challenges. All employees, regardless of their age, gender and gender identity, sexual orientation, nationality, handicap, and whether they are hired by new-graduate recruitment or mid-career, are respected and diversity in the organization will be increased.

2. Human Resource Development Policy
For details regarding our human resource development policy, please refer to the corresponding page on our ESG website;
(https://www.innotech.co.jp/esg/human_resource/).
INNOTECH believe that the enhancement of corporate value and the growth of our Group are built upon the foundation of each employee's personal growth. Accordingly, alongside securing, educating, and training the personnel required as our business scale expands, and improving our personnel systems, we are actively working to build an organization where individual employees can fully demonstrate their capabilities. Furthermore, we respect individual abilities to the greatest extent possible, and make decisions on hiring and promotion by evaluating diverse values.

3. Initiatives for Human Resource Development and Capability Enhancement
To achieve further growth by realizing our vision, INNOTECH are working on the following three missions: (i) Connecting cutting-edge technology with people to contribute to a prosperous and comfortable future society, (ii) Standing close by our customers to solve challenges together, and(iii) Aiming to provide added-value unique to Innotech. To realize these goals, we have defined the following seven items as the profile of ideal personnel we seek, and are moving forward with human resource development and capability enhancement:
- Individuals who possess the willingness to proactively take on new challenges, such as developing new businesses, without fear of failure.
- Individuals who possess a global perspective backed by highly specialized knowledge and capabilities, and who can expand businesses overseas without hesitation.
- Individuals who can clearly present future outlooks and specific measures, make decisions, and execute them.
- Individuals who possess a sense of ownership, self-awareness, and responsibility, and who follow through positively without running away.
- Individuals who possess leadership skills and can achieve goals while collaborating as a team.
- Individuals who can understand the other party's perspective, show humility, sincerity, and respect for other individuals (and companies), and build favorable relationships.
- Individuals who possess a desire for growth, along with their own opinions and intentions, and who can make proposals and recommendations without hesitation to both supervisors and customers alike.

Furthermore, we established the "Education Committee" in October 2019 as an organization to oversee the smooth operation and continuous improvement of our training system, which serves as the foundation for human resource development to adapt to changes in our business domains. Believing that continuous education is essential for human resource development and capability enhancement, and that employees need to improve both their "basic skills"—which are versatile skills required as a working professional—and their "specialized skills"—which are specific to businesses and operations—we have introduced an educational training program for all employees to improve their "basic skills" while they sharpen their "specialized skills" through daily operations. In addition, we conduct harassment prevention training for managers and all employees.
Moreover, based on the philosophy that engagement with employees is a crucial activity, we periodically conduct anonymous employee engagement surveys by outsourcing them to an external consulting firm. Through these surveys, we investigate and analyze how employees view the company and their workplaces, striving to ensure that the company and its employees share the same direction and build a sustainable relationship of trust. Additionally, since 2014, we have been conducting an annual, non-anonymous internal questionnaire regarding personnel matters for all employees to grasp the requests and concerns of each individual. The results of the questionnaire and improvement measures are discussed from various angles, incorporating

objective opinions from outside directors, as we work to improve conditions.

4. Numerical Target of Diversity
INNOTECH recognizes that the difference in percentage of male and female management employees at domestic group companies in Japan is an issue in terms of ensuring diversity in human resources. INNOTECH has set the percentage of female management employees at domestic group companies in Japan as one of the main key performance indicators (KPIs) and will take measures to achieve such targets.
We have set targets to raise the ratio of female managers to 5% in FY2025 and 10% in FY2030, and the ratio reached 5.3% in FY2025 (the current consolidated fiscal year). We will continue to promote initiatives aimed at achieving our FY2030 target.

Percentage of Female Management Employees at Domestic Group Companies in Japan

FY2024 (Actual)	FY2025 (Actual)	FY2030 Target
4.7%	5.3%	10.0%

INNOTECH does not recognize any specific difference in assigning and promoting employees to managerial positions by nationality in terms of ensuring diversity in human resources. Thus, the company does not devise and disclose numerical targets for management employees with foreign nationalities. Percentage of management employees hired by mid-career recruitment has already reached to more than 50%.

INNOTECH is making following efforts as key measures to achieve above-mentioned goals;

<<Key Measures>>
* Provide opportunities for female employees to exchange views and opinions with the management team on a regular basis;
* Provide periodic training programs which are targeted to promote diversity;
* Achieve 30% or higher rate of new graduate female employees;
* Promote flexible and efficient work style, such as by enhancing consumption of annual paid leaves, and making short-time working system for child care, making annual paid leave systems taken on an hourly basis and working from home available.

Please refer to the relevant page on our ESG website (https://www.innotech.co.jp/esg/human_resource/data/) for our human resources data trends.

3. Policy to Nurture Human Resources
As for INNOTECH policy to nurture human resources, see “Efforts on Human Resources”. (https://www.innotech.co.jp/esg/human_resources/)

【Principle 2-6: Exercise function as an asset owner of corporate pension plans】
INNOTECH recognizes that the management of corporate pension plans affects the asset formation of employees and its own financial situation, and assigns appropriately qualified personnel, such as the heads of the finance and accounting and human resources departments, to the asset management staff, and also operates in cooperation with employee representatives to ensure that conflicts of interest are properly managed. In addition, the management of corporate pension funds is entrusted to investment institutions that have announced their acceptance of the Stewardship Code, and the status of pension asset management by each investment institution is monitored on a regular basis.

【Principle 3 – 1 Full Disclosure】
(i)Company objectives (Management Philosophy and so on), business strategies and management plan
Please refer to the following official corporate website and Article 3 of the Guidelines for our management philosophy. Also, please refer to the presentation of the Financial Results and the message from the top manager which are posted on INNOTECH official corporate website for our business strategies and Mid-Term management plan.
Message from Top Manager https://www.innotech.co.jp/english/ir/policy/message/
Management Philosophy https://www.innotech.co.jp/english/corporate/rinen/
Medium-Term Vision https://www.innotech.co.jp/english/ir/policy/midterm/
IR materials https://www.innotech.co.jp/english/ir/library/

(ii) Basic views and policy on corporate governance
Please refer to “I Basic Views on Corporate Governance and Capital Structure, Corporate Attributes, and Other Basic Information 1. Basic Views” of this report or the Guidelines.

(iii) Board policies and procedures in determining remuneration of Corporate Officers
Please refer to Article 10 of the Guidelines.
Also, INNOTECH has established the Advisory Committee whose majority of members consist of Independent Outside Directors as a voluntary advisory body to the Board of Directors and the Committee deliberates, provides suggestions and advice with respect to the content of the remuneration paid to the corporate officers.

(iv) Appointment policies and procedures of executives and nomination of candidates of Directors
Please refer to Article 7 to 8 of the Guidelines.
INNOTECH has established the Advisory Committee whose majority of members consist of Independent Outside Directors as a voluntary advisory body to the Board of Directors and the Committee deliberates, provides suggestions and advice with respect to the election and dismissal of Directors.

(v) Reasons for appointment of executives as well as nomination of candidates of Directors based on the provision of (iv) above
Reasons for nomination of the Inside Directors are attached to this report.
Reasons for nomination of Outside Directors and Directors who are Audit & Supervisory Committee Members are included in this report.

Supplementary Principle 3-1-3
Please refer to the following official corporate website as to INNOTECH’s initiatives on sustainability and basic policies of sustainability.
https://www.innotech.co.jp/english/esg/innotech_esg/sustainability/
https://www.innotech.co.jp/english/esg/innotech_esg/materiality/
https://www.innotech.co.jp/english/esg/innotech_esg/esg_system/
https://www.innotech.co.jp/english/esg/innotech_esg/stakeholder/
https://www.innotech.co.jp/english/esg/innotech_esg/innotech_sdgs/
https://www.innotech.co.jp/english/esg/supply_chain/
https://www.innotech.co.jp/english/esg/environment/tcfd/

INNOTECH has devoted large amounts of R&D expenses, and will keep R&D continuously. The actual amount has been timely disclosed at seminars on our financial results. Please refer to the following official corporate website.
https://www.innotech.co.jp/english/ir/library/presentation/
About information on investments in human capital and intellectual properties, please refer to the following official corporate websites.
https://www.innotech.co.jp/english/esg/human_resource/
https://www.innotech.co.jp/esg/society/intellectual_property/

【Principle 4 – 1 Roles and Responsibilities of the Board of Directors (1)】
・Supplementary Principle 4-1-1
Please refer to Article 7 of the Guidelines.

【Principle 4 – 9 Independence Standards and Qualifications for the Independent Outside Directors】
Please refer to Article 14 of the Guidelines.

【Principle 4-10 Use of Optional Approach】
・Supplementary Principle 4-10-1
In order to strengthen the independence, objectivity and accountability of board function on the matters that President and Representative Director are delegated to submit proposal, INNOTECH has established the voluntary advisory committee. To ensure independence, the majority of the advisory committee members are independent Directors, and independent outside Director is served as chairperson of the committee.
The advisory committee deliberates, and provides advice and recommendations to the Board of Directors as to (i) Appointment and dismissal of directors and Executive Officers, representative director, directors with special titles and Executive Officers with special titles, (ii) succession planning of representative director, and (iii) remuneration policy and details of directors and Executive Officers, and so on.

【Principle 4-11: Prerequisites for ensuring the effectiveness of the Board of Directors and the Audit & Supervisory Committee】
The voluntary advisory committee deliberates on the selection and dismissal of Directors and provides advice and recommendations. In order to fulfill its roles and responsibilities in a practical manner, INNOTECH's Board of Directors is composed of Directors with different knowledge, experience, and abilities, including female Directors to ensure diversity.

・Supplementary Principle 4-11-1
Please refer to Article 7 of the Guidelines as to the policies and procedures for nominating directors.
INNOTECH states so-called skill matrix, in which INNOTECH lists the skills, knowledge and experiences for each directors to be expected, in notice of calling of shareholders' meetings.
https://www.innotech.co.jp/english/news/

・Supplementary Principle 4-11-2
In the Notice of the Annual General Meeting of Shareholders and the Annual Securities Report, INNOTECH indicates the status of Directors of INNOTECH, holding concurrent positions as Directors and the Audit & Supervisory Board Members of other listed companies.

・Supplementary Principle 4-11-3
INNOTECH evaluates the Effectiveness of the supervisory function of the Board of Directors every year, extracts management issues, and requests improvements and makes proposals to the Board of Directors as well as to the executive department. Also, INNOTECH utilizes the service of an external organization to check and review such matters. As for the evaluation results of this year, please refer to "II 2. 2 Evaluation on the Effectiveness of the Board of Directors" of this report.

【Principle 4－14 Training for Directors and Audit & Supervisory Board Members】
・Supplementary Principle 4-14-2
Please refer to Article 11 of the Guidelines.

【Principle 5－1 Policy for Constructive Dialogue with Shareholders】
Please find our IR Policy which is disclosed on the INNOTECH official corporate website;
https://www.innotech.co.jp/english/ir/policy.html
INNOTECH carries out IR activities mainly by Senior Officers and an Officer and person in charge of IR to get Shareholders to understand its management strategies or business while being aware of keeping enough dialogue with Shareholders. Details of activities are described in III-2. "Activities Relating to IR". An officer in charge of IR summarizes questions and opinions provided by Shareholders or investors at IR activities and reported to the Board of Directors and further within the company. Details of questions provided by Shareholders are mainly related to specifics of business, industry outlook, use of funds, and capital policy.

【Principle 5－2 Establishing and Disclosing Business Strategies and Business Plans】
Enhancement communication with Shareholders and Disclosure.
Please find our management strategies, management plan, and materials of a seminar on our financial results on the official corporate website.
https://www.innotech.co.jp/ir/policy/midterm.html
https://ssl4.eir-parts.net/doc/9880/ir_material_for_fiscal_ym4/184648/00.pdf

【Action to Implement Management that is Conscious of Cost of Capital and Stock Price】 Updated

Contents of Description	Disclosure of action (update)
Disclosure in English	Available

Date of update	June 25, 2026

Supplementary Explanation Updated

INNOTECH discloses Cost of Capital, current analysis and plan based on market evaluation in mid-term management plan and materials of a seminar on our financial results. Please find the official corporate website.
https://ssl4.eir-parts.net/doc/9880/tdnet/2411977/00.pdf
https://ssl4.eir-parts.net/doc/9880/ir_material_for_fiscal_ym4/160713/00.pdf
https://ssl4.eir-parts.net/doc/9880/ir_material_for_fiscal_ym4/160715/00.pdf
1. INNOTECH places importance on capital efficiency exceeding cost of capital and target setting conscious of increasing stock price/company value. In mid-term management plan, INNOTECH set a primary goal to achieve stably over 8% ROE and reach 10% ROE, and is focusing on following strategies.
Group-wide Business Policy.
-Expanding operating profit.
-Optimizing the business portfolio by redistributing management resources.
-Achieving performance stability.
Business Policy of each business segment.
-Test Solution Business
Enriching and Optimizing Product Portfolio
-Semiconductor Design-related Business
Stable Profit-maker to Solidify INNOTECH Group Management Basis
-System Service Business
Mass Customization
NNOTECH grasps and analyzes the current status regarding its capital efficiency such as ROE or ROIC, and it is shared with and discussed at the Board Meetings.
2. INNOTECH establishes a basic policy for business portfolio and discloses it in mid-term management plan. In this mid-term management plan, INNOTECH positions its Test Solution Business as core business, its Semiconductor Design-related Business as stable business, and its System Service Business as growing business, and INNOTECH continues to optimize them, reviewing each of their business environment, economic trends, and growth potential. In addition, INNOTECH Board of Directors periodically monitors progress of each business compared to the business plan of the fiscal year in order to achieve sustainable growth of INNOTECH Group and mid-term and long-term growth of corporate value. At the end of each business year, the board examines the business portfolio structure, utilizing designated KPIs, such as return on capital, growth potential, competitiveness and so on and reviews the business portfolio as necessary. In accordance with this policy, during the fiscal year ended March 31, 2025, INNOTECH spun off the functional probe card business of our subsidiary, STAr Technologies, Inc. Furthermore, during the fiscal year ended March 31, 2026, INNOTECH absorbed JSC Co., Ltd.—a subsidiary of our subsidiary, Sanei Hytechs Co., Ltd.—into Sanei Hytechs, following the divestiture of a portion of JSC's business.
Through these measures, INNOTECH aims to optimize our business portfolio and concentrate our management resources.

3. INNOTECH establishes a financial strategies in mid-term management plan as follows;
- Maximum 0.5 times of D/E ratio in order to maintain financial soundness and to take an agile investment approach for growth.
- Effective utilization of a debt capacity.
- Appropriate level of cash reserve to be set as up to twice the amount of monthly sales or so.
- Dividend payout ratio to be kept around 50% as a shareholder return; treasury shares will be acquired as necessary.
- Cross-shareholdings to be reviewed.
- Achieving appropriate inventory levels and managing working capital.
In addition, INNOTECH discloses assumed capital allocation in mid-term management plan.
According to this policy, INNOTECH acquired 967,400 treasury stock (Total amount of shares acquired 1,999,890,594 yen) from November 11, 2025 to January 15, 2026. In addition, INNOTECH acquired 46,600 treasury stock (Total amount of shares acquired 200,574,498 yen) from May 15, 2026 to May 31, 2026.

2. Capital Structure

Percentage of shares owned by foreign shareholders	10% above and below 20%

【Major Shareholders】 Updated

Shareholders	Number of shares held	Percentage of shares held
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,672,900	13.65
Castlewilder Unlimited Company	456,000	3.72
Mizuho Bank Ltd.	420,000	3.43
Custody Bank of Japan.(Trust Account)	399,500	3.26
Employee stockholding association of INNOTECH	294,900	2.41
DFA INTL SMALL CAP VALUE PORTFOLIO	285,700	2.33
Makoto Sumita	200,500	1.64
NOMURA PB NOMINEES LIMITED OMNIBUS-MARGIN (CASHPB)	175,800	1.43
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	174,568	1.42
Noriko Takeuchi	148,800	1.21

Controlling shareholders (excluding the Parent Company)	――
Parent Company	None

Supplementary Explanation Updated

【Major Shareholders】
INNOTECH holds 1,445,614 treasury shares (10.55%) as of March 31, 2026 and it is excluded from the list of Major Shareholders above. 79,700 shares which are owned by the Trust Account E for the employee stock ownership plan (J-ESOP) are not included in the said treasury shares.

3. Corporate Attributes

Listed exchange and market segment	Tokyo Stock Exchange, Prime Market
Fiscal year-end	March
Industry	Electric Appliances
Number of employees at the most recent fiscal year-end (consolidated)	1,000 or more
Consolidated net sales for the most recent fiscal year	Between 10 billion and less than 100 billion
Number of consolidated subsidiaries at the most recent fiscal year-end	Between 10 and less than 50

4. Guidelines on Measures to Protect Minority Shareholders When Dealing with Controlling Shareholders

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5. Other Special Circumstances that may Materially Affect Corporate Governance

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Ⅱ Corporate Governance Structure for Management Administration Pertaining to Management Decision-making, Execution, and Supervision, and Others

1. Matters concerning Institutional Structure and Organizational Operations

Organization Form	Company with an Audit & Supervisory Committee

【Director】

Number of Directors specified in the Articles of Incorporation	10 or less
Terms of office specified in the Articles of Incorporation	1 year
Chairperson of the Board of Directors	Outside Director
Number of Directors	5
Outside Directors appointed	Yes
Number of Outside Directors	3
Number of Outside Directors designated as Independent Officers	3

Outside Directors' relationship with the Company (1)

Name	Attribute	Relationship with the Company (※)										
		a	b	c	d	e	f	g	h	i	j	k
Kimito Nakae	From another company											
Shino Hirose	Attorney											
Hitoshi Kuriyama	From another company											

※ Categories for "Relationship with the Company"

※ "○" when Director presently falls or has recently fallen under the category; "△" when Director fell under the category in the past.

※ "●" when a close relative of Director presently falls or has recently fallen under the category; "▲" when a close relative of Director fell under the category in the past.

a Executive of the Company or its subsidiary

b Non-executive Director or executive of a parent company of the Company

c Executive of a fellow subsidiary company of the Company

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

e Major client or supplier of the Company or an executive thereof

f Consultant, accountant or legal professional who receives a large amount of monetary compensation or other property from the Company besides compensation as Director

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

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

i Executive of a company, between which and the Company Outside Directors/Audit & Supervisory Board Members are mutually appointed (Director himself/herself only)

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

k Others

Outside Directors' relationship with the Company (2)

Name	Independent Officers	Supplementary explanation of Attributes	Reason for assignment
Kimito Nakae	○	Based on the Companies Act of Japan, Article 427(1), INNOTECH and Mr. Saka have executed a liability limitation agreement under Article 423(1) with the Minimum Liability Amount which is prescribed in Article 425(1).	Kimito Nakae has many years of experience and specialist expertise in the administrative organizations and the financial industry, and therefore is assigned as an Outside Director, with the expectation that he is able to supervise and provide effective advices from a broad range of view to improve management and administration of the Company. INNOTECH has designated and notified him as an independent Director because he is a highly independent person with no possibility of conflict of interest with general shareholders, is independent from the management team, and can fulfill the role expected of an independent Director from the viewpoint of protecting general shareholders.
Shino Hirose	○	Based on the Companies Act of Japan, Article 427(1), INNOTECH and Mr. Saka have executed a liability limitation agreement under Article 423(1) with the Minimum Liability Amount which is prescribed in Article 425(1).	In addition to a wealth of experience in the areas of corporate law and compliance as an attorney, Shino Hirose has a broad range of expertise in international businesses and corporate activities. Therefore, she is assigned as an Outside Director, with the expectation that such highly-specialized experience and perspectives are utilized in the overall management of the Company. INNOTECH has designated and notified her as an independent Director because she is a highly independent person with no possibility of conflict of interest with general shareholders, is independent from the management team, and can fulfill the role expected of an independent Director from the viewpoint of protecting general shareholders.
Hitoshi Kuriyama	○	INNOTECH had transactions based on a consulting agreement with Jisso Partners Inc. of which Mr. Ichiro Anjo is the representative Director. However, the agreement was terminated on May 31, 2016, and the transaction amount was 600 thousand yen, which was insignificant. Therefore, INNOTECH believes that there is no materiality that would create a special interest relationship. Based on the Companies Act of Japan, Article 427(1), INNOTECH and Mr. Anjo have executed a liability limitation agreement under Article 423(1) with the Minimum Liability Amount which is prescribed in Article 425(1).	Hitoshi Kuriyama has many years of experience in financial institutions and consulting firms. INNOTECH has determined that he is able to utilize his extensive knowledge built up through research in electronics industry and his insight from capital market for INNOTECH's management, and therefore he is assigned as an Outside Director. INNOTECH has designated and notified him as an independent Director because he is a highly independent person with no possibility of conflict of interest with general shareholders, is independent from the management team, and can fulfill the role expected of an independent Director from the viewpoint of protecting general shareholders.

【Audit & Supervisory Committee】

Members of the Audit & Supervisory Committee and attributes of the Chairperson

	Number of Members	Number of Fulltime Members	Number of Inside Directors	Number of Outside Directors	Commissioner (Chairperson)
Audit & Supervisory Committee	3	0	0	3	Outside Director

Appointment of Directors and/or employees to support duties of the Audit & Supervisory Committee	Yes

Matters related to Independence of such Directors and/or employees from Executive Directors

INNOTECH has established the Internal Audit Office, and verifies whether the Company's administration appropriately and validly complies with laws, regulations, the Articles of Incorporation and the rules of the company based on the Rule of Internal Audit. As of the date of submission of this report, the Internal Audit Department has 2 full-time employees.
The Audit & Supervisory Committee, the Internal Audit Office, and the Accounting Auditors regularly meet to exchange opinions and information, or attend audits as necessary, in order to improve the effectiveness of the audits. The Internal Audit Office reports the result of internal audits to the President and Representative Director and the Audit & Supervisory Committee.
The Internal Control Office, in consultation and cooperation with the accounting auditors, prepares annual plans and manages their progress. The Audit & Supervisory Committee, the Internal Audit Department, and the Accounting Auditors work together with the Internal Control Office as appropriate to share and understand relevant information.

Cooperation among Audit and Supervisory Committee, Accounting Auditor and internal audit departments

Linkage among the supervision by Outside Directors and the internal audits, audits by the Audit & Supervisory Committee and the accounting audits, and relationship with the Internal Control Department.

All 3 Outside Directors are the members of the Audit & Supervisory Committee. Outside Directors regularly meet to exchange opinions and information with the Internal Audit Office and the Accounting Auditors, or attend audits as necessary, in order to improve the reliability of financial reporting. In addition, Outside Directors regularly receive reporting on the operation status of internal control at the Board Meeting to share and understand relevant information.

【Voluntary Committee】

Voluntary Committee corresponding to Nomination Committee or Remuneration Committee	Yes

Voluntary committees, their members, and attributes of the Commissioners (Chairperson)

	Committee Name	Number of Members	Number of Fulltime Members	Number of Inside Directors	Number of Outside Directors	Number of Outside Experts	Others	Commissioner (Chairperson)
Voluntary Committee corresponding to Nomination Committee	Advisory Committee	4	0	1	3	0	0	Outside Director
Voluntary Committee corresponding to Remuneration Committee	Advisory Committee	4	0	1	3	0	0	Outside Director

Supplementary explanation Updated

Commissioner: Hitoshi Kuriyama, Outside Director
Status of activities: 8 meetings were held in this fiscal year. The details of activities such as main topics are appointment of director candidates and officer candidates, selection of representative officers and executive officers, consideration of CEO succession plan, remuneration policy for directors and officers, issues on remuneration system and remuneration for each officers.
Secretariat: Corporate Planning Dept.

【Independent Officers】

Number of independent officers	3

Other matters concerning independent officers

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【Incentives】

Measures granting incentives to Directors	Introduction of performance-based compensation system and others

Supplementary explanation

INNOTECH's policy on compensation for executive Directors is to provide, in addition to monthly compensation, performance-linked compensation and compensation linked to shareholders' long-term interests that reflect the value of INNOTECH's shares (stock-related compensation), respectively, in order to motivate them to increase INNOTECH's corporate value.

The index of performance-based compensation, the reason for adoption of such index, and the method of determining remuneration or calculation of such performance- based compensation are described in the [Director Remuneration] Policy.

Recipients of Stock Options	

Supplementary explanation

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【Director Remuneration】

Disclosure of individual Directors' remuneration	The Company does not disclose remuneration data of individual Director

Supplementary explanation Updated

Remuneration for Outside Directors and the Audit & Supervisory Board Members of INNOTECH as of March 2026 was as follows;

(Remuneration for Corporate Officers)
Remuneration paid to Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members): 159,412 thousand yen (basic compensation: 114,000 thousand yen, performance-based compensation: 26,925 thousand yen, compensation by restricted stock: 18,487 thousand yen)
Remuneration paid to the Outside Officers: 28,800 thousand yen (basic compensation: 28,800 thousand yen

Grand Total: 188,212 thousand yen

(Note) Targets and actual results of an evaluation index for determining performance-linked compensation, are as follows.
Consolidated operating income for the 40th fiscal year (ending March 31, 2026)
Initial target: 2,600 million yen/Actual: 3,108 million yen
Net Income Attributable to Owners of the Parent for the 40th Fiscal Year (ending March 31, 2026)
Initial target: 1,700 million yen/Actual: 4,111 million yen

The total amount of remuneration for Outside Officers includes one Outside Officer who retired upon the conclusion of the 39th Ordinary General Meeting of Shareholders held on June 25, 2025.

Policy to determine remuneration and calculation method	Yes

Disclosure of Policy for Determining Remuneration or Calculation Method

Matters related to the policy for determining remuneration of officers and calculation method.
INNOTECH resolved to change its Articles of Incorporation to become a company with an Audit & Supervisory Committee and to introduce Executive Officer System at its Annual General Meeting of Shareholders held on June 23, 2023, and INNOTECH transferred from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee on the same date.
INNOTECH resolved the company policy to determine the content of individual compensations of Directors at the Board Meeting. Prior to the resolution, the Board of Directors consulted with the Advisory Committee, which was established as a voluntary advisory body to the Board of Directors, whose majority of members consist of the Independent Outside Directors and whose commissioner is one of the Independent Outside Directors. The Advisory Committee provided its advice to the Board of Directors.
The policy which was resolved is as follows;

Basic Policy
・Remuneration structure depends on a role and the duty of each Director.
・Remuneration works as an appropriate incentive to enhance business performance and corporate value.
・Remuneration structure contributes to enhance corporate value for mid-term and long-term, and make directors share a profit-based awareness from the perspective of stockholders.
・Transparency in decision-making processes, objectiveness and fairness of remuneration standards are ensured.
・Remuneration structure and standards are reviewed and updated based on the economic and social conditions and the business environment of INNOTECH Group as appropriate.

Remuneration paid to Directors consists of “Monthly Compensation” as fixed compensation, “Performance-based Compensation” which is linked to short-term business performance, and “Restricted Stock Compensation” as mid-term and long-term incentives. Remuneration for other Directors than Executive Directors, such as Outside Directors and Directors who are Audit & Supervisory Committee Members, is “Monthly Compensation” only, taking their role to supervise and provide advices on management into consideration.

・Monthly Compensation：Paid to all Directors to compensate their duty to supervise management and execute business affairs, taking each Director’s position and role into account.

・Performance-based Compensation：Bonus paid to Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members) and Executive Officers based on the Company’s consolidated business results, and payment is made if and when each fiscal year’s target of the Net Income Attributable to Owners of the Parent is achieved. Payment amount depends on its excess target rate. The reason to adopt the Net Income Attributable to Owners of the Parent as a profit target is that INNOTECH believes it is an important management index which directly contributes to enhancements of corporate value and shareholder returns.
The maximum amount is 300% of the total Monthly Compensation of Directors and Executive Officers to be paid. The distribution for each Directors and Executive Officers is determined after taking the contribution level of each business area where he is in charge to the consolidated operating profit, achievement level of the original business plan made in the beginning of the fiscal year for the said business area, results of ESG/SDGs-related activities, and his position and duty into account. As for an indicator of the performance evaluation, INNOTECH believes that the consolidated operating income is an appropriate indicator since they are responsible for the company’s business performance.

・Restricted Stock Compensation：Offered in order to give Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members) incentives to sustainably enhance the corporate value of INNOTECH Group and to have them share a profit-based awareness from the perspective of stockholders. The maximum number of stocks offered to all Directors is determined, utilizing the consolidated ROE and PBR of the consolidated fiscal year before as indicators on a fifty-fifty basis. Afterward the number of stocks offered to each Director is determined within the above scope, evaluating each Director’s mid-term and long-term contributions to enhance corporate value.

The Advisory Committee deliberates the appropriateness and the fairness of total remuneration amount and individual compensation amount of “Monthly Compensation” and “Restricted Stock Compensation” paid to Directors including the President and Representative Director (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members, hereinafter the same shall apply), based on the resolution made by the General Meeting of Shareholders as well as the standards prescribed by the “Corporate Officers’ Remuneration Rules” and the performance evaluation, and reports to the Board of Directors. Based on the report from the Advisory Committee, the Board of Directors determines the individual compensation amount.

For “Performance-based Compensation” paid to Directors including the President and Representative Director and Executive Officers, the Board of Directors resolved the maximum total payment amount and that the individual compensation amount would be up to the sole discretion of the President and Representative Director, Nobuyuki Otsuka. The authority delegated to the President and Representative Director was to evaluate and distribute Performance-based Compensation paid to each Director, taking contribution level of each business area where he is in charge to the consolidated operating profit, achievement level of the original business plan made in the beginning of the fiscal year for the said business area, results of ESG/SDGs-related activities, and his position and duty into account. The reason why such authority was delegated to the President and Representative Director was that he was considered to be the best person to evaluate the business area where each Director and Executive Officer is in charge, overlooking the performance of the entire INNOTECH Group. The Advisory Committee deliberates the appropriateness and the fairness of individual compensation amount of “Performance-based Compensation” paid to Directors and Executive Officers including the President and Representative Director, based on the resolution made by the General Meeting of Shareholders as well as the standards prescribed by the “Corporate Officers’ Remuneration Rules” and the performance evaluation, and reports to the President and Representative Director. Based on the report from the Advisory Committee, the President and Representative Director determines the individual compensation amount under his authority which is delegated by the Board of Directors.

As for determining the content of individual compensations of Directors, since the Advisory Committee reviewed the draft proposal from various aspects, including its consistency with the relevant company policy, the Board of Directors has decided to respect the report presented by the Advisory Committee and to follow the relevant company policy in principle. Remuneration amount of Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members. The number of Directors at INNOTECH Corporation is prescribed as 5 or less in its Articles of Incorporation) was resolved as 300 million yen or less on an annual basis at the 37th Annual General Meeting of Shareholders held on June 23, 2023 which does not include the employee-portion salary for a Director who also holds an employee post at the Company). Also, at the 37th Annual General Meeting of Shareholders held on June 23, 2023, separately from the said maximum amount of the remuneration, it was resolved that Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members) may receive 150 million yen or less of compensation by Restricted Stocks on an annual basis.
The number of Directors (excluding Directors who are Audit & Supervisory Committee Members) is 2, and the number of Directors who are Audit & Supervisory Committee Members is 3 (the number of Outside Directors is 3) at the 37th Annual General Meeting of Shareholders held on June 23, 2023.

【Support System for Outside Directors (Outside Audit & Supervisory Board Members)】

Outside Directors and Outside Audit & Supervisory Board Members exchange views and information with the Internal Audit Office, Internal Control Department, and accounting auditors as appropriate to strengthen the monitoring function and enhance the effectiveness of audits. In order to fulfill the roles and responsibilities of the Board of Directors, INNOTECH has established a support system that includes receiving individual explanations of the background, purpose, and content of Board of Directors meeting agendas and reports in advance from the department in charge of Board of Directors operations.

When a Director or an employee discovers a fact that violates laws and regulations or that may cause significant damage to INNOTECH, he or she must promptly report the matter concerning such fact to the Audit & Supervisory Committee Members. In addition, when requested by the Audit & Supervisory Committee Members to report on matters related to the execution of business operations, INNOTECH must promptly report such matters. The Audit & Supervisory Committee Members and the employees to support the duties of the Audit & Supervisory Committee are allowed to attend the Management Committee, which deliberates important matters concerning management and business execution, and the Sales Committee, which reports monthly on the status of sales and priority measures of each sales division.

2. Functions Including Business Execution, Audit, Supervision, Appointment, and Determining Remuneration (Outline of Current Corporate Governance Systems) Updated

1. Corporate Governance Scheme

INNOTECH has transferred from a company with the Audit & Supervisory Board to a company with the Audit & Supervisory Committee on June 23, 2023 by the resolution of the 37th Annual General Meeting of Shareholders held on the same date to partially amend the Articles of Incorporation.
The objectives of this transfer were that (i) by adding the Audit & Supervisory Committee Members, who are in charge of audit of execution of duties by Directors, to the members of the Board of Directors, INNOTECH believes that it can reinforce the supervisory function of the Board of Directors and further strengthen its monitoring mechanism, thus enhance the quality of its corporate governance, (ii) by enabling the Board of Directors to delegate the decision making on a wide range of important business operations to the designated Director, the supervisory functions of management and execution of business are segregated, the speed of managerial decision-making is accelerated, and its corporate value will become higher.
In addition, INNOTECH has adopted the Executive Officer System to reinforce execution of business and improve its corporate governance by the resolution of the 37th Annual General Meeting of Shareholders to partially amend the Articles of Incorporation to establish such system.

INNOTECH has 5 Directors (one of them is a female director) who are appointed and in order to clarify the responsibility and flexibly to cope with the changes of the management environment, their term of service is one year (the term of Directors who are Audit & Supervisory Committee Members is two years). Majority of the members, who are 3 out of 5 are Outside Directors. The Board Members are, Nobuyuki Otsuka as the President and Representative Director, Yoshinori Tanahashi as the Representative Senior Managing Director, Kimito Nakae as the chairman of the Board of Directors, and Shino Hirose, and Hitoshi Kuriyama who are Outside Directors.
3 Audit & Supervisory Committee Members (one of them is a female member) are appointed at INNOTECH and by having three of them from outside the company, INNOTECH believes that audits are conducted independently enough. The Audit & Supervisory Committee Members are Outside Directors, Shino Hirose (Chairman), Kimito Nakae and Hitoshi Kuriyama.

The Advisory Committee whose majority of members consist of the Independent Outside Directors is established as a voluntary advisory body to the Board of Directors to provide advices and recommendations with respect to election and dismissal of Directors and Executive Officers and remuneration of such Directors and Executive Officers, thus strengthens the independence, objectiveness and the accountability of the function of the Board of Directors. The members of the Advisory Committee are the Independent Outside Directors Hitoshi Kuriyama (Chairperson), Kimito Nakae, and Shino Hirose, and the President and Representative Director Nobuyuki Otsuka.

In this fiscal year, the Board Meetings were held 17 times, and the Advisory Committee meetings were held 8 times. The details of each activity are described in the Notice of the Annual General Meeting of Shareholders as well as in the Annual Securities Report.

(Status of Audits by the Audit & Supervisory Committee Members and Internal Audits)

Directors who are Audit & Supervisory Committee Members attend regular and extraordinary meetings of the Audit & Supervisory Committee. In addition to audits by the Audit & Supervisory Committee Members in accordance with the Companies Act and other laws and regulations, regular internal audits are conducted on all divisions of the Group in cooperation with the Internal Audit Department. INNOTECH has established the Internal Audit Department, which verifies, in accordance with the "Internal Audit Regulations," whether INNOTECH's business operations are properly and effectively executed in accordance with laws, the Articles of Incorporation, and internal regulations. As of the date of submission of this report, the Internal Audit Department has 2 full-time employees.

(Status of Accounting Audits)

INNOTECH receives fair and non-biased accounting audits and provides corporate management information correctly, based on the Companies Act and the Financial Instruments and Exchange Act, appointing Deloitte Touche Tohmatsu LLC as its auditors.

2. Evaluation on the Effectiveness of the Board of Directors

INNOTECH annually conducts analysis and evaluation on the Effectiveness of the Board of Directors and discloses the outline of the results so that INNOTECH maximizes its corporate value through the improvement of the effectiveness of the Board of Directors. This year, INNOTECH conducted self-evaluation on the Effectiveness of the Board of Directors with all Directors as follows;

<Method of Evaluation>

(1) This year, INNOTECH conducted the survey, distributing the "Questionnaire on the Effectiveness of the Board of Directors" to all 5 Directors in March, 2025 through the in-house platform built by the secretariat of the Board, and received their answers. The Questionnaire was composed of a combination of anonymous and quantitative questions (evaluations were made from scale 1-5) to ensure comprehensiveness of the analysis. In addition, this year, evaluation was taken by ourselves, because independent third-party evaluation was taken last year.
(2) Each item of the questionnaire remained almost the same as the previous questionnaire to keep a certain level of consistency. In addition, our Board of Directors and Advisory Committee review and assess whether the PDCA cycles for decision-making and oversight are functioning effectively.
(3) At the Board Meeting held in April, 2026, the Board was reported with respect to the Evaluation on the Effectiveness of the Board of Directors, and conducted an additional discussion. As a result, the Board officially confirmed and adopted the results of the FY2025 Evaluation on the Effectiveness of the Board of Directors, and resolved to continue improvements.

<Items of the Questionnaire>

Major items of the FY2025 Questionnaire on the Effectiveness of the Board of Directors are as follow.

1. Institutional Design and Structure and Appointment/Election/Dismissal of Directors.
2. Operation Scheme and operation of the Board
3. Deliberation on the Management Plan and the Management Policy, Performance Evaluation and Remuneration for the Management Team
4. Monitoring and Feedback

< Improvement Status of the Problems Identified the Year Before>

The Board of Directors and the Secretariat took following measures in FY2025, based on the results of the FY2024 Evaluation on the Effectiveness of the Board of Directors.

・Clarifying the positioning of discussions on long-term strategy at Board meetings
We have established a framework for Board-level discussions on long-term strategy, for example by creating a department responsible for research on long-term strategy and setting opportunities for deliberations at Board meetings on the premise that no immediate conclusion will be reached. In the current fiscal year, the Board has been engaging in discussions based on key management issues such as the new medium-term management plan and capital allocation.

・Clarifying key discussion points and expectations
The distinction between matters that should be discussed by the Board and those that should be delegated has become more firmly established, which in turn has led to more active discussions on management strategy.

・Enhancing the leadership role of advisory committees
In discussions on matters such as the succession plan, outside directors and executive officers have engaged in exchanges of views. In addition, exchanges of views have been held with other members of management and with mid-level and younger employees, and proactive communication has been pursued to close the information gap between advisory committee members and those involved in business execution.

<Evaluation Results of FY2025>
After the analysis and the discussions on the results of the FY2025 Evaluation on the Effectiveness of the Board of Directors, the following content was confirmed;
-Through the entire survey, there was no negative evaluation. We confirmed that the Board of Directors generally keeps their effectiveness.
-The institutional design and structure and appointment/election/dismissal of directors received overall high evaluations. It was assessed that an appropriate balance of directors has been achieved based on the skill matrix.
-Operation scheme and operation of the Board also received overall high evaluations. It was assessed that sufficient information is provided and that frank and active discussions are taking place.
-Deliberations on management plans and management policies, as well as performance evaluation and remuneration for management team, were also rated highly. While it was recognized that sufficient discussions are being held, some respondents expressed a desire for even more in-depth discussion.
-Monitoring and feedback also received overall high evaluations. It was assessed that highly effective discussions are being conducted, and that the evaluation of the effectiveness of the Board of Directors itself is functioning appropriately.

<Future Issues>
While we assess that, at present, our Board of Directors operates with a high level of effectiveness, we will strive to further enhance its effectiveness based on this year's evaluation results. In particular, we will work to maintain and improve effectiveness with respect to the following matters that were raised.
(i) Deepening discussions at Board meetings
While our Board of Directors is currently assessed as engaging in sufficiently robust discussions, we will further deepen these discussions with a view to enhancing corporate value. We will continue to refine how agenda items are presented so as to enable in-depth discussion of matters such as the new medium-term management plan and long-term strategies.
(ii) Ensuring the sustainability of effectiveness over the medium to long term
Although there were no changes in the composition of the Board of Directors in the current fiscal year, we intend to continue focusing particularly on this point whenever changes to the Board's membership occur, and to work to sustain the Board's effectiveness by fostering a shared understanding of the role of the Board and the nature of its discussions.

3. Reasons for Adopting the Current Corporate Governance Scheme

INNOTECH has adopted the current corporate governance scheme since June 23, 2023 with a belief that it will enhance the quality of its corporate governance and increase its corporate value as the company accelerates the speed of decision-making and execution of work by delegating authority of the Board of Directors to Directors and reinforces the supervisory function on management through exercising voting right at the Board Meetings by the Audit & Supervisory Committee Members, who are in charge of audit of execution of duties by Directors.

Ⅲ Measures Relating to Shareholders and Other Stakeholders

1. Efforts to Invigorate General Meeting of Shareholders and Exercising of Voting Rights

Updated

	Supplementary explanation
Sending the Notice of the Annual General Meeting of Shareholders at an early timing	INNOTECH provides Reference material for the General Meeting of Shareholders, Financial Statement (Non-consolidated and Consolidated), and Business Report etc. on the company website more than 3 weeks prior to the date of the General Meeting of Shareholders. The Notice of the 40th Annual General Meeting of Shareholders (held on June 25, 2026) was sent on June 9, 2026. Reference material for the General Meeting of Shareholders, etc., was posted on the company website on June 3, 2026.
Holding our General Meeting of Shareholders avoiding the date when many other companies hold their shareholders' meetings	Our General Meeting of Shareholders this year was held on June 25, 2026, avoiding the date when many other companies held their shareholders' meetings so that many shareholders could attend our meeting.
Voting by electromagnetic means	Shareholders may exercise their voting rights via Internet (including by cell phones).

Participation into the electronic voting platform and making other efforts to enhance the environment for institutional investors to exercise their voting rights	By introducing the electronic voting platform, INNOTECH is able to provide the content of the Notice of the Annual General Meeting of Shareholders promptly to shareholders.
Providing the Notice of the Annual General Meeting of Shareholders (summarized version) in English	INNOTECH provides the Notice of the Annual General Meeting of Shareholders in English on the company website.

2. Activities Relating to IR Updated

	Supplementary explanation	Presentation by Representative
Developing and announcing the disclosure policy	IR policy is referred to on the INNOTECH official corporate website; https://www.innotech.co.jp/english/ir/policy.html	
Holding periodic briefing sessions for individual investors	Briefing for individual investors was held online in August 2025 and February 2026.	Yes
Holding periodic seminars for analysts and institutional investors	Two seminars on our financial results (in May and November) are held every year. In November 2025 and May 2026, the seminar was held in webinar.	Yes
Posting of IR materials on the Company's website	INNOTECH provides materials such as financial highlights, financial statements, and IR calendar on the official corporate website. https://www.innotech.co.jp/english/ir/	
Establishment of a department (responsible person) in charge of IR	IR Contact: Corporate Planning Dept. TEL +81-45-474-9030 Management in charge of IR matters: Yoshinori Tanahashi, Senior Managing Executive Officer and Representative Director	
Others	For the better understanding of the company, INNOTECH provides a seminar on our financial results on the official corporate website for a certain period of time.	

3. Efforts to ensure Due Respect for Stakeholders Updated

	Supplementary explanation
Establishment of rules to ensure due respect for stakeholders including company rules	In the Management Philosophy section of the official corporate website, INNOTECH provide "Our Vision", "Our Actions" and the "INNOTECH Group Internal Code of Conduct and Ethics" and employees work hard on a daily basis to enforce them. https://www.innotech.co.jp/english/corporate/rinen/ https://www.innotech.co.jp/english/corporate/csr/compliance/
Environmental preservation activities, CSR activities, etc.	○ISO INNOTECH have obtained ISO 14001 and ISO 9001 certification. ○Resource-saving Measures and Recycling INNOTECH is working hard to go paperless, such as digitizing various forms and reports, distributing meeting materials electronically prior to the meetings and sharing such materials utilizing tablets, taking statistics of monthly total numbers of copies and printing materials and publishing such numbers inside the company to increase employees awareness and to motivate them to make further progress on going paperless. ○Participation in the Kanagawa Upcycle Consortium In Kanagawa Prefecture, where INNOTECH headquarter is located, a feasibility study for a so-called upcycling is conducted, utilizing "LIMEX" which is new material mainly made of limestone without using almost any water nor wood and turned into alternatives of paper and plastic. The word "upcycling" means to turn used materials to higher value-added materials than the original materials, while recycling means turning the used materials back to reusable materials (often with lower quality than original materials). INNOTECH supports the upcycling efforts and participates as one of the partner companies in the "Kanagawa Upcycle Consortium", which promotes the upcycling models proposed by Kanagawa Prefecture. INNOTECH utilizes LIMEX for its company brochures and we save 4.1 trees and 20,500 litters of water per 1,000 copies of our company brochures.

	○Assistance to the areas where the natural disasters struck hard INNOTECH Group is making financial contributions via Japanese Red Cross Society for the 2011 off the Pacific Coast of Tohoku Earthquake and the 2016 Kumamoto Earthquake. INNOTECH Group made financial contributions via Japanese Red Cross Society for the 2024 Noto Peninsula Earthquake. ○Nurturing the IT Expertise INNOTECH has financially contributed to Life is Tech Inc. which provides education for computer programming mainly to junior high and high school students. Its plan is to provide opportunities for education in the IT area for young people, women, and people from overseas who will lead our future and to contribute to addressing and resolving social issues. ○Social contribution activities INNOTECH held a robotics programming class for local elementary school students. INNOTECH plans to continue implementing activities that contribute to the local community going forward. SANEI HYTECHS Co., Ltd., which is one of the INNOTECH Group companies, supports education programs for children (education on robotics science for children of elementary school), STEM (science, technology, engineering and mathematics) education such as the Embedded Technology Software Design Robot Contest, local cultural activities, nature conservation campaign, and so on. Likewise, our subsidiary, MoDeCH Inc. sponsored a local programming contest for elementary school students. Also, STAr Technologies, Inc., another INNOTECH Group company, help nurturing of human resources, such as by hosting a scholarship program. Through such activities, INNOTECH Group will continue to contribute to the local community and help developing human resources to pursue future science and technology.
Establishment of policies for providing information to stakeholders	IR Policy is referred to on the INNOTECH official corporate website; https://www.innotech.co.jp/english/ir/policy.html

Ⅳ Matters Related to Internal Control System

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

INNOTECH, in line with the Companies Act of Japan and the Ordinance for Enforcement of the Companies Act of Japan, establishes its "Basic Policy on Internal Management and Control" with a resolution of the Board of Directors. Also, INNOTECH organizes and operates its internal control system under the leadership of the Internal Management and Control Office which is established in the company. INNOTECH has set forth its "Basic Policy on Internal Management and Control" as follows.

(1) Scheme to ensure that execution of duties by Directors as well as employees comply with laws and regulations as well as its Articles of Incorporation

1. INNOTECH Group shall devise the "INNOTECH Group Internal Code of Conduct and Ethics" so that INNOTECH Group Directors will thoroughly comply with applicable laws and regulations and act sincerely.
2. In the event that any of Directors discovers any material violations of laws and regulations or of the company internal rules inside the company, such Directors shall, without delay, report such violations at the Board Meeting.
3. INNOTECH Corporation shall designate the "INNOTECH Group External Whistleblowing Office" as a whistleblower System at INNOTECH Group.

(2) Scheme for Maintenance and management of information and records related to execution of duties by Directors

1. INNOTECH Corporation shall appropriately maintain the records and manage information based on its company internal rules such as the "Document Management Rules" for any documents, electronic records and other important information related to its execution of duties.
2. Directors as well as the Audit & Supervisory Board Members may access to such documents and information any time
3. INNOTECH Corporation shall establish an organization which is in charge of appropriate disclosure of company's material information as well as other disclosure and Directors shall immediately and thoroughly organize and appropriately disclose such information which must be disclosed under the applicable laws and regulations.

(3) Rules and scheme to manage risk of loss

1. INNOTECH Corporation shall establish the "Corporate Crisis and Risk Management Rules" which address risk management and any risk of loss which could take place at INNOTECH Group, as well as make sure that employees are fully informed and aware of INNOTECH Group measures against such risk.
2. In the event of company crisis, INNOTECH Corporation shall immediately organize a special task force.

(4) Scheme to ensure efficient execution of duties by Directors

1. Periodic Board Meetings shall be held monthly as a principle so that they will serve as the basis for efficient execution of duties by INNOTECH Group Directors; Extraordinary Board Meetings shall be held on a needed basis.
2. Segregation of business shall be determined at the Board of Directors and duties of Directors shall be efficiently executed based on each Director's authority set by the Administrative Authority Rules.
3. Management Meetings shall be held periodically to set management policies and discuss and review important matters.

(5) Scheme to ensure fairness of work at INNOTECH Group

1. INNOTECH shall set up "Affiliate Companies Management Rules" to ensure fairness of work as a whole in INNOTECH Group
2. Directors of INNOTECH Corporation shall also serve as the Group companies' Directors so that the Group companies' business status and other

important matters are reported to them in a constant and appropriate manner.
3. INNOTECH Corporation Internal Audit Office shall conduct audits of INNOTECH Group companies and ensure effectiveness and appropriateness of internal control throughout INNOTECH Group.

（6） Matters related to employees who are requested by the Audit & Supervisory Board Members to assist their work as well as such employees' independence from Directors
1. Employees who are requested to assist the Audit & Supervisory Board Members shall collect necessary information for audits conducted by the Audit & Supervisory Board Members based on such Audit & Supervisory Board Members' instructions and directions and the employees shall appropriately report to such Audit & Supervisory Board Members with respect to the status and progress of their work.
2. Activities of employees to assist the Audit & Supervisory Board Members shall not be unfairly prejudiced by Directors and the Internal Audit Office.

（7） Scheme for reporting to the Audit & Supervisory Board Members by Directors as well as by employees and other reporting
1. INNOTECH Group Directors and employees shall report their status and progress of work to the Audit & Supervisory Board Members as requested by such Audit & Supervisory Board Members as well as report other matters which may materially affect the company to the Audit & Supervisory Board Members.
2. INNOTECH Group Directors and employees shall report matters related to their work to the Audit & Supervisory Board Members upon request from such Audit & Supervisory Board Members.
3. Internal Audit Office as well as its related divisions shall report all the issues brought to the INNOTECH Group Whistleblowing Office to the Audit & Supervisory Board Members on a periodic basis.
4. Any employees shall not be treated unfairly by reason of making reports to the Audit & Supervisory Board Members.

（8） Other scheme for the Audit & Supervisory Board Members to conduct their audits effectively
1. Audit & Supervisory Board Members shall comply with the audit policies and the audit plan set by the Audit & Supervisory Board and shall constantly exchange views and opinions with the Representative Director, accounting auditors and the Internal Audit Office.
2. Audit & Supervisory Board Members shall attend important company meetings such as Board Meetings and go through materials which are used in such meetings to ensure effectiveness of their audits.
3. Audit & Supervisory Board Members may consult with experts such as attorneys, certified public accountants, tax accountants and so on whenever they determine as necessary for their execution of work, and expenses for such professional services required by the Audit & Supervisory Board Members shall be borne by the company.
4. In the event that the Audit & Supervisory Board Members request advance payment of expenses for their execution of work, the company shall promptly address such requests unless its necessity is denied.

（9） Scheme to ensure reliability of financial reports
In order to ensure reliability and properness of INNOTECH Group financial reports according to the Financial Instruments and Exchange Act of Japan, INNOTECH shall lay groundwork for its internal control under the instructions of the Representative Director; INNOTECH Internal Audit Office shall be in charge of execution of such groundwork and its evaluation from operational point of view.

（10） Fundamental policies and measures in eliminating antisocial forces
From the viewpoint of avoiding any involvement with and any influence from economic activities by the antisocial forces, INNOTECH Group shall devise the "INNOTECH Group Internal Code of Conduct and Ethics" as well as the "Rules to Counter Antisocial Forces" so that the employees will have official rules and guidance on how to counter antisocial forces and make efforts to eliminate them.

2. Basic Policy on Elimination of Anti-Social Forces and Status of Its Development

The policy is set forth in "1. Basic Views on Internal Control System and Progress of System Development", paragraph (10) above, specifically as follows.
INNOTEC Group recognizes that it is important not only from the standpoint of compliance but also from the standpoint of corporate defense to sever any relationship with antisocial forces. The Group clearly states in the "INNOTEC Group Code of Ethical Conduct" that "the Group shall sever any relationship, whether legal or illegal, with antisocial activities or forces that threaten the order and safety of civil society and obstruct economic activities.
In accordance with the "INNOTEC Group Code of Ethical Conduct," all employees and others are required to fulfill their responsibilities to deal with antisocial forces.
If an employee receives an unreasonable request from an antisocial force, he/she is required to immediately report such information to the General Manager of the General Affairs and Personnel Department.
If necessary, we will work closely with police authorities and related organizations to develop a system that will enable us to respond in an organized manner.

Ⅴ Others

1. Introduction of Defenses against Hostile Takeovers

Introduction of defense mechanism against hostile takeovers	None

Supplementary explanations

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2. Other matters Concerning Corporate Governance System, etc.

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Appendix: Reasons for Election/Appointment of Directors (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members)

Position	Name	Reason for assignment
President and Representative Director Executive Officer	Nobuyuki Otsuka	In addition to experience and a track record in launching and developing the semiconductor testing business of INNOTECH, Nobuyuki Otsuka has participated in the management of domestic and overseas subsidiaries, and has a wealth of experience in management. He has been involved in the management of INNOTECH as Representative Senior Managing Director since April, 2019, and as Representative Director since April, 2021. He is assigned as a Director with the expectation that such experience will be continuously utilized in the management of INNOTECH.
Senior Managing Executive Officer and Representative Director	Yoshinori Tanahashi	Yoshinori Tanahashi has a wide track record of involvement in the management of fields such as finance and planning through his extensive experience in the financial industry and the corporate planning division of the operational company. He has been involved in the management of INNOTECH as Senior Managing Director since April, 2021. He is assigned as a Director with the expectation that such experience will be continuously utilized in the management of INNOTECH.

INNOTECH Corporate Governance System (Model Chart)