

Sustainability at Takashima

Sustainability

Sustainability Basic Policy

The Takashima Group aims to achieve sustainable growth by generating a virtuous cycle of creating sustainable value and enhancing enterprise value, based on its Corporate Mission of "Contributing to Society through Our Business Activities."

- **We engage in business activities that help give rise to a sustainable society.**

We develop and sell products that help give rise to a sustainable society, while also aiming to contribute to environmental preservation in part by reducing greenhouse gas emissions and efficiently using natural resources.

- **We enhance corporate sustainability by addressing social challenges.**

We strive to secure and strengthen human assets that are essential for achieving sustainable growth by improving employee job satisfaction and boosting employee engagement.

- **We seek to strengthen our corporate governance while also engaging in sound risk management and compliance practices.**

We seek to strengthen our corporate governance by engaging in transparent information disclosure and communications, while aiming to generate co-creation value with our stakeholders.

Sustainability framework

Purpose

Since its establishment, the Group has advanced "Contributing to Society through Our Business Activities" as our Corporate Mission. For many years, we have conducted our business activities to contribute to society's well-being by actively providing unique value-added solutions to our customers based on our original ideas and means, and with a desire to use those results to grow and prosper together.

With our Corporate Mission in mind, we established the Sustainability Committee on January 1, 2022, to promote sustainability initiatives.



Roles

To promote sustainability at the Group, the Sustainability Committee deliberates on issues for consideration including basic policy and targets pertaining to sustainability.

Topics

Acquisition of ISCC PLUS certification by the Group company TAKCEL Co., Ltd.

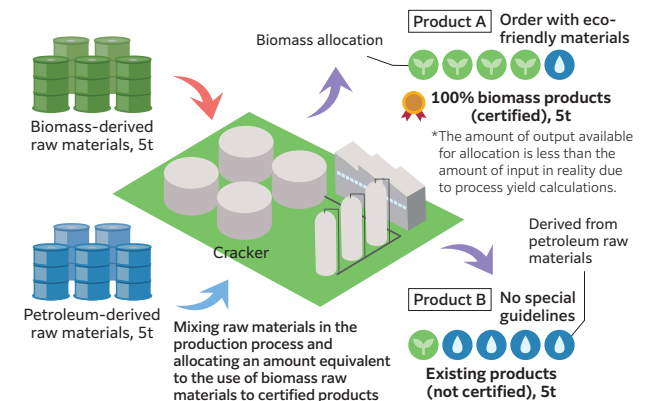
The Group company TAKCEL Co., Ltd., has acquired ISCC PLUS certification, an international certification for sustainable products. ISCC is an acronym for "International Sustainability & Carbon Certification."

ISCC PLUS was established as the world's first dedicated biomass and bioenergy certification program with a system for the certification of sustainable, traceable, deforestation-free supply chains. This globally recognized program covers not only biofuels and products but also recyclable materials and products, food, feed, as well as technical and chemical applications, and is aimed at the certification of the sustainable use of biomass and recyclable materials sourced from waste in the chemical and processing industries (e.g., plastic molding and packaging industries).

Since sustainability is also taken into account at all stages of the supply chain, and since directives such as RED II do not apply, this scheme is flexible and open to the addition of sustainability requirements, thereby attracting attention as a certification that allows companies advocating sustainability to demonstrate their own superiority in this regard.

This certification ensures that biomass raw materials, recycled materials, etc., are properly managed in the supply chain, including during product manufacturing, using the mass balance approach*, and that the products are sustainable and traceable. TAKCEL Co., Ltd., is committed to environmentally friendly manufacturing based on ISCC PLUS standards. In addition, the Takashima Group has specified "contributing to global environmental preservation and to building a society in harmony with nature" as an important issue (materiality). Going forward, the Group will continue to engage in corporate activities that give full consideration to the sound maintenance of the global environment and work to achieve the sustainable development of society.

*The mass balance approach is a means of tracking and controlling the percentage of sustainable raw materials in products when mixing sustainable and non-sustainable raw materials.



Sustainability at Takashima

Sustainability

Environmental policy

Philosophy

With “Contributing to Society through Our Business Activities” as our Corporate Mission, the Company positions “global environmental preservation” as part of that mission and as an important management issue. Furthermore, the Company conducts sound business activities that proactively take global environmental preservation into account with an awareness among all our employees that society and the economy cannot be sustainable without protecting the global environment.

Action Guidelines

1. We strive to be an eco-friendly company, and promote energy and resource savings through our business operations.
2. Regarding waste processing in our manufacturing activities and construction and the generation of noise, odors, and dust in our production processes, we have established our own management standards and will work to prevent environmental pollution through continuous improvement while complying with environmental laws and regulations and other required items agreed to by organizations.
3. We proactively promote carrying product groups that are environmentally friendly and product groups that contribute to mitigating environmental pollution.
4. We standardize environmental management systems, set and implement environmental goals and targets, conduct regular reviews, and work toward continuous improvement.
5. To improve understanding of our environmental policy and awareness of environmental preservation, we create awareness among and educate all employees.
6. We make our environmental policy available to the public through our corporate website and company brochures.

Topics

Installation of self-consumption solar power generation system at the head office's factory by the Group company TAKCEL Co., Ltd.

The Group company TAKCEL Co., Ltd., has installed a self-consumption solar power generation system at its head office's factory located in Tochigi City, Tochigi Prefecture, in order to promote the use of renewable energy. The installation was carried out by the Company's Energy Solution Tokyo Unit, which focuses on promoting the installation of self-consumption solar power generation systems.

This self-consumption solar power generation system involved the installation of solar panels on all roofs except for those that could not support solar panels due to their strength or material. Electricity generated by self-consumption solar power generation systems is not sold to power companies but consumed within the Company's factories. By using clean electricity generated on roofs, we will reduce electricity purchased from power companies, thereby contributing to carbon neutrality.

This solar power generation system is expected to generate an output of 800 kW from solar panels and 860,000 kWh of electricity per year. The annual reduction of CO₂ emissions from the installation of the solar power generation system is expected to be 548 tons.

With “Contributing to Society through Our Business Activities” as its Corporate Mission, the Group positions “global environmental preservation” as part of that mission and as an important management issue. The reduction of CO₂ emissions through the introduction of this self-consumption solar power generation system will contribute to global environmental preservation. Going forward, the Company will continue to conduct sound business activities that proactively take the environment into account.



Panoramic view of facility after installation

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TCFD

Governance

The Company recognizes its response to climate change as an important management issue. For key issues related to sustainability including our response to climate change, the Sustainability Committee chaired by an Executive Officer prepares guidelines and plans and promotes initiatives to achieve our targets. We have created an appropriate oversight structure through the Board of Directors in which content reviewed by the Sustainability Committee is deliberated and reported as necessary at Board of Directors meetings.

In the Construction Supply Division, which is the covered business, we have a system in place that appoints persons responsible for promoting sustainability (including addressing climate change) to reflect climate change-related perspectives in our business strategies and business promotion.

Meeting bodies and other systems	Roles and responsibilities
Board of Directors	Oversight of climate change response
Sustainability Committee	Preparing guidelines and plans related to sustainability including climate change response, deciding important items, and promoting initiatives for key issues

Strategy

Impact of climate change on the Company's business

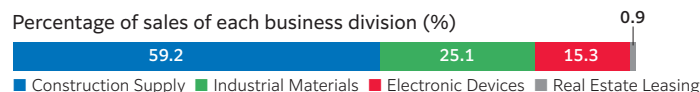
The world is experiencing constant damage from abnormal weather, and if sufficient measures are not taken, that damage will further intensify, and there is the risk of damage on a global scale. Given these conditions, the Paris Agreement, which took effect in 2016, established long-term targets to limit the average rise in global temperature to well below 2°C compared to pre-industrial levels and to make every effort to limit it to 1.5°C.

As the world begins to take action to realize the scenario of a less than 2°C increase in global temperature, the Company sees this move as both a risk and an opportunity, and the Sustainability Committee is reviewing indicators that serve as concrete action guidelines and targets.

The Company's strategy under our envisioned scenarios (scenario analysis)

1. Selection of the covered business

Our main business, the construction supply business in Japan (made up 59.2% of sales in FY2020 results)



Composition of the covered business

Segment	Field	Main products and services
Housing	Renewable energy materials	Solar energy systems, storage batteries
	Thermal insulation materials	Thermal insulation materials
	Housing materials	Cladding, housing and facility equipment, interior materials
Non-housing	Construction materials	Cladding, foundation pillars, ground improvement construction methods, fire-resistant coverings

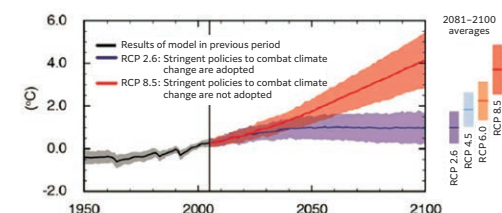
	Definition of the scenario groups	Results of scenario analysis
2°C scenario (RCP 2.6: Scenario 1)	<ul style="list-style-type: none"> Advancing bold policies and technological innovation, including conversion to renewable energy, strengthening energy-saving regulations, and introducing carbon tax A society in which changes accompanying the shift to a decarbonized society have a high possibility of impacting business (transition risk) Expanded demand for renewable energy-related products with expanded demand for energy-saving products and decarbonization energy technologies, etc. 	<ul style="list-style-type: none"> Suppliers passing on cost increases caused by stronger regulations and the introduction of carbon tax greatly reduces our cost competitiveness Changes in demand trends and preferences of end users even in the construction market and increased obsolescence of existing products accompanying the shift to a decarbonized society Changes in markets and increased procurement costs create pressure to restructure the construction supply business in Japan (portfolio shifts)
4°C scenario (RCP 8.5: Scenario 2)	<ul style="list-style-type: none"> As abnormal weather caused by climate change intensifies, the risks of greater-than-expected damage caused by wind and floods, depletion of raw materials, and infections increase A society in which the physical damage caused by climate change has a high possibility of impacting business (physical risk) 	<ul style="list-style-type: none"> As the move toward stronger regulations and the introduction of carbon tax is slow, it is difficult to expect changes in demand trends and preferences to the extent assumed in Scenario 1 However, as factors of uncertainty caused by climate change are chronic, both procurement and sales are impacted by unforeseen trouble (extreme weather, depletion of raw materials, infections, etc.) In terms of installation, inclement weather and rising temperatures could also easily reduce work quality Sales could decrease if we cannot fulfill our supply responsibilities demanded by our customers

To realize a sustainable society, the Company has identified key issues that are highly important to the Company, its stakeholders, and society to pursue both sustainable growth and enhancement of our enterprise value. While reviewing the state of progress for our targets to respond to these key issues, we are working to create solutions through our business activities.

We perform sequential scenario analysis and impact evaluation of business fields judged to have a strong impact on our business. We use the results of this scenario analysis to formulate both response plans and behavioral guidelines.

2. Definition of the scenario groups (world view of the 2°C and 4°C scenarios)

To forecast an uncertain future, it is necessary to select and set scenarios for multiple temperature bands, including the scenario of a less than 2°C increase in global temperature. To do so, the Company has referenced information from the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA) and has selected two scenarios, the 2°C scenario (Representative Concentration Pathway (RCP) 2.6: Scenario 1) and the 4°C scenario (RCP 8.5: Scenario 2).



Source: Environmental Innovation Center (partially modified from the IPCC 5th Assessment Report)

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Risks and opportunities caused by climate change

In the scenarios defined in the scenario groups (world view of the 2°C and 4°C scenarios), the specific risks and opportunities envisioned are as follows.

Evaluation targets and expected time period of occurrence of climate change-related risks in FY2023

Risk category		Evaluation targets of risks	Expected time period of occurrence	Impact
Transition risk	Policy and regulatory risk	Increased costs from the introduction and strengthening of systems related to regulations on GHG emissions reduction	Medium term	Large
		Risk of slower growth in market scale due to reduced prices of feed-in tariffs for electricity and subsidies	Medium term	Medium
	Technological risk	Reduced competitiveness of existing products with the popularization of low-carbon technology with stronger regulations	Long term	Medium
	Market risk	Lower margins from price pass-through by suppliers	Long term	Large
	Reputation risk	Risk that investors and financial institutions will judge that information disclosure is insufficient, causing negative effects on financing	Medium term	Large
Physical risk	Acute risk	Supply cutoffs by suppliers due to disaster-related damage caused by the normalization of abnormal weather	Medium term	Large
	Chronic risk	Deteriorating work environments and productivity and delays in construction completion at construction sites caused by rising temperatures	Long term	Medium

Evaluation targets and expected time period of realization of climate change-related opportunities in FY2023

Opportunity category		Evaluation targets of opportunities	Expected time period of realization	Impact
Opportunities related to resource efficiency		Increasing needs for lighter, alternative materials as steel prices rise	Medium term	Large
Opportunities related to energy sources		Expansion of the renewable energy market by setting long-term CO ₂ reduction targets	Medium term	Medium
Opportunities related to products and services		Providing new solutions by developing and partnering with new business partners (installation and processing)	Medium term	Small
		New business development through development and partnerships with new suppliers	Medium term	Medium
		Creation of new businesses with expanded products and services that contribute to adaptation to climate change	Long term	Large
Market-related opportunities		Business expansion through portfolio shifts	Medium term	Large
		Increased demand for highly sustainable products and services	Medium term	Large

Strategies in response to risks and opportunities

Under the medium-term management plan "Sustainability V (Value)," we are implementing value creation enlisting strategic planning that taps into growth opportunities as the market transitions toward a carbon neutral society. We contribute to building a sustainable society by providing functions and solutions required in our target market through energy saving and labor saving outcomes that help give rise to a sustainable society.

Energy-saving: Expanding solutions that pursue effective energy use in buildings, starting with the thermal insulation field and energy solutions field
 Labor-saving: Providing solutions that improve quality, ease of installation, and work environments while contributing to labor savings across the entire supply chain by adding functions such as manufacturing and processing

Risk management

The Takashima Group is addressing the risk of climate change, which it regards as one of its key risks.

To address risks and opportunities associated with climate change, the Takashima Group has established a working group, which enlists the involvement of Sustainability Committee members. The working group has been performing scenario analysis based on the TCFD recommendations, identifying key risks and opportunities, and evaluating the degree of impact of such risks and opportunities. Going forward, the Sustainability Committee will persist with initiatives that involve analyzing risks, formulating countermeasures, and conducting progress management.

Currently, the Company is building an environment-related risk management framework as part of its Company-wide risk management structure. We will proceed in addressing climate change risks by coordinating efforts of the Environmental Management Committee, Sustainability Committee, and Risk Management Committee, while also having the Company implement and enhance the effectiveness of comprehensive risk management. Going forward, we will continue to enhance our systems for evaluating and addressing climate change risks.

Metrics and targets

The Company started calculating Scope 1 and 2 greenhouse gas (GHG) emissions in FY2021. The scope of these calculations will be progressively expanded to take into account resources and other factors.

With respect to Scope 3 emissions, the Company builds overall systems associated with the supply chain and accordingly recognizes that its social responsibility entails promoting carbon neutrality throughout the supply chain in serving as a value-adding trading company that provides necessary functions and solutions.

This time, as part of the sustainability road map for which the groundwork has been made, we have set a target for the rate of reduction of GHG emissions (Scope 1 and 2) of 35% reduction vs FY2022 for 2030. To achieve targets, we will engage the entire efforts of the Group to continue various measures for reduction.

GHG emissions of the Takashima Group (FY2023)*1

	Scopes 1 and 2	Scope 3
Takashima (non-consolidated)	198.28	-
Group companies in Japan*2	3,065.72	-
Overseas Group companies	-	-

*1: The above figures are market-based figures.

*2: Total for seven domestic subsidiaries (Hi-Land Inc., iTak International (Japan) Co., Ltd., TAKCEL Co., Ltd., CLS Corporation, Rest Corporation, New Energy Distribution System Inc., and Takashima Robot Marketing Co., Ltd.)

Sustainability at Takashima

Human Assets Strategy

The core of our value creation and our most important capital is "human assets."

The growth of human assets, coupled with the sustainable growth of our business, will lead to the sustainable growth of our enterprise value.

The basic approach to our human assets strategy is to strengthen the recruitment of human assets who support corporate growth and to create an environment in which they can grow autonomously and demonstrate their abilities.

2050
Achieving
a carbon-neutral
society

2030
A great leap forward
as a value-adding
trading company

**Sustainable
Growth**

Sustainable growth
of our business

Business growth
through business
investment (M&A)

Growth of existing
businesses, mainly in
strategic fields

Autonomous
growth of
human assets

Empowerment of
female employees

Recruiting human
assets that support
corporate growth
and training them
into valuable
human assets

Development of
next-generation
managers

[Corporate Mission]
Contribute to
Society through Our
Business Activities

Sustainability at Takashima

Human Assets That Support Our Business: Career-Type Human Assets

Our unique approach to “career-type human assets”

We have uniquely specified “career-type human assets” as the type of human assets we seek, and we share these values with our employees while focusing on their development.

What are “career-type human assets”?

We define “career-type human assets” as employees who are human assets that take ownership of their career by being their own manager, manage their own careers, and continue to provide great value to society, thereby contributing to the enhancement of enterprise value.

Career-type human assets:

- 1 take ownership of their own life career;
- 2 leverage the Company's environment to improve
- 3 their work-career capabilities (management capabilities and expertise);
- 4 achieve integration with their private career (work-life integration);
- 5 autonomously build and develop their own work career; and
- 6 possess unique traits (that define their individuality).

Management capabilities

- 1 Ability to assume the role of a manager, seek what is needed, and perform tasks responsibly and with integrity in order to fulfill the necessary requirements
- 2 Ability to not only develop one's own career but also support others in developing their careers

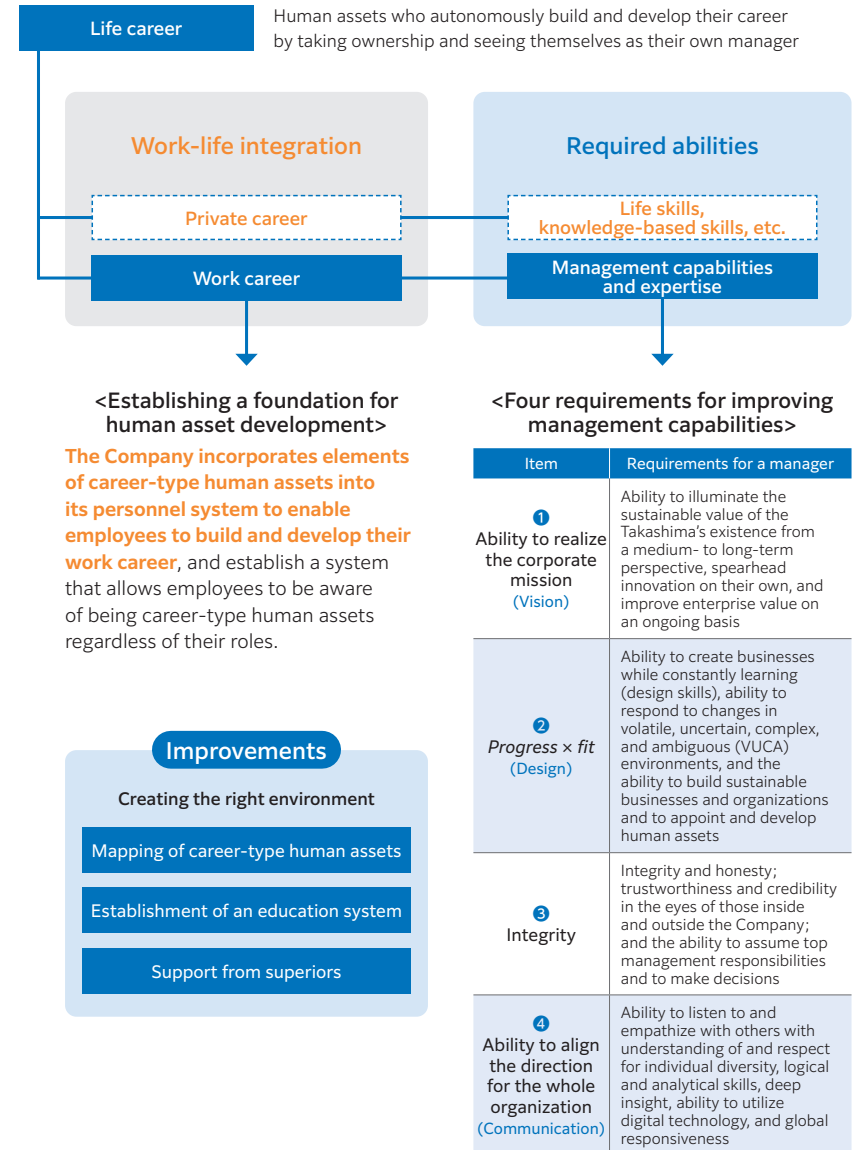
Expertise

- 1 Ability to fulfill the needs of one's clients through expertise in specific practices by performing tasks responsibly and with integrity while maintaining diverse perspectives
- 2 Ability to not only acquire expertise in specific practices but also support others in improving their expertise

Four requirements for improving management capabilities

In our view, career-type human assets are human assets who take ownership of their own career, i.e., those who see themselves as their own manager. We believe that improving the abilities associated with the following four requirements, which we have set forth as requirements for managers, will lead to growth as career-type human assets.

- 1 Ability to realize the corporate mission (Vision)
- 2 Progress x fit (Design)
- 3 Integrity
- 4 Ability to align the direction for the whole organization (Communication)



Sustainability at Takashima Career Model

The Company will present employees with its vision of career-type human assets and create the right environment and provide opportunities for employees to grow and develop into such assets.

Career model

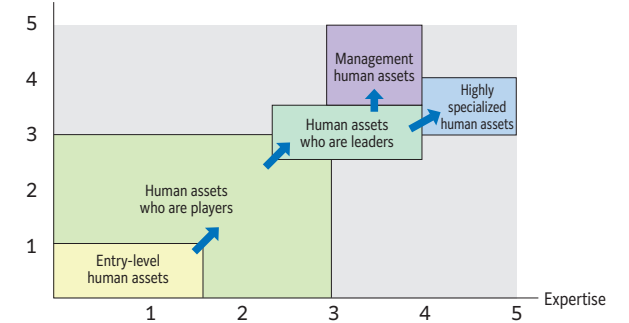
In order for our employees, our most important capital, to grow into the career-type human assets that we seek, we present our employees with a career map for career-type human assets so that they can create their own career visions.

Our employees plan their own career by taking ownership of their career, and through the use of our dual-track personnel system and with the support and encouragement of their superiors, they will achieve growth as career-type human assets.

Training and education framework

We seek to ensure that our employees are able to perform in alignment with job-class definitions through skill development by job class.

Management capabilities



[Generalist-track employment]

Category	Off-job training		On-job training (OJT)	Personal development	Selective							
	Position-specific	Development of common skills, knowledge, awareness										
Management human assets	Training at the point of promotion	Workshops for promoting career-type human assets	Compliance/Harassment/Information security training	Risk management training	Mid-career hires training	OJT trainer development training	Acquisition of job-specific practical knowledge and skills	E-learning and distance learning	Support for acquisition of qualifications	Career design	Developing next-generation managers	Employee interaction with Group companies
Highly specialized human assets												
Human assets who are leaders												
Human assets who are players												
Entry-level human assets												

[Administrative-track employment]

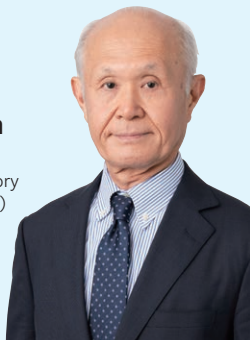
Category	Off-job training		On-job training (OJT)	Personal development						
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Human assets who are leaders	Training at the point of promotion	Workshops for promoting career-type human assets	Compliance/Harassment/Information security training	Risk management training	Mid-career hires training	OJT trainer development training	Acquisition of job-specific practical knowledge and skills	E-learning and distance learning	Support for acquisition of qualifications	Career design
Human assets who are players										
Entry-level human assets										

Sustainability at Takashima

Outside Directors' Messages

Akifumi Ujita

Director
(Audit and Supervisory
Committee Member)



It has been two years since I was appointed as an outside Director of the Company. Looking back, it feels like these two years have passed in the blink of an eye. Following the decision to select the Prime Market in 2021, the Company's Board of Directors has always been keenly aware of our shareholders and stock price, and we have engaged in serious discussions on how we can chart a course for growth. The M&A deals we have implemented in the past two years were all aimed at further strengthening our functions in strategic fields. These deals were carefully reviewed by the Board of Directors from a variety of perspectives, including their impact on our business and the risks involved, after reviewing various kinds of data. Although these deals have all made good progress following our investment, we will continue to check on them to find out if we have been able to recover our investment as initially planned. In December last year, we decided to sell the land of our former head office, the site of the Company's founding. I still vividly remember this discussion that took place at the Board of Directors meeting. I have no doubt that there must have been many mixed feelings in the Company, including emotional

reactions, surrounding the decision to dispose of the land, which holds special significance for the Company in its 100-year history. However, in order to improve our enterprise value over the medium to long term, it is necessary to optimize our business portfolio and continue to make strategic investments. Following active discussions at several Board of Directors meetings, the Directors unanimously resolved to sell the land in order to secure funds for new investments. This shows that the Company's Board of Directors has been appropriately fulfilling its vital governance functions of outlining major management directions, making decisions on important matters, and supervising execution in line with these decisions. However, we still need to make many more decisions before we can make a great leap forward toward our goal of becoming a value-adding trading company in a sustainable society. As an outside Director, I am committed to contributing actively to management discussions while keeping in mind the viewpoints of shareholders and all other stakeholders.

Yuji Momosaki

Director
(Audit and Supervisory
Committee Member)



I have been involved in financial audits and management consulting as a certified public accountant for many years, in addition to having experience as an outside director and outside audit & supervisory board member at multiple other companies. Drawing on my abundant experience and high level of expertise in monitoring and supervising management, corporate governance, and risk management, I have shared my views as a member of the Board of Directors on matters such as the Group's finance and accounting, disclosure of financial and non-financial information, internal controls and risk management, management strategy, and succession plans at Board of Directors meetings from medium- to long-term perspectives and reflected them in management, thereby contributing to further enhancing the effectiveness of the Board of Directors.

As the Company's corporate group continues to expand, enterprise risk management and human capital investment strategies that take the entire

corporate group into account will become increasingly important. Based on these perspectives, I will always remain focused on management that enhances medium- to long-term satisfaction for all stakeholders including shareholders and investors while engaging with these stakeholders to improve enterprise value through the expansion of added value. I will also do my very best as a member of the Board of Directors to always maintain our corporate value of "Integrity" and ensure that we continue to fulfill our Corporate Mission of "Contributing to Society through Our Business Activities," thereby helping to realize a sustainable society.

Sustainability at Takashima

Outside Directors' Messages

Ren Shino

Director
(Audit and Supervisory
Committee Member)



In the Corporate Governance Code, "corporate governance" is defined as a framework that allows a company to make decisions in a transparent, fair, prompt, and decisive manner based on the positions of shareholders, customers, employees, local communities, etc.

The characteristics of the Company's governance system entail a well-developed Audit and Supervisory Committee and an excellent monitoring function of the Board of Directors. Information available to the executive is disclosed promptly and appropriately to outside Directors who are Audit and Supervisory Committee Members (which ensures transparency), while the Audit and Supervisory Committee and the Board of Directors engage in frank and lively discussions based on the information disclosed (which ensures fairness).

Executive members have the opportunity to explain agenda items for Board of Directors meetings in advance, and Audit and Supervisory Committee Members exchange opinions on important agenda items at Audit and Supervisory Committee

meetings that are held prior to Board of Directors meetings before attending the latter.

In particular, the most important issue for the Company following the decision to select the Prime Market has been the kind of growth strategy we should pursue. The monitoring function of the Board of Directors has played a role in our M&A strategy, which is a pillar of our growth strategy. Information on the advantages, disadvantages, and risks was shared and discussed by all Directors, including outside Directors, before the policy was decided. I believe this is a result of the fact that the executive has a culture of sincerely taking heed of the opinions of outside Directors who are Audit and Supervisory Committee Members, and that agenda items at Board of Directors meetings are typically divided into matters for discussion, items to be resolved, and items to be reported, with adequate time being allocated to matters for discussion to allow for sufficient discussion.

Our ability to meet the continued-listing criteria for the Prime Market ahead of schedule was also the result of productive discussions at Board of Directors meetings.

Yasushi Aoki

Director
(Audit and Supervisory
Committee Member)



The selection of the Prime Market following the restructuring of the Tokyo Stock Exchange was an opportunity for us to make a major shift in management toward the sustainable improvement of enterprise value through aggressive investment. Our most important task at the time was to meet the continued-listing criteria for the Prime Market, and we were able to achieve this goal one year ahead of schedule as a result of M&A in growth areas, business restructuring, and comprehensive plans for shareholder returns, all of which were discussed at length at Board of Directors meetings. Going forward, we recognize the need to achieve the current medium-term management plan and to build a new vision for 2030, while further upgrading our management strategy.

To this end, the Board of Directors hopes to engage in ongoing discussions on specific strategies to outline the Company's vision of becoming a value-adding trading company in a sustainable society, allow more stakeholders to resonate with the Company, and become a company with a strong presence.

We also recognize the growing importance of discussing our human assets strategy in conjunction with management strategy. In order to acquire human assets that spearhead business in growth areas, it is imperative to view the mobility and diversification of the workforce as an opportunity and strategically promote employment policies that better respect expertise and career aspirations, remuneration policies that make our recruitment competitive, as well as investments in education and organizational development that allow talented human resources to demonstrate their abilities. I believe that as such policies become more effective, more opportunities for women and overseas human assets to flourish will abound.

As an outside Director, I would like to make every effort to invigorate and enhance the effectiveness of the Board of Directors by conducting deep and extensive discussions based on my knowledge of external activities, while simultaneously creating opportunities for site visits as much as possible to have a first-hand experience of the execution of plans and to identify possible issues.

Shuichi Sakamoto

Director
(Audit and Supervisory
Committee Member)



My previous stint at Asahi Kasei Corp. includes prior experience with businesses such as petrochemical intermediate materials and engineering plastics, as well as pharmaceuticals and medical equipment in the healthcare field. I was involved in various aspects of corporate management within the administrative divisions, including HR, corporate planning, and my duties as CFO.

I understand corporate activities as initiatives aimed at tackling various social issues through business. I hope to engage in frank and honest discussions with everyone

at Board of Directors meetings on a wide variety of topics such as the kind of social issues the Company will address going forward, our future vision, what the gap is between our current status and our goal, whether we have the appropriate action plans in place to overcome this gap, and whether such action plans are being firmly implemented on a day-to-day basis. I would like to do my best to improve the Company's enterprise value. I look forward to working with everyone.

Sustainability at Takashima

Directors

Koichi Takashima



Toshio Goto



Akira Yamamoto



Takahiro Suzuki



Position	President and Representative Director, and Chief Executive Officer	Director, Senior Managing Executive Officer, and Division Chief of Electronic Devices Division of the Company; President of iTak (International) Limited	Director, Senior Managing Executive Officer, and Division Chief of Construction Supply Division	Director, Managing Executive Officer, and Division Chief of Business Management Division
Number of shares owned	254,000	102,000	29,000	29,000
Board of Directors	● (Chair)	●	●	●
Number of meetings attended (FY2023)	14/14	14/14	14/14	14/14
Nominating Committee	●	—	—	—
Number of meetings attended (FY2023)	5/5	—	—	—
Remuneration Committee	●	—	—	—
Number of meetings attended (FY2023)	5/5	—	—	—
Audit and Supervisory Committee	—	—	—	—
Number of meetings attended (FY2023)	—	—	—	—
Career summary	<p>Feb. 1978 Joined Procter & Gamble Japan</p> <p>July 2000 External Relations Director of Procter & Gamble Far East Inc.</p> <p>June 2002 Joined the Company</p> <p>June 2003 Vice President and Director</p> <p>June 2004 Vice President and Representative Director</p> <p>June 2004 President and Representative Director</p> <p>Apr. 2016 President and Representative Director, and Division Chief of Industrial Solutions Division</p> <p>June 2016 President and Representative Director, Chief Executive Officer, and Division Chief of Industrial Solutions Division</p> <p>Apr. 2018 President and Representative Director, and Chief Executive Officer (current position)</p>	<p>Apr. 1983 Joined the Company</p> <p>Oct. 1997 Manager Attached to Strategic Planning & Management Office;</p> <p>Apr. 2003 President of iTak (International) Limited</p> <p>Apr. 2003 General Manager of Electronic Devices of the Company; President of iTak (International) Limited</p> <p>Apr. 2009 President of iTak (International) Limited</p> <p>June 2012 Director of the Company; President of iTak (International) Limited</p> <p>June 2016 Director and Group Executive Officer of the Company; President of iTak (International) Limited</p> <p>Apr. 2018 Director and Group Managing Executive Officer of the Company;</p> <p>Apr. 2020 President of iTak (International) Limited</p> <p>Apr. 2020 Director, Group Managing Executive Officer, and Division Chief of Device Solutions Division of the Company; President of iTak (International) Limited</p> <p>Apr. 2021 Director, Managing Executive Officer, and Division Chief of Electronic Devices Division of the Company; President of iTak (International) Limited</p> <p>Apr. 2023 Director, Senior Managing Executive Officer, and Division Chief of Electronic Devices Division of the Company; President of iTak (International) Limited</p> <p>Apr. 2024 Director, Senior Managing Executive Officer, and Division Chief of Electronic Devices Division of the Company; President of iTak (International) Limited; Director of TAKASHIMA INDUSTRIES CO., LTD. (current position)</p>	<p>Apr. 1987 Joined Osaka Totsu Co., Ltd. (currently Kansai Totsu Co., Ltd.)</p> <p>Oct. 1991 Joined Marubeni Synthetic Resin Products Co., Ltd. (currently Marubeni Plax Corporation)</p> <p>Feb. 2010 Joined the Company</p> <p>Apr. 2011 Special Sales Promotion Osaka Business Unit Manager of Construction Supply Division</p> <p>Apr. 2011 Manager of Chugoku Office, Construction Supply Division</p> <p>Apr. 2013 Deputy General Manager of West Japan Business Development Department, Construction Supply Division</p> <p>Apr. 2014 General Manager of East Japan Business Development Department, Construction Supply Division</p> <p>June 2016 Audit & Supervisory Board Member of TOHKEN inc. (current position)</p> <p>Apr. 2017 Executive Officer and General Manager of East Japan Business Development Department, Construction Supply Solutions Division of the Company</p> <p>Apr. 2018 Executive Officer, Deputy Division Chief of Construction Supply Solutions Division, and General Manager of East Japan Business Development Department</p> <p>June 2018 Director, Executive Officer, Deputy Division Chief of Construction Supply Solutions Division, and General Manager of East Japan Business Development Department</p> <p>Apr. 2020 Director, Executive Officer, and Division Chief of Construction Supply Solutions Division</p> <p>Apr. 2021 Director, Managing Executive Officer, and Division Chief of Construction Supply Division</p> <p>Apr. 2024 Director, Senior Managing Executive Officer, and Division Chief of Construction Supply Division (current position)</p>	<p>Apr. 1991 Joined The Dai-Ichi Kangyo Bank, Limited (currently Mizuho Bank, Ltd.)</p> <p>Apr. 2002 Investigator of Business Promotion Department of Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)</p> <p>Apr. 2007 Executive Consultant of Kfi Co., Ltd. (currently Tokyo International Consulting K.K.)</p> <p>June 2014 Managing Director of Itcb inc.</p> <p>Dec. 2015 Joined the Company</p> <p>Apr. 2016 Deputy General Manager of Internal Auditing Department</p> <p>Jan. 2016 General Manager of Internal Auditing Department</p> <p>Apr. 2017 Executive Officer and General Manager of Internal Auditing Department</p> <p>Apr. 2018 Executive Officer, Division Chief of Business Management Division, and General Manager of Internal Auditing Department</p> <p>June 2018 Director, Executive Officer, Division Chief of Business Management Division, and General Manager of Internal Auditing Department</p> <p>Mar. 2019 Director, Executive Officer, and Division Chief of Business Management Division; Director of iTak (International) Limited</p> <p>Sept. 2019 Director, Executive Officer, Division Chief of Business Management Division, and General Manager of General Affairs & Human Resources Department of the Company; Director of iTak (International) Limited</p> <p>Apr. 2021 Director, Managing Executive Officer, and Division Chief of Business Management Division of the Company; Director of iTak (International) Limited</p> <p>Mar. 2022 Director, Managing Executive Officer, and Division Chief of Business Management Division of the Company (current position)</p>

Sustainability at Takashima

Directors

Akifumi Ujita



Yuji Momosaki



Ren Shino



Yasushi Aoki



Shuichi Sakamoto



Position	Director (Audit and Supervisory Committee Member) (Independent Director)	Director (Audit and Supervisory Committee Member) (Independent Director)	Director (Audit and Supervisory Committee Member) (Independent Director)	Director (Audit and Supervisory Committee Member) (Independent Director)	Director (Audit and Supervisory Committee Member)
Outsider officers	●	●	●	●	●
Number of shares owned	2,427	—	—	8,000	—
Board of Directors	●	●	●	●	●
Number of meetings attended (FY2023)	14/14	13/14	14/14	14/14	—
Nominating Committee	● (Chair)	●	●	●	●
Number of meetings attended (FY2023)	5/5	5/5	5/5	5/5	—
Remuneration Committee	● (Chair)	●	●	●	●
Number of meetings attended (FY2023)	5/5	5/5	5/5	5/5	—
Audit and Supervisory Committee	● (Chair)	●	●	●	●
Number of meetings attended (FY2023)	14/14	14/14	14/14	14/14	—
Career summary	<p>Apr. 1980 Joined The Dai-ichi Kangyo Bank, Limited (currently Mizuho Bank, Ltd.)</p> <p>Jan. 1999 Deputy General Manager of New York Branch</p> <p>Apr. 2002 General Manager of Americas Department No. 1 of Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)</p> <p>May 2009 Joined SAKATA SEED CORPORATION</p> <p>June 2009 Executive Officer and General Manager of Accounting Dept.</p> <p>Aug. 2011 Director, Executive Officer and Senior General Manager of General Administration Div.</p> <p>June 2017 Director, Senior Executive Officer and Senior General Manager of General Administration Div.</p> <p>June 2021 Director, Managing Executive Officer in charge of General Administration Div.</p> <p>Aug. 2021 Retired as Director, Managing Executive Officer in charge of General Administration Div.</p> <p>Aug. 2021 Corporate Governance Advisor (Advisor)</p> <p>June 2022 Outside Director (Full-time Audit and Supervisory Committee Member) of the Company (current position)</p>	<p>Oct. 1978 Joined Nishikata Audit Corporation (currently Deloitte Touche Tohmatsu LLC)</p> <p>July 1991 Partner of Deloitte Touche Tohmatsu LLC</p> <p>July 1998 Representative Partner</p> <p>Feb. 2004 Member of Management Committee of Tokyo Office</p> <p>Mar. 2008 General Manager of Operations Management Division and Management Meeting Observer</p> <p>Jan. 2012 Chief Information Officer, Tohmatsu Group (audit company, tax accountants, consulting subsidiaries, and FA subsidiaries)</p> <p>Jan. 2015 Established Momosaki CPA Office, Representative (current position)</p> <p>June 2015 Outside Audit & Supervisory Board Member of OBAYASHI ROAD CORPORATION</p> <p>June 2015 Outside Audit & Supervisory Board Member of OSJB Holdings Corporation</p> <p>June 2016 Outside Director (Audit and Supervisory Committee Member) of the Company (current position)</p> <p>Sept. 2021 Outside Director (Audit and Supervisory Committee Member), ProjectHoldings, Inc. (current position)</p>	<p>Oct. 1986 Passed the national bar examination</p> <p>Apr. 1989 Registered as attorney (Dai-ichi Tokyo Bar Association)</p> <p>Jan. 1990 Participated in establishment of KOHWA SOHGOH LAW OFFICES</p> <p>Jan. 1990 Partner Attorney of KOHWA SOHGOH LAW OFFICES (current position)</p> <p>June 2016 Outside Director (Audit/Supervisory Committee Member) of SINANEN HOLDINGS CO., LTD. (current position)</p> <p>June 2018 Outside Director (Audit and Supervisory Committee Member) of the Company (current position)</p> <p>June 2019 Outside Audit & Supervisory Board Member of MAEDA CORPORATION</p>	<p>Apr. 1979 Joined Kao Sekken Co., Ltd. (currently Kao Corporation)</p> <p>Feb. 2000 General Manager of Organization & Planning Group Department, Personnel Division</p> <p>Mar. 2004 Supervising Personnel Development Division</p> <p>June 2006 Executive Officer</p> <p>Mar. 2011 Director, Managing Executive Officer, and Supervising Personnel and General Affairs Division of Kanebo Cosmetics Inc.</p> <p>Mar. 2014 Supervising Human Resources Development Division of Kao Corporation</p> <p>Mar. 2014 Representative Director and Chair of Board of Directors of Kanebo Cosmetics Inc.</p> <p>Mar. 2015 Managing Executive Officer of Kao Corporation</p> <p>June 2020 Outside Director (Audit and Supervisory Committee Member) of the Company (current position)</p>	<p>Apr. 1981 Joined Asahi Chemical Industry Co., Ltd. (currently Asahi Kasei Corp.)</p> <p>Dec. 2003 General Manager of Acrylonitrile Global Marketing, Acrylonitrile Division of Asahi Kasei Chemicals Corp.</p> <p>Apr. 2011 Executive Officer, General Manager of Performance Plastics Division</p> <p>Apr. 2014 Director, Senior Executive Officer, General Manager, Acrylonitrile Division</p> <p>Nov. 2014 Lead Executive Officer, General Manager, Corporate Strategy of Asahi Kasei Corp.</p> <p>Apr. 2016 Senior Executive Officer (responsible for Strategy, Accounting & Finance, IT, IR), CFO</p> <p>June 2016 Director, Senior Executive Officer (responsible for Strategy, Accounting & Finance, IT, IR), CFO</p> <p>Apr. 2019 Director, Primary Executive Officer (responsible for Health Care)</p> <p>Apr. 2023 Director</p> <p>June 2023 Advisor</p> <p>June 2024 Outside Director (Audit and Supervisory Committee Member) of the Company (current position)</p>

Sustainability at Takashima

Skills Matrix

	Corporate Management	Sales/Business Development	Finance/M&A	Marketing/Planning/IR	IT/Digital	Human Assets/Labor Management/Organization Development	Legal/Risk Management/Audit	International Experience	Manufacturing/Technology/R&D
Koichi Takashima	●	●		●				●	
Toshio Goto	●	●						●	●
Akira Yamamoto	●	●							
Takahiro Suzuki	●		●		●	●	●		
Akifumi Ujita	●		●				●	●	
Yuji Momosaki	●		●		●	●	●	●	
Ren Shino							●		
Yasushi Aoki	●			●		●	●		
Shuichi Sakamoto	●	●	●	●	●	●		●	

Intent behind the selection of skills matrix

Corporate Management

As a trading company, the Company operates in a wide variety of fields. When discussing management plans and strategies, we believe that it is important to have a bird's eye view of matters and to be equipped with critical knowledge for improving enterprise value.

Sales/Business Development

Sales and business development are essential for generating revenue. We believe that these skills are vital for presenting society with the original ideas that only Takashima can offer, maintaining our competitiveness as a company, and expanding our market share.

Finance/M&A

Finance and M&A are crucial for implementing strategies for maximizing enterprise value. Finance and M&A constitute the foundation that supports our sustainable growth and competitiveness.

Marketing/Planning/IR

We believe that communication with others is of paramount importance. Marketing, planning, and IR are key sources that help us maintain our competitiveness and achieve growth through constant communication with others.

IT/Digital

IT and digital technologies are tremendously important for businesses in the modern era. We believe that by leveraging IT and promoting digital transformation (DX), we can transform our business model and processes through the use of digital technologies and improve our competitiveness.

Human Assets/Labor Management/Organization Development

For a trading company like us, human assets are our greatest assets and are vital to our growth and sustainable success as a company. The foundation for our sustainable growth is our ability to improve enterprise value through the development of our unique career-type human assets.

Legal/Risk Management/Audit

Legal, risk management, and audit skills are essential to our ability to defend ourselves against external risks and malpractice. As a company whose motto is "Integrity," we believe that these aspects are important for building relationships of trust with investors, business partners, and society.

International Experience

Experiencing different cultures and environments can generate new ideas and perspectives that enhance a company's competitiveness. Likewise, we believe that such experiences will enhance our ability to handle risks associated with different markets and cultures, thereby allowing us to evaluate these risks more accurately and address them more appropriately.

Manufacturing/Technology/R&D

As a value-adding trading company that provides a variety of functions, improving our product quality and efficiency is essential to maintaining our competitiveness. The elements of manufacturing, technology, and R&D are indispensable as we seek to establish our position in markets and achieve sustainable growth.

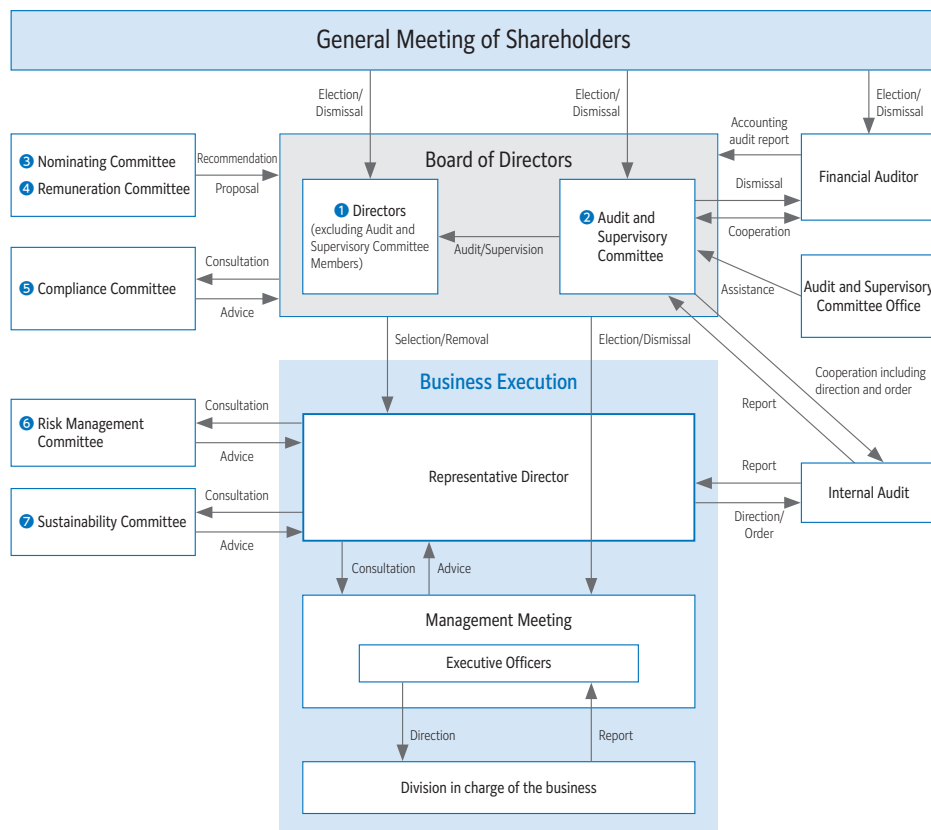
Sustainability at Takashima

Corporate Governance

Basic approach and organizational structure

The Company regards maintaining appropriate relationships with shareholders and various other stakeholders and conducting business activities while fulfilling its social responsibilities as its top priority to achieve its targets for improvements in long-term corporate performance and sustainable growth. Meanwhile, enhancing functions of corporate governance and establishing highly transparent and fair management practices serve as important fundamental responsibilities of the Company.

To such ends, the Company has established a corporate governance system for the sake of strengthening its management supervision and monitoring functions centered on the Board of Directors and Audit and Supervisory Committee, and addressing issues such as those involving internal controls and risk management.



Major meeting bodies

1 Board of Directors

The Board of Directors meets every month and has the authority to make decisions on matters stipulated by laws and regulations and on important matters related to management. The Board of Directors is comprised of four Directors (excluding Directors who are Audit and Supervisory Committee Members) and five Directors who are Audit and Supervisory Committee Members (including five outside Directors), receives reports on issues and results related to business execution, and deliberates on all important matters, such as decisions on execution policies.

Major issues addressed by the Board of Directors

- Confirmation of progress achieved with respect to the plan for meeting the continued-listing criteria for the Prime Market
- Progress of the Medium-Term Management Plan "Sustainability V" and formulation of the revised version
- Investment projects including the new M&A deals carried out in June 2023 and January 2024
- Taking action to achieve management that takes the cost of capital and share prices into account

2 Audit and Supervisory Committee

The Audit and Supervisory Committee meets every month in principle, audits the execution of duties by Directors, and discusses the results of internal audits and other important matters. The committee comprises five Audit and Supervisory Committee Members (including five outside Directors), of whom one member is a full-time Audit and Supervisory Committee Member. The Audit and Supervisory Committee Members all possess in-depth knowledge regarding management, legal, accounting, or other specialized fields, attend the Board of Directors meetings and other important meetings, and fulfill their monitoring and supervising functions from an independent and objective standpoint.

3 Nominating Committee

The Nominating Committee aims to contribute to building an appropriate management structure for the Takashima Group by strengthening the independence, objectivity and accountability of the functions of the Board of Directors related to Directors. The committee comprises the Chief Executive Officer and all of the non-executive Directors and deliberates on proposals related to the election and dismissal of Directors submitted at the General Meeting of Shareholders, the appointment and removal of Executive Officers, and other matters.

4 Remuneration Committee

The Remuneration Committee aims to strengthen the objectivity and accountability regarding the determination of remuneration related to Directors. The committee comprises the Chief Executive Officer and all of the non-executive Directors and deliberates on the performance evaluation of Directors who execute business, the appropriateness of remuneration for Directors and other officers, and other matters.

5 Compliance Committee

The Compliance Committee is chaired by the Chief Executive Officer and has been established as an organization for promoting compliance. The Compliance Committee meets once a year in principle to deliberate on overall compliance and determine the basic policy.

6 Risk Management Committee

The Risk Management Committee is chaired by the Division Chief of the Business Management Division and meets at least twice a year in principle. It has been established as an organization for making recommendations to the Chief Executive Officer upon having considered and formulated measures in relation to business continuity risks stipulated in the basic policy, among the significant risks related to the Company's management.

7 Sustainability Committee

The Sustainability Committee has been established as an organization for promoting sustainability of the Company and acts as an organization for deliberating on issues subject to consideration and making recommendations to the Chief Executive Officer in serving as an advisory body to the Chief Executive Officer. The committee meets at least twice a year in principle and reports details of its activities to the Board of Directors.

Sustainability at Takashima

Corporate Governance

Succession planning

Recognizing that selection of the Chief Executive Officer, which is the top management position, constitutes the most important of its decision-making matters, the Company accordingly has the Nominating Committee exchange opinions on an ongoing basis regarding prospective candidates for President and prospective management. The Company has accordingly established four criteria to be sought with respect to managers, as follows, in looking toward developing the next generation of management.

Ability to realize the corporate mission (Vision)	Integrity
Progress × fit (Design)	Ability to align the direction for the whole organization (Communication)

The Company applies the four criteria listed above to its Executive Officers and those in positions at or above Unit Manager, who is in charge of a unit, the Company's smallest organizational entity. The Company accordingly calls for them to manage these entities under their leadership as if they were corporations. Meanwhile, those in positions at or above General Manager undergo 360-degree feedback once a year, which includes objective evaluation and feedback on the four criteria, with the aim of helping them improve their abilities in each criterion.

Actions for enhancing effectiveness of Board of Directors

The Company has been conducting evaluations of the effectiveness of the Board of Directors since FY2016. The Board of Directors conducts self-evaluations on the basis of these results. Since then, a third-party organization and the Audit and Supervisory Committee have conducted evaluations of the effectiveness of the Board of Directors, and the Board of Directors has held discussions on the evaluation results.

The effectiveness evaluation for the fiscal year ended March 31, 2024, entailed a third-party organization administering a survey for all Directors and Audit and Supervisory Committee Members, and having the Board of Directors discuss the results of the survey in January 2024.

Description of evaluation

The effectiveness evaluation survey for the fiscal year ended March 31, 2024, was conducted in the form of a questionnaire primarily on the following topics in order to review results derived from analyzing effectiveness evaluations administered in the past, review the status of initiatives to address unresolved issues, identify areas warranting focus to ensure that the roles of the Board of Directors are fulfilled, and consider issues and measures for enhancing effectiveness going forward.

- Composition of the Board of Directors
- Discussions by the Board of Directors
- Performance of internal Directors (excluding Audit and Supervisory Committee Members)
- Performance of outside Directors (including Audit and Supervisory Committee Members)
- Support system for Directors (including Audit and Supervisory Committee Members)
- Training
- Conducting the Board of Directors meetings
- Monitoring function of the Board of Directors
- Dialogue with shareholders (investors)
- Personal initiatives

Result of evaluation

Analysis and evaluation performed for this fiscal year have led to the conclusion that the Board of Directors largely maintains effectiveness in that it actively engages in discussions aimed at ensuring adequate oversight of business execution.

Issues and measures going forward

We have identified the following issues as a result of this effectiveness evaluation. We will continue to work on enhancing the effectiveness of the Board of Directors by preparing a discussion schedule for the Board of Directors to discuss these issues that should be addressed over the medium to long term.

- Consideration of the composition of the Board of Directors (diversity in terms of knowledge, experience, expertise, gender, international experience, job history, age, etc.)
- Provision of materials that have been organized and analyzed for ease of understanding
- Sufficient frequency of deliberations on management strategies and plans that take into account profitability, capital efficiency, and other factors
- Setting KPIs to achieve sustainable growth
- Appropriate supervision of initiatives aimed at realizing strategies for leveraging digital technology
- Provision of training opportunities required by Directors and other officers

Remuneration for Directors and other officers

The remuneration for Directors and other officers of the Company comprises basic remuneration, profit-linked monetary remuneration, and share-based remuneration. Basic remuneration is set for individual Directors and other officers, taking into account their position, business performance, remuneration levels at other companies, remuneration levels of employees, etc., and is paid in a fixed monthly amount calculated by dividing the determined annual basic remuneration by 12.

Profit-linked monetary remuneration is paid to the Company's eligible Directors (excluding Directors who are Audit and Supervisory Committee Members and outside Directors) if profit attributable to owners of parent is ¥1.0 billion or more after recording profit-linked monetary remuneration as an expense, and the amount to be paid to the President and Representative Director is calculated by multiplying profit attributable to owners of parent by a predetermined payment rate. Next, the amount to be paid to each of the other eligible Directors is calculated by multiplying the individual amount to be paid to the President and Representative Director by a predetermined coefficient for each position. The amount to be paid to each eligible Director is paid within one month from the date of the General Meeting of Shareholders. The remuneration for the Company's Directors (excluding Audit and Supervisory Committee Members) is the total of the above basic remuneration and profit-linked monetary remuneration, and is ¥320 million or less per year.

Regarding share-based remuneration, the Company has introduced a restricted share-based remuneration plan for the Company's eligible Directors (excluding Audit and Supervisory Committee Members) to incentivize them to continuously enhance the enterprise value of the Company and to promote further sharing of value with shareholders. The amounts to be paid and the timing of payment are determined by the Board of Directors of the Company for Directors who execute business on the condition that they continue to hold positions specified by the Board of Directors.

Separate from the above remuneration for Directors of ¥320 million or less per year, the total amount to be paid is ¥60 million or less per year and the total number of common shares of the Company to be issued or disposed of is 96,000 shares or less per year.

The Company has also introduced a restricted share-based remuneration plan for Directors who are Audit and Supervisory Committee Members to incentivize them to prevent damage to the Company's enterprise value and maintain its credibility, as well as to promote further sharing of value with shareholders. The total amount to be paid is ¥10 million or less per year and the total number of common shares of the Company to be newly issued or disposed of is 16,000 shares or less per year.

Coefficients by position for profit-linked monetary remuneration

Position	Coefficient
Representative Director and Chair	0.9
President and Representative Director, and Chief Executive Officer	1.0
Director and Executive Vice President	0.8
Director and Senior Managing Executive Officer	0.7
Director and Managing Executive Officer	0.6
Director and Executive Officer	0.4

Thorough risk management

To maintain a high level of trust from stakeholders, the Group has built an effective internal management system and has formulated the Takashima Group Risk Management Basic Policy to appropriately respond to various risks facing the Group.

In addition, the Company has established the Risk Management Committee as an organization for making recommendations to the President regarding significant risks related to the Company's management. The Risk Management Committee is chaired by the Division Chief of the Business Management Division, who selects the committee members. The committee conducts risk identification and investigation in accordance with the rules, and considers measures for risk avoidance and for crisis planning when risks materialize.

Actions for compliance

The Company has established the Compliance Committee as an overall organization for promoting compliance. The Compliance Committee, which is chaired by the President with the Division Chief of the Business Management Division serving as the vice chair and comprises officers appointed by the President, deliberates on overall compliance and determines the basic policy.

In addition, the committee creates the Compliance Program and regularly conducts training for employees in order to raise awareness of related laws, regulations, etc., and to promote increased compliance awareness. The committee also conducts a compliance survey once a year to ascertain the level of compliance awareness that has been instilled and identify issues, and considers activities for improvements.