

# 04

Section 04

# Foundation of Sustainable Value Creation

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Governance

# Governance

## Board Members, Audit & Supervisory Board Members, and Executive Officers (as of June 30, 2025)

### Board Members and Officers

<https://www.g-tekt.jp/company/management.html>

### Criteria of Independence for Outside Directors

<https://www.g-tekt.jp/ir/governance/policy.html>



Independent Outside Audit & Supervisory Board Member  
**Yasunori Niizawa**

Independent Outside Member of the Board  
**Rieko Inaba**

Lead Independent Outside Member of the Board  
**Keiji Kasamatsu**

Member of the Board, Senior Managing Officer of the Company  
**Hiroshi Seko**

President, Chief Executive Officer  
**Naohiro Takao**

Member of the Board, Managing Officer of the Company  
**Fumihiko Hirotaki**

Member of the Board, Managing Officer of the Company  
**Akira Kakizaki**

Independent Outside Audit & Supervisory Board Member  
**Yasuo Kitamura**

Audit & Supervisory Board Member  
**Yoshiaki Kawakubo**

Audit & Supervisory Board Member  
**Kesao Tamura**

## Board Members and Officers

### ▶ Directors (as of September 1, 2025)

#### Naohiro Takao

President,  
Chief Executive Officer

August 27, 1960



##### Reasons for selection

Mr. Naohiro Takao, since joining the Company, has gained extensive business experience and deep insight into group management through his involvement in manufacturing, sales, and overseas business, etc.

Since being appointed President in April 2016, he has led business strategies for the entire group, including the establishment of the G-TEKT TOKYO LAB, which is a key base for technological developments in anticipation of the spread of EVs, as well as overseas expansion.

In addition, as the top manager of the Company he has been a strong proponent of the business, with achievements that include responding promptly to the changing circumstances that were caused by the spread of the novel coronavirus in 2020.

Based on the above, it was determined that he has the knowledge required for the management of the Company, is suitable for supervising the Company in general, and therefore he was again appointed President and Chief Executive Officer.

##### Brief personal history

April 1983	Joined Honda Motor Co., Ltd.
April 1986	Joined Takao Kinzoku Kogyo Co., Ltd.
March 1993	Member of the Board of Takao Kinzoku Kogyo Co., Ltd.
June 1994	Sales Operations Director of Takao Kinzoku Kogyo Co., Ltd.
June 1995	President of Takao (Thailand) Co., Ltd. (now G-TEKT (Thailand) Co., Ltd.)
September 1999	Sales Operations Director and Overseas Operations Director of Takao Kinzoku Kogyo Co., Ltd.
April 2006	Manufacturing Operations Director of Takao Kinzoku Kogyo Co., Ltd.
April 2016	President, Chief Executive Officer of the Company (incumbent)

#### Hiroshi Seko

Member of the Board,  
Senior Managing Officer  
of the Company

June 6, 1961



##### Reasons for selection

Mr. Hiroshi Seko, since joining the Company, has gained extensive business experience and deep insight into group management through his involvement in technology and overseas business, etc. Since being appointed as Board Member in 2020, he has played a leading role in improving technological development and profitability based on trends in state-of-the-art technology in the European automobile market.

Based on the above, it was determined that he is suitable for leading the Company's sustainable growth as well as carrying out supervision as he has the experience and knowledge required for the management of business at the Company, in the technology field in particular, and therefore he was again appointed Board Member.

##### Brief personal history

March 1984	Joined Takao Kinzoku Kogyo Co., Ltd.
April 2008	Engineering Division General Manager of Takao Kinzoku Kogyo Co., Ltd.
April 2011	Stamping Engineering Division II General Manager, Engineering Operations of the Company
August 2011	Stationed at G-TEKT Europe Manufacturing Ltd.
April 2013	Chief Operating Officer for Regional Operations (Europe) Managing Director of G-TEKT Europe Manufacturing Ltd.
April 2019	Engineering Operations Director of the Company (incumbent)
June 2020	Member of the Board, Managing Officer of the Company
April 2023	Member of the Board, Senior Managing Officer of the Company (incumbent)

#### Fumihiko Hirotaki

Member of the Board,  
Managing Officer of the  
Company

November 23, 1964



##### Reasons for selection

Mr. Fumihiko Hirotaki, since joining the Company, has gained extensive business experience and deep insight into group management through his involvement in sales and overseas business, etc.

Through his service as Sales Operations Deputy Director from 2015 and as Sales Operations Director since 2019, he has endeavored to maintain and expand relationships with existing trading partners as well as to achieve new orders from a plurality of trading partners both inside and outside Japan, and has contributed to a significant expansion in sales.

Based on the above, it was determined that he is suitable for leading the Company's sustainable growth as well as carrying out supervision as he has the experience and knowledge required for the management of business at the Company, in the sales field in particular, and therefore he was again appointed Board Member.

##### Brief personal history

March 1987	Joined Takao Kinzoku Kogyo Co., Ltd.
February 2008	President of Takao Eastern Co., Ltd. (now G-TEKT Eastern Co., Ltd.)
April 2011	Sales Division I General Manager, Sales Operations of the Company
April 2015	Officer of the Company Sales Operations Deputy Director of the Company
April 2019	Sales Operations Director of the Company (incumbent)
April 2021	Managing Officer of the Company
June 2021	Member of the Board, Managing Officer of the Company (incumbent)

## Board Members and Officers

### ▶ Directors (as of September 1, 2025)

#### Akira Kakizaki

Member of the Board,  
Managing Officer of the  
Company

April 9, 1965



##### Reasons for selection

Mr. Akira Kakizaki, since joining the company, has gained extensive business experience and deep knowledge in the areas of technology and development.

As Engineering Operations Deputy Director from the time of his appointment as Executive Officer, he has worked on reforming the structure of Engineering Operations with the aim of recovering profitability in the stamping die engineering area in particular, and has led the transformation of engineering operations, including the development of digital tools and the shift to cloud computing. He was in charge of overseeing digital transformation in the company-wide DX project launched in 2021, with a focus on the quality and cost areas, and has made every effort to establish DX. Based on the above, it was determined that he is suitable for leading and supervising the company's transformation, and therefore he was again appointed Board Member.

##### Brief personal history

March 1990 Joined Kikuchi Koki Co., Ltd.  
April 2013 Stamping Engineering Division I General Manager, Engineering Operations of the Company  
April 2017 Officer of the Company  
Engineering Planning Division General Manager, Engineering Operations of the Company  
April 2023 Managing Officer of the Company  
Quality Assurance Operations Director  
DX Charge Officer  
June 2023 Member of the Board, Managing Officer of the Company (incumbent)  
April 2024 Chief Operating Officer for Regional Operations (North America) (incumbent)  
Managing Director of Jefferson Industries Corporation (incumbent)

#### Keiji Kasamatsu

Lead Independent  
Outside Member of the  
Board

January 20, 1955



##### Reasons for selection

Mr. Keiji Kasamatsu has extensive and wide-ranging knowledge of business relationships and commercial practices within the automotive industry, based on his many years of experience at a general trading company engaged mainly in transactions involving steel plates for automobiles.

He is also expected to provide a high level of insight into various management decisions based on his experience in overseas business and corporate management. He was appointed Outside Board Member in the expectation that he will provide advice on management decisions from a high-level perspective backed by his expertise, and contribute to the supervision of management in order for the Company to achieve sustainable growth in the ever-changing automobile industry.

##### Brief personal history

April 1977 Joined Mitsui & Co., Ltd.  
April 2004 General Manager, Automotive Steel Division of Mitsui & Co., Ltd.  
April 2008 Executive Managing Officer, General Manager of Second Unit of Mitsui & Co. Steel Ltd.  
April 2009 Director and Chairman of Steel Technologies LLC (United States)  
April 2011 Director of Mitsui & Co., Ltd.  
April 2014 Representative Director and President of Mitsui & Co. Steel Ltd.  
June 2016 President of Mitsui & Co. Group Pension Fund  
June 2019 Outside Director of Chubu Steel Plate Co., Ltd.  
June 2022 Independent Outside Member of the Board of the Company (incumbent)

#### Rieko Inaba

Independent Outside  
Member of the Board

October 23, 1975



##### Reasons for selection

Although Ms. Rieko Inaba has not been directly involved in company management in the past other than as an outside officer, she has been engaged in research centered on information technology, language, and communication as a researcher at a higher education institution, and has engaged in a broad range of research activities, including the writing of academic papers and books.

She has further been involved in educational activities including taking charge of training in her field and college lectures, and has gained advanced knowledge as a researcher and educator. Based on such a background, she was expected to give useful opinions and advice, etc., on management-related matters of the Company from an objective perspective, and to contribute to the monitoring of the Company in general, and was therefore appointed Outside Board Member.

##### Brief personal history

April 2003 Inter-University Research Institute Corporation (currently National Institute of Multimedia Education)  
Assistant of Research and Development Department  
September 2004 Visiting Research Fellow of Massachusetts Institute of Technology  
March 2005 Visiting Research Fellow of Katholieke Universiteit Leuven  
November 2009 Specific Instructor of Graduate School of Informatics, Kyoto University  
April 2013 Specially Appointed Associate Professor, Department of Computer Science, Tsuda University  
April 2018 Associate Professor of Department of Computer Science, Tsuda University  
June 2019 Independent Outside Member of the Board of the Company (incumbent)  
April 2022 Professor of Department of Computer Science, Tsuda University (incumbent)  
September 2025 Professor of Institute for Liberal Arts, Institute of Science Tokyo (incumbent)

## Board Members and Officers

## ▶ Audit &amp; Supervisory Board Members (as of September 1, 2025)

## Kesao Tamura



Audit &  
Supervisory Board  
Member

June 2, 1961

#### Reasons for selection

After joining the Company, Mr. Kesao Tamura gained experience in the finance department and manufacturing department, as well as through overseas assignments, etc., and was also involved in overseeing the Company's overseas business operations. He was appointed Audit & Supervisory Board Member because he is capable of auditing corporate management in general.

#### Brief personal history

April 1980 Joined Takao Kinzoku Kogyo Co., Ltd.  
February 1993 Stationed at Jefferson Industries Corporation  
October 2005 Vice President of Wuhan Auto Parts Alliance Co., Ltd.  
April 2013 Overseas Business Division General Manager, Overseas Operations of the Company  
June 2015 Audit & Supervisory Board Member (incumbent)

## Yoshiaki Kawakubo



Audit &  
Supervisory Board  
Member

September 13, 1963

#### Reasons for selection

After joining the Company, Mr. Yoshiaki Kawakubo was engaged in departments related to overseas operations, and was appointed Audit & Supervisory Board Member due to his knowledge of management related to the oversight and support of the overseas business, and due to his track record in the supervision of audit operations.

#### Brief personal history

April 1986 Joined Cosmo Securities Co., Ltd.  
November 1999 Joined KIKUCHI CO., LTD.  
April 2001 Stationed at Jefferson Southern Corporation  
July 2014 Stationed at Jefferson Industries Corporation  
April 2015 Overseas Business Division General Manager, Overseas Operations of the Company  
April 2017 Chief Auditor, Business Audit Office of the Company  
April 2018 General Manager, Business Audit Office of the Company  
June 2022 Audit & Supervisory Board Member (incumbent)

## Yasunori Niizawa



Independent Outside  
Audit & Supervisory  
Board Member

December 6, 1954

#### Reasons for selection

Mr. Yasunori Niizawa has extensive business experience in national taxation and professional knowledge as a tax accountant, and was appointed Outside Audit & Supervisory Board Member because he is capable of auditing corporate management in general from an objective perspective.

#### Brief personal history

April 1973 Joined Kantoshinetsu Regional Taxation Bureau  
July 2009 District Director of Takada Tax Office, Niigata Japan  
July 2012 District Director of Ryugasaki Tax Office, Ibaraki Japan  
July 2014 District Director of Kawaguchi Tax Office, Saitama Japan  
August 2015 Opened Niizawa Tax Accountant Office  
June 2019 Independent Outside Audit & Supervisory Board Member of the Company (incumbent)  
April 2020 Outside Audit & Supervisory Board Member of Kanto Construction Co., Ltd. (incumbent)

## Yasuo Kitamura



Independent Outside  
Audit & Supervisory  
Board Member

March 8, 1965

#### Reasons for selection

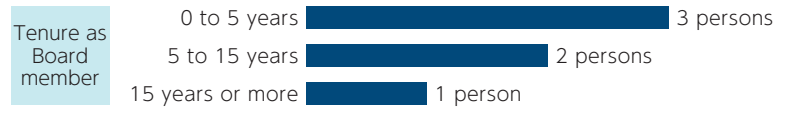
Mr. Yasuo Kitamura has extensive insights derived from his role as a lawyer and from serving as outside auditor and outside director at other companies, and was appointed Outside Audit & Supervisory Board Member because he is capable of auditing corporate management in general from an objective perspective.

#### Brief personal history

April 1988 Joined The Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.)  
April 1996 Registered as Attorney-at-law in Japan Ozawa & Akiyama Law Office  
February 2001 Registered as Attorney-at-law in New York State, the United States  
August 2001 Ozawa & Akiyama Law Office  
October 2007 Partner, Kitamura & Hiraga Law Office (incumbent)  
June 2012 Substitute Audit & Supervisory Board Member of the Company  
March 2016 Outside Director and Audit & Supervisory Committee Member of Toagosei Co., Ltd.  
December 2018 Outside Audit & Supervisory Board Member of AI MECHATEC, Ltd.  
June 2019 Independent Outside Audit & Supervisory Board Member of the Company (incumbent)  
December 2020 Outside Board Member of LITALICO Inc. (Audit & Supervisory Committee Member) (incumbent)

# Skill matrix

	Board of Directors					Audit & Supervisory Board				
Name and affiliation	Naohiro Takao August 27, 1960	Hiroshi Seko June 6, 1961	Fumihiko Hirotaki November 23, 1964	Akira Kakizaki April 9, 1965	Keiji Kasamatsu January 20, 1955 <b>Outside Independent</b>	Rieko Inaba October 23, 1975 <b>Outside Independent</b>	Kesao Tamura June 2, 1961	Yoshiaki Kawakubo September 13, 1963	Yasunori Niizawa December 6, 1954 <b>Outside Independent</b>	Yasuo Kitamura March 8, 1965 <b>Outside Independent</b>
Gender	Male	Male	Male	Male	Male	Female	Male	Male	Male	Male
Title	President, Chief Executive Officer	Member of the Board, Senior Managing Officer	Member of the Board, Managing Officer	Member of the Board, Managing Officer	Chairperson of the Board	Member of the Board	Audit & Supervisory Board Member	Audit & Supervisory Board Member	Audit & Supervisory Board Member	Audit & Supervisory Board Member
	Nomination Advisory Committee Member				Chairperson, Nomination Advisory Committee Member	Nomination Advisory Committee Member				
	Remuneration Advisory Committee Member				Chairperson, Remuneration Advisory Committee Member	Remuneration Advisory Committee Member				
	Chairperson of the Board of Directors									
Length of service	32 years	5 years	4 years	2 years	3 years	6 years	10 years	3 years	6 years	6 years
Business administration	●	●	●	●	●		●			
Technology/R&D	●	●	●	●						
Sales	●	●	●		●					
Manufacturing/quality management	●	●	●	●			●			
Finance	●				●		●	●	●	
Legal affairs and risk management	●				●	●		●		●
Sustainability ESG	●	●	●	●	●	●	●	●	●	●



The Skills Matrix shows the correspondence between the expertise and experience that we particularly expect from our Board Members and Audit & Supervisory Board Members, and the expertise and experience that they each possess. In addition to "Business administration," which handles proposals and advancement of supervision and strategy for the corporate organization, "Legal affairs and risk management" and "Finance," which are key to sound organizational operations, and "Technology/R&D," "Sales and marketing," and "Manufacturing/Quality Management," which are central to our business activities, we also consider "Sustainability and ESG," which is essential for sustainable growth, as necessary expertise and experience.

# Corporate Governance

## Basic approach

G-TEKT recognizes that we have a responsibility to contribute to the resolution of environmental and social issues that we face through our business activities so that society can develop sustainably, and in order to fulfill this responsibility, it is necessary for us to improve our business performance and achieve sustainable growth over the medium to long term.

To achieve this we have drawn up the G-TEKT Basic Corporate Governance Policy, which incorporates our basic approach and framework for corporate governance, and have established an appropriate system of corporate governance that enables us to provide information and engage in dialogue with our stakeholders, including shareholders, customers, employees, and local communities, to increase our transparency as a company, and to conduct ongoing business activities under an effective and sound organizational structure that ensures the rights of our shareholders.

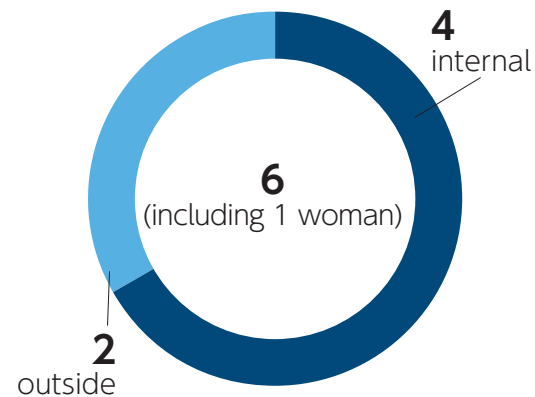
[Basic Corporate Governance Policy](#)

[https://www.g-tekt.jp/company/pdf/governance\\_guideline.pdf](https://www.g-tekt.jp/company/pdf/governance_guideline.pdf)

## Outline of corporate governance system

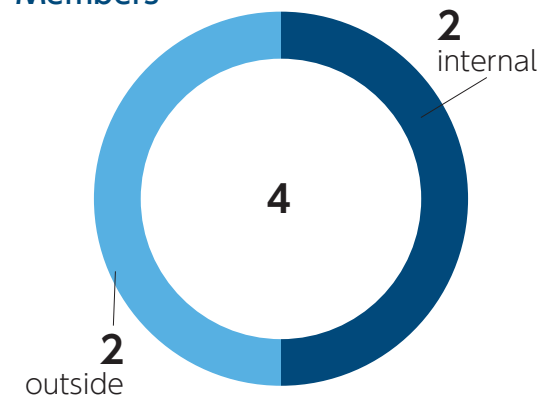
Organizational structure: Company with a board of auditors (as of June 30, 2025)

### Board Members



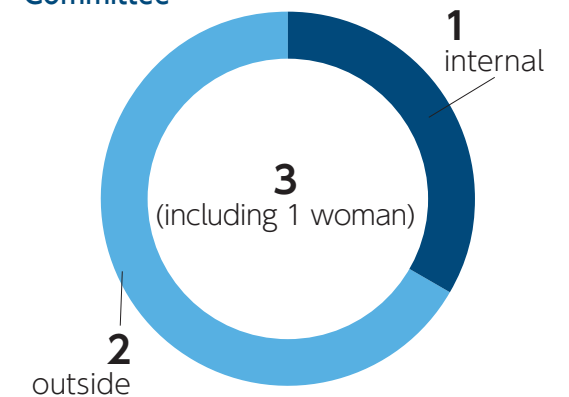
Chairperson:	President, Chief Executive Officer Naohiro Takao
Term:	1 year

### Audit & Supervisory Board Members



Chairperson:	Audit & Supervisory Board Member Kesao Tamura
Term:	4 year

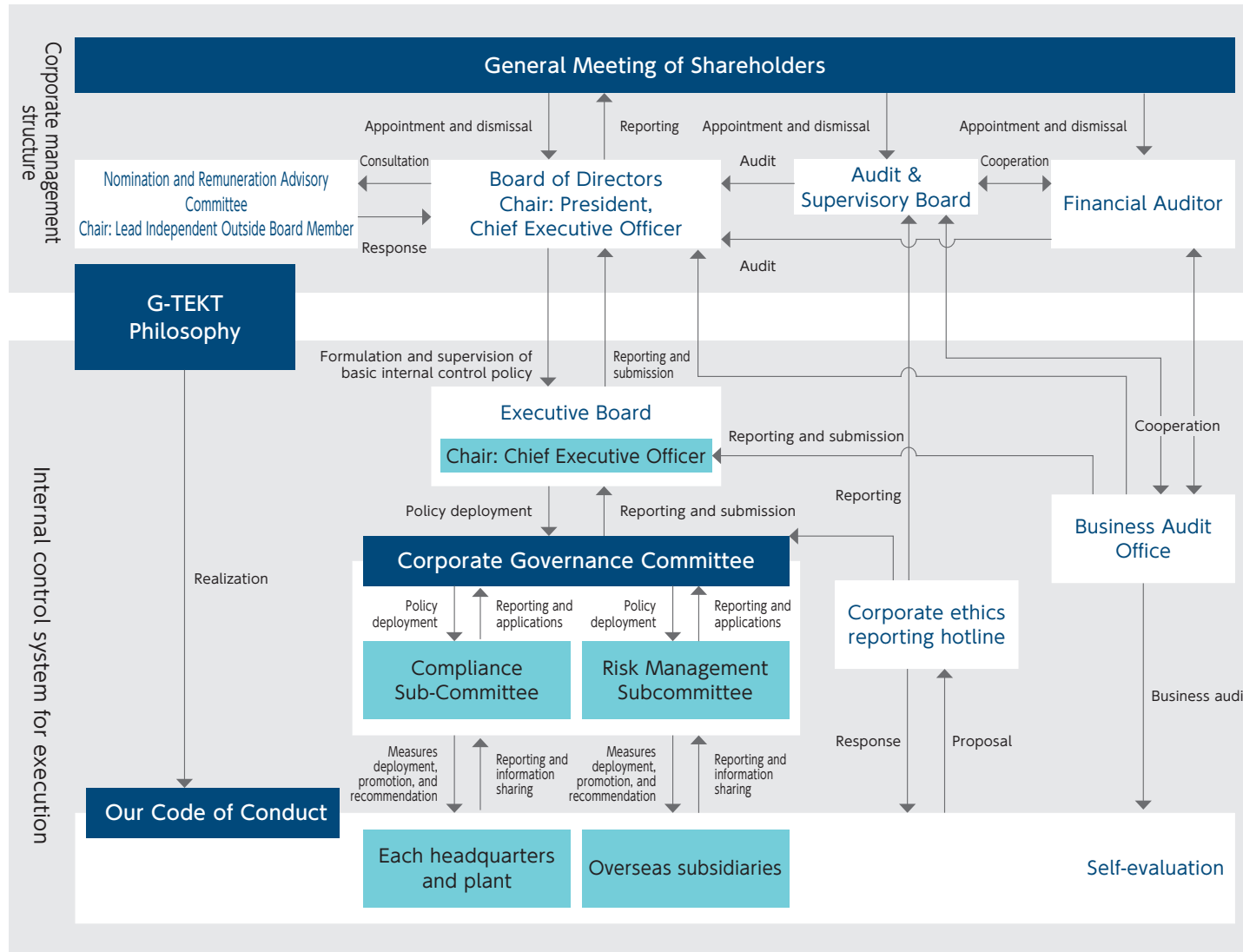
### Nomination and Remuneration Advisory Committee



Committee Chairperson:	Independent Outside Board Member Keiji Kasamatsu
Term:	1 year

Corporate Governance

▶ Corporate governance system outline drawing



Reasons for adopting the current corporate governance system

The Company has adopted the structure of a company with a board of auditors. The Board of Directors (including Outside Members of the Board) makes appropriate decisions by sharing information and exchanging opinions about the business of the Company and the industry, and by supervising business execution. In addition, Audit & Supervisory Board Members who are deeply familiar with the business of the Company, together with Outside Audit & Supervisory Board Members with a high level of expertise, are responsible for performing the audit function from a neutral standpoint and independently of the Board of Directors in order to maintain and enhance the transparency of management. This system has been adopted because it enables a highly effective approach to governance.

## Corporate Governance

### Major meeting bodies

	Number of times held in FY2025	Total number of members	Internal Board Members	Outside Board Members	Chair
Board of Directors	<b>13 times</b>	<b>6</b> (Male: 5 / Female: 1)	<b>4</b> (Male: 4)	<b>2</b> (Male: 1 / Female: 1)	<b>President, Chief Executive Officer</b>
Summary	The Board of Directors meets on a regular basis or on an extraordinary basis as necessary, and under the direction of the President, Chief Executive Officer, makes resolutions on matters stipulated in laws and regulations, the Articles of Incorporation, and the Board of Directors Regulations, and makes important management decisions. In addition, the Board of Directors receives reports from each Board Member and executive officer on business matters and fulfills its monitoring and supervisory functions.				
	Number of times held in FY2025	Total number of members	Internal Board Members	Outside Board Members	Chair
Nomination Advisory Committee	<b>1 times</b>	<b>3</b> (Male: 2 / Female: 1)	<b>1</b> (Male: 1)	<b>2</b> (Male: 1 / Female: 1)	<b>Lead Independent Outside Member of the Board</b>
Summary	An advisory committee to the Board of Directors has been established, and the Board of Directors consults with it on important agenda items, such as the nomination of candidates for Members of the Board and Audit & Supervisory Board Members, as appropriate.				
	Number of times held in FY2025	Total number of members	Internal Board Members	Outside Board Members	Chair
Remuneration Advisory Committee	<b>2 times</b>	<b>3</b> (Male: 2 / Female: 1)	<b>1</b> (Male: 1)	<b>2</b> (Male: 1 / Female: 1)	<b>Lead Independent Outside Member of the Board</b>
Summary	An advisory committee to the Board of Directors has been established, and the Board of Directors consults with it on important agenda items, such as remuneration for Members of the Board and Audit & Supervisory Board Members, as appropriate.				
	Number of times held in FY2025	Total number of members	Internal Audit & Supervisory Board Members	Outside Audit & Supervisory Board Members	Chair
Audit & Supervisory Board	<b>13 times</b>	<b>4</b> (Male: 4)	<b>2</b> (Male: 2)	<b>2</b> (Male: 2)	<b>Audit &amp; Supervisory Board Member</b>
Summary	The Audit & Supervisory Board meets at least once a month in principle. Each Audit & Supervisory Board Member attends meetings of the Board of Directors, investigates the status of business and assets in cooperation with the Financial Auditor, and audits the execution of duties by the Board Members in accordance with the audit policy, division of duties, and other matters determined by the Audit & Supervisory Board.				
	Number of times held in FY2025				
Executive Board	<b>24 times</b>	Summary The Executive Board is an organization that deliberates in advance on matters to be discussed at meetings of the Board of Directors and resolves management matters authorized by the Board of Directors. In addition to the regular meetings of the Executive Board, the Global Executive Board has been established to intensively discuss business plans.			
	Number of times held in the fiscal year ended March 31, 2025				
Global Executive Board	<b>2 times</b>	Summary Separately from the regular Executive Board, this is a body that focuses on deliberating business plans.			

\* The structure of Board Members and Audit & Supervisory Board Members is as of March 30, 2025.

### Main agenda of the Board of Directors meeting for the fiscal year ended March 31, 2025

#### General management

- Report on major agenda items at the Executive Board
- Approval of financial results for the fiscal year ended March 31, 2024
- Business plan for the next fiscal year
- Implementation of long-term borrowing
- Restructuring of domestic organization
- Review of cross-shareholdings
- Construction to expand factories in Japan and overseas

#### General Meeting of Shareholders related

- Convocation of General Meetings of Shareholders and determination of agenda items
- Approval of business reports, financial statements, etc.
- Looking back at 13th Ordinary General Meeting of Shareholders

#### Shareholders

- Implementation of interim dividend
- Report on the results of shareholder questionnaires

#### Board Members and Audit & Supervisory Board Members and organization related

- Selection of Chief Executive Officer
- Remuneration and bonuses for Board Members and Audit & Supervisory Board Members
- Election of Executive Officers and site managers
- Updating of directors and officers liability insurance (D&O insurance)
- Resolving of matters to be disclosed
- Changes in shareholder return policy

#### Other

- Conducting and reporting on evaluation of the effectiveness of the Board of Directors
- Reporting on business audit activities
- Amendments to regulations

## Corporate Governance

### ▶ Evaluation of the effectiveness of the Board of Directors

With regard to the effectiveness of the Board of Directors, we conduct an annual self-evaluation questionnaire (anonymous) for the Members of the Board of Directors and Audit & Supervisory Board Members, and the results are shared and deliberated by the Board of Directors.

We have conducted the questionnaire for the past nine years in an effort to identify issues and monitor improvements.

In the fiscal year ended March 31, 2023, another evaluation was implemented in a form following that of the previous term, as a result of which it was confirmed that the Board of Directors continues to be highly effective in establishing a system for dialogue with shareholders, providing appropriate non-financial information, and appropriately supervising human resource strategies.

We extended the activities of the Board of Directors and implemented reporting meetings for company business and also meetings for Outside Board Members and Outside Audit & Supervisory Board Members, as well as other measures based on the evaluation results of the previous fiscal year. This led to visible improvements in such evaluation items as training of Officers and information sharing among Outside Board Members and Outside Audit & Supervisory Board Members.

On the other hand, it was noted that there remained issues with the formulation of a policy on allocation of management resources that takes into account the cost of capital, appropriate supervision of the approach to human capital strategy, and other matters.

In the fiscal year ended March 31, 2024, it was confirmed that the Board of Directors was highly effective in such areas as the creation of appropriate agenda items, assessment-based nomination of management team members, incentive remuneration systems, feedback on shareholder opinions, and the provision of suitable non-financial information.

Extending the activities of the Board of Directors based on the evaluation results of the previous fiscal year led to visible improvement in such areas as enhancing corporate value by addressing sustainability issues, and using the promotion of DX to achieve sustainable increases in corporate value.

On the other hand, it was noted that improvements were desired on such issues as information sharing among Outside Board Members and Outside Audit & Supervisory Board Members, and appropriate supervision of the approach to human capital strategy.

In the fiscal year ended March 31, 2025, it was confirmed that the Board of Directors was highly effective in such areas as the responsibilities of Independent Outside Directors, appropriate composition of the Board of Directors, the roles and responsibilities of the Audit & Supervisory Board, incentive remuneration systems, and the provision of suitable non-financial information.

Extending the activities of the Board of Directors based on the evaluation results of the previous fiscal year led to visible improvements in such areas as appropriate supervision of the approach to human capital strategy, and evaluation of whether or not to continue holding cross-shareholdings.

On the other hand, there were found to be inadequacies in information sharing among Outside Board Members and Outside Audit & Supervisory Board Members, and the effectiveness of the whistleblowing system was deemed insufficient, showing that issues with the effectiveness of the operations of the Board of Directors remain. To address these issues, we plan to implement corporate governance measures to strengthen the operational functions of the Board of Directors, among others.

Going forward, we will continue to consider further improvement measures to improve the effectiveness of the Board of Directors.

### ▶ Compliance with the Corporate Governance Code

Recently, the diversity of the Board of Directors and increasing the percentage of Independent Outside Board Members have become critical concerns for institutional investors. As ongoing initiatives in response to the requirements of the Corporate Governance Code on this issue, the Company made the ratio of Independent Outside Board Members on the Board of Directors at least one-third in the fiscal year ended March 31, 2019, developed and published a skill matrix with identifying the skills required of the Board of Directors from the fiscal year ended March 31, 2022, and held a General Meeting of Shareholders on June 2022 that appointed a new Independent Outside Board Member with management experience.

In addition to improving the functions of the Board of Directors as described above, the June 2021 Corporate Governance Code has been revised to include items such as ensuring diversity in core human resources and addressing issues surrounding sustainability. Based on this, in addition to establishing policies and targets for the diversity of our human resources, including managers, and drawing up and publicizing our Basic Sustainability Policy, we launched initiatives to enhance the quality and quantity of climate change disclosures based on TCFD recommendations. After the Company successfully made the transition to the Prime Market of the Tokyo Stock Exchange in April 2022 as a result of these initiatives, in March 2023 the Tokyo Stock Exchange requested that listed companies implement approaches to management that take into account the cost of capital\*. In response to this G-TEKT accelerated internal discussions on the subject, which included setting management indicators and targets for improving return on capital in June 2023, and has continued to promote measures in line with the spirit of the Corporate Governance Code, such as introducing indicators and setting targets intended to improve the market's evaluation of its efforts.

#### Corporate Governance Report

[https://www.g-tekt.jp/company/pdf/governance\\_report.pdf](https://www.g-tekt.jp/company/pdf/governance_report.pdf)

\* In January 2024 the Tokyo Stock Exchange published a list of companies that were implementing and disclosing approaches to management that is conscious of the cost of capital in accordance with the above-mentioned request, and G-TEKT was included on this list.

<https://www.jpx.co.jp/equities/follow-up/02.html>

## Corporate Governance

### Policy for determining the amount of remuneration for Board Members and Audit & Supervisory Board Members or calculation methods thereof

The decision-making policy regarding the details of individual remuneration, etc. for Board Members is resolved by the Board of Directors after deliberation by the voluntary Remuneration Advisory Committee, chaired by an Independent Outside Board Member.

#### (1) Basic approach

The Company's remuneration system for officers is designed to motivate officers to contribute to the improvement of the Company's performance in the short- and medium-term in order to enable sustainable growth and increase in corporate value. Based on this, the Company's remuneration system for officers consists of three types of remuneration: basic remuneration as a fixed amount and monthly salary, bonuses linked to short-term performance, and share-based remuneration linked to stock price and performance.

Remuneration for Outside Board Members and Outside Audit & Supervisory Board Members consists only of basic remuneration from the perspective of their roles and independence.

#### (2) Procedures for determining remuneration, etc.

Basic remuneration, bonuses, and share-based remuneration, including the details of remuneration, etc. for each individual, are deliberated by the voluntary Remuneration Advisory Committee chaired by the Lead Independent Outside Board Member. Based on the results of the deliberations of the voluntary Remuneration Advisory Committee, the final decision is made by a resolution of the Board of Directors at the discretion of the President.

The process is set forth in the Regulations of the Board of Directors and the Regulations of the voluntary Remuneration Advisory Committee. In determining the details of individual Board Member remuneration, etc., the voluntary Remuneration Advisory Committee, chaired by an Independent Outside Board Member, examines the draft in light of the decision policy, and the Board of Directors believes that the content of the draft is in line with the decision policy.

### Composition of remuneration

Type of remuneration	Payment standard	Composition of remuneration (approximate)	Classification
Basic remuneration	For the Chief Executive Officer and below, remuneration is set as a fixed monthly salary based on the position, taking into account the responsibilities, length of service, the level of other companies, and the level of employee salaries.	70%	Monetary remuneration
Performance-based remuneration (Bonuses)	(1) The total amount to be paid will be determined by setting a performance coefficient based on operating profit for the current fiscal year and taking into consideration various factors such as the operating margin, the year-on-year growth rate of operating profit, ROE, and the contribution of ESG (climate change, social contribution activities, and governance). (2) The amount of individual remuneration is calculated by multiplying the base amount according to the position by a coefficient corresponding to the level of contribution.	10%	Monetary remuneration
Share-based remuneration*	(1) Points are granted to Board Members and Executive Officers, excluding Outside Board Members, for each fiscal year according to their position, performance, etc., and shares corresponding to the total number of points are delivered upon retirement of each officer. (2) Consists of a non-performance-linked portion and a performance-linked portion that uses operating profit as a performance indicator, and the amount of performance-linked remuneration is determined by multiplying the standard amount for each position by a coefficient based on the performance of operating profit.	20%	Non-monetary remuneration

\* The target for operating profit, which is the indicator for performance-linked share-based remuneration in FY2024, was ¥14.2 billion, and the actual result was ¥16.380 billion. For performance-linked share-based remuneration, points equivalent to ¥15 million have been granted.

### Total remuneration for Board Members and Audit & Supervisory Board Members

Categories of officers	Total amount of remuneration, etc. (Millions of yen)	Amount of remuneration, etc. by type (Millions of yen)			Number of recipient officers (people)
		Basic remuneration	Bonuses	Share-based remuneration	
Board Members (excluding Outside Board Members)	242	158	39	44	4
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	30	30	—	—	2
Outside Board Members and Outside Audit & Supervisory Board Members	20	20	—	—	4

## Corporate Governance

### ▶ Anti-corruption initiatives

In December 2017, we established an anti-bribery policy in response to the anti-bribery laws and regulations of various countries, including Japan, the United Kingdom, and the United States, with the aim of maintaining healthy and transparent relationships with public officials, customers, and business partners. To ensure that bribery is not only prohibited but also effectively prevented, this policy stipulates that G-TEKT will promote the development of organizational structures and internal regulations, educate employees, request cooperation from business partners, and properly conduct accounting records and audits. Based on this policy, we are working daily to prevent corruption by establishing a management system at the global level, using a manual that describes the policy, and reporting the use of expenses before and after the expenses are used.

#### Reference

<https://www.g-tekt.jp/ir/governance/basic.html>

### ▶ Promotion of fair business practices

We recognize that a healthy competitive environment among companies is important for the development of society. With the aim of complying with the competition laws of each country and region (including related legislation), G-TEKT established a Competition Law Compliance Policy in December 2017, declaring that it will not tolerate any conduct that violates competition laws. This policy specifically stipulates the procedures to be followed by officers and employees of the G-TEKT Group when participating in meetings with other companies in the same industry, as well as prohibited activities at such meetings, so that compliance with competition laws can be more effectively maintained. We ask our suppliers to comply with these rules in accordance with our CSR guidelines.

#### Reference

<https://www.g-tekt.jp/ir/governance/basic.html>

### ▶ Tax Policy

G-TEKT CORPORATION (the "Company") establishes its tax policy and complies with it to fulfill responsibility for appropriate tax payments throughout its group.

1. General Principle	The Company contributes to financials of each country by appropriate tax payment in accordance with local laws and regulations in each country.
2. Transfer Pricing	The Company applies OECD transfer pricing guideline and the Base Erosion and Profit Shifting (BEPS) as overarching guiding principles for international transactions. It does not apply tax incentives that deviates from the intent of laws and regulations.
3. Governance	The Company is committed to resolve tax issues in a timely manner in cooperation with our overseas subsidiaries when it identifies them. Further, when it specifies highly important issues, it reports them to The Board of Directors of the Company. It reports them to Audit and Supervisory Board as well.
4. Promoting Tax Compliance Mindset and Knowledge	The Company is committed to educating its employees on tax compliance through its training programs.
5. Relationship with Tax Authorities	The Company makes efforts to have a productive relationship with each tax authority and sincerely responds to a request from tax authorities for providing information and takes measures to prevent recurrence to matters that tax authorities pointed out. Further, if disagreement arises, the company makes efforts to resolve it with constructive dialogue.
6. Scope of Application	This policy applies to The Company's all officers and employees. The Company also requests all business partners involved in its business activities to understand and cooperate with this policy.
7. Positioning	This policy supplements The Company's Philosophy and Code of Conduct.

#### Reference

<https://www.g-tekt.jp/ir/governance/basic.html>

## Corporate Governance

### ▶ Dialogue with shareholders and investors

We have established a Policy concerning Dialogue with Shareholders and strive to disclose information in an accurate, timely, fair, and proactive manner, and promote constructive dialogue through the General Meetings of Shareholders, financial results briefings, factory tours, and individual interviews.

The results of the shareholder questionnaire survey conducted twice a year are all reported to the Board of Directors, and discussions are deepened to reflect the honest opinions of shareholders in management.

#### Main IR activities in FY2024

Activity	Number of activities	Details
Financial results briefings for analysts and institutional investors	4	Financial results briefings attended by the President twice a year (second quarter and fiscal year end), and online briefings by the officer in charge of finance and IR at the end of the first and third quarters
Individual dialogue with analysts and institutional investors	34	The IR department plays a central role in setting up opportunities for individual dialogue between analysts and institutional investors and the General Manager of Finance Division
Factory tour for shareholders	2	Twice a year (spring and fall), tours of factories and research facilities in Japan are conducted.

### ▶ Enhanced compliance

As a company keenly aware of compliance, we ensure complying with all applicable laws and company regulations, as well as always acting in good faith as a model of a good corporate citizen. We view compliance as a way to fulfill the expectations of stakeholders, and have created the G-TEKT Code of Conduct to set out the principles that every employee must abide by in order to achieve the highest ethical standards, and ensure that employees are fully aware of them. To ensure that compliance penetrates the awareness of and is accepted by employees, we implement training that, in recent years, has covered such topics as insider trading, information security, and prevention of harassment. Going forward we will continue to make ongoing improvements to prevent scandals and to address them quickly, to ensure thorough compliance and even greater acceptance.

### ▶ Exclusion of antisocial forces

The Company takes a resolute attitude to organizations of antisocial forces that may disrupt the order of civic society or threaten the peace, and will not respond in any way to improper demands. In the event of an improper demand from antisocial forces, we will not only clearly express our rejection of the demand to the antisocial forces but also promptly notify the relevant police authorities. In addition, we participate in liaison conferences held by the police and specialist external agencies, centrally gather and manage information on antisocial forces, and work to maintain links with such specialist agencies.

### ▶ Criteria of Independence for Outside Directors

The Company has established criteria for the independence of Outside Members of the Board, and in the event that Outside Members of the Board satisfy the following criteria, they are deemed to be fully independent of the Company.

1. The individual has never worked at the Group
2. The individual has never worked at an organization that is a major shareholder of the Company
3. The individual has never worked at a major trading partner (Note 1) of the Company.
4. The individual has never worked at a major lender (Note 2) of the Company
5. The individual has never worked at the lead managing underwriter of the Company
6. The individual has never worked at the audit firm of the Company
7. There is currently no major trading relationship (Note 3) between the Company and the individual, such as in the form of a consulting or advisory agreement, and there has been no such relationship in the past five years
8. The individual has never worked at an organization in which the Company has made the decision to invest for cross-shareholding purposes
9. No relatives (Note 4) of the individual work for the Company
10. The tenure of the individual as Outside Members of the Board or Outside Audit & Supervisory Board Member at the Company is less than ten years in total

Note 1: "Major trading partner" refers to a party for which the sales, etc., through the transactions with said trading partner account for a considerable portion of the sales, etc., of the Company, or to a party that provides a considerable amount of business property, such as important equipment and materials that are indispensable to the business activities of the Company.

Note 2: "Major lender" refers to our so-called main banks and quasi-main banks.

Note 3: "Major trading relationship" refers to cases where the payments received from the Company exceed ¥10 million per year.

Note 4: "Relative" refers to the spouse of the individual or to a relative within the fourth degree of kinship.

## Message from Outside Director

# Board Members will work together as one for improved corporate value and sustainable development.

### Looking back on the past year

Looking back at FY2024, with labor, material, and other causes soaring against the background of monetary tightening around the globe, Chinese automobile manufacturers continued to compete aggressively in electric vehicles, significantly raising their presence not only in the Chinese market but also in Asian markets.

In the second half, the new administration in the U.S. engaged in tariff negotiations that led to a lack of certainty about automobile sales in that market.

With a variety of electrification auctions being reconsidered, and not only BEVs, with the result that the hybrid vehicles that are the specialty of Japan and the BEVs in which China has an advantage are increasing their lead.

During this period of transformation, the Board of Directors approved expansions at the U.K., Gunma, and North America plants respectively to provide support for bold management.

In addition, we also began operation of the Chubu Plant and the Nansha Plant, where production, inspection, and logistics has been automated, and going forward we expect to realize the "smart factory" concept and roll it out globally.

The Board of Directors visited the Chubu Plant directly after the beginning of production and experienced the innovation for themselves. Moreover, while making use of existing production facilities, we are implementing initiatives for the development of large-scale integrated components in collaboration with steel and aluminum diecast manufacturers, and we continue to resolutely clear the targets set on the basis of these development and technological capabilities.

This fiscal year we updated the shareholder return policy and set targets not only for DOE but also the payout ratio, thus increasingly meeting the expectations of shareholders.

In terms of promoting sustainability, as well as taking steps at the newly completed factories to conserve the environment, including reductions in CO<sub>2</sub> emissions, we formulated the G-TEKT Human Rights Policy in FY2024, and worked proactively on initiatives that involved subsidiaries and affiliated companies.

### Future expectations

Despite electrification having come to a standstill in markets other than China, we continue to work actively on the commercialization of the motor core business and the battery housing and cell case business that we have been promoting as a response to electrification, and expect to sell these products globally.

In addition, we have a crowd of measures to strengthen the business going forward jostling for our attention, including the previously mentioned realization of smart factories, and the expansion of the large-module strategy.

In order to be certain of achieving these, the Board of Directors also intends to be unstinting in its efforts.

### Future challenges

As symbolized by the smart factories, nurturing and attracting DX-literate human resources will be an extremely important HR strategy for the development of business as we go forward into the digital society.

Not only have we revised the existing overseas study program but we are also providing reskilling and educational opportunities to all employees, which include the nurturing of female leaders, given that enhancing the abilities of employees will be essential in achieving a surge in growth for the Company going forward.

With the Tokyo Stock Exchange requesting improvements in PBR, the Company will need to raise the share price further, so in addition to upgrading the shareholder return policy in FY2024, we believe it will be necessary to intensify our IR activities in order to have corporate value and performance reflected properly in the share price.

Outside these, there are a variety of issues to address, including governance of subsidiaries and affiliated companies, but the Board of Directors will work together as one to resolve these challenges going forward, and contribute to increases in corporate value and sustainable development.

I invite stakeholders to expect growth for the Company in the future, and humbly request their further understanding and support.



Lead Independent Outside  
Member of the Board

**Keiji Kasamatsu**