

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.

As stated in the “Announcement of investigation report from the Special Investigation Committee” dated November 2, 2023, Tamron Co., Ltd. (the “Company”) has received an investigation report (hereinafter the “Investigation Report”) from the Special Investigation Committee regarding the inappropriate use of the Company money by the former President & CEO, etc. (hereinafter the “Case”). The Company has examined measures to prevent recurrence based on the findings and recommendations of the Committee.

Consequently, at a meeting of the Board of Directors held today, the Company resolved to formulate measures to prevent a recurrence of the Case, establish a Governance Review Committee, take disciplinary action against the parties involved in the Case, and pursue the responsibility of the former officers, etc.

Details are as follows.

The Company deeply apologizes for the great inconvenience regarding the Case to customers, shareholders, business partners, and other related parties. The Company is committed to preventing any recurrence and pursuing the responsibility of the former officers, etc. in order to regain trust. The Company would be grateful for your understanding and support in this matter.

1. Recurrence preventive measures

The Company takes the Case very seriously and will accordingly take the analysis of the causes pointed out in the Investigation Report and the recommendations for preventing recurrence seriously. The following measures will be taken with a focus on developing effective ways to prevent a recurrence and strengthen internal controls. As indicated below, the Company will begin taking steps to address all of the recommendations made by the Investigation Report. However, its actions will not be limited to those listed below, as the Company will work to strengthen its internal controls with the goal of further improvement.

- (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 (Efforts to address the recommendations in Section 3 of Part 10 of the Investigation Report)
 - Establishment of maximum amounts for entertainment expenses for officers and employees
 - Establish new rules for in-house food and beverage expenses and hold briefings to ensure that all officers and employees are aware of these rules.

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

(Efforts to address the recommendations of Section 5 and 6.3 of Part 10 of the Investigation Report)

- Establishment of a flow chart for the internal control department (accounting department), which is responsible for the second-line check the processing of expense reimbursement in the executive office.
- The auditor is given the authority to give certain instructions and approvals to the Internal Audit & Supervision Board.
- Granting auditors the right to express their opinions on internal audit plans approved by the president.
- The Company has also established an internal audit policy that stipulates that in the event of a conflict between the president's instructions/approval and the auditor's instructions/approval in the preparation and implementation of the internal audit plan, the auditor's instructions/approval must take precedence.
- Strengthen the frequency of internal audits of the Executive Assistant Section and review audit items (including those related to executive office expenses).

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

(Efforts to address the recommendations in Section 4 of Part 10 of the Investigation Report)

- When presenting the draft budget for the next fiscal year to the Board of Directors, attach detailed departmental budgets (including entertainment expenses for executive office) to the Board of Directors' meeting materials.
- Distribution of the list of actual entertainment expenses incurred by the executive office at the Board of Directors' meeting

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

(Efforts to address the recommendations in Section 2 of Part 10 of the Investigation Report)

- Further tightening of nomination procedures for Board members by the Nomination Committee in line with the existing governance guidelines (including the addition of items to be discussed such as compliance risks, etc.)
- Improvement of the Nomination Committee operation (provision of more materials, increased frequency of meetings for monitoring after nomination, etc.)

(5) Raise awareness of all officers and employees, conduct training for officers by outside instructors, strengthen training for all officers and employees, etc.

(Efforts to address the recommendations of Section 1, 6.1 and 6.2 of Part 10 of the Investigation Report)

- Special training for officers with outside experts as lecturers
- Step up training for all officers and employees in the Compliance Committee
- Promote understanding of the whistleblower system through training for all employees, and encourage use of the system by increasing awareness of the system.

- Fostering an organizational climate that is less prone to fraud and misconduct by understanding and visualizing the current state of the organizational climate through surveys and questionnaires for all employees, etc.
- Conduct training and seminars for all employees led by Outside Director and Independent Corporate Auditor.

2. Establishment of Governance Review Committee

The Company established a Governance Review Committee to continuously monitor the proper implementation of measures to prevent a recurrence and to otherwise study and implement improvements in overall governance.

<Roles>

- Improvement of the Corporate Governance System to strengthen the supervisory function of the Board of Directors
- Prepare an action plan for measures to prevent a recurrence based on the recommendations of the Special Investigation Committee.
- Management of the overall progress of recurrence prevention measures based on the plan
- Improvement of rules and operations to prevent recurrence

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Chair: President & CEO

Attendees: All directors and corporate auditors, heads of divisions in charge of promoting measures to prevent recurrence (Administrative Management Unit, Corporate Strategy Unit, Internal Audit & Supervision Board, Executive Assistant Section)

3. Disciplinary Action against the Company's Officers

(1) Directors involved in the Case

Hiroshi Otsuka, Director: Resignation

(Note) In response to the results of the investigation, he has tendered his resignation as of today, and this resignation has been accepted.

(2) Other Directors

As the role of checking over the former President & CEO, etc. was inadequate, to clarify management responsibility, the following measures are taken.

Shogo Sakuraba, President & CEO:	Reduce monthly basic remuneration by 20% (3 months)
Shenghai Zhang, Managing Director:	Reduce monthly basic remuneration by 10% (3 months)
Masato Otani, Managing Director:	Reduce monthly basic remuneration by 10% (3 months)
Tomohide Okayasu, Managing Director:	Reduce monthly basic remuneration by 10% (3 months)

(3) Auditors

To clarify the supervisory responsibility of management, given that the role of checking over the former President & CEO, etc. was inadequate, the following actions are taken.

Takahiro Yamaguchi, Full-Time Corporate Auditor:

Voluntary return of 10% of monthly basic remuneration (1 month)

Takashi Hirayama, Full-Time Corporate Auditor:

Voluntary return of 10% of monthly basic remuneration (1 month)

4. Policy on Pursuing Responsibility for Former Officers, etc.

Based on the findings of the Special Investigation Committee, the Company will file a claim for the damages against the former officers of the Company who were found to have used expenses inappropriately and will also adopt a strict stance with a view to filing a lawsuit.