

## YAMASHIN-FILTER

### Strengthen our governance system and make it more effective — Basic approach and implementation

We believe that building strong relationships of trust with stakeholders and enhancing corporate value by ensuring soundness, appropriateness, and transparency in management is the role corporate governance must play. We are making efforts to secure an optimal system for achieving this.

To further strengthen our corporate governance and the supervisory functions of the Board of Directors, our company has adopted a company structure with an Audit and Supervisory Committee. Under this institutional design, the Audit and Supervisory Committee, of which outside directors make up a majority of the members, is responsible for auditing and overseeing the legality and validity of business execution to achieve more transparent management. By delegating the authority for the Board of Directors' business execution decisions to the Directors, this structure seeks to expedite management decision-making and decision execution.