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Musashi Seimitsu Industry Co., Ltd.

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The corporate governance at Musashi Seimitsu Industry Co., Ltd. (hereinafter referred to as “the Company”) is as follows.

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

1. Basic Views

Based on the “Musashi Philosophy”, which consists of “Our Origin (Founding Spirit)," "Our Purpose (Mission)," and "Our Way (Guidelines for Action),” the Company positions the enhancement of corporate governance as a top management priority in conducting the business activities of the Musashi Group.
The Company has adopted the structure of a company with an Audit and Supervisory Committee, aiming to strengthen the audit and supervisory functions over the execution of duties by Directors and improve the effectiveness of internal controls. Additionally, Outside Directors, including Directors who are members of Audit and Supervisory Committee (hereinafter referred to as "Audit & Supervisory Committee Members"), participate in decision-making at the Board to enhance management transparency and its soundness. Furthermore, by delegating authority over the matters to be resolved by the board to Executive Management Committee etc., the Company makes swift decision-making and execution of operations, thereby increasing the agility in managerial decision-making.

Reasons for not to implement each principle of Corporate Governance Code

The Company has implemented all principles of Corporate Governance Code (including those for the Prime Market, revised in June 2021).

Disclosure based on each principle of its Corporate Governance Code

<Principle 1.4> Cross-Shareholdings
・The Company determines the necessity of holding cross-shareholdings from a medium- to long-term perspective, comprehensively considering whether such holdings contribute to enhancing the corporate value of the Musashi Group, taking into account business operations, business strategies and business relationships, as well as whether the benefits and risks associated with such holdings are commensurate with the cost of capital. The Company reviews holdings that have diminished in significance, including considering the sale of such shares.
• As of March 31, 2026, the Company held 23 issues as cross-shareholdings, with an aggregate carrying amount of 2,110 million yen on the balance sheet, representing less than 1% of consolidated total assets.
• In exercising voting rights for cross-shareholdings, the Company considers whether the proposals contribute to enhancing the corporate value of the investee company and the Musashi Group.

<Principle 1.7> Related Party Transactions
To prevent related party transactions that may harm the interests of the Company or the common interests of its shareholders, the Company has established the following procedures:
• Any competitive transaction or conflict-of-interest transaction between the Company and any entity substantially controlled by a director of the Company is subject to deliberation and approval by the Board of Directors.
• With respect to transactions with Directors and their close relatives, a written confirmation is prepared to ascertain whether any such transactions have taken place. If any material facts are identified, they are reported to the Board of Directors.
• Related party transactions are disclosed in accordance with the Companies Act, the Financial Instruments and Exchange Act, other applicable laws and regulations, and the rules prescribed by the relevant stock exchange.

<Supplementary Principle 2.4.1> Ensuring Diversity in the Promotion to Core Human Resources
The Company respects diversity and is committed to promoting fair and equitable recruitment and promotion of personnel, regardless of gender, age, nationality, disability, or other attributes.
As of the submission date of this report, women account for 3.08% of managerial positions at the Company on a non-consolidated basis. With regard to the promotion of foreign nationals and women to managerial positions, the

Company has not yet established measurable numerical targets, as potential candidates currently represent only a small proportion of its overall workforce. The Company will continue to expand the pool of potential candidates by strengthening recruitment efforts, while also developing human resources and further advancing these initiatives. In Japan, mid-career hires account for 58% of managerial positions at the Company on a non-consolidated basis. The Company will continue to ensure fair and equitable promotion based on abilities and other relevant factors, regardless of whether employees are mid-career hires.
Across the Musashi Group, approximately 12,200 employees work in 13 countries outside Japan, and the Group secures diverse talent through local recruitment and promotion. Foreign nationals account for 18% of the Board of Directors and 65% of the heads of Group locations.

<Principle 2.6> Roles of Corporate Pension Funds as Asset Owners
The Company has introduced a defined contribution pension plan to support employees in building their assets. Given the significant impact that the management of pension assets can have on employees' asset formation, the Company selects and evaluates investment products from multiple perspectives and seeks to ensure appropriate management by providing employees with education on asset management and monitoring investment performance.

<Principle 3.1> Full Disclosure
(1) Company Objectives (Corporate Philosophy, etc.), Management Strategies, and Management Plans
Corporate Philosophy: Musashi Philosophy is on the Company's website.
Management Strategies: The Company's management strategies are disclosed in its Integrated Report.
Management Plans: The Company disclosed its earnings forecasts for each fiscal year in its Financial Results.

(2) Basic Views and Policy on Corporate Governance Based on Each Principle of the Code
The Company has established the "Basic Policy for Musashi Corporate Governance" and discloses it on its website.

(3) Policy and Procedures for the Board to Determine Compensation for Executive Management Officers and Directors
The Board of Directors determines compensation in accordance with the "Policy for Determining Compensation for Directors and Executive Officers" set forth in the "Basic Policy for Musashi Corporate Governance" and the "Policy for Determining the Details of Individual Compensation, etc. for Directors," as resolved by the Board of Directors.
Compensation consists of basic compensation as fixed compensation, performance-linked compensation (performance-linked bonuses and share-price-linked bonuses), and stock-based compensation. In view of their roles, compensation for Outside Directors consists of basic compensation, share-price-linked bonuses as a form of performance-linked compensation, and stock-based compensation.
To enhance the transparency and objectivity of compensation decisions, compensation is determined by resolution of the Board of Directors following deliberation by the Nomination and Remuneration Committee, which is composed primarily of independent Outside Directors.

(4) Policy and Procedures for the Board of Directors in Appointing and Dismissing Senior Management and Nominating Candidates for Directors and Audit & Supervisory Board Members
The Board of Directors determines candidates for Directors and appoints Executive Officers in accordance with the "Policy for the Appointment of Directors and Executive Officers" set forth in the "Basic Policy for Musashi Corporate Governance."
To enhance transparency and objectivity in the nomination of candidates for Directors and the appointment of Executive Officers, such matters are resolved by the Board of Directors following deliberation by the Nomination and Remuneration Committee, which consists of four members, primarily independent Outside Directors.
With regard to the dismissal of Executive Officers, if an Executive Officer is deemed unsuitable to serve as an Executive Officer of the Company due to a breach of duties, neglect of duties, or other similar circumstances, the matter is resolved by the Board of Directors following deliberation by the Nomination and Remuneration Committee, which consists of four members, primarily independent outside directors.

(5) Explanations of Individual Appointments and Nominations When the Board of Directors Appoints Senior Management and Nominates Candidates for Directors and Audit & Supervisory Board Members Based on (4) Above
The career history of each candidate for Director and the reasons for each nomination are provided in the Notice of Convocation of the General Meeting of Shareholders.

<Supplementary Principle 3.1.3> Sustainability Initiatives
The Musashi Group has identified material issues (materiality) that it should address in order to contribute to sustainable growth and the realization of a sustainable society through its business activities. The Musashi Group's approach to sustainability is to contribute to solving social issues through its business activities. The Company strives to ensure transparent disclosure of information on the policies, measures, results, and other matters related to these initiatives through its website and Integrated Report.
With respect to management resources, including human capital and intellectual property, the Company will allocate such resources appropriately in light of its management strategies and management issues. The status of these investments and specific initiatives are disclosed on the Company's website and in its Integrated Report.
The Company considers addressing climate change to be an important issue in sustainability management. As part of its efforts to enhance communication with stakeholders, the Company announced its support for the

recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in August 2021. In addition, as part of its sustainability governance structure, the Company established the Sustainability Strategy Committee in December 2021, comprising Directors, Executive Officers, and external experts. Under the supervision of the Board of Directors, the Committee deliberates on and determines directions, targets, and indicators for achieving sustainability. The Company will continue to enhance the disclosure of information on its sustainability activities through its website and Integrated Report.

【URL】
Website https://www.musashi.co.jp/sustainability/
Integrated Report https://www.musashi.co.jp/sustainability/library.html
TCFD https://www.musashi.co.jp/sustainability/assets/pdf/Support_for_the_TCFD.pdf

<Supplementary Principle 4.1.1> Roles and Responsibilities of the Board (1)
The Company has significantly delegated to Directors the authority to make decisions on important business execution by resolution of the Board. By focusing on the formulation of basic policies, management strategies and management plans, as well as the supervision of the execution of duties by Directors, the Board strengthens its supervisory function while enhancing the agility of management through swift decision-making and business execution.
Among the matters delegated to Directors by resolution of the Board, decisions on particularly important matters concerning business execution are deliberated and made by the Executive Management Committee. In addition, the Company has established an Executive Officer system to carry out business operations based on decisions made by the Board and the Executive Management Committee and delegates the execution of business operations to Executive Officers.

<Principle 4.9> Independence Standards and Qualification for Independent Directors
The Company has established independence standards for the appointment of Outside Directors in the Basic Policy on Musashi Corporate Governance. In selecting candidates for independent outside directors, the Company endeavors to nominate individuals who are expected to contribute to frank, active and constructive discussions at Board meetings.

<Supplementary Principle 4.10.1> Views on the Independence, Authority, Roles, etc. of Voluntary Committees
The Company has established the Governance Committee and the Nomination and Remuneration Committee as voluntary advisory bodies to the Board.
For further details, please refer to “(4) Voluntary Committees” under “1. Organizational Composition and Operation” and “(1) Management Structure” under “2. Matters Concerning Functions such as Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions” in “II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Supervision in Management” of this report.

<Supplementary Principle 4.11.1> Views on the Overall Diversity and Size of the Board
The Board is composed of Directors with diverse backgrounds in terms of gender, nationality, expertise and experience, and the Company’s policy is to maintain an appropriate number of Directors to enable the Board to effectively perform its decision-making and supervisory functions. In addition, the Company ensures an effective management oversight system by appointing multiple Outside Directors who provide opinions from independent and objective perspectives at Board meetings.
The skills matrix of the Directors is provided in the Notice of Convocation of the General Meeting of Shareholders.
The policies and procedures for the appointment of Directors are described in “Disclosure Based on Each Principle of the Corporate Governance Code <Principle 3.1> (4)” under “1. Basic Views” in “I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Key Information” of this report.

<Supplementary Principle 4.11.2> Concurrent Positions Held by Outside Directors
If an Outside Director concurrently serves as an officer of another listed company, the Company limits such concurrent positions to the extent that the Outside Director is able to devote sufficient time and effort to fulfilling his or her duties at the Company. Such concurrent positions are disclosed in the Notice of Convocation of the General Meeting of Shareholders and the Corporate Governance Report.

<Supplementary Principle 4.11.3> Evaluation of the Effectiveness of the Board
The Board annually analyzes and evaluates its overall effectiveness and shares the results. In FY2025, in addition to conducting a questionnaire survey of each Director, including open-ended questions, the Company held a roundtable discussion among Outside Directors to evaluate the effectiveness of the Board from objective and diverse perspectives.
As a result, the Company confirmed that the Board has sufficient diversity in its composition and provides ample opportunities for open, candid and constructive discussions, and that open and transparent communication leveraging the experience and expertise of each Director continues to take place. Based on these findings, the Company has concluded that the effectiveness of the Board is generally ensured.
At the same time, the Company recognizes that the appropriate allocation of management resources and further enhancement of discussions at Board meetings remain issues to be addressed in order to respond appropriately to

changes in the business environment and the expansion of new businesses. The Company will continue to address these issues to further enhance the effectiveness of the Board and strengthen corporate governance.

<Supplementary Principle 4.14.2> Training Policy for Directors
The Company provides Directors with the information and knowledge concerning its business activities necessary for them to appropriately fulfill their roles and responsibilities. The Company also provides Directors with information on management and organizational operations and conducts ongoing training on the Musashi Group's management issues, relevant laws and regulations, and corporate governance.

<Principle 5.1> Policy for Constructive Dialogue with Shareholders
The Company has established, in the Basic Policy on Musashi Corporate Governance, a policy regarding the development of systems and initiatives to promote constructive dialogue with shareholders. Through constructive dialogue with shareholders, the Company strives to contribute to sustainable growth and the enhancement of corporate value over the medium to long term.

Actions to Implement Management that is Conscious of Cost of Capital and Stock Price

Content of Disclosure	Disclosure of Initiatives (Update)
Availability of English Disclosure	Available
Date of Disclosure Update	June 22, 2026

Explanation of the Relevant Item

The Company recognizes initiatives to achieve management that is conscious of the cost of capital and share price as an important management priority. We are implementing various measures to enhance the competitiveness of our product development, improve the efficiency of our production processes, and maintain financial discipline. At the same time, we have established ROA, ROE, and ROIC as key performance indicators (KPIs) and are working to enhance corporate value. We also pay close attention to financial stability and soundness by monitoring indicators such as the equity ratio and dependence on interest-bearing debt.
Going forward, we will continue our efforts to enhance corporate value while striving to engage in constructive dialogue with shareholders and investors through proactive information disclosure and enhanced communication.

Information on the Company's initiatives to achieve management that is conscious of the cost of capital and share price is disclosed on an ongoing basis in our Annual Securities Report and Integrated Report. For further details, please refer to our corporate website and the materials listed below.
- Corporate Website IR Library: https://www.musashi.co.jp/ir/library/
- Annual Securities Report: https://www.musashi.co.jp/ir/library/securities_report/
- Integrated Report: https://www.musashi.co.jp/sustainability/library.html

2. Capital Structure

Foreign Shareholding Ratio	30% or more

Status of Major Shareholders

Name or Company Name	Number of Shares Owned	Percentage (%)
Honda Motor Co., Ltd.	16,364,000	24.96
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,979,700	7.59
Custody Bank of Japan, Ltd. (Trust Account)	4,349,800	6.63
Otsuka Holdings Limited Partnership	2,603,488	3.97
MISAKI ENGAGEMENT MASTER FUND	2,555,300	3.89
STATE STREET BANK AND TRUST COMPANY 505001	2,441,927	3.72
Hiroshi Otsuka	1,513,600	2.30
BNP PARIBAS LUXEMBOURG/2S/JASDEC/FIM/LUXEMBOURG FUNDS/UCITS ASSETS	1,450,000	2.21
CGML PB CLIENT ACCOUNT/COLLATERAL	1,446,600	2.20
STATE STREET BANK AND TRUST COMPANY 505301	1,233,053	1.88

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

Supplementary Explanation

*The above "Status of Major Shareholders", including the supplementary explanation below, is as of March 31, 2026.
*According to the amendment to the Report of Possession of Large Volume submitted by Sumitomo Mitsui Trust Asset Management Co., Ltd. and its joint holders on March 11, 2026, the Company has been informed that they held shares as of March 5, 2026. However, as the Company was unable to confirm the number of shares actually held as of March 31, 2026, they are not included in the above Status of Major Shareholders.
*According to the Report of Possession of Large Volume submitted by Grantham, Mayo, Van Otterloo & Co. LLC on March 18, 2026, the Company received a notification that shares were held as of March 26, 2026. However, since the Company was unable to confirm the actual number of shares held as of March 31, 2026, this shareholder is not included in the above Status of Major Shareholders .

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Tokyo Stock Exchange Prime Market, Nagoya Stock Exchange Premier Market
Fiscal Year-End	March
Business Sector	Transportation Equipment
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	100 billion yen or more but less than 1 trillion yen
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	10 or more but fewer than 50

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

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5. Other Special Circumstances That May Materially Affect Corporate Governance

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II. Management Organizations for Decision-Making, Business Execution and Supervision, and Other Corporate Governance Systems

1. Matters Relating to Organizational Composition and Operation

Organizational Form	Company with Audit & Supervisory Committee

Directors

Number of Directors Stipulated in Articles of Incorporation	20
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Outside Director
Number of Directors	11
Election of Outside Directors	Elected
Number of Outside Directors	8
Number of Independent Directors	8

Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Yoshie Munakata	From another company											
Goro Kamino	From another company								○			
Hari N. Nair	From another company											
Keisuke Tomimatsu	From another company								△			
Emi Onozuka	From another company											
Makiko Yamamoto	Lawyer											
Kazutaka Okubo	CPA								△			
Takashi Watanabe	From another company											

*Categories for "Relationship with the Company".
*"○" indicates that the individual currently falls or has recently fallen under the relevant category, while "△" indicates that the individual fell under the relevant category in the past.
*"●" indicates that a close relative of the individual currently falls or has recently fallen under the relevant category, while "▲" indicates that a close relative fell under the relevant category in the past.

a. A business executive of the listed company or any of its subsidiaries
b. A business executive or non-executive director of the parent company of the listed company
c. A business executive of a fellow subsidiary of the listed company
d. A person or entity for which the listed company is a major business partner, or a business executive thereof
e. A major business partner of the listed company, or a business executive of such business partner
f. A consultant, accounting professional, or legal professional who receives a substantial amount of money or other assets from the listed company other than remuneration as an officer
g. A major shareholder of the listed company (or, if the major shareholder is a corporation, a business executive of such corporation)
h. A business executive of a business partner of the listed company (where none of d, e, or f above applies) (applicable only to the individual)
i. A business executive of an entity at which an outside officer of the listed company concurrently serves as an outside officer (applicable only to the individual)
j. A business executive of an entity to which the listed company makes donations (applicable only to the individual)
k. Other

Relationship with the Company (2)

Name	Audit & Supervisory Committee Member	Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Yoshie Munakata		○	---	Mr. Munakata has extensive experience in corporate management and a high level of expertise cultivated over many years, including having served as Executive Vice President and Director of a global company in the information and communications technology industry. As Chair of the Company's Board of Directors, he leads Board discussions and provides appropriate advice on the Company's management. He has been appointed as an Outside Director based on the expectation that he will continue to appropriately supervise the Company's management. He has no potential conflicts of interest with general shareholders, and the Company has therefore designated him as an Independent Director, having determined that he is capable of supervising the Company's management from an independent standpoint.

Goro Kamino		○	The Company has business transactions with SALA Corporation, of which Mr. Kamino serves as President and Representative Director, Group Representative and CEO, and SALA ENERGY Co., Ltd., of which he serves as Chairman and Representative Director. However, in each case, the average annual transaction amount for the past three fiscal years represents less than 1% of the average annual net sales of both the Company and the respective company for the same three-fiscal-year period.	Mr. Kamino has extensive experience and a high level of expertise gained through his career as a senior executive of a listed company, during which he personally led business restructuring and corporate governance reforms, as well as a deep understanding of the regional economy and local communities. Drawing on these capabilities, he provides appropriate advice on the Company's management, taking into account the Company's business foundation. He has been appointed as an Outside Director based on the expectation that he will continue to appropriately supervise the Company's management. The Company has business transactions with SALA Corporation, where Mr. Kamino serves as President and Representative Director, Group Representative and CEO, and SALA ENERGY Co., Ltd., where he serves as Chairman and Representative Director. However, in light of the scale and nature of these transactions and other relevant factors, the Company has determined that there is no risk that these transactions could affect the decisions of shareholders and investors or give rise to conflicts of interest with general shareholders, and that Mr. Kamino is capable of supervising the Company's management from an independent standpoint. Accordingly, the Company has designated him as an Independent Director.
Hari N. Nair		○	---	Mr. Hari has more than 35 years of experience serving as a director of listed companies across multiple regions, as well as extensive senior management experience at overseas automotive parts manufacturers, including serving as Chief Operating Officer (COO) and interim CEO. Drawing on his extensive experience and high level of expertise, he provides appropriate advice on the Company's management. He has been appointed as an Outside Director based on the expectation that he will continue to appropriately supervise the Company's management. He has no potential conflicts of interest with general shareholders, and the Company has therefore designated him as an Independent Director, having determined that he is capable of supervising the Company's management from an independent standpoint.
Keisuke Tomimatsu		○	The Company outsourced consulting and other services to ABEJA, Inc., where Mr. Tomimatsu formerly served as a Director. The annual transaction amount related to such services, averaged	Mr. Tomimatsu has extensive experience in the global securities and AI industries and a high level of expertise in finance and accounting. Through his previous professional experience, he has also developed a deep understanding of the Company's businesses and management challenges. Drawing on this experience and expertise, he provides appropriate advice on the Company's management

			over the past three fiscal years, exceeded 2% of ABEJA, Inc.'s average annual net sales for the same period. However, since September 2021, the average annual transaction amount related to such services for the past three fiscal years has represented less than 1% of the average annual net sales of both the Company and ABEJA, Inc. for the same three-fiscal-year period. In addition, there were no transactions between the Company and ABEJA, Inc. in the most recent fiscal year.	from the perspectives of capital markets and investors. He has been appointed as an Outside Director based on the expectation that he will continue to appropriately supervise the Company's management. Mr. Tomimatsu was previously not designated as an Independent Director because his relationship with ABEJA, Inc. through transactions with the Company did not meet the Company's independence criteria. However, since September 2021, this relationship has no longer conflicted with the Company's independence criteria. The Company has determined that there is no risk of a conflict of interest with general shareholders and that he is capable of supervising the Company's management from an independent standpoint. Accordingly, the Company has designated him as an Independent Director.
Emi Onozuka		○	---	Ms. Onozuka has extensive experience and a high level of expertise gained through more than 20 years in a wide range of positions at asset management companies, as well as serving as COO of an investment advisory firm. She also possesses broad global knowledge and experience, including extensive expertise in ESG investing. Drawing on these capabilities, she provides appropriate advice on the Company's management. She has been appointed as an Outside Director based on the expectation that she will continue to appropriately supervise the Company's management. She has no potential conflicts of interest with general shareholders, and the Company has therefore designated her as an Independent Director, having determined that she is capable of supervising the Company's management from an independent standpoint.
Makiko Yamamoto	○	○	---	Ms. Yamamoto has extensive experience and a high level of professional expertise in corporate legal affairs gained through her work as an attorney at both domestic and international law firms. Drawing on her experience and expertise, she provides appropriate advice on the Company's management. She has been appointed as an Outside Director based on the expectation that she will continue to appropriately supervise and audit the Company's management. She has no potential conflicts of interest with general shareholders, and the Company has therefore designated her as an Independent Director, having determined that she is capable of

				supervising and auditing the Company's management from an independent standpoint.
Kazutaka Okubo	○	○	The Company previously had business transactions with SS Dnaform Co., Ltd., where Mr. Okubo serves as President and Representative Director. However, the average annual transaction amount for the past three fiscal years represented less than 1% of the average annual net sales of both the Company and SS Dnaform Co., Ltd. for the same three-fiscal-year period. In addition, there were no transactions between the Company and SS Dnaform Co., Ltd. in the most recent fiscal year.	Mr. Okubo has extensive experience and a high level of professional expertise in finance and accounting gained through his auditing experience as a certified public accountant, as well as extensive knowledge and experience in the fields of compliance and CSR, including having served on various expert committees of government agencies. Drawing on his experience and expertise, he provides appropriate advice on the Company's management. He has been appointed as an Outside Director based on the expectation that he will continue to appropriately supervise and audit the Company's management. The Company previously had business transactions with SS Dnaform Co., Ltd., where Mr. Okubo serves as President and Representative Director. However, in light of the scale and nature of these transactions and other relevant factors, the Company has determined that there is no risk that these transactions could affect the decisions of shareholders and investors or give rise to conflicts of interest with general shareholders, and that Mr. Okubo is capable of supervising and auditing the Company's management from an independent standpoint. Accordingly, the Company has designated him as an Independent Director.
Takashi Watanabe	○	○	---	Mr. Watanabe has extensive experience and broad expertise gained through many years of involvement in corporate management at listed companies, including experience in improving corporate culture and business performance, launching new businesses and services, and developing human resources over many years. Drawing on his experience and expertise, he provides appropriate advice on the Company's management. He has been appointed as an Outside Director based on the expectation that he will continue to appropriately supervise and audit the Company's management. He has no potential conflicts of interest with general shareholders, and the Company has therefore designated him as an Independent Director, having determined that he is capable of supervising and auditing the Company's management from an independent standpoint.

Audit & Supervisory Committee

Composition of the Committee and Attributes of the Chairperson

	All Committee Members	Full-time Members	Internal Directors	Outside Directors	Committee Chair
Audit & Supervisory Committee	3	0	0	3	Outside Director

Directors and Employees Assigned to Assist the Audit & Supervisory Committee in Its Duties	Assigned

Matters Concerning the Independence of Such Directors and Employees from Executive Directors

The Company has established an Audit & Supervisory Committee Secretariat to assist the Audit & Supervisory Committee in the performance of its duties. Employees of the Internal Audit Department serve as the Secretariat staff. The Internal Audit Department is independent of other business execution departments and, when assisting the Audit & Supervisory Committee, acts in accordance with the instructions of the Audit & Supervisory Committee.

Coordination among the Audit & Supervisory Committee, the Accounting Auditor, and the Internal Audit Department

The Audit & Supervisory Committee works closely with the Internal Audit Department through the Audit & Supervisory Committee Secretariat, thereby strengthening its audit and supervisory functions. In addition to regular meetings with the Accounting Auditor, the Audit & Supervisory Committee holds meetings as necessary to exchange information and opinions on matters including audit policies and plans, an overview of audits conducted during the fiscal year, future audit issues, and Key Audit Matters (KAMs).
The Internal Audit Department reports its audit results and other relevant matters to the Audit & Supervisory Committee as appropriate and exchanges information with the Accounting Auditor as necessary.

Voluntary Committees

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

Establishment and Composition of Voluntary Committees and Attributes of Committee Chairs

	Committee's Name	All Members	Full-time Members	Internal Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	Nomination Committee/ Remuneration Committee	4	0	1	3	0	0	Outside Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Nomination Committee/ Remuneration Committee	4	0	1	3	0	0	Outside Director

Supplementary Explanation

The Company has established the Nomination and Remuneration Committee as a voluntary advisory committee to the Board of Directors for the purpose of enhancing transparency and objectivity in the selection of Director candidates and the determination of Directors' remuneration, thereby strengthening the supervisory function of the Board of Directors.
Candidates for Director (excluding Directors who are Audit & Supervisory Committee Members) are determined by resolution of the Board of Directors following deliberation by the Nomination and Remuneration Committee. Candidates for Director who are Audit & Supervisory Committee Members are determined by resolution of the Board

of Directors after obtaining the consent of the Audit & Supervisory Committee. The Company has also established development programs for succession candidates for key executive positions, including the CEO, and supports their development through periodic evaluations.
The Nomination and Remuneration Committee also deliberates on the establishment and revision of executive remuneration and evaluation systems, evaluation results, and the appropriateness of each component of remuneration. The policy for determining the details of remuneration for Directors is resolved by the Board of Directors following prior deliberation by the Nomination and Remuneration Committee.
The Committee is chaired by Outside Director Keisuke Tomimatsu and comprises Hiroshi Otsuka, Goro Kamino, Keisuke Tomimatsu, and Takashi Watanabe, with Independent Outside Directors constituting a majority of its members.
Following its reorganization as the Nomination and Remuneration Committee in May 2025, the Committee met five times during fiscal 2025, with an attendance rate of 100% among its members. The principal matters discussed included the structure of the Company's Board of Directors and Executive Officer system, personnel appointments and the allocation of roles and responsibilities, policies for the payment of remuneration to Directors (excluding Directors who are Audit & Supervisory Committee Members) and Executive Officers, proposed individual remuneration, the review of evaluation metrics, and the design of the evaluation process.
Prior to May 2025, the Company maintained separate Nomination and Remuneration Committees. Their composition and attendance were as follows.
The Nomination Committee was chaired by Outside Director Keisuke Tomimatsu and comprised Hiroshi Otsuka, Goro Kamino, Keisuke Tomimatsu, and Emi Onozuka. The Remuneration Committee was chaired by Outside Director Emi Onozuka and comprised Hiroshi Otsuka, Goro Kamino, Keisuke Tomimatsu, and Emi Onozuka. During fiscal 2025, the Remuneration Committee met once prior to May 2025, with an attendance rate of 100% among its members.

Independent Directors

Number of Independent Directors	8

Other Matters Concerning Independent Directors

All outside directors who meet the qualifications for independent officers are designated as independent officers.

Incentives

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

Supplementary Explanation

The Company has adopted a remuneration structure linked to business performance.
The Company also grants restricted stock as a medium- to long-term incentive.

Persons Eligible for Stock Options

Supplementary Explanation

None

Director Remuneration

Status of Disclosure of Individual Director's Remuneration	Disclosure for certain Directors only

Supplementary Explanation

In fiscal 2025, the total remuneration paid by the Company to eight Directors who were not Audit & Supervisory Committee Members (including five Outside Directors) was 361 million yen, of which 95 million yen was paid to Outside Directors. Remuneration does not include employee salaries paid to Directors who concurrently serve as employees.
The total remuneration paid to four Directors who were Audit & Supervisory Committee Members (including three Outside Directors) was 31 million yen, of which 26 million yen was paid to Outside Directors. The total amount of remuneration includes remuneration paid to a Director who served as an Audit & Supervisory Committee Member and retired during the fiscal year.
The total amount of remuneration includes the provision for bonuses for Directors and remuneration related to grants of restricted stock.

Individual remuneration is disclosed only for persons whose total consolidated remuneration is 100 million yen or more.

Policy on Determining Remuneration Amounts and Calculation Methods	Yes

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

＜Policy for Determining the Details of Remuneration, etc. for Individual Directors＞
The Company has adopted, by resolution of the Board of Directors, a policy for determining the details of remuneration, etc. for individual Directors.
With respect to the remuneration, etc. for individual Directors for the fiscal year under review, the Board of Directors has confirmed that the method for determining such remuneration, etc. and the details of the remuneration, etc. determined are consistent with the said policy, and that the recommendations of the Nomination and Remuneration Committee have been duly respected. Accordingly, the Board of Directors has determined that such remuneration, etc. is in line with the said policy.
The details of the policy for determining the remuneration, etc. for individual Directors are as follows:

1. Basic Policy
The Company's basic policy is that the remuneration of its Directors (excluding Directors who are Audit & Supervisory Committee Members; the same shall apply hereinafter) shall be structured to be linked to shareholder interests so as to function sufficiently as an incentive for the sustainable enhancement of corporate value, and that, in determining the remuneration of individual Directors, the remuneration shall be set at an appropriate level based on their respective responsibilities.
Specifically, remuneration for Directors shall consist of basic remuneration as fixed remuneration, performance-linked remuneration (performance-linked bonuses and share price-linked bonuses), and share-based remuneration. In light of their duties, Outside Directors shall receive basic remuneration, share price-linked bonuses as part of performance-linked remuneration, and share-based remuneration.

2. Policy for Determining the Amount of Basic Remuneration (Monetary Remuneration) for Individual Directors (Including the Policy for Determining the Timing or Conditions for Granting Remuneration, etc.)
The basic remuneration of the Company's Directors shall be fixed monthly remuneration, and the amount of remuneration shall be determined comprehensively, taking into consideration the position and responsibilities of each Director, as well as remuneration levels at other companies, etc.

3. Policy for Determining the Details of Performance-linked Remuneration, etc. and Non-monetary Remuneration, etc., and the Method for Calculating the Amount or Number Thereof (Including the Policy for Determining the Timing or Conditions for Granting Remuneration, etc.)
Performance-linked remuneration shall consist of performance-linked bonuses and share price-linked bonuses, both of which shall be paid in cash at a certain time each year. Performance-linked remuneration for Outside Directors shall consist solely of share price-linked bonuses.

(1) Performance-linked bonuses shall be paid in an amount calculated based on an evaluation of the Company's performance and the degree of achievement of the Company's performance targets and medium- to long-term strategic indicators. The indicators used shall be composed as follows, and the amount shall be calculated based on coefficients determined by the Board of Directors.

(Overview)
To ensure linkage with annual performance targets, the performance indicators for performance-linked remuneration, etc. shall include, as financial indicators, the degree of achievement of operating profit, EBITDA, and ROIC against the budgets set at the beginning of the fiscal year. To ensure linkage with initiatives aimed at enhancing corporate value over the medium to long term, the strategic indicators shall include the degree of achievement against the targets set at the beginning of the fiscal year for transformation indicators, orders received for electrified vehicles, and ESG indicators (E: CO_2 emissions; S: safety; and G: ratios of women and foreign nationals, etc.).
The specific allocation shall be as shown in the table below.

■ Financial Indicators
Operating profit: 30%　EBITDA: 30%　ROIC: 10%
■Strategic Indicators
Transformation indicators: 10%　Orders received for electrified vehicles: 10%
Achievement of ESG indicators: 10%

(2) The Company shall pay share price-linked bonuses that are linked to the Company's share price, with the aim of aligning the perspective of Directors with that of shareholders and further enhancing their awareness of improving corporate value. The rate of change in the average price of the Company's shares over a certain period shall be used

as the indicator for determining such bonuses.

Non-monetary remuneration, etc. shall be granted in the form of restricted stock remuneration. In principle, restricted stock remuneration shall be granted each fiscal year based on a resolution of the Company's Board of Directors. Monetary remuneration claims shall be granted to eligible Directors according to their positions and responsibilities for the purpose of allotting restricted shares, and the eligible Directors shall make contributions in kind to the Company using such monetary remuneration claims as contributed property, in exchange for which the Company shall issue or dispose of shares of its common stock to be held by the eligible Directors.
The total number of shares of the Company's common stock to be issued or disposed of under this scheme shall not exceed 200,000 shares per year (provided, however, that if the total number of issued shares of the Company increases or decreases as a result of a share consolidation, share split, allotment of shares without contribution, or other similar event, such maximum number and the number of shares to be delivered to the eligible Directors shall be reasonably adjusted in accordance with the applicable ratio).
The amount to be paid per share shall be determined by the Board of Directors, based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of each resolution of the Board of Directors (or, if no transaction is executed on that day, the closing price on the most recent trading day prior thereto) or otherwise at an amount that is not particularly favorable to the eligible Directors subscribing for the Company's common stock.
Upon the issuance or disposal of the Company's common stock, the Company shall enter into a restricted stock allotment agreement with each eligible Director, which shall include provisions prohibiting the transfer, creation of a security interest, reservation of the creation of a security interest, or any other disposal of the Company's common stock for a period of three years from the date on which such shares are delivered.
The agreement shall also include a provision under which, if an eligible Director fails to fulfill the responsibilities expected of a Director of the Company, such as by resigning from the position of Director without justifiable reason before the expiration of the transfer restriction period, engaging in misconduct such as a violation of laws and regulations, or engaging in activities that compete with the Company, the Company may automatically acquire the allotted shares without consideration. This is intended to ensure that restricted stock remuneration functions as an appropriate incentive for Directors.
If an eligible Director is a non-resident or in other similar circumstances, the Company shall pay such eligible Director monetary remuneration in an amount linked to the Company's share price, etc., in lieu of remuneration for the grant of restricted shares.

4. Policy for Determining the Proportions of Monetary Remuneration, Performance-linked Remuneration, etc. and Non-monetary Remuneration, etc. in the Remuneration, etc. for Individual Directors
With respect to the proportions of each type of remuneration for Directors, the Nomination and Remuneration Committee shall deliberate on such proportions, taking into account remuneration levels benchmarked against companies of a similar business scale to the Company and companies in related industries and business categories, so that the remuneration structure functions as an appropriate incentive for Directors, and the composition ratios shown in the table below shall be regarded as the basic levels.
The Board of Directors (or the Representative Director and President to whom authority is delegated as described in 5. below) shall respect the recommendations of the Nomination and Remuneration Committee and determine the details of remuneration, etc. for individual Directors within the range of the proportions of each type of remuneration indicated in such recommendations.

(Overview of Table)
■ Representative Directors
Basic Remuneration: 45-50% Performance-linked Remuneration: 25-45% Non-monetary Remuneration: 10-20%
■ Director
Basic Remuneration: 55-65% Performance-linked Remuneration: 25-35% Non-monetary Remuneration: 5-10%
■ Outside Director
Basic Remuneration: 60-70% Performance-linked Remuneration: 15-20% Non-monetary Remuneration: 15-20%

5. Matters Concerning the Determination of Details of Remuneration, etc. for Individual Directors
With respect to the amount of remuneration for each individual Director, the Nomination and Remuneration Committee evaluates the appropriateness of the execution of duties by Executive Directors and other relevant matters, taking into account the Company's business environment and comparing the Company's performance with that of other companies. Based on the results of such evaluation, the determination of the specific amount of remuneration for each individual Director is entrusted to the Representative Director and President.

<Resolutions of the General Meeting of Shareholders Concerning Remuneration, etc.>
At the 88th General Meeting of Shareholders held on June 23, 2015, it was resolved that the maximum annual amount of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) shall be 400 million yen (including up to 80 million yen for Outside Directors; excluding employee salaries for Directors concurrently serving as employees). At the conclusion of the said General Meeting of Shareholders, there were six Directors

(excluding Directors who are Audit & Supervisory Committee Members), including one Outside Director.
Separately, at the 90th General Meeting of Shareholders held on June 23, 2017, it was resolved that the maximum annual amount of monetary remuneration to be paid to Directors (excluding Directors who are Audit & Supervisory Committee Members) for the purpose of granting restricted shares and the aforementioned monetary remuneration linked to the share price, etc. shall be 250 million yen (including up to 40 million yen per year for Outside Directors; excluding employee salaries for Directors concurrently serving as employees). At the conclusion of the said General Meeting of Shareholders, there were nine Directors (excluding Directors who are Audit & Supervisory Committee Members), including three Outside Directors.

At the 88th General Meeting of Shareholders held on June 23, 2015, it was resolved that the maximum annual amount of remuneration for Directors who are Audit & Supervisory Committee Members shall be 80 million yen. At the conclusion of the said General Meeting of Shareholders, there were four Directors who were Audit & Supervisory Committee Members.
Separately, at the 99th General Meeting of Shareholders held on June 26, 2026, it was resolved that the maximum annual amount of monetary remuneration to be paid to Directors who are Audit & Supervisory Committee Members for the purpose of granting restricted shares and the aforementioned monetary remuneration linked to the share price, etc. shall be 20 million yen. At the conclusion of the said General Meeting of Shareholders, there were three Directors who were Audit & Supervisory Committee Members.

<Remuneration for Directors Who Are Audit & Supervisory Committee Members>
Remuneration for Directors who are Audit & Supervisory Committee Members is determined through consultation among the Directors who are Audit & Supervisory Committee Members, within the remuneration limit approved by resolution of the General Meeting of Shareholders.

Support System for Outside Directors

The Company provides outside directors, as necessary, with information on agenda items for meetings of the Board of Directors and other relevant matters.

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

(1) Management Structure

<Board of Directors Meeting>

The Company's Board of Directors consists of eight Directors (excluding Directors who are Audit & Supervisory Committee Members), five of whom are Outside Directors, and three Directors who are Audit & Supervisory Committee Members, all of whom are Outside Directors. The Board is chaired by a Director appointed by the Board of Directors, and Yoshie Munakata, an Outside Director, serves as Chairperson. The members are Hiroshi Otsuka, Tracey Sivill, Kenji Morisaki, Goro Kamino, Hari N. Nair, Keisuke Tomimatsu, Yoshie Munakata, Emi Onozuka, Makiko Yamamoto, Kazutaka Okubo, and Takashi Watanabe.

At meetings of the Board of Directors, Directors (excluding Audit & Supervisory Committee Members and Outside Directors) report on the status of business execution, with the aim of supervising the execution of duties by Directors and the business operations of the Group, and the Directors mutually supervise and monitor one another. Meanwhile, the five Outside Directors (excluding Audit & Supervisory Committee Members) assess the legality and appropriateness of the execution of duties by Directors from a neutral and objective standpoint.

In addition, by delegating authority over certain matters requiring resolutions of the Board of Directors to the Executive Management Committee and other bodies, the Board of Directors focuses on formulating basic management policies, management strategies and management plans, as well as supervising the execution of duties by Directors. This strengthens the supervisory function of the Board of Directors while enhancing the agility of management decision-making through prompt decision-making and business execution.

In fiscal 2025, the Board of Directors met nine times. The attendance rate of Directors was 100%, and the attendance rates of both Outside Directors and Directors other than Outside Directors were 100%. The principal matters discussed included basic and important matters concerning the management of the Group, such as management policies and management plans, important personnel and organizational matters, and systems including internal controls and internal audits, as well as important matters concerning business execution, such as investment and financing projects of high quantitative significance.

<Audit & Supervisory Committee>

The Audit & Supervisory Committee is composed of three independent Outside Directors. The chairperson is Kazutaka Okubo, an Outside Director, and the members are Kazutaka Okubo, Makiko Yamamoto, and Takashi Watanabe.

The Company has not appointed a full-time Audit & Supervisory Committee Member, as it has established an Audit & Supervisory Committee Secretariat to provide support for the Audit & Supervisory Committee, including collecting information from Directors (excluding Directors who are Audit & Supervisory Committee Members) and important internal meetings, and coordinating with the internal audit department, thereby strengthening the auditing and supervisory functions of the Audit & Supervisory Committee.

The Audit & Supervisory Committee considers specific matters including audit policies and audit plans, the appointment and dismissal of the Accounting Auditor, and the status of the establishment and operation of the internal control system. Based on the audit plan and allocation of responsibilities established by the Committee, it regularly receives reports from the internal control departments and other relevant departments on the status of the establishment and operation of internal control systems at the Company and its subsidiaries. The Committee also receives reports on the businesses of the Company and its subsidiaries from Directors (excluding Directors who are Audit & Supervisory Committee Members) and others, and exchanges opinions on important management issues in meetings with the Representative Director and President.

In fiscal 2025, the Audit & Supervisory Committee met 12 times, with an attendance rate of 100% for Directors who are Audit & Supervisory Committee Members.

Audit & Supervisory Committee Members also participate in decision-making at meetings of the Board of Directors, thereby strengthening the supervisory function of the Board of Directors. Audit & Supervisory Committee Members receive, through the Audit & Supervisory Committee Secretariat, information collected from important meetings, including meetings of the Executive Management Committee, as well as reports on financial results and other matters, and audit the execution of duties by Directors. In fiscal 2025, as part of on-site audits of Group companies and other locations in Japan and overseas, Audit & Supervisory Committee Members visited 10 locations to review their business activities and conducted interviews with more than 50 members of management. They also conducted audits of the Company's departments, production sites and other locations in coordination with the internal audit department.

<Governance Committee>

The Governance Committee has been established as a voluntary advisory body to the Board of Directors for the purpose of continuously enhancing corporate governance. The Committee leads initiatives to improve the effectiveness of the Board of Directors and advises and makes recommendations to the Board of Directors on the review of the Basic Policy on Corporate Governance and other matters.

The main functions of the committee are as follows:

1) Oversight of the corporate governance framework
2) Ensuring the effectiveness of the Board of Directors
3) Oversight of risk management and compliance
4) Enhancing relationships with shareholders and other stakeholders

The Committee is chaired by Emi Onozuka, an Outside Director. Its members are Hiroshi Otsuka, Hari Nair, Emi Onozuka, and Kazutaka Okubo, with Independent Outside Directors constituting a majority of the Committee members. Following its establishment in May 2025, the Governance Committee met three times in fiscal 2025, with an attendance rate of 100% among the Committee members. The principal matters discussed were the formulation of the Committee Charter, corporate governance trends, and the evaluation of the effectiveness of the Board of Directors.

<Nomination and Remuneration Committee>
For details of the Nomination and Remuneration Committee, please refer to "(4) Voluntary Committees" under "1. Matters Concerning Organizational Composition and Operation" in "II. Business Management Organization and Other Corporate Governance Systems Regarding Decision-making, Execution of Business, and Oversight in Management" of this Report.

<Summary of the Contents of the Liability Limitation Agreement>
The Company has entered into agreements with its outside directors to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the same Act. The maximum amount of liability for damages under these agreements is the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act. Furthermore, in order to enable directors to fully perform their expected roles and to maintain an environment that allows the Company to continue attracting qualified individuals, the Company's Articles of Incorporation provide that the Company may, by resolution of the Board of Directors, exempt directors (including former directors) from liability for damages under Article 423, Paragraph 1 of the Companies Act to the extent permitted by laws and regulations.

<Summary of the Contents of the Directors and Officers Liability Insurance Agreement>
The Company has entered into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act, covering the Company's directors (including outside directors) and the directors and corporate auditors of its subsidiaries. Under the contract, coverage is provided for losses arising from the insured directors and officers being held liable in connection with the performance of their duties or being subject to claims seeking to hold them liable.

(2) Business Execution Structure
With the "Musashi Philosophy" as its foundation, the Company appoints Executive Officers responsible for regional businesses and various executive functions globally, thereby ensuring efficient and effective business operations. Furthermore, to establish a structure in which operational functions are managed on a regional basis, the Company has established positions for each region, enabling prompt and appropriate management decisions to be made in each region and at the operational level.

<Executive Management Meeting>
The Executive Management Meeting deliberates and makes decisions on policies and specific matters concerning business execution, with the aim of making decisions on important business execution matters delegated by the Board of Directors.
The Executive Management Meeting is composed of at least three Executive Officers, including the Chairperson (Chief Executive Officer).
In addition, matters to be resolved by the Board of Directors are deliberated in advance by the Executive Management Meeting.
In fiscal year 2025, the Executive Management Meeting was held 28 times.

<Sustainability Strategy Meeting>
The Sustainability Strategy Meeting discusses and determines directions, targets, and indicators for achieving corporate sustainability, based on the policies and strategies approved by the Board of Directors.
It also discusses a wide range of key themes, including human capital development and utilization, rebranding, and digital transformation (DX), with a view to enhancing corporate value over the medium to long term.
The Sustainability Strategy Meeting is composed of Directors and Executive Officers and is chaired by the Chief Executive Officer (CEO).
In fiscal year 2025, the Sustainability Strategy Meeting was held twice. The Meeting discussed a wide range of topics aimed at sustainable corporate growth, including business strategies for existing businesses and new business initiatives, human capital development and utilization, and the enhancement of corporate value.

<Internal Control Committee>
The Internal Control Committee deliberates on matters concerning internal control across the Group, with the aim of ensuring efficient and effective business operations, compliance with laws and regulations in business management, and the reliability of financial reporting. In its deliberations, the Committee receives reports from the divisions responsible for internal control monitoring, the Internal Audit Department, and other relevant divisions on matters including corporate ethics, compliance, and risk management on a global basis.

The Internal Control Committee is composed of five Executive Officers. The Compliance Officer serves as Chairperson, and the members are Masaru Maeda, Kenji Morisaki, Koji Horibe, Hiroki Matsuda, and Masaya Ito. In fiscal year 2025, the Internal Control Committee was held six times.
In addition, the J-SOX Committee has been established under the Internal Control Committee to ensure the reliability of financial reporting. The J-SOX Committee is chaired by the Chief Audit Officer (CAO) and is composed of members involved in human resources, accounting, IT, and internal audit. In coordination with the Audit & Supervisory Committee and the Accounting Auditor as appropriate, the J-SOX Committee deliberates on internal control matters in general, including internal control over financial reporting, and reports the results of its deliberations to the Internal Control Committee.
In addition, the Company has appointed a Risk Management Officer responsible for promoting risk management initiatives globally and is working to develop and enhance the Group-wide risk management framework. In particular, to address physical risks such as large-scale earthquakes, storms, and floods, the Company formulates and reviews business continuity plans (BCPs) and conducts regular drills under its business continuity management (BCM) framework, thereby strengthening its ability to respond promptly in the event of an emergency. Each division also takes the initiative in identifying and assessing risks specific to its operations and implementing appropriate measures. In coordination with the Company-wide risk management framework, these efforts are aimed at strengthening both preventive measures and response capabilities.

<Internal Information Management Committee>
The Internal Information Management Committee manages internal information in connection with the announcement of financial results and the disclosure of various types of corporate information. The Committee works to prevent the leakage of internal information and deliberates on the accuracy and appropriateness of information to be disclosed.
The Internal Information Management Committee is composed of the Information Handling Officer and members of the Executive Management Committee. The Chairperson is appointed by the President.

(3) Internal Audit and Accounting Audit Structure
< Internal Audit>
The Group's Internal Audit Department consists of 12 internal auditors, led by the Chief Audit Officer (CAO). Of these, there are four Global Internal Auditors (GIAs) assigned to each region, with a particular focus on strengthening audits of overseas subsidiaries. Of the 12 internal auditors, four hold the Certified Internal Auditor (CIA) qualification, an internationally recognized professional certification in internal auditing, thereby ensuring a structure capable of delivering high-quality audits.
Under this internal audit structure, the Group conducts effective internal audits globally and reports audit results and other relevant matters to the Board of Directors and the Audit & Supervisory Committee as appropriate. The Internal Audit Department also strengthens coordination with the Accounting Auditor by exchanging information as necessary.

<Accounting Auditor>
The Company has appointed KPMG AZSA LLC as its accounting auditor, from whom it receives accounting audits and timely appropriate guidance.

3. Reasons for Adoption of the Current Corporate Governance System

The Company has adopted a company with an Audit and Supervisory Committee structure in order to strengthen the audit and supervisory functions over the execution of duties by Directors and enhance the effectiveness of internal controls.
To strengthen the audit function over the execution of duties by Directors, the Audit & Supervisory Committee, composed of three independent Outside Directors, audits the execution of duties by Directors.
In addition, to strengthen the supervisory function over the execution of duties by Directors, eight Outside Directors (including three Audit & Supervisory Committee Members) participate in decision-making by the Board of Directors and assess the legality and appropriateness of the execution of duties by Directors from a neutral and objective standpoint.
Furthermore, by delegating certain matters subject to resolution by the Board of Directors to the Executive Management Meeting and other bodies, the Board of Directors focuses on formulating basic management policies, management strategies, and management plans, as well as supervising the execution of duties by Directors. This strengthens the supervisory function of the Board of Directors while enhancing the agility of management decision-making through swift decision-making and business execution.

III. Implementation of Measures for Shareholders and Other Stakeholders

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

	Supplementary Explanation
Early Dispatch of Convocation Notices of the General Meeting of Shareholders	Information regarding the Annual General Meeting of Shareholders scheduled for June 26, 2026, was disclosed on June 3, 2026, via the Tokyo Stock Exchange website and Musashi's company website.
Electronic Exercise of Voting Rights	The Company enables shareholders to exercise their voting rights through electronic voting.
Participation in an Electronic Voting Platform and Other Initiatives to Improve the Voting Environment for Institutional Investors	The Company is on the electronic voting platform for institutional investors operated by ICJ, Inc.
Provision of Convocation Notices (Summaries) in English	English version of all documents is prepared.
Other	The convocation notice is posted on the Company's website. (https://www.musashi.co.jp/) .

2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Regular Briefings for Individual Investors	The Company holds briefings for individual investors as appropriate.	Yes
Regular Briefings for Analysts and Institutional Investors	The President holds financial results briefings four times a year and meetings with analysts and institutional investors as appropriate.	Yes
Posting of IR Materials on the Company's Website	The Company discloses various types of corporate information on its corporate website. (https://www.musashi.co.jp/).	
Establishment of an IR Department (or Appointment of IR Personnel)	The IR function is established within the Corporate Planning Office, with dedicated personnel assigned to IR activities.	

3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Provisions in Internal Rules and Regulations Regarding Respect for the Interests of Stakeholders	To earn the trust of people around the world, the Company has established the "Musashi Philosophy" and "Our Compliance," which provides specific guidelines for putting the Philosophy into practice.
Implementation of Environmental Conservation and CSR Activities	Based on Musashi Philosophy, the Musashi Group promotes initiatives aimed at contributing to the realization of a prosperous global society in which people and the environment exist in harmony. Details of these activities are disclosed in our *Integrated Report* and on the ESG Policy/Data page of our corporate website: https://www.musashi.co.jp/sustainability/esg/
Establishment of Policies on the Provision of Information to Stakeholders	The Company appropriately discloses information as required by laws and regulations. In addition, to promote a deeper understanding of the Company and enable its value to be fairly assessed, the Company strives to disclose information beyond that required by laws and regulations in a fair, timely, accurate, proactive, and continuous manner.

IV. Matters Concerning the Internal Control System

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

<Basic Views on Developing Internal Control Systems>
Based on the Musashi Philosophy, the Company aims to further strengthen the trust of people around the world by developing our internal control systems through initiatives led by the Internal Control Committee, including self-assessments conducted by each department. At the same time, the Company is establishing a framework that enables each department to systematically promote compliance and risk management. In addition, the Internal Audit Department conducts effective audits of operations across the organization.

1. Systems to ensure compliance with laws and regulations and the Articles of Incorporation in the performance of duties by Directors and employees, and other systems to ensure the appropriateness of operations
- The Company shall appoint an officer responsible for promoting compliance and develop a framework for systematic compliance initiatives.
- The Company shall establish a committee to deliberate on matters relating to corporate ethics and compliance.
- The Company shall formalize “Our Compliance” as a shared code of conduct to be observed by each employee of the Group in their interactions with customers and society and shall ensure that it is fully communicated and understood throughout the Group.
- The Company shall establish an internal whistleblowing framework to address issues relating to corporate ethics.

2. Systems for the storage and management of information concerning the execution of duties by Directors
- In accordance with the Document Management Regulations, the Company shall appropriately retain and manage documents and other information concerning the execution of duties by directors and develop an appropriate information management framework.

3. Regulations and other systems concerning the management of risk
- The Company shall appoint an officer responsible for promoting risk management and develop a framework for systematic risk management initiatives.
- The Company shall establish the “Crisis Management Regulations,” under which each department shall endeavor to prevent and address risks arising from business activities. The Company shall also manage and respond to company-wide crises, including large-scale disasters, outbreaks of infectious diseases, and cyberattacks.
- With respect to risk management across the Group, the Company shall strengthen its risk management framework through discussions among the Company’s officers.

4. Systems to ensure the efficient execution of duties by Directors.
- The Company shall establish a system under which the Board of Directors supervises global business execution centered on the Chief Officer structure.
- In regional businesses and various executive functions, **prompt and optimal management decisions shall be made in accordance with the circumstances of each region and operational area, while ensuring efficient and effective business operations**.
- The Executive Management Committee shall deliberate on important management matters within the scope of authority delegated by the Board of Directors.
- The Company shall establish a Management Strategy Committee to **share Group policies, identify issues to be addressed in achieving management plans, and discuss measures to address such issues, thereby enhancing the effectiveness and efficiency of business execution across the Group**.

5. Systems to ensure the appropriateness of operations within the corporate group consisting of the Company and its parent company and subsidiaries
- The Company shall establish regulations for the management of affiliated companies to ensure the proper conduct of business by each Group company, manage each Group company in accordance with such regulations, and receive reports from each Group company.
- The Company shall establish the “Musashi Global Policy” to establish an effective management system for the Group and shall endeavor to enhance corporate governance across the Group.
- Each Group company shall conduct periodic self-assessments based on checklists.
- The Internal Audit Department, an independent internal audit function, and Global Auditors assigned to each region shall conduct internal audits of the business operations of each department of the Company and each Group company and shall endeavor to enhance the effectiveness of such internal audits.
- The Internal Audit Department shall notify the audited departments and Group companies of the results of internal audits, require them to formulate corrective measures in response to matters identified in the audits, periodically monitor the progress of such measures, and report the status to the Board of Directors as appropriate.

6. Matters concerning Directors and employees who assist the Audit & Supervisory Committee in the performance of its duties, and matters concerning the independence of such Directors and employees from other Directors (excluding Directors who are members of the Audit & Supervisory Committee (the “Audit & Supervisory Committee Members”))

- The Company shall have the Internal Audit Department assist the Audit & Supervisory Committee in the performance of its duties and, while ensuring the independence of the internal audit department, shall strengthen coordination with the Audit & Supervisory Committee and contribute to the establishment of an efficient and effective audit system.

7. Systems for reporting by Directors (excluding Audit & Supervisory Committee Members) and employees to the Audit & Supervisory Committee, and other systems concerning reports to the Audit & Supervisory Committee
- The Company shall regularly report to the Audit & Supervisory Committee on the status of business operations of the Company and its subsidiaries, as well as the development and operation of internal control systems, including those relating to compliance and risk management, and shall report any matters that may have a material impact on the Company.
- Audit & Supervisory Committee Members shall have no obligation to report to any third party any information obtained from Directors (excluding Audit & Supervisory Committee Members) or employees and may request such directors to disclose the reasons for any transfer, personnel evaluation, disciplinary action or other personnel action concerning an employee who has made such a report.

8. Other systems to ensure that audits by the Audit & Supervisory Committee are conducted effectively
- The Company shall establish an audit system and develop an appropriate audit environment to enhance the effectiveness of audits. The Audit & Supervisory Committee and the Internal Audit Department, the internal audit function, shall work closely together to conduct audits of the business operations of the Company and its subsidiaries, and Audit & Supervisory Committee Members shall attend Executive Management Meetings and other important meetings.
- The Company shall comply with any request by an Audit & Supervisory Committee Member for advance payment of expenses to be incurred in the performance of their duties, reimbursement of expenses incurred, or payment of obligations incurred in connection with the performance of their duties, unless the Company can demonstrate that such expenses or obligations did not arise from the performance of the Audit & Supervisory Committee Member's duties.

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

- Basic Views
As a member of civil society, the Company maintains a firm stance against antisocial forces and organizations and has adopted a basic policy of having no relations whatsoever with such forces or organizations. This policy is expressly set forth in the aforementioned "Our Compliance."

- Status of Related Measures
The General Affairs Department serves as the department responsible for coordinating responses to antisocial forces. In the event of unfair demands by antisocial forces, the Company shall respond promptly and systematically from an early stage and, in close cooperation with the police, legal counsel and other relevant parties, take a resolute stance against such forces. In the ordinary course of business, the Company also works closely with external specialist organizations, including the local police and corporate defense liaison councils, to gather information and establish cooperative arrangements.

V. Other

1. Adoption of Takeover Defense Measures

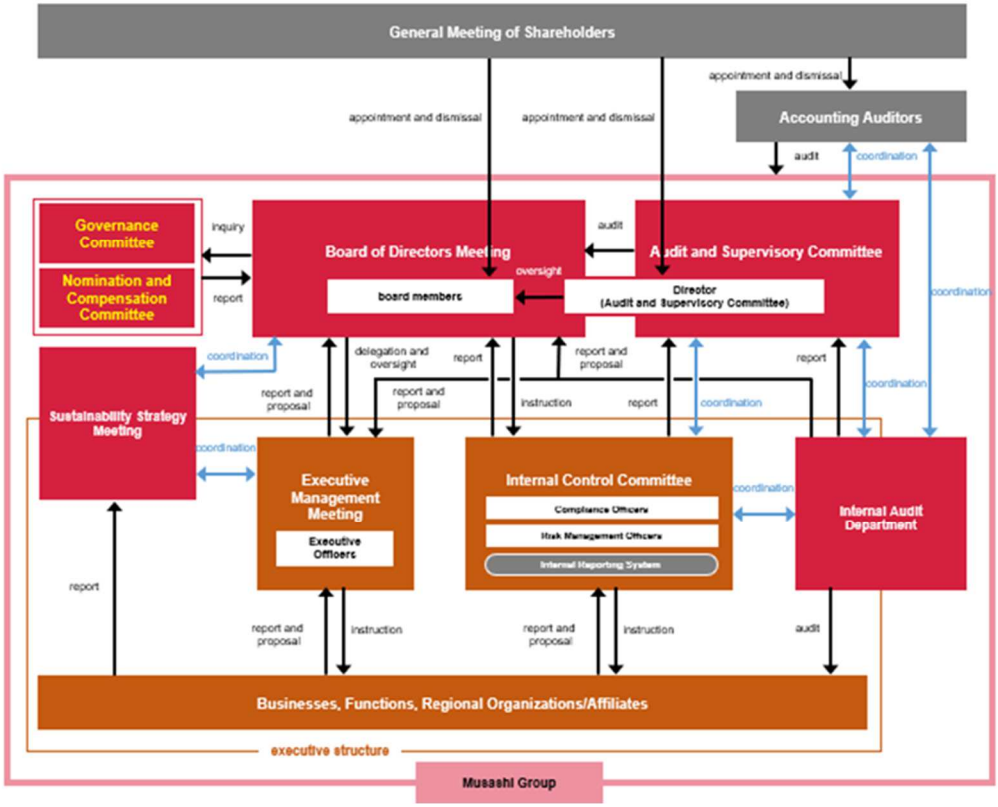
Adoption of Takeover Defence Measures	None

Supplementary Explanation for Applicable Items
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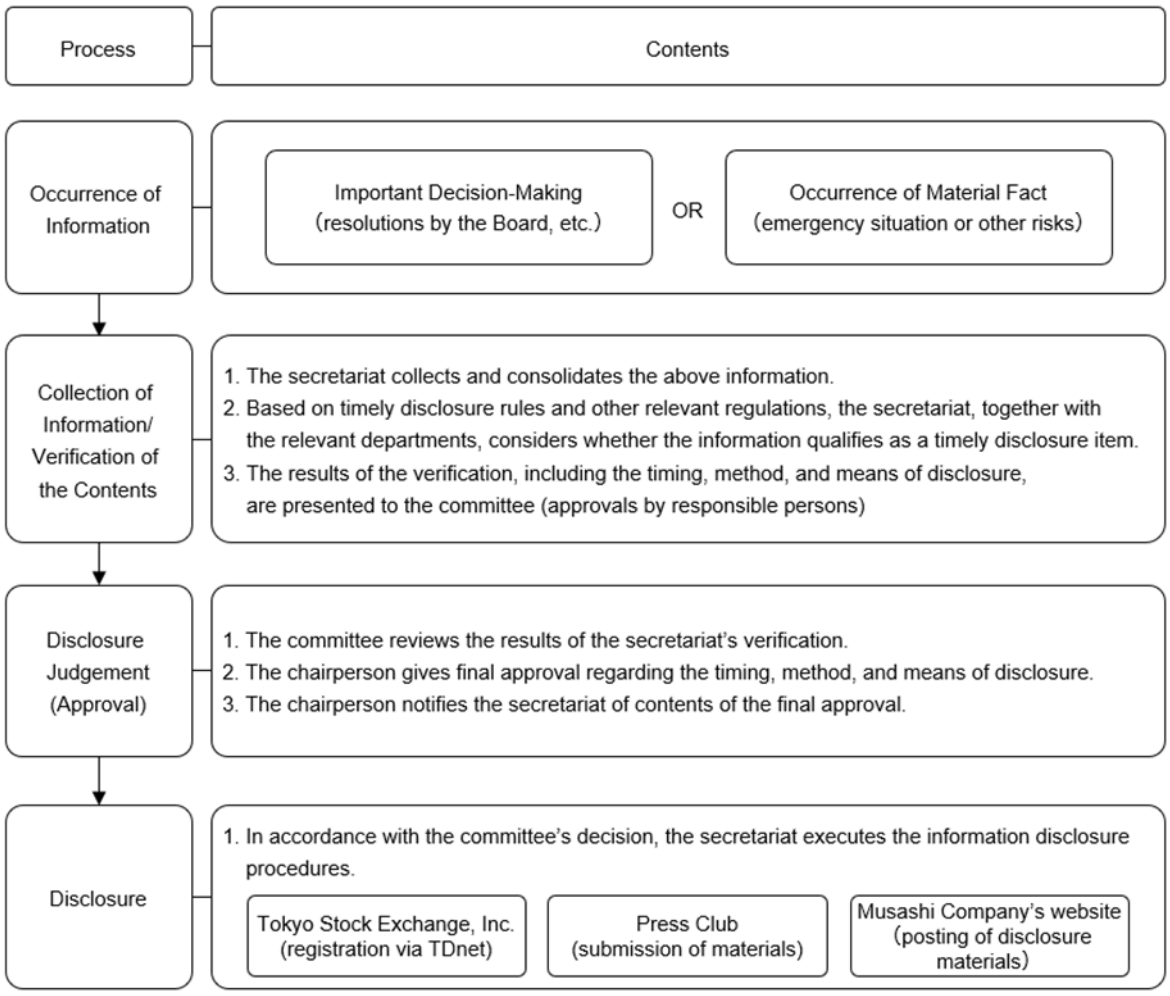
2. Other Matters Concerning the Corporate Governance System

<**Overview of Timely Disclosure System**>
The Company has established the following system based on its fundamental policy of making timely and appropriate disclosures concerning its business and financial condition.
The Company has established the "Regulations on the Management of Internal Information and Prevention of Insider Trading" governing the management of information concerning the Company and its affiliated companies. Specifically, when disclosing financial results or other material information that may affect shareholders' investment decisions, the Company has established and operates a system for verifying the accuracy and appropriateness of such information prior to disclosure outside the Company.

<Corporate Governance Structure Chart>



< Flow of Timely Disclosure >



END