

Corporate Governance

Summary

Basic approach

For its business activities, the commitment of the Daigas Group is to place the highest priority on creating value for customers, and the Group aims to expand it to creating value for society, for shareholders, and for employees. We believe that our social responsibility is fulfilled by creating the four types of value for all these stakeholders through fair and transparent business activities. To appropriately respond to the exercise of shareholder rights and improve our own value, we believe that it is important to have a system for appropriately operating and developing the business based on relationships of trust between its stakeholders and the Group through dialogue and collaboration.

The Daigas Group Code of Business Conduct was established as a specific code of conduct to be followed by our officers and employees. We follow the code, viewing it as widely governing common sense corporate behavior based on sound ethics as well as laws and regulations. The Group's officers and employees act appropriately in accordance with the code when performing their duties.

We positioned compliance as one of our material issues in the Medium-Term Management Plan 2023. In the Medium-Term Management Plan 2026, we have positioned maintaining and improving the soundness and flexibility of management foundation as one of our material issues to accelerate initiatives.

Theme	Items to be addressed	Specific initiatives				
<p>Corporate governance</p> <p>→ P.118</p>	<ul style="list-style-type: none"> Separation of business execution from supervision Ensuring diversity (The percentage of women among executives/directors has been adopted as KPIs based on materiality. For detailed information, please see P.019.) Remuneration linked with sustainable growth Internal control 	<p>Policy and promotion system</p> <p>Based on corporate principles, we will respond appropriately to the exercise of shareholder rights and strive to maintain and improve trust of stakeholders through dialogue and collaboration with them. We are continually working to enhance and strengthen our corporate governance to respond quickly and accurately to changes in the business environment, make transparent, fair, and decisive decisions, and execute business operations efficiently and appropriately.</p> <p>Initiatives undertaken in FY2024.3</p> <ul style="list-style-type: none"> Percentage of women among executives/directors: 26.7%/20.0% (Results after the Annual Meeting of Shareholders held in June 2024: Percentage of women among executives/directors: 26.7%/26.7%) 				
<p>Compliance</p> <p>→ P.130</p>	<ul style="list-style-type: none"> Predictive data monitoring Improving compliance awareness Proper operation of the whistleblowing system Promoting anti-corruption initiatives <p>Materiality Compliance</p>	<p>Policy and promotion system</p> <p>With a good understanding of the Code of Business Conduct, we act in accordance with the internal rules and regulations. We have established the Compliance/Risk Management Subcommittees under the ESG Committee to improve compliance through efforts such as development of measures and information sharing in a cross-organizational manner.</p> <table border="1"> <tr> <th data-bbox="965 1043 1429 1070">KPIs based on the materiality</th> <th data-bbox="1429 1043 2067 1070">FY2024.3 results</th> </tr> <tr> <td data-bbox="965 1070 1429 1098">Number of serious violations of laws and regulations</td> <td data-bbox="1429 1070 2067 1098">There were no serious violations of laws and regulations in our group.</td> </tr> </table> <p>Initiatives undertaken in FY2024.3</p> <ul style="list-style-type: none"> Implementation of monitoring Provision of compliance training Proper operation of the whistleblowing system Promoting anti-corruption initiatives 	KPIs based on the materiality	FY2024.3 results	Number of serious violations of laws and regulations	There were no serious violations of laws and regulations in our group.
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<p>Information security</p> <p>→ P.133</p> <p>Protection of personal information</p> <p>→ P.134</p>	<ul style="list-style-type: none"> Establishment and revision of the Information Security Guidelines Investigations of and measures for information security at group companies Strengthening risk management related to information security 	<p>Policy and promotion system</p> <p>As a business operator responsible for social infrastructure, we recognize the importance of managing customer information and other data. In line with a relevant set of guidelines, we implement information security measures.</p> <p>As an information security promotion system, we have established an Information Security Subcommittee under the Cyber Security Committee, a corporate committee, to implement group-wide measures.</p> <p>We are striving to properly manage and prevent leakage of personal information by establishing a personal information protection system, which comprises managers appointed at each organization and affiliate under the direction of the Chief Privacy Officer.</p> <p>Initiatives undertaken in FY2024.3</p> <ul style="list-style-type: none"> Maintained and operated the Information Security Guidelines Investigations of and measures for information security at group companies Provision of training on information security 				