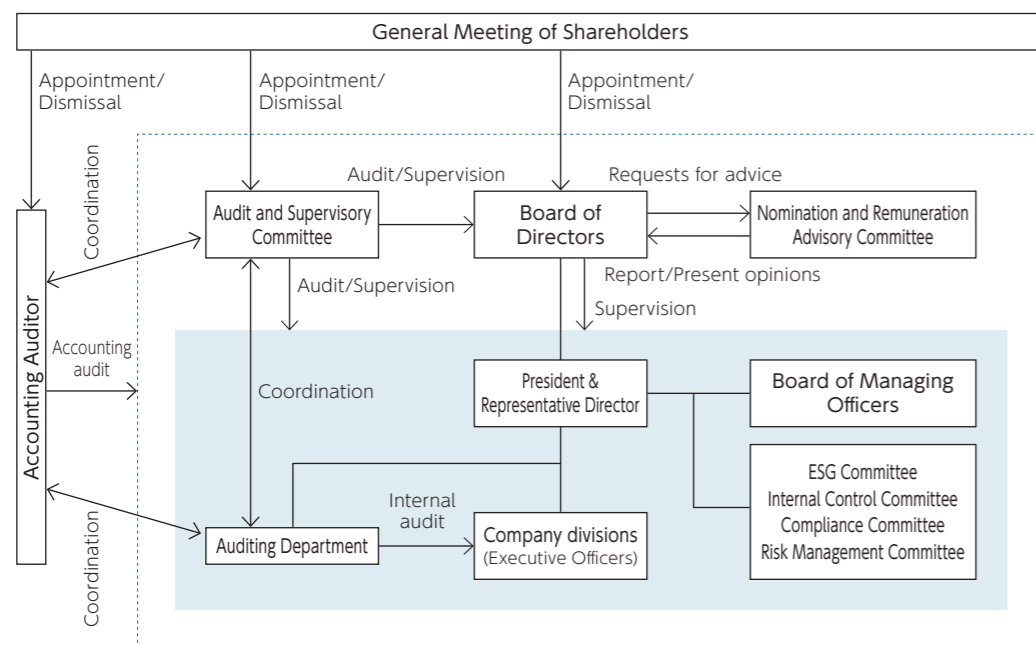


## Corporate Governance Structure

At the TATSUTA Group, we are endeavoring to strengthen corporate governance in order to achieve sustainable growth and enhance corporate value in the medium and long term, while ensuring swift decision-making as well as sound and transparent management.

TATSUTA's Board of Directors, Board of Managing Officers, and other management bodies make decisions on important matters, etc. Further, from the perspective of enhancing corporate governance by strengthening the supervisory function of the Board of Directors, we have adopted the structure of a Company with an Audit and Supervisory Committee. We have also set up a range of governance-related committees, which are tasked with coordinating with and supervising each other. We have established the Basic Policy on Internal Control Systems, and set out the division of duties of various governance tasks and organizational structures by resolution of the Board of Directors.

### Promotion system



|  |   |
|--|---|
| <b>Board of Directors</b>              | The Board of Directors is responsible for promoting TATSUTA's sustainable growth and medium- and long-term corporate value enhancement and endeavoring to improve earning ability and capital efficiency, based on its fiduciary duty and accountability to shareholders. In addition to deciding on matters designated by laws and regulations or the Articles of Incorporation, the Board of Directors formulates medium-term management plans and other plans such as fiscal year budgets, manages differences between plans and results, and instructs Executive Officers in countermeasures, as necessary. Furthermore, the Board also creates an environment to support appropriate risk-taking by Executive Officers and supervises the execution of duties by Directors and Executive Officers.                                 |
| <b>Audit and Supervisory Committee</b> | The Audit and Supervisory Committee fulfills a vital supervisory function. It has an obligation to audit the execution of duties by Representative Directors and other Executive Directors by properly executing its duties as an independent statutory body commissioned by shareholders. By properly fulfilling these duties, the Committee is responsible for ensuring that TATSUTA and the TATSUTA Group give full regard to the interests of various stakeholders, strive to work in cooperation with them, and establish a good corporate governance system to respond to social trust. It monitors and verifies the construction and operational status of internal control systems, audits the execution of duties by Directors, and fulfills its duties designated under laws, regulations, and the Articles of Incorporation. |
| <b>Executive Officer System</b>        | Executive Officers efficiently execute business operations based on the basic policies determined by the Board of Directors.  |
| <b>Audit functions</b>                 | The Internal Audit Rules determine matters such as the types and subjects of audits to be conducted, the frameworks of audits and when they will be conducted, and the preparation of written reports of audit outcomes. The Audit and Supervisory Committee also conducts its own audits, guidelines for which, including procedures, contents, and reports, are set out in the Audit and Supervisory Committee Rules.   |

|   |   |  |                             |                                |  |                                   |  |
|---|---|--|-----------------------------|--------------------------------|--|-----------------------------------|--|
| <b>Nomination and Remuneration Advisory Committee</b>   | We have established the Nomination and Remuneration Advisory Committee, based on the Nomination and Remuneration Advisory Committee Rules. This Committee is composed of Directors who are Audit and Supervisory Committee Members and the Representative Director who is President and Executive Officer. The majority of members are Independent Outside Directors. In addition to responding and reporting back to requests for advice by the Board of Directors on matters including the nomination of candidates for the position of Director, the appointment and dismissal of officers, succession plans and officers' remuneration, the Committee presents opinions to the Board of Directors regarding other matters of corporate governance, as necessary.  |  |                             |                                |  |                                   |  |
| <b>Evaluation of effectiveness of Board of Directors</b>  | We evaluate the effectiveness of the Board of Directors based on self-evaluation by each individual Director in a survey conducted each year. After the Representative Directors and Outside Directors compile and analyze the results of the survey, the evaluation of the current status and measures for future improvement are discussed by the Board of Directors. We publish a summary of the findings on TATSUTA's website.  |  |                             |                                |  |                                   |  |
| <b>Cultivation of and decision on successor as President</b>  | Upon discussions with the Nomination and Remuneration Advisory Committee, the Representative Directors formulate and implement a succession plan for the next President and report to the Board of Directors. This succession plan is also published in Section 4-8 "Succession Planning" of the Corporate Governance Guidelines.   |  |                             |                                |  |                                   |  |
| <b>Officers' Remuneration Scheme</b>  | <table border="1" style="width: 100%;"> <tr> <td><b>Directors' remuneration</b></td> <td><b>Monthly remuneration</b></td> <td>Paid monthly according to role</td> </tr> <tr> <td></td> <td><b>Performance-linked bonuses</b></td> <td>Vary depending on consolidated ordinary income</td> </tr> </table> <p>Policies for determining the amounts of Directors' remuneration, etc. and the methods of their calculation are stated in Section 5 "Determination of Officers' Remuneration" of the Corporate Governance Guidelines. Under these policies, the basic approach to determining the amount of remuneration for each Director is to apply a table containing the amounts by position and years of service to each Director. These amounts are discussed and decided by the Board of Directors based on factors such as previous payments, the Company's current performance, and the situation at other companies in the industry and other listed companies of a similar scale, paying due regard to reports provided by the Nomination and Remuneration Advisory Committee.</p> | <b>Directors' remuneration</b>                 | <b>Monthly remuneration</b> | Paid monthly according to role |  | <b>Performance-linked bonuses</b> | Vary depending on consolidated ordinary income |
| <b>Directors' remuneration</b>  | <b>Monthly remuneration</b>   | Paid monthly according to role                 |                             |                                |  |                                   |  |
|   | <b>Performance-linked bonuses</b>   | Vary depending on consolidated ordinary income |                             |                                |  |                                   |  |
| <b>Strategic shareholdings</b>  | The stated aims of strategic shareholdings are defined as "exploration of business opportunities, maintenance and expansion of trading relationships, etc." The Board of Directors evaluates the necessity of continuing to hold the shares in question after the close of each fiscal year. In addition, regarding the exercise of voting rights pertaining to strategic shareholdings, the judgement of the Board of Directors of the issuing company is respected as a rule, except in the case of proposals deemed detrimental to the purpose of the strategic shareholding. This policy is published in Section 2-5 "Strategic Stockholdings of Listed Stocks" of the Corporate Governance Guidelines.   |  |                             |                                |  |                                   |  |
| <b>Internal control</b>   | With the Basic Policy on Internal Control Systems, which are common regulations for the Group, as the main axis, in actual management, the appropriateness of operations is ensured by conducting corporate management based on the Internal Audit Rules and Internal Control Committee Rules. The Auditing Department is the principal entity in these activities, confirming and reviewing the completeness and operational status of the Group's internal control systems.   |  |                             |                                |  |                                   |  |
| <b>Reasons for appointment of Directors, etc. and status of attendance of Board of Directors meetings</b> | Reasons for appointment of Directors (including Independent Outside Directors), the status of attendance of Board of Directors meetings, etc. are disclosed on the company website as "Reasons for nomination, appointment and dismissal of Directors, etc."  |  |                             |                                |  |                                   |  |

### Status of action on Corporate Governance Code

The Company has developed Corporate Governance Guidelines. The contents are reviewed whenever there is a revision of the Corporate Governance Code, and an appropriate response to the Corporate Governance Code is implemented. The status of implementation of the general rules of the Corporate Governance Code is published in the Corporate Governance Report, which is issued once a year. This has been conducted for all individual general rules of the Corporate Governance Code in the fiscal year ended March 31, 2023.

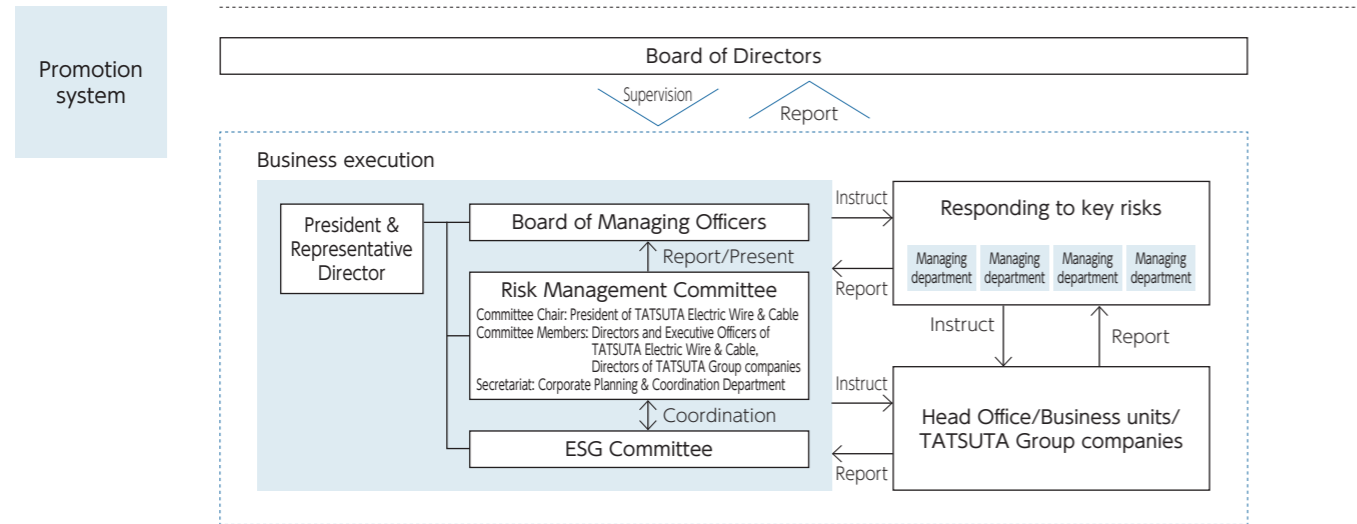
## Steady Operation of Various Management Systems

- Environmental management system ▶P21
- Quality management system ▶P33
- Information security management system ▶P46

### Risk Management

The various risks facing the TATSUTA Group include those with the potential to materially affect the TATSUTA Group's financial position, operating results, cash flow, and medium- to long-term strategy, depending on the scale and duration of the risk occurrence. At the TATSUTA Group, in addition to ascertaining and analyzing these risks and responding appropriately, we have established and operate a Group-wide framework to minimize the impact of risks when they emerge and prevent recurrence.

**Risk Management Policy** | At the TATSUTA Electric Wire & Cable Group, we strive to maintain and enhance the Group's corporate value by preventing or minimizing damage and losses, monitoring trends in the business environment to accurately ascertain and appropriately respond to risks.



In the TATSUTA Group, at meetings of the Risk Management Committee, the importance of each kind of risk facing the Group is quantitatively evaluated, as far as possible, based on the potential scale of damage and frequency of occurrence. A department is designated to manage each risk considered especially serious, and the Risk Management Committee, which meets biannually, checks on the status of its risk management and implements countermeasures, as necessary.

At its meeting at the beginning of the fiscal year, the Risk Management Committee checks on the status of risk management for the previous fiscal year and establishes the risk management policy for the current fiscal year. At its meeting at the start of the second half of the fiscal year, the Risk Management Committee checks on the status of management for the interim period. The content of discussions by the Risk Management Committee is reported to the Board of Managing Officers and the Board of Directors. The Board of Managing Officers and the Board of Directors monitor risks through monthly revenue and expenditure outlooks, business execution status reports, etc., supervise risk response, and through these activities strive to avoid risks manifesting and respond swiftly if they emerge.

**Key risks, response measures and initiatives**

| Key risks                            | Details of risks          | Initiatives  |
|--------------------------------------|---------------------------|--|
| Risks related to management strategy | ESG activities            | Based on the understanding that sustainable development of society is fundamental for the sustainable growth of the TATSUTA Group, we have established materiality items, specific initiatives, and KPIs, in view of social issues and the demands and expectations of our stakeholders. We aim to contribute to realizing a better society and its sustainable development through these activities.            |
|                                      | Climate change            | Global initiatives against climate change are underway, and the key challenge is reduction of greenhouse gases thought to cause climate change. The TATSUTA Group recognizes risks and opportunities based on the TCFD recommendations, and addresses these issues appropriately. The Company's initiatives to address the TCFD recommendations are described in detail under "Indicators and targets" on p. 20. |
|                                      | Developing new businesses | We are actively investing in new business development, including collaborations with other companies, to meet the important challenge of fostering new businesses that will become the next pillars of TATSUTA's business. These investments are based on a careful decision-making process, including an analysis of their effect and risks, and the use of external resources, as necessary.                   |

| Key risks  | Details of risks                      | Initiatives   |
|--|---------------------------------------|---|
| Risks related to management strategy                                 | Technical innovation                  | Our basic strategy is to gain a high share and revenue in advanced, niche markets where the TATSUTA Group has a technological advantage. To this end, we appropriately ascertain and respond to the latest technological and market trends, as well as customer needs. We also endeavor to maintain our technological advantage through collaboration with leading-edge startups. |
| Risks related to economic conditions, the business environment, etc. | Procuring raw materials               | In the procurement of raw materials, we have established a BCP response to avoid the risk of production stoppages due to a shortage of raw materials through measures such as purchasing from multiple suppliers and ensuring appropriate inventory levels in anticipation of emergencies.  |
|  | Changes in the price of raw materials | We appropriately monitor changes in the price of our main raw materials and implement responses such as hedging transactions to avoid the impact of price changes and transferring these changes onto the price of our products.  |
|  | Competition                           | We aim to maintain and increase our sales volume by avoiding price competition and differentiating through measures such as the continuing development and launch of high-value-added products, stable supply, early delivery, and enhanced after-sales service.  |
|  | Legal regulation                      | We endeavor to monitor and respond swiftly to trends across a wide range of environmental, commercial, trading, fair competition, and other regulation in Japan and overseas, including the use of external resources, as well as standardize our business operations to ensure regulatory compliance.  |
|  | Natural disasters                     | We implement various measures from a BCP perspective to prepare for any impediment to the Group's business activities or supply chain due to large-scale damage or other issues resulting from natural disasters. We strive to ensure the safety of interested parties and maintain a stable supply of products.  |
|  | Large-scale epidemics                 | In the event of a large-scale epidemic, the Group regards securing the safety of society and employees as a maximum priority issue, and will implement various measures to prevent the occurrence of any internal clusters of infection.  |
| Risks related to business activities                                 | Equipment malfunction                 | We have endeavored to establish production systems at multiple sites, and implement countermeasures such as daily or regular equipment maintenance to prevent stoppages, the systematic renewal of equipment, and maintaining strategic stocks of important components.   |
|  | Quality                               | We produce products in accordance with the quality management system set forth in the ISO standards and other quality management standards recognized by users, as well as continually strive to enhance and strengthen our quality management system and take every precaution to ensure quality management.   |
|  | Changes in demand                     | We endeavor to construct flexible production and sales systems to maximize profits in periods of economic expansion and secure profits in periods of economic decline.  |
|  | Intellectual property                 | We protect proprietary technologies by obtaining patents and other intellectual property rights in Japan and overseas, as well as take full precautions regarding the rights of other corporate groups to prevent intellectual property rights violations or other issues.  |
|  | 2024 problem in logistics             | We are endeavoring to address the 2024 problem in logistics and improve the efficiency of logistics in part by reviewing our distribution system and constructing a new distribution center.  |
|  | Information security                  | We have established information security systems and are strengthening safety measures, including the acquisition of ISMS certification in the functional films business.   |
| Risks related to management strategy                                 | Product improvement and development   | We strive to provide characteristic products and services that satisfy customer needs, such as electromagnetic interference (EMI) shielding film.   |
|  | Compliance                            | We have established the Compliance Committee to ascertain trends in legal and regulatory reform and our state of compliance, as well as set up internal and external whistleblower helplines, and strive to ensure legal and regulatory compliance through the implementation of measures such as regular employee education.   |

## Compliance

The TATSUTA Group has built and operates its compliance promotion system based on the recognition that compliance is one of the most important issues for the continuation of its business. In the event of a serious problem, we will disclose information appropriately and fairly and respond in good faith according to social norms and morals.

### System for promotion of compliance

Under our Corporate Code of Conduct, we study laws and regulations in Japan and overseas and social/industry norms as appropriate, and formulate, revise, and abolish company rules. With the goal of achieving thorough compliance, we have strengthened audit and supervisory functions through the Board of Directors and Audit and Supervisory Committee, while the Compliance Committee shares information and consults on reporting related to compliance promotion activities.

In addition to the development of various company rules, including the TATSUTA Group Basic Compliance Rules that clarify guidelines for compliance, to ensure these rules are correctly understood by employees, we have produced Compliance Guidelines and made them widely known among employees. For employees of Group companies, we display the TATSUTA Group Operational Rules, which specify internal control systems within the Group, on the Group intranet so that compliance is thoroughly enforced.

In addition to compliance training through e-learning for employees, we provide education for each level of employee to make our basic approach, internal rules, and other matters concerning compliance widely known among employees.

|   |  |
|---|--|
| Breaking relationships with antisocial forces | The TATSUTA Group Basic Regulation on Handling of Antisocial Forces stipulate basic policies for breaking relationships with antisocial forces such as organized crime groups or sokaiya extortionists that make unreasonable demands, and will respond antisocial forces as an organization, while making this widely known among employees to ensure compliance with basic policies. We will also endeavor to construct and maintain a system of close communication and cooperation with police, attorneys, and other external professional organizations, as well as give lectures on recent trends involving antisocial forces and responses to antisocial forces through training and other means to ensure that individual departments and individuals do not bear the problem on their own.  |
| Prevention of bribery                         | Based on the TATSUTA Group Rules for Preventing Bribery, we thoroughly instill a policy of not extending or receiving gifts or hospitality that exceed common sense according to social conventions. This is done to disseminate accurate information about bribery widely within the company, to ensure that no company or individual obtains undue benefits or undertakes arbitrary transactions in exchange for such benefits. We have also established a system for prior checks with the Officer Responsible for the Administration and Human Resources Department of TATSUTA Electric Wire & Cable as the responsible officer, and any gift or hospitality determined to exceed a common sense according to social conventions will not be extended under any circumstances. The TATSUTA Electric Wire & Cable Group Bribery Prevention Rules cover not only public servants, but also private-sector suppliers and customers, and we are diligently working to ensure that bribery is thoroughly prevented.   |
| Compliance with competition law               | We have established the Rules for Compliance with Competition Laws, and prohibit both officers and employees, either in Japan or overseas, from committing acts that violate competition law. Employees are made aware through Compliance Guidelines and other means of three prohibited acts, namely private monopolization, unreasonable restraint of trade, and unfair trade practices. For attendance at meetings, etc., the Administration and Human Resources Department will examine in advance whether or not there will be exchanges of information with competing business operators and the nature of the meeting. Prior to attending such meetings, employees are lectured on the prohibited acts related to competition law to promote understanding. The minutes of such meetings are preserved after the meetings to ensure transparency.   |
| Management of export-control goods            | Based on the Rules for Management of Export-Control Goods, officers with responsibility for confirming whether goods are subject to export controls or not, and internal systems required for the management of export-control goods have been established. Operations are conducted to confirm list-based controls and catch-all controls for all goods and technologies. The employees in charge of these operations undergo training on a regular basis.  |
| Proper accounting practices                   | The TATSUTA Accounting Rules have been established as our general standards for accounting operations, including accounting standards and management systems. They serve as the basic rules for accounting operations. The Compliance Guidelines affirm "appropriate accounting practices" and we ensure that this is widely known by employees. We emphasize the following six key themes as being of particular importance.<br>①Proper recognition of revenue and expenses ②Proper recognition of assets ③Attachment/preservation of evidence ④Appropriate approval procedures ⑤Appropriate tax accounting ⑥Financial results in line with facts and actual circumstances  |
| Internal whistleblowing system                | Based on the TATSUTA Group HELPLINE Operation Rules, an internal hotline system has been established and carries out activities under the direction of the President of TATSUTA Electric Wire & Cable, with the General Manager of the Administration and Human Resources Department of TATSUTA Electric Wire & Cable as the responsible officer.<br><b>TATSUTA Electric Wire &amp; Cable Group Helplines</b><br>Eligibility : All officers and employees of the TATSUTA Group<br>Purpose : To receive requests for consultation and reports (including of harassment), promptly discover and resolve issues<br>Consultation and whistleblower helplines : The person seeking advice or wishing to file a report can choose which of the two helplines to contact, depending on the nature of their concern.<br><b>1 Secretariat (TATSUTA Electric Wire &amp; Cable Administration and Human Resources Department)</b><br><b>2 Attorney (outside attorney)</b><br>● Users may either give their real name or choose to remain anonymous<br>● For harassment-related matters, users may also elect to contact a dedicated external helpline set up for that purpose<br>● Requests and reports may be made in Japanese, English or Chinese (depending on the helpline)<br>● The person seeking advice or reporting a matter of concern will not be subjected to any disadvantageous treatment whatsoever for that reason, and confidentiality, including their name, will be strictly protected<br><br>The details of the advice request/report will be investigated and considered by the Helpline Secretariat and, where necessary, internal rules and systems and their implementation will be reviewed.<br>The details of advice requests/reports made to the helplines are shared with top management at the twice-yearly meetings of the Compliance Committee. The existence of the helplines and information about how advice requests and reports are handled are disseminated in-house through compliance training, company newsletters, the Compliance Guidelines, and other means, and an environment that makes people feel comfortable about seeking advice or making reports has been established. |

### Information management

At TATSUTA, we have established and operate an information security management system. We implemented an information security e-learning program for employees and strive to raise awareness of information security. We have also established the TATSUTA Electric Wire & Cable Group Information Security Policy.

#### Information Security Policy

- 1 Establishment of information security management systems**  
The TATSUTA Electric Wire & Cable Group will secure sufficient resources, including budget and personnel, for the protection and appropriate management of all information assets it holds and will establish systems for the prompt implementation of information security measures.
- 2 Establishment of company rules**  
The TATSUTA Electric Wire & Cable Group will establish internal rules for the protection and appropriate management of information assets and will thoroughly raise awareness among all employees, etc. of the Group about the need to ensure information security and about specific compliance matters.
- 3 Appropriate information security measures**  
The TATSUTA Electric Wire & Cable Group will identify information security risks and take the necessary countermeasures against those risks to prevent unauthorized access, destruction, leaks, falsification, and other incidents involving information assets. It will also establish frameworks for responses and restoration in the event of such incidents and formulate plans for early recovery, as well as promptly making appropriate reports in the event of such incidents and striving to minimize their impact and prevent their recurrence.
- 4 Human resources development**  
Recognizing the objectives and importance of information security management systems, the TATSUTA Electric Wire & Cable Group will develop human resources who have the necessary knowledge and skills concerning information security.
- 5 Compliance with laws, etc.**  
The TATSUTA Electric Wire & Cable Group will comply with laws and ordinances, regulations, government guidelines, contractual obligations, and other social norms related to information security.
- 6 Continuous improvement**  
The TATSUTA Electric Wire & Cable Group will periodically evaluate and review the above initiatives and share information about them for the continuous improvement of the Group's information security management.

|  |  |   |   |   |  |   |
|--|--|---|---|---|--|---|
| Cyber security   | With cyber security becoming increasingly important in recent years, we have established the following structure to manage it.   | <table border="1"> <tr> <td>Responsible officer: Officer Responsible for the Information Systems Department</td> <td>The responsible officer manages and issues the necessary instructions regarding cyber security matters from a company-wide perspective.</td> </tr> <tr> <td>Management and operations officer: General Manager of the Information Systems Department</td> <td>The management and operations officer manages and operates company-wide information security under the responsible officer's instruction.</td> </tr> </table>  | Responsible officer: Officer Responsible for the Information Systems Department                       | The responsible officer manages and issues the necessary instructions regarding cyber security matters from a company-wide perspective.   | Management and operations officer: General Manager of the Information Systems Department | The management and operations officer manages and operates company-wide information security under the responsible officer's instruction.   |
|  | Responsible officer: Officer Responsible for the Information Systems Department  | The responsible officer manages and issues the necessary instructions regarding cyber security matters from a company-wide perspective.   |   |   |  |   |
| Management and operations officer: General Manager of the Information Systems Department | The management and operations officer manages and operates company-wide information security under the responsible officer's instruction.  |   |   |   |  |   |
|  | As a measure for the concrete management of cyber security, we have designated various matters for compliance (use of IT assets and networks, use of business systems and external services, security education, etc.), and we carry out operational monitoring, installation of servers in multiple locations, constant monitoring for viruses, etc., and periodic diagnoses by external experts.<br>When an incident occurs (discovery of a software vulnerability, virus infection, unauthorized access, leak of information assets, etc.), the management and operations officer considers and implements the necessary countermeasures, reports the matter to the responsible officer, and responds appropriately based on the Crisis and Emergency Response Rules.   |   |   |   |  |   |
| Protection of personal information   | With the protection of personal information becoming increasingly important in recent years, we have established the following structure to manage it.   | <table border="1"> <tr> <td>Overall management officer: Officer Responsible for the Administration and Human Resources Department</td> <td>The overall management officer manages matters concerning the handling of personal information from a company-wide perspective and instructs individual departments and offices through personal information management officers.</td> </tr> <tr> <td>Management officers: General managers of individual departments and offices</td> <td>The personal information management officers undertake the necessary measures to ensure that personal information is handled appropriately in accordance with the Act on Personal Information Protection and company rules.</td> </tr> </table> | Overall management officer: Officer Responsible for the Administration and Human Resources Department | The overall management officer manages matters concerning the handling of personal information from a company-wide perspective and instructs individual departments and offices through personal information management officers. | Management officers: General managers of individual departments and offices              | The personal information management officers undertake the necessary measures to ensure that personal information is handled appropriately in accordance with the Act on Personal Information Protection and company rules. |
|  | Overall management officer: Officer Responsible for the Administration and Human Resources Department  | The overall management officer manages matters concerning the handling of personal information from a company-wide perspective and instructs individual departments and offices through personal information management officers.   |   |   |  |   |
| Management officers: General managers of individual departments and offices              | The personal information management officers undertake the necessary measures to ensure that personal information is handled appropriately in accordance with the Act on Personal Information Protection and company rules.  |   |   |   |  |   |
|  | For the protection of personal information, the laws and regulations, purposes of use, rules for obtaining personal information, management methods, rules for providing personal information to third parties and other matters that officers, employees, etc. must comply with have been set out, and the Company monitors their implementation. A Privacy Policy that sets out the rules, etc. for the protection of the personal information of stakeholders is disclosed on the Company's website. Safety measures of an appropriate and reasonable level are implemented and improved on a continuous basis.<br>In the event of an incident (unauthorized access, loss, leak, etc.), we will respond appropriately based on the Crisis and Emergency Response Rules. |   |   |   |  |   |