

Note: This document is an English Translation of the “UACJ Corporate Governance Guidelines” and prepared solely for the convenience of all stakeholders who are non-Japanese speakers. In the event of any discrepancy between this translated document and the Japanese original document, the Japanese original text shall prevail. UACJ Corporation does not guarantee the accuracy and/or the completeness of the translation and shall have no liability for any errors or omissions therein.

UACJ Corporate Governance Guidelines

Chapter 1 General Provisions

Article 1 (Purpose)

The purpose of these Guidelines is to present the UACJ Group’s basic views on, and framework of, corporate governance to ensure the Group’s continued growth and medium- to long-term enhancement of its corporate value while strengthening its relationships of trust with all stakeholders.

Article 2 (Basic Views on Corporate Governance)

To contribute to the realization of a sustainable and prosperous society and enhance the UACJ Group’s corporate value over the medium to long term through its business activities based on the UACJ Group Philosophy, UACJ Corporation (the “Company” or “UACJ”) will continuously work on the development and enhancement of an effective corporate governance system as one of the most important management challenges that should be addressed by the management.

Chapter 2 Ensuring Shareholders’ Rights and Equality

Article 3 (Ensuring Shareholders’ Rights)

- (1) The Company will endeavor to create an environment for speedy and proactive information disclosure and smooth exercise of voting rights to substantially ensure shareholders’ rights, including voting rights at the General Meeting of Shareholders.
- (2) The Company will give full consideration to ensure exercising rights granted to minority shareholders by stipulating procedures for exercising the rights and other relevant matters in the share handling rules.

Article 4 (Ensuring Shareholders’ Equality)

The Company will treat all shareholders equally according to the type and number of shares they hold.

Article 5 (General Meeting of Shareholders)

- (1) Recognizing that the General Meeting of Shareholders is an opportunity for constructive dialogue with shareholders, the Company will endeavor to create an appropriate environment for exercising rights at the General Meeting of Shareholders as follows:
1. Adequately and as necessary provide information deemed helpful for shareholders to make an appropriate judgement at the General Meeting of Shareholders;
 2. Electronically provide a convocation notice no later than three weeks before the date on which the General Meeting of Shareholders is held to give shareholders sufficient time to examine proposals for the General Meeting of Shareholders;
 3. Set dates related to the General Meeting of Shareholders appropriately from such perspectives as the improvement of constructive dialogue with shareholders and the disclosure of accurate information; and
 4. Develop an environment for electronically exercising voting rights (exercising of voting right via the internet, access to an electronic voting platform, etc.), and prepare a convocation notice in English as well.
- (2) If any proposal from the Company for a General Meeting of Shareholders was approved but a significant number of shareholders voted against it, the Company will analyze the reasons thereof to reflect them in the management and dialogues with shareholders.

Article 6 (Basic Policy on Capital Policy)

The Company will make strategic investment, business continuity investment, safety and environmental investment and the like for its continued growth and a medium- to long-term enhancement of its corporate value, and expand profits and achieve capital efficiency that exceeds capital cost to enhance its corporate value and maintain financial soundness.

Article 7 (Cross-shareholding)

- (1) The Company's policy is to maintain strategic shareholdings judged to be necessary for promoting continued business growth and smooth progress by, for example, maintaining or strengthening business ties, advancing business collaborations, or promoting stable procurement of raw materials, and to reduce its holdings going forward. Under this basic policy, the Company will hold such shares to the minimum necessary.
- (2) The Board of Director will review the appropriateness of individual strategic shareholdings every year, and any share for which, as a result of these examinations, it is determined that maintaining a shareholding is no longer sufficiently meaningful or rational will be divested.
- (3) Regarding the exercise of voting rights attached to strategically-held shares, UACJ takes the position that it should exercise its rights as a shareholder and, in principle, exercises all voting

rights on all proposals put before shareholders, and will appropriately determine whether to approve or disapprove of each proposal.

- (4) If any company that holds shares in UACJ strategically expresses its intention to divest or reduce such shares, the Company will respect shareholders' rights and not prevent them from divesting or reducing such shares, for example, by indicating a possible reduction, etc. of the business with such company.

Article 8 (Related Party Transactions)

Any competitive transactions and conflict of interest transactions between the Company and any of its Directors or companies substantially controlled by a Director will be subject to the approval of the Board of Directors. In addition, the Company will disclose these transactions in a timely and appropriate manner in accordance with the provisions of the Companies Act, the Financial Instruments and Exchange Act, and other applicable laws and regulations as well as the rules of the Tokyo Stock Exchange.

Chapter 3 Appropriate Cooperation with Stakeholders Other Than Shareholders

Article 9 (UACJ Group Philosophy)

Under the UACJ Group Philosophy, UACJ will contribute to the realization of a sustainable and prosperous society through its business activities and continue to work to ensure the UACJ Group's continued growth and a medium- to long-term enhancement of its corporate value.



Article 10 (Code of Conduct)

Aiming to realize the UACJ Group Philosophy, UACJ has created the UACJ Way as a set of basic guidelines for all employees to follow and will ensure that everyone within the Group understands it

and puts it in practice.



Article 11 (Sustainability)

The Company will proactively address challenges around sustainability, including climate change, respect for human rights, based on the UACJ Group Sustainability Policy.

UACJ Group Sustainability Policy
Passing down a better world over the next century

1. Contribute to sustainability through technologies and innovation
The UACJ Group shall contribute to the sustainability of society and the global environment by applying the technologies and expertise it has accumulated over its history to offer innovative solutions.
2. Work together with all types of stakeholders
The UACJ Group shall forge partnerships and collaborate with a wide range of stakeholders and people across society in its efforts to help make the world more sustainable through its business activities.
3. Respect the individuality of diverse members
The UACJ Group shall take steps to ensure that the individuality of its diverse members is respected, regardless of their nationality, gender, age, disabilities, or other characteristics, and provide them with opportunities to apply their individual knowledge and skills to help devise innovative solutions.

Article 12 (Ensuring Diversity)

- (1) UACJ will respect for human rights and diversity based on the UACJ's Human Rights Policy.
- (2) Under the belief that hiring diverse employees is the source of the Group's competitiveness, UACJ will proactively work to ensure diversity, including more active roles of female, non-Japanese and mid-career employees in the workplace.

Article 13 (Internal Reporting)

- (1) The Company will establish an internal reporting system designed for prevention, and early detection and correction of compliance violations, and appropriately operate this system.
- (2) The Company will protect anyone making a report or cooperating an investigation from detrimental treatment because of such act.

Article 14 (Roles of Corporate Pension Funds as Asset Owners)

To allow corporate pension funds to exercise the role expected as asset owners, the Company will have the investment performance of the pension assets appropriately monitored by the Pension Committee, which is composed of the Company's Executive Officer in charge of the Human Resources Department and the Accounting Department by obtaining performance information regularly from trust banks, life insurance companies, and other asset managers.

Chapter 4 Appropriate Information Disclosure and Ensuring of Transparency

Article 15 (Disclosure)

- (1) The Company will disclose information in an appropriate and timely manner and enhance interactive communication in order to build and maintain a long-term relation of trust with stakeholders including shareholders.
- (2) The Company will describe information to be disclosed in a simple and specific manner so that accurate information will be delivered to stakeholders including shareholders.
- (3) The Company will disclose and provide information in English for the portion necessary to be disclosed in English to the extent deemed reasonable.

Article 16 (External Financial Auditor)

- (1) The Audit & Supervisory Board will prepare the criteria for evaluation and selection of an external financial auditor and determine an appointment or a refusal of reappointment of the external financial auditor in accordance with the criteria.
- (2) The Audit & Supervisory Board will confirm the independence and expertise required of an external financial auditor through exchange of opinions with the external financial auditor and the status of its auditing, etc.
- (3) The Company will take the following measures to ensure an adequate audit:
 1. Secure sufficient audit time to allow for audit of high quality;
 2. Regularly hold a meeting with the Company's executives, including President and the Director in charge of the Accounting Department.
 3. Ensure sufficient cooperation between the external financial auditor and the Audit & Supervisory

Board Members, the Audit Department and Outside Directors.

Chapter 5 Corporate Governance System

Article 17 (Organizational Structure)

- (1) The Company chooses a company with audit & supervisory board among the organizational structures as provided for in the Companies Act.
- (2) The Company introduces an executive officer system to separate the management decision-making and the supervision functions from the business execution function.

Article 18 (Roles and Responsibilities of the Board of Directors)

- (1) The Board of Directors will set the Company's directions including corporate strategy and make decisions on important business execution in line with the UACJ Group Philosophy.
- (2) The Board of Directors will establish an environment that provides support for appropriate risk-taking by the senior management.
- (3) The Board of Directors will carry out an effective oversight of directors and the management from an independent and objective standpoint.

Article 19 (Composition of Board of Directors)

- (1) The Board of Directors will be composed of no more than 12 Directors as defined in the Articles of Incorporation and at least one-third of them will be independent Outside Directors.
- (2) It is required to appoint those who are expected to contribute to frank, active and constructive discussions at the Board of Directors as Outside Directors in accordance with the independence standards stipulated by Tokyo Stock Exchange, Inc. and the Company's Criteria for Independence (See the attachment).

Article 20 (Chairperson of Board of Directors)

Unless otherwise provided for in laws and regulations, one of the Directors selected in advance by a resolution of the Board of Directors will convene the Board of Directors meeting and chair the meeting.

Article 21 (Successor Candidate Plan)

To strengthen corporate governance by increasing the objectivity and transparency of the processes for the Chief Executive Officer successor plan, etc., the Board of Directors will consult with the Nomination and Remuneration Advisory Committee and appropriately supervise the process to ensure that the development of successor candidates will be systematically performed with sufficient time and resources.

Article 22 (Audit & Supervisory Board)

- (1) The Audit & Supervisory Board will be composed of no more than six Audit & Supervisory Board Members as defined in the Articles of Incorporation and at least half of them will be independent Outside Audit & Supervisory Board Members.
- (2) At least one person who has sufficient financial and accounting knowledge will be appointed as Audit & Supervisory Board Member.

Article 23 (Nomination and Remuneration Advisory Committee)

- (1) As an advisory body to the Board of Directors, the Company establishes the Nomination and Remuneration Advisory Committee to strengthen corporate governance by increasing the objectivity and transparency of the processes for nominating Directors, Executive Officers, and Audit & Supervisory Board Members, as well as the process for making decisions on their remuneration. Upon consultation from the Board of Directors, the Committee will deliberate matters related to the nomination and remuneration of Directors, Executive Officers, and Audit & Supervisory Board Members, and report the results of such deliberation to the Board of Directors.
- (2) The Nomination and Remuneration Advisory Committee will be composed of three or more members (a majority of which shall be composed of independent Outside Directors or independent Outside Audit & Supervisory Board Members) selected by a resolution of the Board of Directors; and chaired by a person selected from among independent Outside Directors by the Committee's resolution.

Article 24 (Appointment, etc. of Directors and Audit & Supervisory Board Members)

- (1) Candidates for the Company's Directors are nominated by the Nomination and Remuneration Advisory Committee according to the following criteria and then proposed by the Committee to the Board of Directors for its discussion, decision-making and appointment:
 1. A person who has a mature personality and qualities and earns respect and trust of others;
 2. A person with an ability to create and promote changes and an ability to make bold decision from broad perspectives;
 3. A person with an ability to motivate others by clearly presenting the Company's vision and leveraging their diverse talents and an execution ability to produce results in any situation; and
 4. In the case of Outside Directors, a person who fulfills the Company's Criteria for Independence and has no risk of conflict of interest with general shareholders.
- (2) Candidates for the Company's Audit & Supervisory Board Members are nominated by the Nomination and Remuneration Advisory Committee according to the following criteria and then

proposed by the Committee to the Board of Directors for its discussion, decision-making and appointment:

1. A person who has a mature personality and qualities and earns respect and trust of others;
 2. A person with sufficient knowledge and experience to conduct adequate and fair audit on business execution by Directors;
 3. A person with deep insight, abundant knowledge and experience in any of corporate management, finance and accounting, legal affairs and governance, risk management and the like; and
 4. In the case of Outside Audit & Supervisory Board Members, a person who fulfills the Company's Criteria for Independence and has no risk of conflict of interest against general shareholders.
- (3) When any of Directors and Audit & Supervisory Board Members falls under the following dismissal criteria and is deemed incapable of sufficiently fulfilling their roles and responsibilities, the Nomination and Remuneration Advisory Committee will submit a proposal of dismissal to the Board of Directors, and the Board of Directors will deliberate and make a decision on whether to submit a proposal of dismissal to the General Meeting of Shareholder.
1. When having conducted any act in violation of laws or regulations, or the Articles of Incorporation;
 2. When having conducted any act contrary to public order and morals;
 3. When becoming difficult to continue their duty because of their health conditions;
 4. When having significantly damaged corporate value due to negligence of duty; or
 5. When clearly and objectively failing to meet the appointment criteria.

Article 25 (Remuneration System for Officers and Policy for Determination Thereof)

- (1) The purpose of the Company's remuneration system for officers is to encourage Directors to enable the Company to meet the expectations of various stakeholders and to continue to generate profits sufficient to broadly contribute to society through sound development of its business, while allowing Directors to share risks and benefits of share price fluctuations with shareholders to encourage them to contribute to a higher stock price, corporate value improvement, and medium-to long-term performance improvement.
- (2) The Board of Directors will make decisions on the amount of individual Directors' remuneration, etc. for the business year under review based on the reports received from the Nomination and Remuneration Advisory Committee, instead of delegating the decision-making to Directors. Furthermore, the Board of Directors will confirm that the way to determine the details of, and the details themselves of, individual Directors' remuneration, etc. are consistent with the policy resolved by the Board of Directors, and that the report from the Nomination and Remuneration Advisory Committee is respected.

Article 26 (Effectiveness Evaluation of Board of Directors)

- (1) To realize the Company's continued growth and medium- to long-term enhancement of its corporate value, the Board of Directors will evaluate its effectiveness and disclose the results thereof each year.
- (2) To ensure the neutrality and objectivity of the evaluation, the Board of Directors will have a third-party organization evaluate the effectiveness of the Board of Directors at appropriate intervals.

Article 27 (Measures to Energize Deliberations of Board of Directors)

To energize deliberations of the Board of Directors, the Company will carry out the following matters:

1. Materials for the Board of Directors meeting will be distributed to Directors and Audit & Supervisory Board Members at least three business days prior to the meeting in principle;
2. The schedule of the Board of Directors meetings will be fixed prior to the commencement of a fiscal year, by selecting dates on which all Directors and Audit & Supervisory Board Members can attend in principle;
3. An annual agenda will be determined based on the evaluation of the effectiveness of the Board of Directors; and
4. As for important matters, such as the development of a medium-term management plan, sufficient time for deliberation should be secured, for example, by arranging multiple deliberations at the Board of Directors.

Article 28 (Support System for Directors and Audit & Supervisory Board Members)

- (1) The Company will endeavor to establish a support system for Directors and Audit & Supervisory Board Members whereby Directors will receive assistance for information sharing, etc. from the secretariat of the Board of Directors, and Audit & Supervisory Board Members will receive the same assistance from employees who are in charge of assisting the duties of Audit & Supervisory Board Members.
- (2) The Company will provide Outside Directors and Outside Audit & Supervisory Board Members with opportunities to attend various committees.
- (3) If it is deemed necessary in the course of business for Directors and Audit & Supervisory Board Members, the Company will proactively take advantage of external experts, such as lawyers and consultants. In addition, the Company will appropriately deal with associated costs and expenses according to relevant internal rules.

Article 29 (Training for Directors and Audit & Supervisory Board Members)

The Company will provide the following trainings for Directors and Audit & Supervisory Board Members at the time of new appointment and during the term of office to enable them to execute their

duties appropriately:

1. The Company will provide newly-appointed Directors and Audit & Supervisory Board Members with opportunities to understand their roles and responsibilities, as well as outside officers new to the Company with occasions to deepen their understanding of the Company's business, finance, organization, etc.
2. As an ongoing training program during the term of office, the Company will provide Directors and Audit & Supervisory Board Members with opportunities to deepen their understanding of governance and discuss issues surrounding the UACJ Group, in addition to other training sessions that are appropriate for each individual's knowledge, experience, and skills.
3. The Company will regularly provide Outside Directors and Audit & Supervisory Board Members with occasions to participate in a factory tour to help them deepen understanding of the UACJ Group's business, finance and organization, etc.

Chapter 6 Dialogue with Shareholders

Article 30 (Policy for Constructive Dialogue with Shareholders)

- (1) The Company will endeavor to hold a constructive dialogue with shareholders and share and disclose information through organic collaboration with relevant departments to contribute to its continued growth and medium- to long-term enhancement of its corporate value.
- (2) The Company has a basic policy to visit investors in the US, Europe, and Asia at least once a year. For shareholder relations activities for institutional investors, the Company will arrange annual interview sessions with them.
- (3) When communicating with investors, the Company will pay close attention to the management of insider information and fair disclosure.
- (4) Opinions and requests received from institutional investors through dialogues with shareholders will be reported to the management team, including the Board of Directors, in a timely and appropriate manner.
- (5) The Company will strive to enhance information disclosure by, for example, providing information on the corporate website and issuing the Integrated Report.
- (6) The Company will regularly update the composition of shareholders to use it for dialogue with them.

Chapter 7 Miscellaneous Provisions

Article 31 (Revision and Abolition)

These Guidelines may be revised or abolished subject to the resolution of the Board of Directors.

Provided, however, that a minor revision with no substantial change in the provisions and a revision to reflect any matter separately approved by resolution as prescribed may be made subject to the approval of Executive Officer in charge of Corporate Legal Department.

End of document

Established on May 30, 2023

Criteria for Independence for Outside Directors and Audit & Supervisory Board Members

If an outside director or audit & supervisory board member does not fall under any of the following attributes, the Company determines that the said outside director or audit & supervisory board member (including outside director and audit & supervisory board member candidates) is independent of the Company and thus has no risk of conflict of interests with general shareholders:

	Criteria for Independence	Notes
1	Any person who currently serves and previously served as an officer, etc. ² within the UACJ Group ¹ shall not be deemed independent of the Company.	Note 1: This refers to the Company and its subsidiaries; hereinafter the same shall apply in these criteria. Note 2: This refers to directors, audit & supervisory board members, accounting advisors, operating officers, executive officers, managers and other employees; hereinafter the same shall apply in these criteria. However, in this section, officers, etc. shall not include outside directors and outside audit & supervisory board members of the Company.
2	Any person of whom the Company is a major customer for the past five fiscal years ³ and, in the case of a corporation, any person who currently serves and previously served as an officer, etc. of the corporation shall not be deemed independent of the Company. Notwithstanding the foregoing, any person who previously served as an officer, etc. of a corporation of which the Company was a major customer shall be deemed independent of the Company, if the month in which the said person is scheduled to assume office as an officer of the Company is later than the date on which five years have passed since the person's retirement ⁴ from the corporation.	Note 3: This refers to a person who supplies products or services to the Company and refers to a person to whom, in any of the past five fiscal years, the Company paid the amount that exceeds 2% of the person's consolidated sales. Note 4: The "retirement" refers to a situation where no salary, wage or the like is paid, or no position, title or the like is provided to the person; hereinafter the same shall apply in these criteria.

3	<p>Any person who is a major customer of the Company⁵ for the past five fiscal years and, if the customer is a corporation, any person who currently serves and previously served as an officer, etc. of the customer shall not be deemed independent of the Company.</p> <p>Notwithstanding the foregoing, any person who previously served as an officer, etc. of the customer shall be deemed independent of the Company if the month in which the said person is scheduled to assume office as an officer of the Company is later than the date on which five years have passed since the person's retirement from the customer.</p>	<p>Note 5: This refers to a customer to which the Company supplies products or services and received, in any of the past five fiscal years, the amount from the Company, which exceeds 2% of the Company's consolidated sales.</p>
4	<p>Any person who is a major lender⁶ of the Company for the past five fiscal years and, if the lender is a corporation, any person who currently serves and previously served as an officer, etc. of the lender shall not be deemed independent of the Company.</p> <p>Notwithstanding the foregoing, any person who previously served as an officer, etc. of the lender shall be deemed independent of the Company if the month in which the said person is scheduled to assume office as an officer of the Company is later than the date on which five years have passed since the person's retirement from the lender.</p>	<p>Note 6: The "lender" includes its parent company and subsidiaries, and refers to a lender to which, in any of the past five fiscal years, the amount exceeding 2% of the Company's total asset was borrowed by the Company.</p>
5	<p>Any certified public accountant who currently belongs or previously belonged to the auditor that serves as the financial auditor of the Company for the past five fiscal years shall not be deemed independent of the Company.</p> <p>Notwithstanding the foregoing, any certified public accountant who previously belonged to the said auditor shall be deemed independent of the Company if the month in which the said accountant is scheduled to assume office as an officer of the Company is later than the date on which five years have passed since the accountant's retirement from the said auditor.</p>	
6	<p>Any person who currently serves or previously served as an officer of the securities firm that has signed a lead underwriting contract with the Company for the past five fiscal years shall not be deemed independent of the Company.</p> <p>Notwithstanding the foregoing, any person who previously served as an officer of the said securities firm shall be deemed independent of the Company if the month in which the said person is scheduled to assume office as an officer of</p>	

	<p>the Company is later than the date on which five years have passed since the person's retirement from the said securities firm.</p>	
7	<p>Any individual person who received from the Company monetary or other property benefits worth more than 10 million yen per year⁷ as a consultant, accountant, lawyer, or other type of professional over the past five fiscal years other than officer's remuneration, or any person who currently belongs to or previously belonged to a corporation that received from the Company monetary or other property benefits worth more than 100 million yen per year⁸ over the past five fiscal years shall not be deemed independent of the Company.</p> <p>Notwithstanding the foregoing, any person who previously belonged to the corporation shall be deemed independent of the Company, if the month in which the said person is scheduled to assume office as an officer of the Company is later than the date on which five years have passed since the person's retirement from the said corporation.</p>	<p>Note 7: This refers to the highest amount over the past five fiscal years.</p> <p>Note 8: This refers to the highest amount over the past five fiscal years.</p>
8	<p>Any major shareholder⁹ of the Company over the past five fiscal years and, if the shareholder is a corporation, any person who currently serves or previously served as an officer, etc. of the shareholder shall not be deemed independent of the Company.</p> <p>Notwithstanding the foregoing, any person who previously belonged to the said shareholder shall be deemed independent of the Company, if the month in which the said person is scheduled to assume office as an officer of the Company is later than the date on which five years have passed since the person's retirement from the said shareholder.</p>	<p>Note 9: This refers to a person who holds 10% or more of voting rights as of the end of a fiscal year. If the shareholder has a joint holder (meaning the Joint Holder prescribed in Article 27-23, paragraph (5) of the Financial Instruments and Exchange Act and including the person deemed to be a Joint Holder under the main clause of paragraph (6) of that article), the proportion of voting rights held by the said joint holder shall be added in calculating the proportion of voting rights held.</p>
9	<p>Any person who currently serves or previously served as an officer, etc. of a company with which the UACJ Group has a relationship of exchange¹⁰ of outside directors and audit & supervisory board members over the past five fiscal years shall not be deemed independent of the Company.</p> <p>Notwithstanding the foregoing, any person who previously served as an officer, etc. shall be deemed independent of the Company, if the month in which the said person is scheduled</p>	<p>Note 10: This refers to a case where an officer, etc. who belongs to the UACJ Group serves as an outside director or audit & supervisory board member of the other company, and such officer, etc. serves as an outside director or audit & supervisory board member of</p>

	to assume office as an officer of the Company is later than the date on which five years have passed since the person's retirement from the said company.	the Company.
10	<p>Any person who received from the Company a donation or grant worth more than 10 million yen per year¹¹ over the past five fiscal years, and if the person is a corporation or organization, any person who currently serves or previously served as an officer, etc.¹² of the corporation or organization shall not be deemed independent of the Company.</p> <p>Notwithstanding the foregoing, any person who previously served as an officer, etc. of the corporation or organization shall be deemed independent of the Company, if the month in which the said person is scheduled to assume office as an officer of the Company is later than the date on which five years have passed since the person's retirement from the said corporation or organization.</p>	<p>Note 11: This refers to the highest amount over the past five fiscal years.</p> <p>Note 12: Officers, etc. shall not include associate professors, professors or professor emeritus of a university; hereinafter the same shall apply in this section.</p>
11	In addition to the above, any person who has risk of conflict of interests with general shareholders and thus has a reason to reasonably deem that the person may not fulfill the duties of an independent outside director or audit & supervisory board member may not be deemed independent of the Company.	
12	A relative within the second degree of kinship of the person who is not deemed independent of the Company as described in any of Sections 1 through 11 above shall not be deemed independent of the Company either.	

End of document

- Established on January 30, 2018
- Revised on February 25, 2019
- Revised on February 27, 2023