

## Corporate Governance Policy

The Company has established the Corporate Governance Policy in order to achieve sustainable growth and increase corporate value over the medium to long term.

### [Basic Views on Corporate Governance]

The Company believes that it is necessary to ensure the soundness, transparency and efficiency of management while fulfilling its responsibilities to shareholders and other stakeholders by contributing to society and achieving improvement in corporate value and other management objectives. As such, the Company has positioned the establishment and strengthening of its corporate governance as the system for ensuring that these requirements are met as one of its important issues, and is promoting initiatives for the entire Group, including subsidiaries.

#### 1. Respecting the basic rights of shareholders and securing equal treatment

The Company has established the following principles based on its recognition that shareholders, who are the suppliers of capital, are the cornerstone of corporate governance.

- (1) Disclose information to shareholders as promptly as possible, and in an accurate and fair manner.
- (2) Develop an environment in which shareholders can accurately exercise their voting rights and easily participate in Annual Shareholders Meeting.
- (3) Provide an appropriate return of profits to shareholders.
- (4) Prohibit the provision of special benefits, etc. to specific shareholders.

#### 2. Building good relationships with stakeholders

The Company has established the following principles based on its recognition that it can continuously improve corporate value by earning the trust of society through building good relationships between companies and stakeholders.

- (1) Conduct business management that places importance on corporate social responsibility (CSR).
- (2) Develop and appropriately manage an internal system for providing important information to stakeholders in a timely and appropriate manner.
- (3) Conduct educational activities to ensure that all employees understand and respect the positions of stakeholders.
- (4) Develop a system for preventing improper business transactions by persons related to the Company.

#### 3. Fulfilling accountability through timely and appropriate information disclosure

The Company has established the following principles based on its recognition that listed companies are obligated to disclose information related to corporate activities in a prompt, accurate and fair manner while also being able to receive appropriate corporate evaluations from the markets and society through disclosure and accountability.

- (1) Comply with the Financial Instruments and Exchange Act and other related laws and regulations, and the Timely Disclosure Rules stipulated by the Tokyo Stock Exchange.
- (2) Develop and appropriately manage an internal system for ensuring the appropriateness and promptness of information disclosure.
- (3) Develop fair and easy methods for accessing disclosed information.

#### **4. Appropriate functions of the Board of Directors**

The Company has established the following principles based on its recognition that the Board of Directors is an important decision-making body of corporate management.

- (1) Make decisions on important business issues.
- (2) Supervise the execution of duties by Directors and Executive Officers.
- (3) Establish appropriate internal control systems and manage them properly.
- (4) Determine medium- to long-term strategies and various basic policies.

#### **5. Appropriate functions of the Audit & Supervisory Board and Audit & Supervisory Board Members**

The Company has adopted the corporate structure of a company with audit & supervisory board members, in consideration of the conditions in which the Audit & Supervisory Board Members can perform sufficient audit functions. The Company has established the following principles based on its recognition that Audit & Supervisory Board Members audit the execution of duties by Directors on behalf of shareholders.

- (1) Audit the execution of duties by Directors.
- (2) The Audit & Supervisory Board formulates the audit policy and audit plan, and conducts organized and efficient audits.
- (3) Audit whether internal control systems are functioning effectively.
- (4) Monitor and verify that the Financial Auditor has maintained an independent position, and whether the Financial Auditor has conducted audits appropriately.

#### **6. Building internal control systems**

The Company has established the following principles based on its recognition that risk management and compliance are essential for efficient and sound corporate management.

- (1) Establish the MEIWA ESTATE Group Code of Conduct, and ensure that all employees follow the code.
- (2) The Audit Office, as the internal audit division that is independent from the divisions responsible for business execution, audits the business processes, etc. of each division and verifies the appropriateness, etc.
- (3) If a risk arises, the Board of Directors and Risk Management Committee take measures in a timely and appropriate manner based on reports from each division.
- (4) Regarding internal control systems, the Board of Directors plays a central role in building internal systems, managing systems, making improvements, conducting training, etc.