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# Corporate Governance Report



**Last Update: July 1, 2026**

**DOWA HOLDINGS CO., LTD.**
FUKUDA Kensaku, Representative director
President and COO
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Securities code: 5714
https://hd.dowa.co.jp/en/index.html

The corporate governance of DOWA HOLDINGS CO., LTD. (the "Company") is described below.

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

### 1. Basic Views

The Company and its group companies have responded to various expectations and demands from society based on the corporate philosophy of contributing to the creation of a prosperous society and the realization of a recycling-oriented society through business activities conducted on a global scale.

The Company regards the enhancement of corporate governance as one of its most important management priorities. In accordance with the Mission, Vision, Values, and Code of Conduct of the DOWA Group, the entire Group is committed not only to contributing to society but also to establishing and operating effective and efficient internal control systems.

To achieve these objectives, the Company has adopted a holding company structure. Under this structure, each business segment has been organized as a separate company, enabling it to respond more effectively to customer needs at the forefront of the market, make prompt decisions based on delegated authority, and conduct business operations flexibly in accordance with its business characteristics. As the holding company, the Company seeks to maximize corporate value through the optimal allocation of management resources throughout the Group.

In addition, the Company endeavors to ensure the soundness of management through (i) the establishment of Audit & Supervisory Board and (ii) the appointment of Outside Directors.

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

The Company complies with all principles of the Corporate Governance Code. This report is prepared based on the Corporate Governance Code revised on June 1, 2021.

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

【Principle 1.4 Cross-Shareholdings】

The Company classifies shares held for business strategy purposes as investment shares held for purposes other than pure investment. At this juncture, the Company does not hold any investment shares for pure investment purposes held solely for the purpose of gaining trading profits or acquiring dividends.

The Company positions its cross-shareholdings as those that will enhance the Company's corporate value to maintain and strengthen relationships with business partners and other parties and form a strong relationship of trust with the issuing company. For each stock, the Board of Directors makes a comprehensive judgment as to whether or not to continue to hold the stock based on whether or not it meets the original purpose of holding the stock and whether or not the benefits and risks associated with holding the stock are commensurate with the cost of capital.

The Board of Directors periodically reviews the details of such judgments. If it is determined that continuing to hold stock will not enhance corporate value, we will sell the shares in order, considering the impact on the market.

In exercising voting rights attached to investment shares held for purposes other than pure investment, the Company determines whether to vote for or against each proposal after comprehensively considering such factors as whether the proposal represents an appropriate decision that contributes to enhancing the issuing company's corporate value and whether it also contributes to enhancing the Company's corporate value.

In fiscal 2025, the Board of Directors, as per its yearly practice, made a comprehensive judgment on all listed shares held by the Group of whether or not the business transaction status, the significance of holding, actual dividends, and other factors were commensurate with the cost of capital and whether or not to continue holding the shares at a meeting held on December 9, 2025. As a result, for fiscal 2025, in addition to one stock that was held by a Group company and had already been disposed of following the tendering of the shares in a tender offer approved by the board of directors of the shareholder of the shares held in the cross-shareholding, we decided to dispose of and completed the sale of two stocks held by the Company within the fiscal year. We decided to continue to hold the remaining stock.

【Principle 1.7 Related Party Transactions】

With respect to transactions with officers and major shareholders of the Company, and other related parties, the Board of Directors shall carefully examine the particulars of each transaction. If deemed a conflict-of-interest transaction, the Board shall, in accordance with laws and regulations and internal regulations for the Board of Directors, deliberate and determine the appropriateness of the transaction's terms and decision-making process in advance.

【Supplementary Principle 2.4.1: Ensuring diversity in the promotion of core human resources】

The Company is of the view that diverse human resources are indispensable in responding to the ever-changing business environment.

As targets relating to promoting the participation and advancement of women, the Company has set the ratio of new hires who are women (DOWA Holdings) at 30% (21.0% for employees who joined on April 1, 2026) and the ratio of eligible male employees taking childcare leave at 100% (actual ratio in fiscal 2025: 82.9%),and as for targets for the employment of people with disabilities, the Group has set the ratio of employment of people with disabilities at 2.7% (Groupwide) by fiscal 2026 (actual ratio in fiscal 2025: 2.4 %). In addition, other targets (actual ratios in fiscal 2025) include the ratio of women in management positions at 3.7% and the wage gap between men and women at 66.1%.

Moreover, the Company has established the Policy for Human Resources Development and is carrying out individual measures, such as offering position-based and field-based training.

Please refer to the Company website for details on our efforts to secure and develop diverse human resources. https://hd.dowa.co.jp/en/csr.html

【Principle 2.6 Roles of Corporate Pension Funds as Asset Owners】

The Company has adopted a defined contribution pension plan as its corporate pension. It educates employees on the plan by explaining how the plan works and how to select investment products.

The Company reviewed some of its investment products, such as consolidating multiple principal-protected products, which were established in fiscal 2025, and increasing the number of options of investment trust products, to encourage proactive investment, thereby improving overall yield.

【Principle 3.1 Full Disclosure】

In accordance with laws and regulations, the Company appropriately discloses financial information, such as that regarding its financial position and financial performance, as well as non-financial information, such as that regarding management strategies and issues, risk, and governance. It also discloses other information not mandated by laws and regulations.

(i) The Company formulates and announces a medium-term plan to clarify its medium- to long-term management strategy. Please refer to the Company website for details on the medium-term plan.

https://hd.dowa.co.jp/en/ir/strategy/plan.html

(ii) The Company's basic views and basic policy on corporate governance are disclosed in "Basic Views" in section I-1 of this report.

(iii) The Company's system of remuneration for directors and Audit & Supervisory Board members has been designed with input from the Remuneration Committee, comprised mainly of outside directors and external experts, and is based on objective factors such as the Group's consolidated performance, the Company's stock price, and remuneration levels outside the Company.

For further details, please refer to "Policy on Determining Remuneration Amounts and Calculation Methods" in section II-1 of this report.

(iv) Director candidates are appointed in accordance with the following basic policy, in order to ensure appropriate and agile decision-making and supervision over the execution of the Company's business activities (especially the achievement of the materiality goals set forth in the Company's Medium-term Plan).

For inside directors, the Company appoints directors with excellent character and insight, and abundant skills and knowledge based on their experience working at the DOWA Group, regardless of individual attributes such as gender and nationality. For outside directors, the Company appoints persons who are able to proactively express their opinions and raise issues with an eye to reflecting diverse values and ideas into business operations. This is done by conducting prior interviews and exchanging opinions, taking into account factors such as their expertise and background.

In the event of misconduct, serious violation of laws and regulations, violation of the Articles of Incorporation, or any other reason that it is deemed difficult for a director to properly execute his or her duties, the Board of Directors shall deliberate and determine whether to remove the director from his or her position, impose other disciplinary measures, or submit a proposal for the director's dismissal at the General Meeting of Shareholders.

The Company's basic policy for appointing Audit & Supervisory Board Member candidates is to strengthen and expand auditing activities. In selecting candidates, the Audit & Supervisory Board deliberates and exchanges opinions based on candidate proposals made by the Representative director, President and COO, and selects the candidates. Upon selecting candidates, the Audit & Supervisory Board requests the Representative director, President and COO to submit proposals for their election at the General Meeting of Shareholders.

(v) With regard to the nomination of candidates for directors and Audit & Supervisory Board Members, the Company discloses information on their backgrounds and the reasons for their nomination in the reference documents for the General Meeting of Shareholders in order to demonstrate their suitability for the positions. In addition, if the Company proposes the dismissal of a director or Audit & Supervisory Board Member at a General Meeting of Shareholders, the reasons for such dismissal will be explained in the reference documents for the General Meeting of Shareholders.

Furthermore, the Company prepares and discloses a Skills Matrix and enhances the appropriateness of the nomination process by indicating the skills required of each director and the extent to which those skills are possessed by individual directors.

【Supplementary Principle 3.1.3: Initiatives on sustainability, etc.】

With the aim of achieving sustainable growth and improving corporate value, the Company announced the Sustainability Basic Policy after resolution by the Board of Directors.

To promote sustainability initiatives across the Group, the Sustainability Committee was established, which supervises and gives instructions regarding important policies and measures on material issues including investments in human capital, intellectual property, and the like, and tracks the progress of these measures. Important matters are reported to the Board of Directors for supervision.

With regard to “responding to climate change,“ the Company also set greenhouse gas (GHG) emission reduction targets for fiscal 2030 and disclosed the "Initiatives for FY2030 and Roadmap for the Achievement of Carbon Neutrality by 2050." In addition, it endorses the TCFD recommendations, evaluates the impact of climate change in accordance with the TCFD recommendations and summarizes the results in the "DOWA Group TCFD Report."

Details and progress regarding the above measures are disclosed on the Company website.

・Sustainability Initiatives

https://hd.dowa.co.jp/en/csr.html

・Sustainability Promotion Framework

https://hd.dowa.co.jp/en/csr/sustainability/policy.html

・Responses to Climate Change

https://hd.dowa.co.jp/en/csr/environment/climate-change.html

【Supplementary Principle 4.1.1: Outline of scope of matters delegated to the management by the board】

The Company has established regulations for the Board of Directors and administrative authority, which serve to clarify the matters to be handled exclusively by the Board of Directors and the matters to be delegated to upper management. The Company has introduced an executive officer system for the purpose of expediting decision-making and improving management efficiency. In accordance with laws, regulations and internal regulations, the Company grants authority to executive officers for matters not related to important business execution that should be settled by the Board of Directors, taking into consideration the scope of the matter and other factors.

【Supplementary Principle 4.1.3: Succession Plan for the Chief Executive Officer】

The succession plan of the Company's Chief Executive Officer is being discussed appropriately by the Nominating Committee, a voluntary advisory committee, by taking into account the corporate philosophy and management strategies.

Specific candidates for the President's successor are selected from among directors and executive officers of the Company, officers of Group companies, and others by the President of the Company based on skills, qualifications, experience, etc. (including items enumerated in the Skills Matrix), after which the Nominating Committee (Chairperson: independent outside director SATO Kimio) is consulted and provides advice. Based on the discussions by the Nominating Committee, the proposed successor candidates are presented to the Board of Directors by the President and decided upon deliberation.

【Principle 4.9: Independence standards for independent directors】

In addition to the requirements for Outside Director under the Japan's Companies Act which prescribes the independence of Outside Director and the independence criteria prescribed by the financial instruments exchange, we believe that it is important that such person does not have any stake in us and is able to maintain his or her independent position when making various decisions.

Specifically, we determine that Outside Director and Outside Corporate Auditor are independent if they do not fall under any of the following after conducting reasonable investigation on them:

(i) Person who executes business (i.e., executive director, executive officer, etc.) (hereinafter referred to as "Executing Person") in DOWA HOLDINGS CO., LTD. or subsidiary of DOWA HOLDINGS CO., LTD. (hereinafter referred to as the "Group");

(ii) Person or organization who is main customer of the Group (i.e., amount of sales of the Group to such customer is no less than 2% of the Group's consolidated sales of immediately preceding business year) or Executing Person of such person or organization;

(iii) Person or organization whose main customer is the Group (i.e., amount of sales of such person or organization to the Group is no less than 2% of consolidated sales of immediately preceding business year of such person or organization) or Executing Person of such person or organization;

(iv) Main lender of the Group (i.e., amount of loan is no less than 2% of the Group's consolidated assets of immediately preceding business year) or Executing Person of such lender;

(v) Expert (i.e., attorney, certified public accountant, consultant, etc.) who receives a large amount of compensation from the Group (i.e., no less than 10,000,000 yen in case of individual or no less than 2% of consolidated sales or total income of organization in case organization such as entity or committee) other than executive compensation in the immediately preceding business year;

(vi) Accounting auditor of DOWA HOLDINGS CO., LTD. or certified public accountant who is affiliated with such audit corporation;

(vii) Shareholder holding no less than 10% of voting rights in DOWA HOLDINGS CO., LTD. or Executing Person of such shareholder; or

(viii) Relative who is second-degree relative or closer relative of any person falling under (i)~(vii) above.

【Supplementary Principle 4.10.1: Appropriate involvement and advice regarding consideration of nomination and compensation by the Nomination Committee and Remuneration Committee】

The Company has established a Nominating Committee and a Remuneration Committee, both of which are voluntary committees. The executive remuneration system is designed with the advice of the Remuneration Committee. It incorporates objective perspectives such as the Group's consolidated performance, the Company's stock price, and external compensation levels. In addition, the Nominating Committee has been established to obtain objective advice on particularly important matters, such as the selection and dismissal of senior management.
Both committees are composed of six members, including four independent outside directors and two internal directors. The majority of them are outside directors, and an independent outside director serves as the chairperson of both committees.

【Supplementary Principle 4.11.1: View on the appropriate balance between knowledge, experience, and skills of the board as a whole, and also on diversity and appropriate board size】
The Board of Directors consists of eleven directors (including five outside directors), with nine male directors and two female directors (the female directors are independent outside directors). When appointing Board of Directors candidates, emphasis is placed on individuals with excellent character and insight who are either well accomplished in their work, are well versed in corporate management, or have a high level of expertise in their field, and determined upon deliberation by the Board of Directors.

As each director has their own primary duties, in order to be elected, not only must candidates possess the wide-ranging knowledge and skills needed as a director, but they must also possess the knowledge and experience needed to fulfill these primary duties. As such, directors are elected in a manner that ensures the Board of Directors is well balanced, without bias or overlaps in particular work or business experience. The Company has formulated and published a Skills Matrix based on this policy.
Also, one of the five independent outside directors has experience as a representative director of a company outside the Group.

【Supplementary Principle 4.11.2: Holding of concurrent positions by directors and auditors】
Regarding concurrent positions as officers of other companies, the Company believes that as concurrently serving as officers of other listed companies helps expand their knowledge, holding concurrent positions does not pose a problem as long as it does not interfere with their duties at the Company. The number of concurrent positions depends largely on the current status of the individual's work performance. The Company intends to respect their wishes, and also believes that they are currently appropriately fulfilling their roles and responsibilities as officers of the Company. Information on the concurrent positions held by individual officers is appropriately disclosed in business reports, reference documents for the General Meeting of Shareholders, and other documents.

【Supplementary Principle 4.11.3 Evaluation of the Effectiveness of the Board of Directors】
The Company conducts self-assessments and analyses of the effectiveness of its Board of Directors every year to improve its functioning and, ultimately, its corporate value. For self-assessment and analysis, the following methods were used with the advice of external organizations.
This year, questions that consistently scored high in past questionnaires and were deemed capable of providing a consistent level of insight into the current situation were reviewed as necessary and replaced with questions that reflect newly identified issues, changes in the business environment, and key governance themes. In addition, in order to ensure anonymity and objectivity,

responses were submitted directly to an external organization. The results were analyzed, discussed, and evaluated at the regular meeting of the Board of Directors held in June 2026. A summary of the results is provided below.

・Overview of Effectiveness Assessment

| | |
|---|---|
| Evaluation Period | Mar 2026 |
| Target group | All directors and auditors who are members of the Board of Directors |
| Evaluation Method | Unsigned questionnaire method by an external organization |

・Assessment Results

<table>
<tr><td>Positive Evaluation</td><td colspan="2">・Appropriate number of agenda items at the Board of Directors meetings<br>・Appropriate status of development of the framework for constructive dialogue with shareholders (investors)<br>・Opportunities for exchanges of opinions among outside officers, other than at the Board of Directors meetings, were being secured<br>→Based on the above Positive Evaluation<br>・The efficiency and effectiveness of the discussions by the Board of Directors have been assured<br>・That the framework for enhancing governance through dialogues with shareholders is functioning effectively; and<br>・That opportunities for cooperation and the exchange of opinions among outside officers have been sufficiently secured have been confirmed.</td></tr>
<tr><td rowspan="2">Status of Response to Challenges Identified in the Previous Effectiveness Evaluation</td><td>・Proactive involvement by the voluntary Nominating and Remuneration Committees in the formulation and operation of a succession plan upon obtaining appropriate information<br>・Regular review of the business portfolio of the Group as a whole</td><td>→ After ongoing verifications, these two issues continued to be identified as challenges.</td></tr>
<tr><td colspan="2">In addition to the above, the ideal way of supervising DX strategies and the ideal support framework for officers were recognized as new challenges, and details were shared among the Board of Directors.</td></tr>
</table>

Based on these results, the Company has concluded that the overall effectiveness of the Board of Directors has been adequately secured. The Board of Directors will continue to work toward enhancing its functionality by giving thorough consideration and executing a response to the issues brought forth by this evaluation of its effectiveness. Based on these results, the Company has concluded that the overall effectiveness of the Board of Directors has been adequately secured.

【Supplementary Principle 4.14.2: Training policy for directors and auditors】

When outside directors and outside Audit & Supervisory Board members are newly elected, the Company provides tours of major business sites, etc., and also offers various business briefings, such as on its management strategy, business details, and operating structure. Similar opportunities are also provided as necessary during their terms of office. Moreover, the Company actively provides information about its business to directors and Audit & Supervisory Board members, makes web-based seminars available to them, and encourages officers to attend external training courses at the Company's expense.

【Principle 5.1: Policy for Constructive Dialogue with Shareholders】
The Representative director, President and COO, directors in charge of overseeing dialogue, and each department of DOWA Holdings work together to implement various measures aimed at promoting constructive dialogue with shareholders.
Officers and related departments shall, to a reasonable degree, respond to requests for interviews from shareholders aimed at carrying out constructive dialogue that contributes to sustainable growth and medium- to long-term enhancement of corporate value.
In order to promote constructive dialogue with shareholders, the Company strives to disclose information fairly through various forms of media, such as publishing its information disclosure system in the Corporate Governance Report and including messages from representative directors, director in charge of Accounting and Finance and outside directors in its Integrated Report (DOWA Report).

■Constructive Dialogue with Shareholders
The information is posted in the Integrated Report on the Company's website. (A-4size p.98)
https://hd.dowa.co.jp/en/ir/library/annual.htm

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

| | |
|---|---|
| Content of Disclosure | Disclosure of Initiatives (Update) |
| Availability of English Disclosure | Available |
| Date of Disclosure Update | 25/5/2026 |

Explanation of Actions

The information is posted in the corporate strategy briefings materials on the Company's website.

https://hd.dowa.co.jp/en/ir/library/download-material/main/0/teaserItems2/0114/linkList/0/link/medium-term%20plan_2027-e.pdf

## 2. Capital Structure

| | |
|---|---|
| Foreign Shareholding Ratio | 30% or more |

### Status of Major Shareholders

| Name or Company Name | Number of Shares Owned | Percentage (%) |
|---|---|---|
| The Master Trust Bank of Japan ,Ltd.(trust account) | 11,203,700 | 18.94 |
| Custody Bank of Japan, Ltd. (trust account) | 5,703,000 | 9.64 |
| STATE STREET BANK AND TRUST COMPANY 5051001 | 4,222,243 | 7.14 |
| NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST | 2,163,300 | 3.66 |

| | | |
|---|---|---|
| NORTHERN TRUST CO.(AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS | 1,681,470 | 2.84 |
| STATE STREET BANK AND TRUST COMPANY 505103 | 1,076,396 | 1.82 |
| STATE STREET BANK AND TRUST COMPANY 505223 | 1,067,944 | 1.81 |
| FUJITA KANKO INC. | 996,700 | 1.69 |
| Nippon Life Insurance Company | 925,849 | 1.57 |
| NORTHERN TRUST CO.(AVFC) RE NON TREATY CLIENTS ACCOUNT | 884,850 | 1.50 |

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

Supplementary Explanation

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## 3. Corporate Attributes

| | |
|---|---|
| Listed Stock Exchange and Market Segment | Prime Market |
| Fiscal Year-End | March |
| Business Sector | Nonferrous Metals |
| 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 | ¥100 billion or more but less than ¥1 trillion |
| Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year | 50 or more but fewer than 100 |

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

—

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

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

## 1. Organizational Composition and Operation

| Corporate Governance System | Company with Audit and Supervisory Board* |
|---|---|

*Referred to as "Company with *Kansayaku* Board" in the Corporate Governance Code reference translation

## Directors

| Number of Directors Stipulated in Articles of Incorporation | 13 |
|---|---|
| Directors' Term of Office Stipulated in Articles of Incorporation | 1year |
| Chairperson of the Board | Chairman (unless the Chairman concurrently serves as President) |
| Number of Directors | 11 |
| Election of Outside Directors | Elected |
| Number of Outside Directors | 5 |
| Number of Independent Directors | 5 |

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

| Name | Attributes | Relationship with the Company* | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | a | b | c | d | e | f | g | h | i | j | k |
| SATO Kimio | From another company | | | | | | | | | | | |
| SHIBAYAMA Atsushi | Academic | | | | | | | | | | | |
| YAMAGUCHI Junko | From another company | | | | | | | | | | | |
| TAKEDA Ryoko | Lawyer | | | | | | | | | | | |
| TAJIMA Shuichi | Academic | | | | | | | | | | | |

*Categories for "Relationship with the Company".

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

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

Outside Directors' Relationship with the Company (2)

| Name | Designation as Independent Director | Supplementary Explanation of the Relationship | Reasons for Appointment |
|---|---|---|---|
| SATO Kimio | ○ | — | Mr. SATO Kimio has demonstrated his skills at Nittetsu Mining Co., Ltd. in the sales sector for a number of years and served as Representative Director and President of Nittetsu Mining Co., Ltd. after serving in important positions. He has broad knowledge and strong execution skills in not only business management, but also overall management, including enhancement of social corporate value and corporate governance, through his experience as chief executive of company.<br>In order to steadily promote the materiality goals of the Company hereafter, involvement of person, who can make decisions and provide advice on the entire management from a broader perspective by taking into account the actual circumstances of business management.<br>We believe that Mr. SATO has been contributing significantly to the achievement of the Company's Medium-term Plan through valuable advice and recommendations drawn from his extensive experience as a Representative Director. Accordingly, we have determined that he continues to be well qualified to serve as an Outside Director and is appropriately fulfilling his duties in that capacity.<br>As he is considered devoid of risk of conflict of interest with general shareholders, and he supervises management from an independent standpoint, he is designated an Independent Director. |
| SHIBAYAMA Atsushi | ○ | — | Mr. SHIBAYAMA Atsushi has continuously been studying international resource sciences including resources processing and recycling at Akita University. He also has extensive experience engaging in activities overseas including onsite study of local research laboratories and mines/smelters in resource-rich countries.<br>In order to promote the materiality goals of the Company such as "creating a resource-recycling society," "enhancing products and services that reduce social and environmental risks" and "protecting the environment" hereafter, a Director who can provide advice and supervision based on specialized expertise from a position independent of business execution is indispensable.<br>We believe that Mr. SHIBAYAMA has been providing valuable opinions and advice regarding the Company's overall business based on his research and extensive international activities. Accordingly, we have determined that he continues to be well qualified to serve as an Outside Director and is appropriately fulfilling his duties in that capacity.<br>As he is considered devoid of risk of conflict of interest with general shareholders, and he supervises management from an independent standpoint, he is designated an Independent Director. |
| YAMAGUCHI Junko | ○ | — | Ms. YAMAGUCHI Junko has built a wide range of career by gaining abundant work experience in the field of info-communications and working as outside board member of multiple companies among other things. After engaging in various types of work including human resources, public relations and sales of Nippon Telegraph and Telephone Public Corporation (currently NTT, Inc.) and its affiliates, she has served as Audit & Supervisory Board Member of |

| | | | |
|---|---|---|---|
| | | | NTT EAST-MINAMIKANTO CORPORATION and Outside Director of Nippon Soda Co., Ltd. and has practical knowledge on both management and governance.<br>We believe that Ms. YAMAGUCHI has been bringing new perspectives and values to the management of the Company through her advice and guidance based on her diverse professional experience in industries different from those of the Company and her knowledge and experience as an outside board member. As a result, she has been contributing significantly to the promotion of the Company's materiality goals, its sustainable growth, and the enhancement of its corporate value. Accordingly, we have determined that she continues to be well qualified to serve as an Outside Director and is appropriately fulfilling her duties in that capacity.<br>As she is considered devoid of risk of conflict of interest with general shareholders, and she supervises management from an independent standpoint, she is designated an Independent Director. |
| TAKEDA Ryoko | ○ | — | Ms. TAKEDA Ryoko has many years of work experience as a lawyer centered on the field of corporate law such as personal information protection, data protection, IT, insurance, legal advice on compliance, cross-border transactions and crisis management. She has also worked as outside director (audit and supervisory committee member) and outside audit and supervisory committee member of companies and member of council of government agency, is qualified as a certified fraud examiner (CFE), and has practical knowledge on fraud prevention and risk management. In its Medium-term Plan, the Company has identified the promotion of risk management and the strengthening of corporate governance as key materiality goals. We believe that Ms. TAKEDA has been making significant contributions not only to the achievement of these materiality goals but also to the enhancement of the supervisory function of the Board of Directors through her extensive expertise in corporate legal affairs and her experience serving as an outside officer of several companies. Accordingly, we have determined that she continues to be well qualified to serve as an Outside Director and is appropriately fulfilling her duties in that capacity.<br>As she is considered devoid of risk of conflict of interest with general shareholders, and she supervises management from an independent standpoint, she is designated an Independent Director. |
| TAJIMA Shuichi | ○ | — | Mr. TAJIMA Shuichi has gained experience in the field of finance at the forefront for many years. He has experience working at The Long-Term Credit Bank of Japan, Limited outside and in Japan and was involved in formulating/implementing strategies concerning finance, investment and loan at various financial institutions and investment-related institutions. He has also worked as auditor and other related positions in multiple companies and has abundant experience in ensuring financial soundness and management oversight.<br>In order for the Company to continue growing on a long-term basis, it is essential to steadily implement the strengthening of corporate governance and the promotion of risk management, which are identified as key materiality goals in the Company's Medium-term Plan. We believe that |

| | | | |
|---|---|---|---|
| | | | Mr. TAJIMA has been appropriately supporting the decision-making of the Board of Directors from a financial perspective through his extensive expertise in finance, developed through his practical experience in financial and investment initiatives both in Japan and overseas. Accordingly, we have determined that he continues to be well qualified to serve as an Outside Director and is appropriately fulfilling his duties in that capacity.<br>As he is considered devoid of risk of conflict of interest with general shareholders, and he supervises management from an independent standpoint, he is designated an Independent Director. |

| | |
|---|---|
| Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee | Established |

### Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chairperson

| | Committee's Name | All Members | Full-time Members | Inside Directors | Outside Directors | Outside Experts | Other | Chairperson |
|---|---|---|---|---|---|---|---|---|
| Voluntarily Established Committee Equivalent to Nomination Committee | Nominating Committee | 6 | 0 | 2 | 4 | 4 | 0 | Outside Director |
| Voluntarily Established Committee Equivalent to Remuneration Committee | Remuneration Committee | 6 | 0 | 2 | 4 | 4 | 0 | Outside Director |

### Supplementary Explanation

The Company has established a Nominating Committee and a Remuneration Committee, both of which are voluntary committees. The executive remuneration system is designed with the advice of the Remuneration Committee. It incorporates objective perspectives such as the Group's consolidated performance, the Company's stock price, and external compensation levels. In addition, the Nominating Committee has been established to obtain objective advice on particularly important matters, such as the selection and dismissal of senior management.

In principle, both committees are composed of at least five members. Majority of them are outside directors, and the Board of Directors appoints the chairpersons of the committees. The committees meet several times a year.

The following shows the meetings of both committees and the attendance of each member in fiscal 2025.

| | Position | Name | Nominating Committee (Attendance / Number of Meetings) | Remuneration Committe (Attendance / Number of Meetings) |
|---|---|---|---|---|
| Chairperson | Outside Director | SATO Kimio | 100% (6/6) | 100% (3/3) |
| | Director | SEKIGUCHI Akira | 100% (6/6) | 100% (3/3) |

| | | | | |
|---|---|---|---|---|
| | Director | KATAGIRI Atsushi | 100% (6/6) | 100% (3/3) |
| | Outside Director | KOIZUMI Yoshiko | 100% (6/6) | 100% (3/3) |
| | Outside Director | SHIBAYAMA Atsushi | 100% (6/6) | 100% (3/3) |
| | Outside Director | YAMAGUCHI Junko* | 100% (6/6) | 100% (3/3) |

【Committee Members】

SATO Kimio (Outside Director, Chairperson)

FUKUDA Kensaku (Director)

KATAGIRI Atsushi (Director)

SHIBAYAMA Atsushi (Outside Director)

YAMAGUCHI Junko (Outside Director)

TAKEDA Ryoko (Outside Director)

Fiscal 2025 Nominating Committee (Convened six times)

The Nominating Committee discusses matters for which the Company recognizes the necessity for deliberation by the Nominating Committee, in addition to the setting of the capacities and skills required of directors, the appropriateness of the proposal for the election or dismissal of a director submitted to the General Meeting of Shareholders, and the election and dismissal of other members of management. The major items for consideration of the Nominating Committee for fiscal 2025 were as follows.

・Changes in directors and the new management structure

・Reasons for the selection of the skill matrix

・Interview with the current President of the operating company (Executive Officer of the Company) (especially on the issues to be addressed)

・A review of the Committee's activities

Calculation of remuneration for directors and Audit & Supervisory Board members

・Appropriateness of the Company's remuneration for directors and Audit & Supervisory Board members compared to general officer remuneration levels

・Details of disclosure of the policy on determining remuneration for directors and Audit & Supervisory Board members

・A review of the Committee's activities and deliberation of the Committee's activities in and after the next fiscal year

Fiscal 2025 Remuneration Committee (Convened three times)

The Remuneration Committee discusses matters for which the Company recognizes the necessity for deliberation by the Remuneration Committee, in addition to the amount of officer remuneration, the design of the officer remuneration system, and the appropriateness of the remuneration levels for each fiscal year. The major items for consideration of the Remuneration Committee for fiscal year 2025 were as follows.

・Calculation of remuneration for directors and Audit & Supervisory Board members

・Appropriateness of the Company's remuneration for directors and Audit & Supervisory Board members compared to general officer remuneration levels

・Discussions on the executive remuneration system in general

・A review of the Committee's activities

## Audit and Supervisory Board Member*

*Referred to as "*kansayaku*" in Corporate Governance Code reference translation

| | |
|---|---|
| Establishment of Audit and Supervisory Board | Established |
| Number of Audit and Supervisory Board Members Stipulated in Articles of Incorporation | 5 |
| Number of Audit and Supervisory Board Members | 4 |

Cooperation among Audit and Supervisory Board Members, Accounting Auditors and Internal Audit Departments

The Company's Audit and Supervisory Board implements the following measures to enhance the effectiveness of audits by Audit and Supervisory Board Members.

・Cooperation and coordination with the Internal Audit Department

The Audit and Supervisory Board conducts joint audits on the operating subsidiaries with the Internal Audit Department to enable multilateral audits from their respective perspectives.

It also receives reports on the status of internal control of the entire Group and the results of audits, conducts exchanges of opinions, and discusses points for improvement and other matters.

・Cooperation and coordination with the accounting auditors

All Audit and Supervisory Board Members attend meetings with the accounting auditors to receive explanations of the audit plan at the beginning of the period, explanations of the results of interim reviews, and audit progress reports and audit result reports at the end of the period. The Audit and Supervisory Board also interviews the accounting auditors regarding their independence and quality management, as well as exchanging opinions on and sharing details of the audits. The Audit and Supervisory Board also receives reports on Key Audit Matters (KAM) and deliberates and exchanges opinions on the appropriateness of its content.

・Receipt and confirmation of internal reporting

The Audit and Supervisory Board receives reports of internal reporting twice a year from the department in charge and interviews the department on its responses.

| | |
|---|---|
| Appointment of Outside Audit and Supervisory Board Members | Appointed |
| Number of Outside Audit and Supervisory Board Members | 3 |
| Number of Independent Audit and Supervisory Board Members | 3 |

Outside Audit and Supervisory Board Members' Relationship with the Company (1)

| Name | Attributes | Relationship with the Company* | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | a | b | c | d | e | f | g | h | i | j | k | l | m |
| OBA Koichiro | Lawyer | | | | | | | | | | | | | |
| KOMURO Shingo | From another company | | | | | | | | | | | ○ | | |
| Tsutsumi Azusa | Certified Public Accountant | | | | | | | | | | | | | |

*Categories for "Relationship with the Company".
(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)
a. Person who executes business for the Company or its subsidiary
b. A non-executive director or an accounting advisor of the Company or its subsidiaries
c. Person who executes business for or a non-executive director of the Company's parent company
d. An Audit and Supervisory Board Member of a parent company of the Company
e. Person who executes business for a fellow subsidiary
f. Person/entity for which the Company is a major client or a person who executes business for said person/entity
g. Major client of the Company or a person who executes business for said client
h. Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/ Audit and Supervisory Board Member
i. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
j. Person who executes business for a client of the Company (excluding persons categorized as any of f, g, or h above) (applies to the auditor him/herself only)
k. Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to the director/auditor him/herself only)
l. Person who executes business for an entity receiving donations from the Company (applies to the person him/herself only)
m. Other

## Outside Audit and Supervisory Board Members' Relationship with the Company (2)

| Name | Designation as Independent Audit and Supervisory Board Member | Supplementary Explanation of the Relationship | Reasons for Appointment |
|---|---|---|---|
| OBA Koichiro | ○ | | Mr. OBA Koichiro had deep knowledge on compliance and governance due to his involvement in corporate legal affairs for many years as a lawyer. He also has experience as an outside director of other companies. We believe that he is suitable as an Outside Audit & Supervisory Board member because the ability to audit from the viewpoints of both law and management is very important in terms of business management of the Company.<br>As he is considered devoid of risk of conflict of interest with general shareholders, and he supervises management from an independent standpoint, he is designated an Independent Auditor. |
| KOMURO Shingo | ○ | Mr. KOMURO Shingo is a full-time Audit & Supervisory Board member of Fujita Kanko Inc., while Mr. YAMADA Masao, previously served as the Company's Chairman is an outside director of Fujita Kanko Inc.<br>That said, while the Company and Fujita Kanko Inc. have a general business relationship, such as using each other's | As one of the measures to realize more effective corporate governance, we view that further strengthening of Audit & Supervisory Board is imperative. In particular, with respect to finance and accounting, it is necessary not only to check the accuracy of figures and compliance with laws and standards, etc., but also to conduct audit by taking into account the actual corporate practice and therefore, we view that it is urgent for the Company to appoint persons who are familiar with corporate practice and to strengthen the functions of Audit & Supervisory Board.<br>Mr. KOMURO not only has a sufficient knowledge to |

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|---|---|---|---|
| | | facilities, the transaction value is insignificant.<br>The decisions to propose these persons as candidates at the General Meeting of Shareholders were made independently of each other. As a result, although he is an officer of both companies and the two companies hold shares in one another, in light of the insignificance of the transactions, the Company believes that Mr. KOMURO Shingo's independence will not be hindered, and that this has no impact on the decision to appoint him as an Audit & Supervisory Board member, either. | fulfill the role of Audit & Supervisory Board member as required by the Company based on his experience in engaging in finance/accounting work for many years, but also has a wide range of experience in, among other things, business planning, working in overseas offices and being representative director of companies. Our understanding is that based on his knowledge which he gained through such experience, Mr. KOMURO is able to audit the Company from various aspects and is highly qualified as an Audit & Supervisory Board member. We would like to request for Mr. KOMURO's election as an Outside Audit & Supervisory Board member of the Company because we have determined that Mr. Komuro is someone who cannot be replaced in terms of further strengthening the corporate governance of the Company and who can make a significant contribution to sustainable corporate management from an independent perspective hereafter.<br>As he is considered devoid of risk of conflict of interest with general shareholders, and he supervises management from an independent standpoint, he is designated an Independent Auditor. |
| Tsutsumi Azusa | ○ | | Ms. TSUTSUMI Azusa has been engaged in accounting, audit and accounting consulting at KPMG AZSA LLC for many years and has high level of expertise in finance/accounting and internal controls.<br>We judge that based on such experience, we can expect her to further strengthen the governance and compliance of the Company by taking important roles especially in auditing from accounting perspective, and we request for her election as an Outside Audit & Supervisory Board member of the Company.<br>As she is considered devoid of risk of conflict of interest with general shareholders, and she supervises management from an independent standpoint, she is designated an Independent Auditor. |

## Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members

| | |
|---|---|
| Number of Independent Directors and Independent Audit and Supervisory Board Members | 8 |

Other Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members

—

## Incentives

| | |
|---|---|
| Implementation Status of Measures related to Incentives Granted to Directors | Introduction of Performance-linked Remuneration Scheme |

Supplementary Explanation for Applicable Items

The Company introduced a performance-linked remuneration scheme at the Annual General Meeting of Shareholders held in June 2006.

| | |
|---|---|
| Persons Eligible for Stock Options | |

Supplementary Explanation for Applicable Items

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## Director Remuneration

| | |
|---|---|
| Status of Disclosure of Individual Director’s Remuneration | Disclosure for Selected Directors |

Supplementary Explanation for Applicable Items

Total remuneration paid for directors and Audit & Supervisory Board members

10 directors: ¥446 million

5 Audit & Supervisory Board members: ¥70 million

(including ¥113 million for outside officers)

Persons with a total consolidated remuneration of ¥100 million or higher are disclosed separately in the integrated report. The integrated report is also available for public inspection on the Company website.

| | |
|---|---|
| Policy on Determining Remuneration Amounts and Calculation Methods | Established |

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

(1) Matters Concerning the Policy for Determining the Contents of Remuneration, etc., for Individual Directors

The Company's remuneration system for directors consists of basic remuneration, which is fixed remuneration, performance-based remuneration reflecting the Group's consolidated performance, and restricted stock remuneration. The remuneration system has been designed with input from the Remuneration Committee and incorporates objective factors such as the Group's consolidated performance and remuneration levels outside the Company.

This system does not apply to outside directors, however, as they are responsible for providing supervision from an independent and objective standpoint. Accordingly, they are not eligible for remuneration that reflects individual performance.

In addition, remuneration for each Audit and Supervisory Board Member consists solely of fixed remuneration because Audit and Supervisory Board Members are independent from the execution of business operations. The amount of remuneration for each Audit and Supervisory Board Member is determined through consultation among the Audit and Supervisory Board Members within the total remuneration amount approved by shareholders at a General Meeting of Shareholders.

The aforementioned Remuneration Committee meets at least once a year and is composed of members of whom a majority are outside directors.

Basic remuneration for directors consists of fixed monthly remuneration and is determined after comprehensive consideration of the director's position and individual performance, as well as factors such as the Company's performance, remuneration levels at other companies, and employee salary levels.

Performance-based remuneration shall be provided as monetary remuneration paid at a certain time each year. The amount of performance-based remuneration is determined by reflecting individual performance in the standard amount of performance-based remuneration calculated based on net income attributable to owners of parent. Net income attributable to owners of parent has been adopted as the performance indicator because linking remuneration to corporate earnings is expected to enhance directors' motivation to contribute to business growth.

The specific process for determining performance-based remuneration is as follows:

(i) Linked to the rate of increase or decrease in actual net income attributable to owners of parent against the standard amount

The standard amount is calculated by multiplying a fixed amount by the rate of increase or decrease in the actual net income attributable to owners of parent for the current fiscal year against the benchmark amount of net income attributable to owners of parent established in advance in conjunction with the medium-term business plan.

(ii) Linked to the target achievement ratio of net income attributable to owners of parent

The target refers to the published net income attributable to owners of parent forecast. The standard amount is calculated by multiplying the target achievement rate, derived by dividing the actual net income attributable to owners of parent for the current fiscal year by the target amount, by a fixed amount.

Taking into account potential extreme fluctuations in metal prices, exchange rates, global pandemics, and other unforeseen social and economic changes, "the rate of increase or decrease in the actual net income attributable to owners of parent against the standard amount" and "the target achievement rate" are capped at a range of 50% to 150%.

The standard amount for each position is calculated by applying the position-based payment rate to the sum of the standard amounts from (i) and (ii). The amount of remuneration is determined by reflecting individual performance in the standard amount for each position. The target amount of net income attributable to owners of parent forecasted for (ii) was 27.0 billion yen, but the actual net income attributable to owners of parent was 62.4 billion yen.

Restricted stock remuneration shall be provided by granting monetary compensation claims to eligible directors based on a Board of Directors' resolution. The directors will then pay these claims to the Company as a contribution in kind to receive shares of the Company's common stock with restrictions on the transfer of these shares until retirement or resignation. The amount of each monetary compensation claim is determined according to the specific role of each director, and the amount to be paid per share is determined to be the closing share price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the Board of Directors' meeting in which a resolution will be made on the issuance or disposal of shares. The system aims to provide eligible directors with incentive to sustainably enhance the Company's corporate value while promoting greater value-sharing with shareholders.

The Remuneration Committee examines the ratio between individual basic remuneration, performance-based remuneration, and restricted stock remuneration of directors using companies of a similar scale as well as companies in related industries and with analogous business formats as benchmarks. The representative director, President and chief operating officer (COO), then decides upon this ratio after giving proper consideration to the Remuneration Committee's findings. The amount of remuneration for each individual director is determined by the Representative director, President and COO, in accordance with the calculation process determined by the Remuneration Committee, upon a multilateral examination by the Remuneration Committee of factors including whether it aligns with the policy for determining the amount of remuneration which has been established by the Board of Directors. The representative director has been entrusted with this authority because the delegation of such authority to the representative director who oversees the Company's overall business management will ensure appropriate decision-making. The Board of Directors has also determined that, due to the above involvement by the Remuneration Committee, the determination of the amount of remuneration for each individual director is in line with the determination policy.

(2) Resolution on the Compensation, etc., of Directors and Audit and Supervisory Board Members at the General Meeting of Shareholders

With respect to the maximum amount of compensation payable to directors, it was resolved at the Annual General Meeting of Shareholders held on June 24, 2016 that such amount shall not exceed 570 million yen per year. As of the conclusion of such Annual General Meeting of Shareholders, the number of directors was seven (including two outside directors). Additionally, with respect to the maximum amount of compensation payable to Audit and Supervisory Board Members, it was resolved at the Annual General Meeting of Shareholders held on June 28, 2006 that such amount shall not exceed 100 million yen per year. As of the conclusion of such Annual General Meeting of Shareholders, the number of Audit and Supervisory Board Members was four. Furthermore, with respect to the total amount of monetary compensation claims granted for the purpose of granting restricted stock compensation to directors, it was resolved at the Annual General Meeting of Shareholders held on June 24, 2022 that the total amount shall not exceed 100 million yen per year, and that the total number of common shares to be issued or disposed of shall not exceed 44,000 shares per year. As of the conclusion of such Annual General Meeting of Shareholders, the number of Directors was nine (excluding outside directors).

(3) Delegation of Determination Authority of the Contents of Remuneration, etc., for Individual Directors

The Representative director, President and COO, is entrusted with determining remuneration for each director and does so after evaluating a director's achievements and performance.

When exercising this authority, the Representative director, President and COO is to adhere to the process examined, reported, and determined by the Remuneration Committee, in order to ensure remuneration is in line with the restricted stock compensation plan and that remuneration levels are determined objectively and set at appropriate amounts.

The representative director has been entrusted with this authority because the delegation of such authority to the representative director who oversees the Company's overall business management will ensure appropriate decision-making.

## Support System for Outside Directors (and/or Outside Audit and Supervisory Board Members)

The five outside directors collect information by attending important meetings, reading the necessary materials, holding meetings with other directors and employees, and other means. Two of the three outside Audit & Supervisory Board members are part-time members. Part-time outside Audit & Supervisory Board members come to the office two to three days a month to share information by holding meetings with other Audit & Supervisory Board members. Part-time Audit & Supervisory Board members conduct on-site inspections and interviews of business sites and subsidiaries, etc., in the same way as other Audit & Supervisory Board members.

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

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

| Name | Job title/ position | Responsibilities | Terms and Conditions of Employment (Full/part time, with/without remuneration, etc.) | Date when former role as President/ CEO ended | Term |
|---|---|---|---|---|---|
| YAMADA Masao | Honorary Advisor (Sodanyaku) | Provide advice upon request by current members of management | Part-time, with remuneration | June 25, 2025 | Specified |

| | |
|---|---|
| Number of Persons Holding Advisory Positions (*Sodanyaku*, *Komon*, etc.) After Retiring as Representative Director and President, etc. | 1 |

Other Related Matters

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

The Company is a company with an Audit & Supervisory Board. Moreover, the Company has adopted an executive officer system and a holding company structure that separates core businesses as subsidiaries in order to expedite decision-making and improve management efficiency.

In addition, the maximum number of Board members has been set at 13 and the term of office to one year to further improve the supervisory function of the Board of Directors and clarify management responsibilities.

As of the date of publication of this report, there are eleven directors (including five outside directors). In principle, the Board of Directors meets once a month. There are eleven executive officers (four of whom are also directors), with a Business Management Committee that meets once a month, in principle, to share information on the status of business execution among executive officers. There are four Audit & Supervisory Board members, three members are outside Audit & Supervisory Board members. Each Audit & Supervisory Board member audits the execution of directors' duties and reports the results to the Audit & Supervisory Board, which meets once a month in principle, ensuring audit effectiveness and efficiency.

The total remuneration to be paid to all directors and all Audit & Supervisory Board members is resolved at the General Meeting of Shareholders.

For further details, please refer to “Policy on Determining Remuneration Amounts and Calculation Methods“ in section II-1 of this report.

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

The Company is a company with an Audit & Supervisory Board. We believe this is an effective system that enables outside directors and the Audit & Supervisory Board to ensure the appropriateness of business operations from their respective perspectives.

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

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

| | Supplementary Explanation |
|---|---|
| Early Posting of Notice of the General Meeting of Shareholders | In principle, information is sent out three weeks prior to the date of the General Meeting of Shareholders. |
| Scheduling of the General Meeting of Shareholders on a Non-Peak Day | The Company makes an effort to hold the General Meeting of Shareholders early, taking into consideration the amount of time needed to sufficiently examine shareholder proposals and to complete accounts settlement and other necessary work. As a result, the General Meeting of Shareholders is held on a date that avoids conflict with the shareholder meetings of other companies. |
| Electronic Exercise of Voting Rights | Shareholders have been able to exercise their voting rights electronically since the General Meeting of Shareholders held in June 2008. |
| Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights | The Company participates in the Electronic Voting Platform. |
| Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English | The Company strives to disclose information to overseas investors by posting English content on our website, on TDnet (Timely Disclosure Network) operated by the Tokyo Stock Exchange, and on the Electronic Voting Platform for institutional investors operated by ICJ, Inc. |
| Other | In addition to providing visuals for the General Meeting of Shareholders, after said meeting is concluded, the Company holds a shareholder reception to exchange of opinions with the shareholders and explain our products. |

### 2. Status of IR-related Activities

| | Supplementary Explanation | Explanation by a representative director or a representative executive officer |
|---|---|---|
| Formulation and Publication of Disclosure Policies | The Company's Disclosure Policy is available on our website.<br>https://hd.dowa.co.jp/en/ir/disclosure_policy.html | |
| Regular Investor Briefings held for Individual Investors | Before and after the General Meeting of Shareholders is held, the Company plays videos presenting the Company as a whole and its businesses and holds briefings on the medium-term plan and other topics for individual shareholders. The Company's website also contains sites providing an overall view of the Company that can be grasped in a short time (Yokuwakaru DOWA) and sites for | Held |

| | | |
|---|---|---|
| | individual investors, facilitating their understanding of the history and the businesses of the Company.<br>https://hd.dowa.co.jp/en/about.html | |
| Regular Investor Briefings held for Analysts and Institutional Investors | The Company holds a teleconference on the day quarterly financial results are announced to report and explain the details of these results. In addition to the teleconference, the Company also holds corporate strategy briefings at the time of results announcements for the second quarter and the full fiscal year. At these corporate strategy briefings, the President reports on and explains the progress with business strategies and sustainability measures. It also holds factory tours as appropriate. | Held |
| Regular Investor Briefings held for Overseas Investors | The Company's website contains news releases, timely disclosure materials, details on its medium-term plan, financial results reports and supplementary information, corporate strategy briefing materials, annual securities reports, and convocation notices for the General Meeting of Shareholders.<br>https://hd.dowa.co.jp/en/ir/library.html<br>https://hd.dowa.co.jp/en/ir/stock/shmeeting.html | Held |
| Establishment of Department and/or Placement of a Manager in Charge of IR | Corporate Strategy Dept., Public Relations & Investor Relations Sec. is tasked with the management of the Company website, and has a dedicated member of staff in charge. | |

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

| | Supplementary Explanation |
|---|---|
| Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders | The DOWA Group's Corporate Mission, Vision, Values, and Code of Conduct stipulate the responsibilities the Company has to its stakeholders (including shareholders, customers, employees, suppliers, contractors and other partners, and local communities). |
| Implementation of Environmental Preservation Activities and CSR Activities, etc. | Through its core businesses, including waste treatment, soil remediation, and resource recycling, and the provision of environmentally-friendly products, the Company is engaged in activities aimed at resolving social issues such as environmental and energy problems faced around the world.<br>As specific guidelines for these activities, the Company has established the Sustainability Basic Policy, Environmental Basic Policy, Climate Change Policy, Biodiversity Policy, Safety and Health Policy, Human Rights Policy, |

CSR Procurement Policy, Responsible Minerals Procurement Policy, Policy for Human Resources Development, Policy on Harmony with Communities, Basic Policy on Internal Control, Risk Management Basic Policy, Anti-Corruption Policy, Quality Assurance Policy, DX Basic Policy, and Information Security Basic Policy.

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Since 2009, the Company has participated in United Nations Global Compact (UNGC), a voluntary corporate sustainability initiative advocated by the United Nations. It supports the Ten Principles of the UN Global Compact in the four fields of human rights, labor, environment, and anti-corruption listed in the UNGC and are working toward the sustainable development of society. The Company's CSR Procurement Policy and CSR Procurement Guideline reflect the principles of the UNGC, such as respect for human rights and the elimination of child labor.

Please refer to the Integrated Report published on the Company website for details.

Integrated Report: https://hd.dowa.co.jp/en/ir/library/annual.html

As a part of efforts to contribute to the local community, every year the Company holds the "Reforestation of Kosaka / Hometown tree-planting ceremony" in Akita Prefecture, to which it invites local residents and children to plant trees at the former mining site in the Kosaka District to restore vegetation in the area. As of fiscal 2025, which marks the 15th ceremony, the Company has planted around 200,000 trees.

Also, since fiscal 2017, local elementary school students have participated in the Company's event in which juvenile Ayu (sweetfish) are released back into the Yoneshiro River in Akita Prefecture.

Furthermore, from fiscal 2019, the Company became the main partner of DREAM SCHOOL, a project based on school visits conducted by the professional basketball team Akita Northern Happinets, where the team visits elementary schools in all 25 municipalities of Akita Prefecture that put in a request. By sponsoring this project, the Company supports the projects the team carries out in Akita Prefecture to contribute to the local community. Since fiscal 2022, as an SDGs partner of the Akita Northern Happinets, the Company has also been collecting small used home appliances at the team's home games with the aim of promoting the recycling of small used electronic devices, etc. ("small used home appliances"). At games sponsored by the Company, we have been placing special booths at the game venues and holding collection events so that

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|---|---|
| | more people can bring in and recycle their small used home appliances. Through this initiative, the Company is working to jump-start and promote the recycling of small used home appliances in the local community.<br>In Okayama Prefecture, the Company carries out the Lake Kojima Flower Corridor Project. So far, it has planted more than 6,000 Kawazu cherry trees.<br>The Company also conducts environmental conservation activities at its business sites across Japan, such as carrying out cleaning up activities in the areas around its business sites and collecting illegally dumped waste.<br>The Company plans to continue creating opportunities for activities that contribute to the local community in which local communities and businesses can take part in together. |
| Formulation of Policies, etc. on Provision of Information to Stakeholders | The Disclosure Policy stipulates that the Company will disclose information in a fair, timely, and appropriate manner to provide useful information to all stakeholders. More specifically, the Company will disclose information in accordance with the Companies Act, the Financial Instruments and Exchange Act and other relevant laws and regulations and in keeping with the Timely Disclosure Rules prescribed by the Tokyo Stock Exchange. The Company will also actively disclose information judged useful for deepening understanding of the Company even if the information is not covered by the Timely Disclosure Rules. Information will be disclosed via TDnet, news releases, and the Company's website. |
| Other | The Company implements measures for the following four priority areas with the aim of promoting the active participation and advancement of women.<br>(1) increase the ratio of female employees<br>- Support for enhancing the recruitment of female students (Through interviews with female employees, the female students can get an idea of the active roles that they can play)<br>- Strengthen public relations about the workstyles of female employees (production of videos and pamphlets)<br>(2) Establish a work environment that helps female employees balance work and childcare<br>-Extend the period during which employees can change their work style (e.g., shorter working hours) for childcare<br>- Establish a subsidy system that partially covers childcare costs<br>- Operate the system that limits job transfers to areas outside of the current area<br>- Hold information exchange meetings for female employees who balance childcare and work<br>- Step up initiatives to increase the ratio of eligible male employees taking |

| | |
|---|---|
| | childcare leave<br>(3) Support for the empowerment of women<br>- Expand training for female employees<br>(4) Support for career development<br>- Create a community for female employees in Japan and overseas<br>Going forward, the Company will continue to accelerate initiatives to promote the further participation and advancement of women. |

# IV. Matters Concerning the Internal Control System

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

**(1) Basic Policy on Corporate Governance**

The Company and its group companies have responded to various expectations and demands from society based on the corporate philosophy of contributing to the creation of a prosperous society and the realization of a recycling-oriented society through business activities conducted on a global scale.

The Company regards the enhancement of corporate governance as one of its most important management priorities. In accordance with the Mission, Vision, Values, and Code of Conduct of the DOWA Group, the entire Group is committed not only to contributing to society but also to establishing and operating effective and efficient internal control systems.

To achieve these objectives, the Company has adopted a holding company structure. Under this structure, each business segment has been organized as a separate company, enabling it to respond more effectively to customer needs at the forefront of the market, make prompt decisions based on delegated authority, and conduct business operations flexibly in accordance with its business characteristics. As the holding company, the Company seeks to maximize corporate value through the optimal allocation of management resources throughout the Group.

In addition, the Company endeavors to ensure the soundness of management through (i) the establishment of Audit & Supervisory Board and (ii) the appointment of Outside Directors.

**(2) Overview of Corporate Governance Structure and Reasons for Adopting the Structure**

The Company is a company with an Audit & Supervisory Board. In addition, in order to accelerate decision-making and improve management efficiency, the Company has adopted an Executive Officer system and a holding company structure under which its business divisions are separated into subsidiaries. Furthermore, to enhance the supervisory function of the Board of Directors, the Company has limited the number of directors to thirteen and set their term of office at one year, thereby clarifying management accountability.

As of the date of filing of this report, the Board of Directors consists of eleven directors, including five independent outside directors, and the Board of Directors meets once a month in principle. In addition, the Company has eleven Executive Officers, four of whom concurrently serve as directors. The Executive Management Meeting is held once a month in principle in order to facilitate information sharing among Executive Officers regarding the status of business execution. The Company has four Audit & Supervisory Board Members, including three outside Audit & Supervisory Board Members. Each Audit & Supervisory Board Member conducts audits of the execution of duties by directors and reports the results to the Audit & Supervisory Board, which meets once a month in principle, thereby enhancing the effectiveness and efficiency of auditing. The Company has established voluntary committees.

The executive compensation system is designed with the benefit of advice from the Remuneration Committee, which consists of outside directors and external experts, and incorporates objective factors such as the consolidated performance of the DOWA Group and external compensation benchmarks. In addition, the Company has established a Nomination Committee to obtain advice from an objective standpoint on particularly important matters, including the appointment and dismissal of senior management. Both committees consist of five or more members in principle, a majority of whom are outside directors, and meet several times each year.

As of the date of filing of this report, the members of both committees are as follows:

SATO Kimio (Outside Director, Chairperson)

FUKUDA Kensaku (Representative director, President and COO)

KATAGIRI Atsushi (Director, Managing Executive Officer and CHRO)

SHIBAYAMA Atsushi (Outside Director)

YAMAGUCHI Junko (Outside Director)

TAKEDA Ryoko (Outside Director)

(Total: Six Members)

**(3) Other Matters Relating to Corporate Governance**

a. Status of the Development of the Internal Control System

The DOWA Group, in accordance with the Mission, Vision, Values, and Code of Conduct of the DOWA Group, pursues a management policy of contributing to society, maximizing corporate value, and fulfilling the management responsibilities entrusted to it by its shareholders. To achieve these objectives, the Group has adopted a holding company structure.

Under the holding company structure, each business group enhances its expertise and implements various initiatives more swiftly, while companies within the DOWA Group share the basic policies and fundamental systems of internal control to promote the Group’s sustainable growth.

In this context, the Company sets forth the following with respect to the development of a system for ensuring the proper conduct of its operations.

b. Matters Concerning Directors (Responsibilities of Directors regarding Internal Control)

・System to ensure that the execution of duties by directors and employees complies with laws and regulations and the Articles of Incorporation

(i) Directors and employees of the Company shall conduct business activities in accordance with the Mission, Vision, Values, and Code of Conduct of the DOWA Group as their standards for daily conduct.

(ii) The Company shall appoint Executive Officers to separate the execution function from the Board of Directors and thereby strengthen the Board's supervisory function.

(iii) The Board of Directors shall supervise directors in accordance with the Articles of Incorporation and the Board of Directors Regulations and shall strengthen its supervisory function by appointing independent outside directors who constitute at least one-third of the Board.

(iv) To enhance the transparency, fairness, and objectivity of decision-making concerning the nomination and remuneration of directors, the Company shall establish a Nomination Committee and a Remuneration Committee as advisory bodies to the Board of Directors, each of which shall be composed of a majority of outside directors and outside Audit & Supervisory Board Members.

(v) The Company shall clarify the authority and responsibilities of personnel in each position through internal regulations such as the Board of Directors Regulations and the Regulations on Duties and Authority, and shall ensure thorough compliance with laws and regulations, the Articles of Incorporation, and social norms through various training programs for directors and employees.
(vi) In accordance with the Financial Instruments and Exchange Act, the Company shall establish and operate a system for ensuring the reliability of financial reporting.
(vii) Based on the Anti-Corruption Policy, the Company shall have no relationships with antisocial forces and shall, as necessary, cooperate with the police and other related organizations, as well as outside legal counsel.
(viii) To ensure the early detection and correction of violations of laws and regulations, improper conduct, other conduct contrary to corporate ethics, and any situations that may give rise to such conduct, the Company shall promote awareness of the DOWA Consultation Desk internally as a whistleblowing system.
(ix) The Company shall establish an Internal Audit Department as its internal auditing function and shall conduct periodic internal audits in accordance with the Internal Audit Regulations..

・System for the preservation and management of information related to the execution of duties by directors

Documents related to the execution of duties by directors, including minutes and materials of the General Meeting of Shareholders, the Board of Directors, and other important meetings, as well as approval documents (including electronic data), shall be properly prepared, preserved, and managed in accordance with laws and regulations and internal rules.

・Regulations and other systems for the management of the risks of loss (Risk Management System)

(i) To establish a management foundation that enables the timely identification and assessment of risk events that may affect the advancement of business operations, and strategic responses to such risks, the Company shall establish the Risk Management Regulations and the Crisis Management Regulations and operate a risk management system.
(ii) Important matters shall be reported as necessary to, and reviewed by, the Board of Directors, the Management Strategy Meeting, the Executive Management Meeting, and the Sustainability Promotion Meeting.
(iii) The Executive Management Meeting shall, in principle, be held monthly to receive reports on the activities of the five operating companies and the operating subsidiaries belonging to their respective business groups and to ensure a prompt response to changes in the business environment.

・System to ensure the efficient execution of duties by directors (Four Lines of Defense Framework)

(i) Management decisions shall, depending on their level of importance, be resolved by the Board of Directors of the HD, the operating company, or the Company, or decided by an authorized approver through an approval document. Particularly important matters shall be deliberated on in advance by the Management Strategy Meeting and then submitted to the Board of Directors of the Company for resolution.
(ii) The Company shall appoint Executive Officers in order to expedite management decision-making.
(iii) Based on the management policies, medium-term management plan, and annual budget approved by the Board of Directors of the Company, management resources shall be appropriately allocated to the five operating companies and the operating subsidiaries belonging to their respective business groups, and business activities shall be carried out by each business group as an integrated corporate group.
(iv) The Executive Management Meeting shall, in principle, be held monthly to receive reports on the activities of the five operating companies and the operating subsidiaries belonging to their respective business groups and to monitor progress

against the annual budget.

(v) Through the utilization of information technology, the Company and its group companies shall promote the integration and efficiency of core business operations and enhance information security.

(vi) To promote the activities necessary for the operation of this Internal Control System, the Company shall appoint the General Manager of the Audit Department as the Internal Control Manager.

(5) System to ensure the proper conduct of operations within the corporate group (DOWA Group Policy)

(i) The DOWA Group shall standardize key internal regulations across the Group, including policies on corporate philosophy and internal control, the Risk Management Regulations, the Crisis Management Regulations, the Board of Directors Regulations, the Regulations on Duties and Authority, the Document Management Rules, the Accounting Regulations, the Information Systems Management Regulations, the Information Security Rules, the Environmental Management Rules, the Health and Safety Rules, and the Quality Management Rules, and thereby establish group-wide internal control.

(ii) The DOWA Group shall standardize rules such as the Regulations on Duties and Authority, and when each company within the Group makes decisions on important matters, it shall do so after prior consultation with, or obtaining prior consent from, the parent company.

(iii) The DOWA Group shall formulate a medium-term management plan and an annual budget and conduct business activities under group-wide management policies. The status thereof shall be monitored, in principle through the Executive Management Meeting's monthly meetings.

(iv) The Company shall establish a technical support company to promote the enhancement of development and technological capabilities, as well as an administrative support company to improve the efficiency and transparency of indirect operations such as accounting, finance, procurement, and information systems, thereby effectively advancing internal control across the corporate group.

c. Matters Concerning Audit & Supervisory Board Members

・Matters concerning employees assigned to assist Audit & Supervisory Board Members in the performance of their duties upon request by such members

If an Audit & Supervisory Board Member requests the assignment of employees to assist in the performance of their duties, the Company shall promptly assign employees with expertise in such duties.

・Matters concerning the independence of the employees referred to in the preceding item from directors and the effectiveness of instructions given to such employees

When employees are assigned to assist Audit & Supervisory Board Members upon their request, the Company shall respect the opinions of such members regarding the appointment and performance evaluation of such employees.

・System for reporting by directors and employees to Audit & Supervisory Board Members and other systems related to reporting to Audit & Supervisory Board Members

The Company shall provide Audit & Supervisory Board Members with access to approval documents and shall facilitate exchanges of views with directors of the Company and its group companies, including through top management meetings. Directors and employees of the Company and its group companies shall, upon discovering any facts that may cause significant damage to the Company or a material decline in its credibility, promptly report such facts appropriately to the Audit & Supervisory Board Members. In addition, when the Company conducts internal audits of the Company and its group companies, it shall report the status and results thereof to the Audit & Supervisory Board Members.

・System to ensure that persons who report to Audit & Supervisory Board Members are not treated disadvantageously

The Company and its group companies shall not treat any person who has reported to the Audit & Supervisory Board Members disadvantageously on the grounds of having made such a report.

・Matters concerning expenses, etc. arising in connection with the performance of duties by Audit & Supervisory Board Members

Expenses for routine audits shall be budgeted taking into account the amount requested by the Audit & Supervisory Board Members. In addition, when expenses are incurred in the course of audits, the Company shall promptly pay such expenses unless it is determined that they are not necessary for the performance of duties.

・Other Systems to Ensure the Effectiveness of Audits by Audit & Supervisory Board Members

The Company cooperates in establishing an environment that enables Audit & Supervisory Board Members to conduct effective audits, including exchanging opinions with the internal audit department and the independent auditor, holding discussions with directors, conducting individual interviews with key employees, and carrying out on-site audits of the Company and its group companies.

In addition, the Company obtains advice from outside legal counsel and the independent auditor as necessary, promotes thorough risk management through internal audits and the whistleblowing system, and strives to enhance compliance by raising awareness of the importance of compliance through internal training and educational activities for officers and employees of the Company and its group companies, including orientation programs for new employees, manager training, top management training, and articles in internal newsletters.

d. Summary of the Contents of Liability Limitation Agreements

Pursuant to Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation of the Company, the Company has entered into agreements with all outside officers limiting their liability for damages under Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability under such agreements is the amount prescribed by applicable laws and regulations.

e. Summary of the Contents of Directors and Officers Liability Insurance

The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The insured persons under such policy include directors, Audit & Supervisory Board Members, Executive Officers, and other key employees as defined under the Companies Act of the Company and its domestic subsidiaries. The insured persons do not bear the insurance premiums. Under the policy, litigation costs, damages, and other losses arising from claims for damages brought against the insured persons during the insurance period are covered. However, in order to ensure the proper execution of duties by the insured persons, certain exclusions apply. For example, losses arising from acts committed by an insured person with the knowledge that such acts constituted violations of laws or regulations are not covered by the policy.

f. Number of Directors and Requirements for Election of Directors

The Articles of Incorporation provide that the number of directors of the Company shall not exceed thirteen. The Articles of Incorporation further provide that resolutions for the election of directors shall be adopted by a majority of the voting rights represented at a General Meeting of Shareholders attended by shareholders holding one-third or more of the voting rights exercisable at such meeting. The Articles of Incorporation also provide that the election of directors shall not be conducted by cumulative voting.

g. Matters That May Be Resolved by the Board of Directors

The Articles of Incorporation provide that, unless otherwise provided by law, matters set forth in each item of Article 459, Paragraph 1 of the Companies Act, including the distribution of surplus, may be determined by resolution of the Board of Directors. This is intended to enhance the flexibility and agility of the Company's shareholder return policy.

The acquisition of treasury shares and the payment of interim dividends are also carried out pursuant to the above procedures.

In order to enable directors and Audit & Supervisory Board Members to perform their expected roles fully, the Articles of Incorporation provide, pursuant to Article 426, Paragraph 1 of the Companies Act, that the Company may, by resolution of the Board of Directors, exempt directors (including former directors) and Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) from liability for damages arising from a failure to perform their duties, to the extent permitted by law.

h. Basic Policy Regarding Control of the Company

The Company has not established a formal basic policy regarding control of the Company. However, as a matter of fundamental policy, it has established the “Information and Time Rule.” Please refer to Section V, “Others,” of this report for details of the Information and Time Rule.

**Summary of the Operational Status of the Internal Control System**

1. Operational Status of Compliance and Risk Management Systems

The Company provides employees of the entire Group with education on compliance by way of in-house training and explanations through regular information distribution, and continues to make efforts to comply with laws and regulations and the Articles of Incorporation. The Company also continues to promote awareness of the Dowa Consultation Desk, its internal reporting system, to employees throughout the Group.

With regard to risk management, the Company has established regulations for earthquake countermeasures and for hedging, with the aim of preventing crises that may have a serious impact on its business operations and minimizing damage in the event a crisis should occur. For particularly important matters, the Corporate Strategy Dept., General Affairs & Legal Dept., Accounting Dept., Environment & Safety Dept., and other relevant departments gather and hold meetings to identify and avoid risks, and report to the Board of Directors as necessary upon the consultation and examination of countermeasures.

2. Operational Status Regarding Systems for Efficient Execution of Duties

The Company has introduced an executive officer system, with a Business Management Committee that meets once a month to make agile decisions on business execution.

The Board of Directors consists of eleven directors, including five outside directors, and its meetings are also attended by four Audit & Supervisory Board members, three members are outside Audit & Supervisory Board members. In fiscal 2025, the Board of Directors met 15 times, actively exchanging opinions during the deliberation of each proposal and supervision of business execution, etc. As in the previous year, the Company provided a questionnaire (self-evaluation) to all members of the Board of Directors and the Audit & Supervisory Board. The Board of Directors analyzed and evaluated the Board’s effectiveness based on the responses. As a result, it was confirmed that the effectiveness of the Board of Directors was sufficiently ensured, including in terms of composition, operation, and matters for deliberation. In addition, outside directors and outside Audit & Supervisory Board members also contribute by meeting regularly to exchange opinions.

Information is also stored and managed appropriately, with the minutes for Board of Directors' meetings, Ringi documents, and other documents recorded and prepared in accordance with company regulations, such as regulations for the Board of Directors, information system management, and document handling.

3. Operational Status of the Group's Internal Controls

The Company shall, in accordance with the regulations for administrative authority, clarify matters for consultation and approval by the Company and matters to be reported to the Company, while respecting the autonomy of the business operations of each Group company. The Company supervises the execution of such duties, provides guidance to each Group company to establish an appropriate internal control system, and promotes the development and operation of said system.

The effectiveness of internal controls for the entire Group is confirmed by conducting internal audits of Group companies through audits by Audit & Supervisory Board members, legal audits, labor audits, and environmental and safety audits, among others.

By making efforts to strengthen the internal control systems of each Group company, the Company is also able to take appropriate action for internal controls related to financial reporting in accordance with the Financial Instruments and Exchange Act.

4. Operational Status of the Audit Structure of Audit & Supervisory Board Members

The Audit & Supervisory Board comprises four members, three members are outside Audit & Supervisory Board members. In fiscal 2025, the Audit & Supervisory Board met 14 times to receive reports on important matters related to audits, and discuss and make resolutions related thereto.

Audit & Supervisory Board members also hold regular meetings and conduct interviews with Representative director, President and COO, directors, executive officers, department heads, and independent accounting auditors to exchange opinions on the status of compliance and internal controls.

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

As put forth in the DOWA Group's Corporate Mission, Vision, Values, and Code of Conduct, which outline the vision of the DOWA Group, the entire Group considers eliminating misconduct by anti-social forces its social responsibility, and requires all officers and employees to remain vigilant and act accordingly. The Group also ensures that all officers and employees fully adhere to this code of conduct as well as applicable laws and regulations through training, particularly for new employees, and manuals, and monitors the status of compliance through internal audits. On the organizational front, the General Affairs & Legal Dept. is designated as the department in charge of handling such incidents. The Company has established a system in which, in the event that an unreasonable request is received, the department receiving said request contacts the General Affairs & Legal Dept., and the relevant departments cooperate in responding to the request. If necessary, the Company takes a systematic approach by cooperating with external professional bodies such as the police and lawyers. The Company is also a member of the Tokubouren (Federation for Action to Prevent Organized Crime under the jurisdiction of the Tokyo Metropolitan Police Department), and as such collects information through the Tokubouren bulletin and Tokubouren news publications, and participates in Tokubouren workshops, block workshops, and regular block meetings. Through these efforts, the Company collects the latest information and deepens cooperation with the Tokubouren and neighboring companies.

# V. Other

## 1. Adoption of Anti-Takeover Measures

| | |
|---|---|
| Adoption of Anti-Takeover Measures | Not Adopted |

Supplementary Explanation for Applicable Items

The Company has established the following Information and Time Rules as its basic policy on hostile takeover defense.

## 2. Other Matters Concerning the Corporate Governance System

Information and Time Rules

The Board of Directors of the Company recognizes that it is ultimately up to shareholders to decide whether or not to accept a purchase of the Company's shares (hereinafter, "large-scale purchase") that will allow an entity to hold at least 20% of the voting rights. In making such a decision, the Company believes that it is necessary for the party that intends to make a large-scale purchase (hereinafter, "large-scale purchaser") and the Board of Directors of the Company to each provide appropriate information and ensure sufficient time for consideration, taking into account the scale of the Company's business and the fields in which it operates. Based on this basic approach, when a large-scale purchase is recognized, the Board of Directors of the Company shall request that the large-scale purchaser provides the following information (hereinafter, "large-scale purchase information") to other shareholders and the Board of Directors.

(1) The purpose and details of the large-scale purchase

(2) The basis for calculating the tender offer price and information substantiating that the large-scale purchaser has sufficient funds to pay for the intended acquisition

(3) The intended management policy and business plan for the Company after completion of the large-scale purchase

(4) Information on other important matters that could affect shareholder value

After reviewing the large-scale purchase information, the Board of Directors of the Company shall publish its assessment and opinion on the large-scale purchase. In such cases, the Company will seek the opinions of a committee composed of third parties independent of the Board of Directors. Moreover, the Board of Directors will also constantly monitor the status of transactions and movements in the Company's shares, and establish an internal system that will enable a prompt and appropriate response in the event of a large-scale purchase.

END

The DOWA Group Corporate Governance Structure (As of June 26, 2026)