



### Notice Concerning Progress of Measures to Prevent Recurrence (2nd)

As stated in the “Notice Concerning Formulation of Measures to Prevent Recurrence, Establishment of Governance Review Committee, Disciplinary Action against Parties Involved, and Policy for Pursuing Responsibility of Former Officers, etc.” dated November 21, 2023, Tamron Co., Ltd. (the “Company”) has formulated measures to prevent the recurrence of the inappropriate use of Company funds, etc., based on the recommendations of the Special Investigation Committee. The whole Company is now working together to prevent such recurrence, in an effort led primarily by the Governance Review Committee.

In the period from the publication of Notice Concerning Progress of Measures to Prevent Recurrence on February 8, 2024 to the present, the Governance Review Committee held two meetings. The Company reports on the current progress of measures to prevent a recurrence as follows.

Past developments have been announced as follows.

- Published on November 21, 2023 “Notice Concerning Formulation of Measures to Prevent Recurrence, Establishment of Governance Review Committee, Disciplinary Action against Parties Involved, and Policy for Pursuing Responsibility of Former Officers, etc.”  
[https://www.tamron.com/global/ir/upload\\_file/tdnrelease/7740\\_20231121593261\\_P01\\_.pdf](https://www.tamron.com/global/ir/upload_file/tdnrelease/7740_20231121593261_P01_.pdf)
- Published on February 8, 2024 Notice Concerning Progress of Measures to Prevent Recurrence  
[https://www.tamron.com/global/ir/upload\\_file/tdnrelease/7740\\_20240207528913\\_P01\\_.pdf](https://www.tamron.com/global/ir/upload_file/tdnrelease/7740_20240207528913_P01_.pdf)

#### Detail

##### 1. Progress of measures to prevent recurrence

- (1) Review of entertainment expenses for officers and employees, establishment of new rules for internal food and beverage expense spending, and thorough dissemination of these rules

[Progress]

In February 2024, the Company revised the regulations, in which it established rules and supplementary explanations, with respect to Items ① to ③, and made them known to all its employees through internal bulletin boards, e-mail and other means in connection with Item ④. Subsequently, the Company provided education during compliance training and on other occasions.

The Company will continue to give education and others to all its employees on a regular basis through the Compliance Promotion Committee in a bid to disseminate new regulations and rules and to prevent inappropriate spending of entertainment expenses.

- ① Revision of job authority statements (establishment of maximum amounts for entertainment expenses)
- ② Clarification of prohibition of self-approval
- ③ Establishment of expenditure, approval, and other operational rules for entertainment expenses
- ④ Awareness raising within the company / departments, and regular education

(2) Strengthen checks and audits on officer-related expenses

[Progress]

In December 2023, a new expense checking workflow by the accounting department ① was introduced for expense reimbursement processing for the executive office. In March 2024, the Internal Audit Regulations, including Items ② to ④, were revised in conjunction with the transformation to a Company with Audit & Supervisory Committee.

In addition, a review on audit items for internal audits of the Executive Assistant Section ⑥ was performed in January 2024, and, in compliance with Item ⑤, the section underwent an audit with the internal audit items after the revision in June 2024. The audit involved the examination of documents and an on-site visit for inspection and confirmed that management was implemented in compliance with the regulations without problem, including management of officers' expenses.

The Company will continue to conduct an internal audit each year against the Executive Assistant Section, while strengthening internal and organizational audits.

- ① Introduction of a checking workflow by the accounting department (pre-check at the time of Concur application)
- ② Granting Audit & Supervisory Committee members the authority to give instructions and approvals to the Internal Audit & Supervision Board
- ③ Granting Audit & Supervisory Committee members the right to express their opinions on internal audit plans approved by the president.
- ④ Revision of the internal audit policy (stipulating that in the event of a conflict between the president's instructions/approval and the Audit & Supervisory Committee member's instructions/approval in the preparation and implementation of the internal audit plan, the Audit & Supervisory Committee member's instructions/approval will take precedence)
- ⑤ Increasing the frequency of internal audits of the Executive Assistant Section (from around once every three years to once a year)
- ⑥ Reviewing audit items for internal audits of the Executive Assistant Section (including those related to executive office expenses)

(3) Monitoring of officer-related expenses by the Board of Directors

[Progress]

In December 2023, a resolution was passed on a budget proposal with a breakdown of executive office expenses attached ①. In January 2024, a list of actual entertainment expenses for the executive office was distributed and reported ②.

Going forward, Item ① will be implemented every year and Item ② will be implemented every month.

- ① Attachment of a breakdown of departmental expenses budgets (including executive office expenses) when presenting the draft budget for the next fiscal year to the Board of Directors
- ② Distribution of a list of actual entertainment expenses for the previous month incurred by the executive office at Board of Directors meetings

(4) Further tightening and operational improvement of nomination procedures in the Nomination Committee

[Progress]

In January 2024, the Nomination Committee implemented officer nomination procedures based on the governance guidelines ①. In February 2024, provided more materials to the Board of Directors by the Nomination Committee ②.

In July 2024, the Company held the second meeting of the Nomination Committee to increase the frequency of

its meetings as well as their quality ③. At least one other meeting is scheduled within this year and several are due to be held next year. The Company will continue to improve their effectiveness by holding meetings as appropriate.

- ① Tightening of officer nomination procedures by the Nomination Committee (individually confirming and documenting the qualifications of officers as described in the Governance Guidelines)
- ② Improvement of the content of materials provided to the Board of Directors by the Nomination Committee
- ③ Increasing the frequency (from once or twice a year to four times a year) and improving the quality of Nomination Committee meetings

- (5) Raising awareness of all officers and employees, conducting training for officers by outside instructors, and enhancing training for all officers and employees, etc.

[Progress]

In January 2024, the whistleblowing system regulations were revised, including ③ more rigorous protection and confidentiality for whistleblowers ③. At the same time, a notice was issued (including to overseas subsidiaries) and all officers and employees were re-informed of the existence of the system by posting posters within the company and posting information on the internal portal site.

The Company had its legal advisor provide training for officers ① in March 2024, and the Compliance Promotion Committee provide training for all officers and employees ② in June 2024, and organized a workshop for all employees in which an outside director acted as a lecturer ⑤ in July.

The Company will continue to enhance its regular compliance training and education for all its officers and employees and perform engagement surveys and monitoring for all employees to check the effectiveness of training and education.

- ① Special training for officers by corporate legal advisor (twice a year)
- ② Step-up training for all officers and employees by the Compliance Committee, etc. (twice a year)
- ③ Promoting understanding of the whistleblower system through training for all employees, and encouraging use of the system by increasing awareness of the system.
- ④ Fostering a corporate climate that is less prone to fraud and misconduct by understanding and monitoring the current state of the corporate climate through engagement surveys of all employees
- ⑤ Conducting training and seminars for all employees led by outside directors (twice a year)

## 2. State of improvement of other aspects of overall governance

[Progress]

In December 2023, an early decision was made to transition to a Company with Audit & Supervisory Committee system ①. In February 2024, the decision was made to secure a majority of outside directors ②, and the activities of the committee were reported to the Board of Directors ③, thereby strengthening the Board's supervisory function.

The Company will continue to improve corporate governance and increase its effectiveness, mainly by means of third-party involvement in evaluations of the effectiveness of the Board of Directors.

- ① Transitioning to a Company with Audit & Supervisory Committee system
- ② Decision to secure a majority of outside directors
- ③ Reporting of committee activities to the Board of Directors
- ④ Improving evaluations of the effectiveness of the Board of Directors (third-party involvement in evaluations of effectiveness)

The Company will continue to implement and monitor measures to prevent recurrence, engage in compliance-oriented management, and work to regain the trust of shareholders, business partners, and other related parties.