

Disclaimer : The English translation is only for reference purposes. When there is any discrepancy between original Japanese version and English translation, the original Japanese version always prevails.

Last Update: March 30, 2026

TSUBAKI NAKASHIMA CO., LTD.

Director, Representative Executive Officer, CEO

Itaru Matsuyama

Contact: IR Director

Securities Code: 6464

<https://www.tsubaki-nakashima.com/>

The corporate governance of TSUBAKI NAKASHIMA CO., LTD. (the “Company”) is as described below.

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

1. Basic Views

From the perspective of conducting and growing our business on a global scale, the Company aims to establish a highly transparent and objective corporate governance system. Furthermore, we will realize group company management functions that are efficient and specialized and establish an integrated group management system.

The Company has adopted the institutional design of a Company with a Nominating Committee, etc. with the following objectives: (1) to improve the flexibility of decision-making by clarifying the scope of authority and duties of the Board of Directors and the executive officers; (2) to enhance management transparency by establishing a Nominating Committee, Remuneration Committee, and Audit Committee in which outside directors constitute a majority, while also making the Board's supervisory function more effective through highly specialized outside directors; and (3) to exercise a management oversight function whereby outside directors with independence and insight provide advice, etc. from an external perspective in the Board of Directors and each committee.

The Company's corporate governance system consists of the Board of Directors, Nominating Committee, Remuneration Committee, and Audit Committee as supervisory bodies, and the Global Leadership Team (GLT), Risk Management Committee (RMC), and the Sustainability Committee (SC) as advisory bodies for the CEO.

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

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

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

Disclosure for all principles is stated based on the Corporate Governance Code after its revision in June

2021.

[Principle 1-4: Cross-Shareholdings]

The Company's basic policy is to hold shares for purposes other than investment only to the extent that the rationale for holding them is justified, from the perspective of maintaining and strengthening transactions and business alliances.

(1) Policy on cross-shareholdings

The Company's basic policy is to hold shares for purposes other than investment only to the extent that the rationale for holding them is justified, from the perspective of maintaining and strengthening transactions and business alliances. We are considering gradually selling shares whose rationale for holding has diminished

(2) Details of verification of cross-shareholdings

We verify the appropriateness of each individual cross-shareholding by examining the suitability of the purpose of the shareholding and whether the benefits and risks associated with the shareholding are commensurate with the cost of capital. The details of this verification are reported to the Board of Directors each year.

(3) Standards for exercise of voting rights relating to cross-shareholdings

With respect to the exercise of voting rights relating to cross-shareholdings, the Company determines whether to vote for or against proposals at the General Meeting of Shareholders of the relevant company after confirming the rationality of such proposals. Specifically, we determine whether such proposals would impede the realization of our holding objectives, or whether they contain anything that would interfere with the business relationship with us.

[Principle 1-7: Related Party Transactions]

Competing transactions and conflict-of-interest transactions with directors and executive officers or with corporations effectively controlled by directors and executive officers must be deliberated on and resolved by the Board of Directors.

The Company also checks periodically each year whether there are any transactions between directors, executive officers, and their close relatives and the group, and whether there are any transactions between a company in which directors, executive officers, and their close relatives effectively hold a majority of the voting rights and the group. At the same time, for transactions with related parties, we review the rationality of transaction terms such as pricing in the same manner as transactions with third parties, and thereafter carry out approval procedures based on internal regulations, as well as conducting periodic audits.

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

The Company does not have a corporate pension plan for which it provides investment

instructions, and has no plan to introduce such a plan.

[Principle 3-1: Full Disclosure]

(1) We disclose PVMV equal to management philosophy, and strategies, etc. on the Company website and in our financial results presentation materials.

(2) (3) We disclose information in the Corporate Governance Report.

(4) In accordance with the governance framework of a Company with a Nominating Committee, etc., the Nominating Committee, in which outside directors constitute a majority, engages in fair and highly transparent procedures.

(5) As stated in (4) above, having ensured the fair and impartial decision-making of the Nominating Committee, decisions are made based on each candidate's experience, abilities, insight, and character. Explanations regarding the election of each individual director are disclosed in the Notice of Convocation.

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

The Company recognizes the importance of addressing sustainability in enhancing corporate value over the medium to long term and will continue to improve our organizations, processes, products, and services to achieve zero defects, zero accidents, zero environmental impact, and better energy performance.

Furthermore, our group positions human capital as a crucial foundation for enhancing corporate value in the medium to long term, and we are committed to the steady execution of our strategy. In 2025, we completed the restructuring and renewal of our purpose, vision, mission, and values, and shared them throughout our global organization. This has led to the development of a sense of unity within the organization, improved alignment with strategy, and strengthened proactive employee engagement. We have implemented and enhanced standardized personnel systems and operational procedures, including an awards system, performance management system, an Onboarding Survey and a recurring global Engagement Survey. These initiatives aim to leverage the strengths of the entire organization, including overseas locations, while simplifying and standardizing business procedures, and to visualize information on employees' work experience and performance across regions, for use in management decisions. We are also focusing on strengthening our workforce and improving employee retention rates.

Our group discloses information in accordance with the GRI and the Task Force on Climate-related Financial Disclosures (TCFD) regarding climate change countermeasures, and has obtained a B rating in the "Climate Change" area of the Carbon Disclosure Project (CDP),

which is the best standard for environmental reporting. In addition, our greenhouse gas reduction targets have been certified by the Science Based Targets Initiative (SBTi). A scenario analysis based on the TCFD recommendations for CO2 emission reduction targets by 2030, which are aligned with the Paris Agreement, is included in our Securities Report.

Detailed information regarding the above sustainability initiatives can be found in our Securities Report (Japanese only), on our website, and in our ESG Report.

<https://contents.xj-storage.jp/xcontents/AS93644/8a985bf0/176e/48c2/a970/ad01104cb70e/S100XTLM.pdf>

<https://www.tsubaki-nakashima.com/en/sustainability/>

https://tsubaki-nakashima.com/wp-content/themes/corporate2025/pdf/en_ESG_Report_2024.pdf

[Supplementary Principle 4.1.1: Scope of Matters Delegated to the Management]

The Company has established the Board of Directors as the decision-making and supervisory body for fundamental management matters, and the Global Leadership Team (GLT) as an advisory body for the CEO. While clearly and broadly defining the matters delegated by Board of Directors resolution, we are working to establish separation between management decision-making and business execution.

An overview of this governance structure is disclosed in the Corporate Governance Report and other relevant disclosure documents.

The Board of Directors makes decisions on matters stipulated by laws and regulations and the Articles of Incorporation, as well as important matters concerning the Company and group companies. The GLT is primarily composed of the heads of each business field and implements policies determined by the Board of Directors, as well as addressing issues that span multiple business fields.

[Principle 4.9: Independence Standards and Qualification for Independent Outside Directors]

In the selection of candidates for independent outside directors, the Company selects appropriate candidates based on the requirements for outside directors stipulated in the Companies Act and the independence standards for independent directors/officers set forth by the Tokyo Stock Exchange.

[Principle 4-11-1: Views on the Balance, Diversity and Size of the Board of Directors]

In accordance with the governance framework of a Company with a Nominating Committee, etc., the Nominating Committee selects directors giving consideration to such factors as the balance

of knowledge, experience, and abilities. In addition, full consideration is given to the balance of knowledge and experience of outside directors who are in a supervisory capacity, such as by selecting human resources with diverse expertise, including compliance, risk management, and experience in consulting and management at other companies. For information on the skills and diversity of each director, please refer to the “Skill Matrix of Directors” below.

[Principle 4-11-2: Concurrent Positions of Directors]

Concurrent positions of directors at other companies are disclosed through the Notice of Convocation for the General Meeting of Shareholders, the Securities Report, and reports on corporate governance. Two of the four outside directors concurrently serve as officers of listed companies outside of the group. However, all three of the executive directors (who also serve as executive officers) do not hold concurrent positions as officers of other listed companies outside of the group, ensuring a structure in which they can devote themselves fully to their duties as directors (and executive officers).

In addition, taking into account the fiduciary duty as a director, we endeavor to ensure that concurrent appointments at listed companies other than the Company remain within reasonable bounds.

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

The Company conducts a questionnaire survey of the directors who are the members of the Board to analyze and evaluate the effectiveness of the Board of Directors once a year. The results of the most recent survey indicate that the effectiveness of the Board of Directors has improved compared to the previous year, although there are still some issues that require improvement and consideration. An overview of the results is disclosed below in accordance with the questionnaire survey items.

Summary of the Results of Evaluation of Effectiveness of the Board of Directors

1. Composition of the Board of Directors

Overall, positive results were obtained with regard to the current size and composition of Board membership. However, it was recognized that there is a need to continue optimizing the diversity and skill sets of Board members, and we will continue to give appropriate considerations to this matter going forward.

2. Operation of the Board of Directors

Overall, the evaluation results were highly positive in terms of operations, including the

frequency of meetings, the scope and suitability of agenda items, and securing of sufficient time for reviewing materials provided in advance. At the same time comments highlighted the need for improvement with regard to the time allocated to deliberation on agenda items and how meetings are conducted. In response, we have already reviewed the operational practices, and have decided to transition to a new organization format starting from 2026. Through these initiatives, we will continue to strive to enhance the effectiveness of the Board of Directors.

3. Roles and Responsibilities of the Board of Directors

Overall, high evaluations were obtained for areas such as the establishment and operational oversight of the compliance and risk management systems, the appropriate allocation of matters for Board deliberation and those delegated to management, and the appointment and dismissal of senior executives. Going forward, we will continue to consider measures in conjunction with the transition in operation format, with the aim of further stimulating discussions at meetings of the Board of Directors.

4. Provision of Information and Support for the Directors

High evaluations were obtained regarding coordination with the Internal Audit Department, provision of information to directors, and efforts to ensure that outside directors receive the necessary internal company information. However, in light of the importance of these matters, we will continue to consider measures to further enhance training opportunities for outside directors and to ensure access to advice from external experts.

5. Self-Assessments of the Directors

On average, high evaluations were obtained, reflecting that all directors have a sound understanding of the Company's basic philosophy and the business environment in which it operates, and that they appropriately perform their duties in accordance with their respective roles.

[Supplementary Principle 4-14-2: Training for Officers]

The Company provides opportunities for directors to deepen their understanding by establishing forums for discussion of business and management strategy through regular meetings with the executive officers. For outside directors, the heads of each region and business sector present reports at the Board of Directors meetings on a rotating basis in order to promote understanding of the Company's management philosophy, management strategy, and initiatives. In addition, the Company provides opportunities for on-site visits aimed at deepening understanding of its

business through dialogue with employees at operating locations.

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

We have appointed an executive officer in charge of investor relations (IR), and the IR department, overseen by this executive officer, is the department responsible for IR. For shareholders and investors, we hold earnings briefings for institutional investors and analysts at least once every six months, and we conduct individual or small meetings as needed in response to requests for dialogue from shareholders. Furthermore, we primarily address inquiries from individual shareholders through dialogue.

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

Content	Actions are disclosed.
English Disclosure	No
Date updated	March 26, 2025

Explanation on the Matter

[Principle 5-2: Action to Implement Management that is Conscious of Cost of Capital and Stock Price]

Our measures to realize “management that takes capital costs and stock prices into consideration” are outlined in our "Medium-Term Business Plan 2025-2029," which covers the five-year period from December 2025 to December 2029.

[https://contents.xj-](https://contents.xj-storage.jp/xcontents/AS93644/4fdf5fc4/ca3a/4bcc/98e2/a0218d2655ec/20251022140602185s.pdf)

[storage.jp/xcontents/AS93644/4fdf5fc4/ca3a/4bcc/98e2/a0218d2655ec/20251022140602185s.pdf](https://contents.xj-storage.jp/xcontents/AS93644/4fdf5fc4/ca3a/4bcc/98e2/a0218d2655ec/20251022140602185s.pdf)

2. Capital Structure

Foreign Shareholding Ratio	Over 10% and less than 20%
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【Major Shareholders】

Name of Shareholders	Number of Shares Held (Shares)	Ownership (%)
The Master Trust Bank of Japan, Ltd. (Trust Unit)	5,907,200	14.82
BBH CO FOR ARCUS JAPAN VALUE FUND	1,524,000	3.82
Custody Bank of Japan, Ltd. (Trust account)	1,313,900	3.30

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The Master Trust Bank of Japan, Ltd. (Stock Grant ESOP Trust Account ・ 80189)	898,400	2.25
Tatsuya Aoki	836,000	2.10
UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	761,885	1.91
The Master Trust Bank of Japan, Ltd. (Directors' Remuneration BIP Trust Account ・ 76206)	713,647	1.79
Rakuten Securities, Inc.	672,400	1.69
MSIP CLIENT SECURITIES	544,844	1.37
SBI Securities Co., Ltd.	539,413	1.35

Name of Controlling Shareholders (Excluding Parent Company)	None
Name of the Parent Company	None

Supplementary Explanation (Updated)

<p>The status of major shareholders is as of December 31, 2025.</p> <p>In addition to the shares listed above, the Company holds 1,734,611 shares (4.35%) of treasury stock.</p> <p>Although it was stated in a large-volume holdings report (revised report) made available for public viewing on November 19, 2024 that Jupiter Asset Management Limited held 1,098,000 shares (shareholding ratio 2.64%) as of November 15, 2024, the Company was unable to confirm the actual number of shares held as of December 31, 2025. Consequently, Jupiter Asset Management Limited was not included in the status of major shareholders above.</p> <p>Although it was stated in a large-volume holdings report (revised report) made available for public viewing on July 4, 2025 that Sumitomo Mitsui Trust Asset Management Co., Ltd. and its joint holder Nikko Asset Management Co., Ltd. held 1,883,800 shares (shareholding ratio 4.53%) as of June 30, 2025, the Company was unable to confirm the actual number of shares held as of December 31, 2025. Consequently, Sumitomo Mitsui Trust Asset Management Co., Ltd. and Nikko Asset Management Co., Ltd. were not included in the status of major shareholders above.</p> <p>Although it was stated in a large-volume holdings report made available for public viewing on October 21, 2025 that Arcus Investment Limited held 2,093,500 shares (shareholding ratio 5.03%) as of October 17, 2025, the Company was unable to confirm the actual number of shares held as of the end of the fiscal year. Consequently, Arcus Investment Limited was not included in</p>
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the status of major shareholders above.

3. Corporate Attributes

Listed Stock Exchange and Market Section	Prime Market, Tokyo Stock Exchange
Fiscal Year-End	December
Type of Business	Machinery
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	¥10.0 billion to less than ¥100 billion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	10 to less than 50

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

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

None

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

1. Organizational Composition and Operation

Organization Form	Company with a Nominating Committee, etc.
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[Directors] **【GA】**

Maximum Number of Directors Stipulated in the Articles of Incorporation	The maximum number is not stipulated.
Term of Office Stipulated in the Articles of Incorporation	One year
Chairperson of the Board	Outside Director
Number of Directors	7

[Outside Directors]

Number of Outside Directors	4
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Number of Outside Directors Designated as Independent Directors	4
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Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Noboru Yamamoto	From another company											
Yuri Kato	From another company											
D. Michael Wilson	From another company											
David Evans	From another company											

*Categories for selecting relationship with the Company

* “○” 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, “▲” when a close relative of the director fell under the category in the past

a. An executive of the Company or its subsidiary

b. An executive or non-executive director of the parent company of the Company

c. An 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. A major client or supplier of the Company or an executive thereof

f. A consultant, accountant, or legal professional who receives a large amount of monetary consideration or other property from the Company besides remuneration as a director

g. A major shareholder of the Company (an executive of the said major shareholder if the shareholder is a corporation)

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

i. An executive of an entity between which and the Company outside directors are mutually appointed (the director himself/herself only)

j. An executive of a company or organization that receives a donation from the Company (the director himself/herself only)

k. Others

Outside Directors' Relationship with the Company (2)

Name	Committees to which the outside director belongs			Independent Officer	Supplementary explanation on applicable items	Reasons for appointment
	Nominating Committee	Remuneration Committee	Audit Committee			
Noboru Yamamoto		○	○	○	—	Mr. Noboru Yamamoto has advanced and wide-ranging experience, expert knowledge and vision gained from working at global corporations. It was determined that he will appropriately supervise and support management from a multifaceted viewpoint based on global, market, technological trends, corporate strategy, and ESG perspectives based on his experience of having been engaging in a diverse array of businesses, and he was appointed as an Outside Director. In addition, he was designated as an

						independent officer because there are no issues that could be considered problematic in terms of the standards for independence set forth by the stock exchange.
Yuri Kato			○	○	—	Ms. Yuri Kato has served as CFO and in other leadership positions in the area of finance and corporate planning at global corporations, and has extensive experience in formulating and executing financial strategies and in leading investment strategies that support business growth. In the Company's management as well, it was determined that she could contribute to sustainable growth through formulating growth

						<p>strategies in the global market and providing advice on M&A and alliance strategies, and she was appointed as an Outside Director. In addition, she was designated as an independent officer because there are no issues that could be considered problematic in terms of the standards for independence set forth by the stock exchange.</p>
D. Michael Wilson	○	○		○		<p>Mr. D. Michael Wilson has held positions as a chief executive and business unit head at global corporations in the chemicals and materials manufacturing industry. He has extensive experience in formulating and executing management strategies, as well as in leading</p>

						<p>business turnarounds and organizational restructuring in multinational organizations, including footprint restructuring, cost reductions, M&A, and PMI. In addition, he possesses experience as an outside director and a strong understanding of Japanese culture, and has sound judgment and leadership grounded in both practical operations and management. The Company determined that he will make a significant contribution to the “Global manufacturing footprint optimization,” which is a key pillar of the Company’s Mid-Term Business Plan, as well as an improvement in</p>
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						<p>effectiveness of the Company's Board of Directors, and he was appointed as an Outside Director. In addition, he was designated as an independent officer because there are no issues that could be considered problematic in terms of the standards for independence set forth by the stock exchange.</p>
David Evans		○	○	○		<p>Mr. David Evans has served as CEO and business leader at multiple global manufacturing companies based in Europe and the U.S., and possesses deep expertise in the automotive components industry and energy-related businesses, together with extensive management experience. In particular, he is</p>

						<p>well-versed in operational improvement, supply chain management, and quality control at globally operating mid-sized companies, and has led growth strategies and business restructuring with sound judgment and a well-balanced perspective during phases of corporate turnaround. The Company determined that his wealth of experience will make a significant contribution to the advancement of our manufacturing operations and the improvement of productivity and he will be able to strongly support our transformation, and he was appointed as an Outside Director. In addition, he</p>
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						was designated as an independent officer because there are no issues that could be considered problematic in terms of the standards for independence set forth by the stock exchange.
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[Committees] **[GA]**

Composition of Each Committee and Attributes of Chairpersons

	All Committee Members (Members)	Full-time Members (Members)	Inside Directors (Members)	Outside Directors (Members)	Chairperson (Chairperson)
Nominating Committee	3	1	1	2	Outside Directors
Remuneration Committee	3	1	1	2	Outside Directors
Audit Committee	3	0	0	3	Outside Directors

[Executive Officers] (Updated)

Number of Executive Officers	3
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Concurrent Positions (Updated)

Name	Representative Authority	Concurrent Service as Director			Concurrent Service as Employee
			Nominating Committee	Remuneration Committee	
Itaru Matsuyama	Yes	Yes	○	○	No
Yoichi Ueda	No	Yes	×	×	No
Anna Dolgikh	No	Yes	×	×	No

[Audit System]

Appointment of Directors and Employees to Assist with the Duties of the Audit Committee	Yes
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Independence of Such Directors and Employees from Executive Officers

Since all the Audit Committee members are outside directors, the Company has appointed the Assistant of Audit Committee to assist the Audit Committee with its duties. The Assistant of Audit Committee is a full-time position, and a system has been established for reporting the status of day-to-day operations to the Audit Committee members in a timely manner. Furthermore, in order to ensure the independence of the Assistant of Audit Committee who is an employee, the appointments, transfers and personnel evaluations of the Assistant of Audit Committee are subject to the approval of the Audit Committee.

Cooperation Among the Audit Committee, the Accounting Auditor, and the Internal Audit Department

The Company has entered into an audit agreement with Ernst & Young ShinNihon LLC and is subject to their accounting audits.

Opportunities are provided for the Audit Committee and the Accounting Auditor to exchange information and opinions as appropriate. The Assistant of the Audit Committee also attends such liaison meetings, where the audit plan, audit team structure, and audit execution status reports are provided and key audit considerations and other information are shared.

In addition, the Company has established the Internal Audit Department as an independent operation to conduct internal audits under the direction of the Director, Representative Executive Officer, CEO. The Head of the Internal Audit Department attends the monthly meetings of the Audit Committee and exchanges opinions on key audit matters as well as providing reports on internal audit plans and results.

[Independent Officers]

Number of Independent Officers	4
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Other Matters Related to Independent Officers

The Company has designated all outside directors who meet the independence criteria as independent officers.

[Incentives]

Implementation Status of Measures related to Incentives Granted to Directors and Executive Officers	Introduction of performance-linked remuneration system
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Supplementary Explanation of relevant items

Remuneration for directors and executive officers is determined by the Remuneration Committee, in which outside directors constitute a majority. To ensure remuneration is determined appropriately from a fair and neutral perspective, the roles and execution of duties of directors and executive officers are taken into consideration.

Grantees of Stock Options

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Supplementary Explanation of relevant items

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[Remuneration for Directors and Executive Officers]

Disclosure (of Remuneration for Individual Directors)

Only some information is disclosed individually.

Supplementary Explanation of relevant items

The total amount of remuneration for directors and executive officers is specifically stated in the Securities Report and the Business Report according to the category of officer. In addition, the Company discloses information individually in the Securities Report only for officers with remuneration totaling ¥100 million or more, including payments from subsidiaries.

Policy on Determining Remuneration Amounts and Calculation Methods

Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

The remuneration of directors and executive officers consists of base remuneration (fixed remuneration based on position, responsibilities and role), performance-linked monetary remuneration (determined based on individual contribution and the degree of achievement of management targets, using revenue, operating profit, free cash flow, or operating cash flow), and share remuneration (this system grants executive officers points according to their position each fiscal year, and, in principle, issues company shares equivalent to the points granted three years after the points were awarded). The level of remuneration is determined by considering economic conditions, the environment surrounding the Company, the Company's business performance, and the duties of each individual to set an amount deemed reasonable. Performance-linked remuneration or share remuneration is not provided for directors who do not concurrently serve as executive officers.

[Support System for Outside Directors]

Before meetings of the Board of Directors, the Secretariat of the Board delivers advance notice of matters to be resolved and reported to the outside directors and provides them with explanatory

materials.

In addition, the secretariat of each committee provides support for outside directors who are appointed as members of the Nominating Committee, Remuneration Committee, and Audit Committee.

The Company plans and implements initiatives for outside directors, including providing information on the Company's corporate philosophy, corporate culture, and management environment and visits to major business sites, as well as sharing other relevant information on the Company.

2. Matters on Functions of Business Execution, Auditing and Oversight, Nomination, and Determination of Remuneration (Overview of Current Corporate Governance System)

The functions of business execution, auditing and oversight, nomination, and determination of remuneration of the Company are as described below.

[Board of Directors]

The Board of Directors is composed of seven directors (including four outside directors). It makes decisions on fundamental management policy and supervises the execution of business by executive officers.

[Nominating, Remuneration, and Audit Committees]

1. Nominating Committee

The Nominating Committee consists of two outside directors (including the chairperson) and one internal director, and the majority of the members are outside directors, thereby ensuring the appropriateness of nominations. The Nomination Committee decides on the content of proposals for the appointment and dismissal of directors.

2. Remuneration Committee

The Remuneration Committee consists of two outside directors (including the chairperson) and one internal director, and the majority of the members are outside directors to ensure the appropriateness of remuneration. The Remuneration Committee determines the basic policy on remuneration for directors and executive officers and the amount of remuneration for each individual.

3. Audit Committee

The Audit Committee is composed of three outside directors. The Audit Committee consists of outside directors, each of whom has a different field of expertise, and is appointed in the belief that it is possible to conduct audits from various perspectives. The Audit Committee audits and supervises the execution of duties by directors and executive officers, and decides on the content of proposals for the appointment and dismissal of accounting auditors submitted to the General Meeting of Shareholders. The Company has established a system under which full-time Assistant

of Audit Committee assist the Audit Committee.

[Executive Officers]

The executive officers are delegated to execute business under the supervision of the Board of Directors while sharing information and deliberating at monthly meetings of the Global Leadership Team (GLT).

[Audit System]

The independent Audit Committee, its Assistant, and the Internal Auditor under the direct control of the Director, Representative Executive Officer, CEO work in coordination with the Accounting Auditor and legal advisors to develop and maintain the audit system.

3. Reasons for Adoption of Current Corporate Governance System

In April 2013, the Company adopted the institutional design of a Company with a Nominating Committee, etc., with the belief that strengthening the supervisory function while ensuring management agility by separating supervision and execution is a means of enhancing corporate value.

Furthermore, the Company’s Board of Directors is composed of a majority of outside directors. Each outside director provides advice and exchanges opinions related to management based on their own field of expertise, extensive experience, and broad insight, thereby further fulfilling the supervisory function.

III. Implementation of Measures for Shareholders and Other Stakeholders

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

	Supplementary Explanation
Early Distribution of Notice of Convocation of General Meeting of Shareholders	We strive to distribute the Notice of Convocation early and post it on the Company website.
Scheduling General Meetings of Shareholders to Avoid Peak Days	We take care to schedule General Meetings of Shareholders to maximize shareholder participation.
Electronic Exercise of Voting Rights	We have made it possible to exercise voting rights on the internet since the 12th Ordinary General Meeting of Shareholders held on March 23, 2018.
Participation in Electronic Voting Platform and Other Initiatives for Improving the Environment for Exercising Voting Rights by Institutional Investors	The Company has participated in the electronic voting platform for institutional investors, operated by ICJ, Inc., since the 12th Ordinary General Meeting of Shareholders held on March 23, 2018.

Provision of Notice of Convocation (Summary) in English	The Company has provided a summary of the Notice of Convocation in English since the 13th Ordinary General Meeting of Shareholders held on March 22, 2019.
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2.About IR Activities (Updated)

	Supplementary Explanation	Explanation by Representative Members of the Board
Formulation and Publication of Disclosure Policies	The Disclosure Policy is available on our company website. https://www.tsubaki-nakashima.com/jp/ir/policy/	
Periodic Briefing for Individual Investors	When we hold information sessions for individual investors, we publish the distributed materials on our website. We will continue to consider holding information sessions for individual investors on an ongoing basis.	Yes
Periodic Briefing for Analysts and Institutional Investors	We conduct earnings briefings for analysts and institutional investors, primarily at the time of our annual and interim earnings announcements. In addition, we respond to analyst-sponsored small meetings and individual interviews as needed.	Yes
Periodic Briefing for Foreign Investors	We participate in joint information sessions for overseas investors hosted by securities companies. We plan to resume and conduct individual visits to overseas investors when the opportunity arises.	Yes
Disclosure of IR Documents on the Website	The following URL contains our financial statements, as well as documents disclosed to the stock exchange, securities reports, and materials from our earnings presentations. https://www.tsubaki-nakashima.com/jp/ir/	
IR Related Divisions (Personnel)	IR Director	

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
The Company's Internal Regulations stipulate the respect for the positions of Stakeholders	We have established a "Group Code of Conduct" to which all officers and employees must adhere, and we share and thoroughly implement fundamental principles such as fair and transparent conduct, timely and appropriate provision of corporate information, and social contribution.
Promotion of Environmental Preservation Activities and CSR Activities	At our major production sites, we have established an environmental management system based on ISO14001 at the global level and have obtained certification. We promote target management and activities based on the Environmental Manual, and conduct annual management reviews to evaluate the effectiveness of each process. Even in the case of sites that have not obtained ISO 14001 and/or ISO 45001 certification, the Health and Safety Committee and/or the Sustainability Committee hold monthly meetings to monitor environmental and occupational health and safety matters and to provide recommendations to the person responsible for the site. At our major business sites, we have also obtained IATF16949 certifications and are working to strengthen the foundation that supports our environmental management systems.
Establishment of Policy Concerning Disclosure of Information to Stakeholders	Our basic policy is timely and appropriate information disclosure, and we will strive to ensure that all stakeholders understand the Company and provide them with fair evaluation and support.

IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and Status of Design of Internal Control (Updated)

As a framework for ensuring proper business operations, the Company has established its basic policy for establishing an internal control system by resolution of the Board of Directors, and established and operated the internal control system in accordance with this basic policy. An outline of the internal control system and the status of its operation are as described below.

The Audit Committee verifies the effectiveness of establishment and operation of the internal control system during its audits of the execution of duties of the directors.

1. Requirements to enable the Audit Committee to perform its duties

(i) Matters related to employees to assist with the duties of the Audit Committee

The Company has appointed a full-time Assistant of the Audit Committee to assist with the duties of the Audit Committee.

(ii) Matters related to ensuring the independence of the Assistant of the Audit Committee from the executive officers and the effectiveness of instructions from the Audit Committee

- The Assistant of the Audit Committee performs its duties independently from the executive officer under the direction of the Audit Committee.

- The appointments, transfers, and personnel evaluation of the Assistant of the Audit Committee are conducted by the Director, Representative Executive Officer, CEO with the approval of the Audit Committee.

(iii) System for reporting to the Audit Committee by the executive officers and the employees, as well as the directors, etc. and the employees of subsidiaries

- The Audit Committee members attend the meetings, etc. deemed necessary by the Audit Committee and receive or request reports on the status of business execution from the executive officers and the employees, as well as the directors, etc. and the employees of subsidiaries.

- The executive officers and the employees, as well as the directors, etc. and the employees of subsidiaries are required to immediately report to the Audit Committee any facts likely to cause significant damage to the Company or its subsidiaries, or any acts in violation of laws, regulations, or the Articles of Incorporation (including acts with the potential to constitute such violations). The Company prohibits any disadvantageous treatment for reporting persons.

(iv) Other systems to ensure that audits by the Audit Committee are conducted effectively

- The Audit Committee may request each department to cooperate in an audit, including provision of the information necessary for the audit.

- The Audit Committee members work in coordination with the Accounting Auditor and the Internal Audit Department to receive explanations of accounting audits and operational audits, as well as exchanging opinions.

- The Company appropriately handles the budget and payment of expenses, etc. related to the execution of the duties of the Audit Committee members.

2. Requirement of the systems for ensuring that the execution of duties by the executive officers complies with laws, regulations, and the Articles of Incorporation and other systems to ensure the appropriate operation of the corporate group composed of the Company and its subsidiaries.

(i) System for retention and management of information related to execution of duties by the executive officers. Internal documents, approval documents, and minutes and materials for important meetings are retained and managed appropriately in accordance with laws, regulations, and internal regulations. The Audit Committee members are allowed to access and review such documents at any time.

(ii) Rules and other systems for managing risk of loss

Analysis and assessment of individual risks inherent in business activities are performed by the business heads of each business and the persons responsible for global functions covering manufacturing, quality, sales, purchasing, technology, finance, and human resources. When a significant risk is identified, the Risk Management Committee (RMC) is convened. It verifies the results of analysis and assessment carried out by each region and global function and reports the results to the Global Leadership Team (GLT). In addition to discussing and deciding on the responses to the risk, the GLT promptly reports to the Board of Directors and takes countermeasures when a significant loss is expected to arise.

(iii) System for ensuring the effective execution of duties by the executive officers

- The Board of Directors delegates authority to make decisions on business execution to the executive officers to the maximum extent permitted by laws and regulations, except for matters where it is deemed to be inappropriate.

- The Board of Directors defines and clarifies roles and responsibilities of the respective executive directors and its interrelationship among them.

- The executive officers clarify responsibilities and authority in the respective department based on organizational regulations, regulations on department of duties, and regulations of authority, and establish a system in which operations are executed appropriately.

(iv) System for ensuring that the execution of duties by the executive officers and the employees complies with laws, regulations, and the Articles of Incorporation

- The Company has established a charter of corporate conduct, a code of ethics, and regulations on compliance and is working to ensure that they are well known among all the executive officers and the employees.

- The Company has established the Risk Management Committee (RMC) and the processes for extensively analyzing and assessing the risks inherent in business, including legal violations.

- The Company has established the whistleblowing policy, an external hotline, and an internal

consultation service to ensure its operating effectiveness.

- The Company has established the Internal Audit Department under the direct control of the Director, Representative Executive Officer, CEO to perform audits in accordance with internal audit regulations. The Internal Audit Department performs regular internal audits and issues internal audit reports. The results of these internal audits are promptly shared with the Director, Representative Executive Officer, CEO, the principal directors who make up the Board of Directors, the Audit Committee, and related departments, and the following up system for the results is established.

(v) Systems for ensuring proper business operations of the corporate group composed of the Company and its subsidiaries

- The Company has a charter of corporate conduct, a code of ethics, and regulations on compliance that are shared by the group and is working to ensure that they are well known.
- To ensure the group’s risk management and its effectiveness, the Company conducts regular internal audits and provides guidance on improvements.
- The Audit Committee and the Internal Audit Department perform regular audits to verify the legality and appropriateness of business execution at each group company.

2. Basic Views on Eliminating Anti-Social Forces and the Progress of System Development

Eliminating anti-social forces is an important matter for management from the perspective of corporate social responsibility and the protection of the Company. The Company has established the Basic Policy on Responding to Anti-Social Forces and the Anti-Social Forces Elimination Response Manual.

Based on these regulations, the Company confirms whether shareholders, business partners, and others fall into the category of anti-social forces.

In addition, the Company has concluded transaction agreements or memorandums with all its business partners that include provisions on elimination of organized crime groups.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	No
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Supplementary Explanation of relevant items

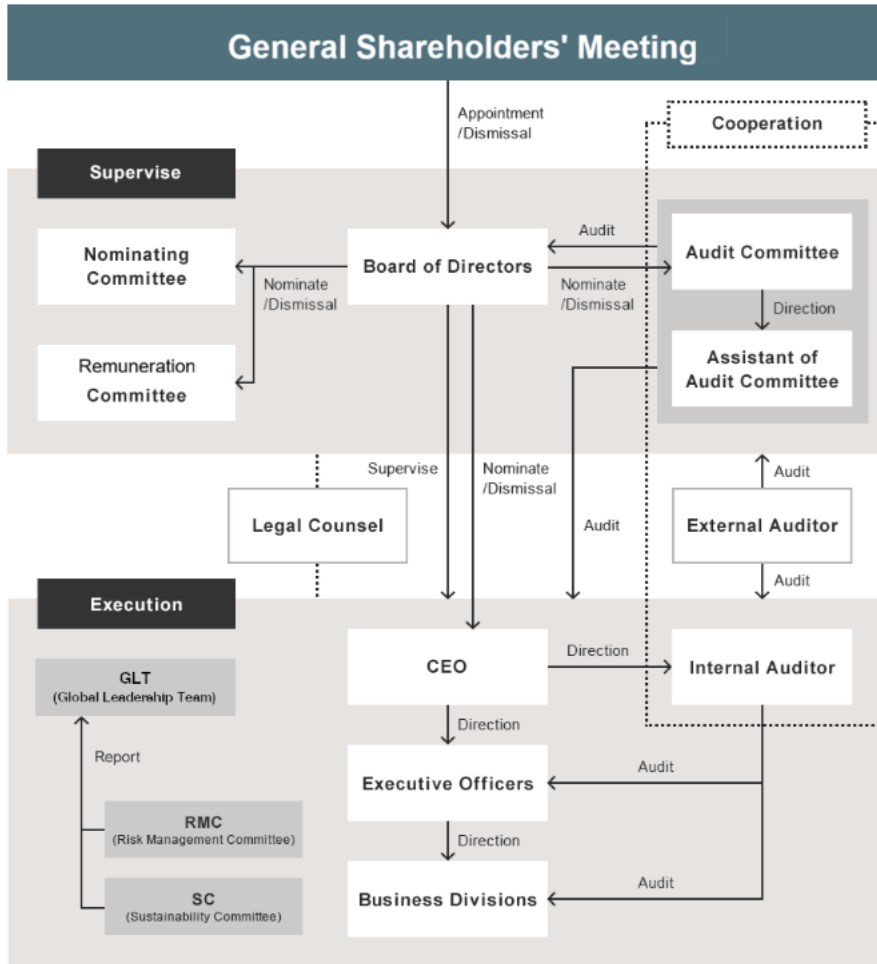
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2. Other Matters concerning Corporate Governance System (Updated)

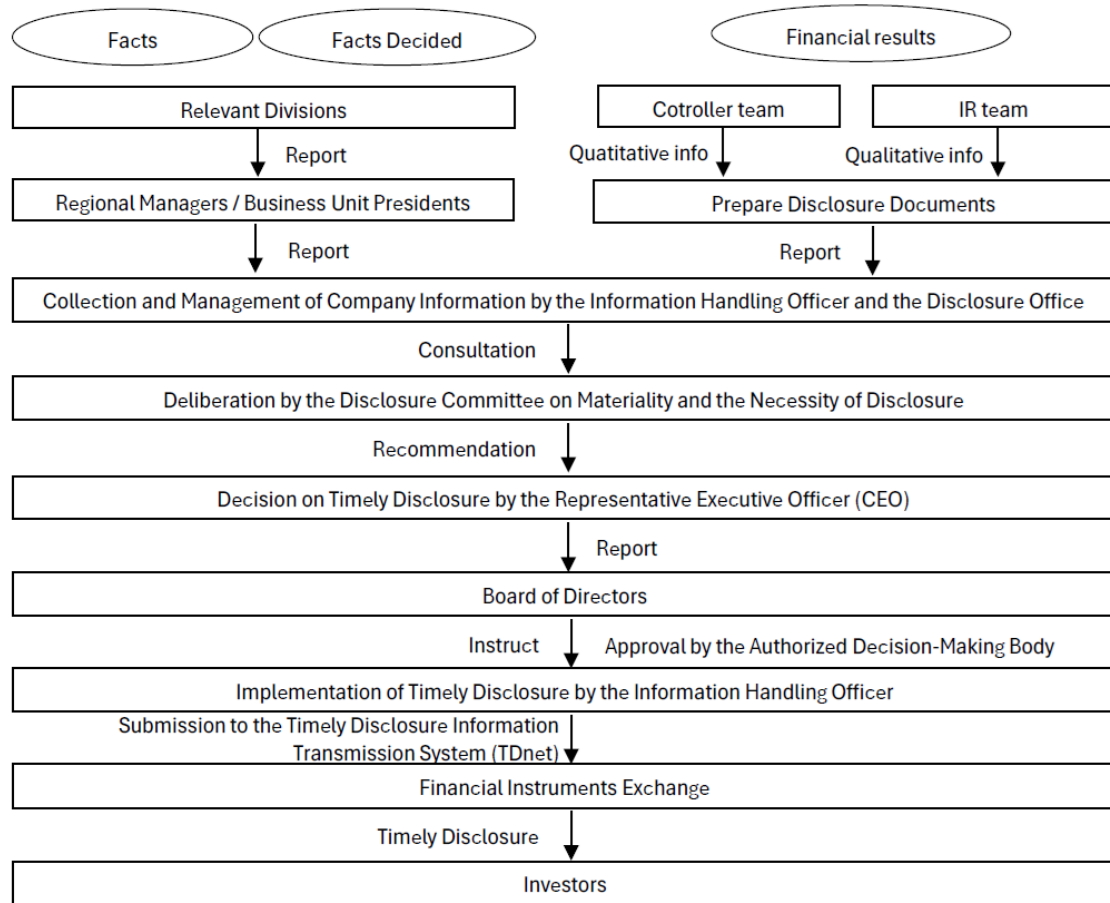
The outline of our internal system for timely disclosure of company information is as follows:

The Company and its subsidiaries and other group companies will ensure that important decisions, facts that have occurred, and financial information are understood and managed by the information handling officer and the information disclosure department through the respective executive officers or responsible persons in charge. The Director, Representative Executive Officer, CEO will then consult with the relevant executive officers to determine whether the information falls under the category of matters to be disclosed in accordance with timely disclosure rules or from an investor relations perspective. If it does, decisions and financial information will be disclosed without delay after the decision or approval of the Board of Directors, and facts that have occurred will be disclosed after they have occurred. We will post the information as IR information on our website as soon as possible after the timely disclosure.

[Schematic diagram (reference materials)]



[Overview of the Timely Disclosure System (schematic diagram)]



Skill Matrix of Directors

Item		Summary						
Corporate management		General management strategy, vision						
Sales/ marketing		Industry knowledge, understanding/analysis of and making strategies for market/customer trends and technological trends						
Technology/ manufacturing/ quality		Operations, SPM, quality control						
Global management		Business development in multiple countries						
Finance/ accounting		Finance, accounting, tax affairs						
IT/DX		IT technology, digitalization						
Legal affairs/ compliance		Legal affairs, risk management/corporate governance, internal control, compliance						
ESG/ sustainability		Sustainability strategy, ESG/SDGs measures						
Personnel development/ diversity		Personnel strategy, personnel development, personnel diversity						
Name		Itaru Matsuyama	Yoichi Ueda	Anna Dolgikh	Noboru Yamamoto	Yuri Kato	D. Michael Wilson	David Evans
Attribution	Reappointment/ *New appointment	Reappointment	Reappointment	Reappointment	Reappointment	Reappointment	*New appointment	*New appointment
	Independent outside director				●	●	●	●
Skill	Corporate management	●	●			●	●	●
	Sales/ marketing	●			●		●	
	Technology/ manufacturing/ quality						●	●
	Global management	●	●	●		●	●	●
	Finance/ accounting	●	●		●	●		
	IT/DX					●	●	
	Legal affairs/ compliance		●	●	●	●	●	
	ESG/ sustainability				●			●
Personnel development/ diversity			●					

Note: The above table does not indicate all expertise and experience possessed by each director.