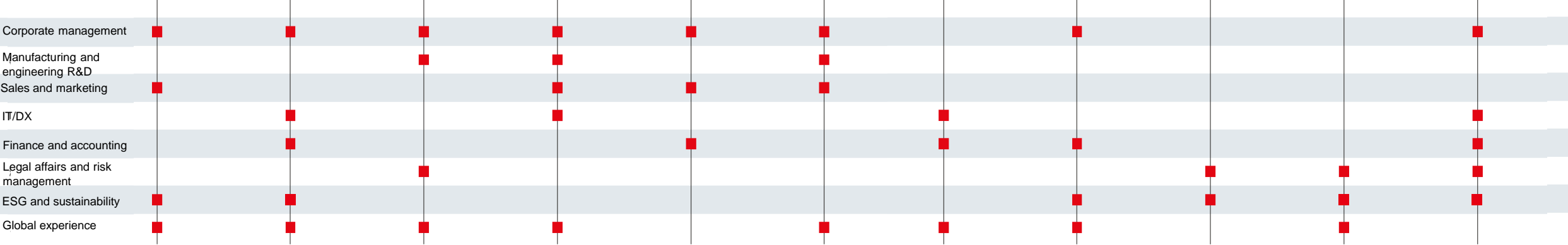


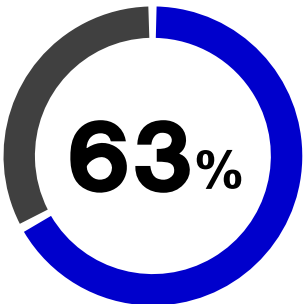
outside the company



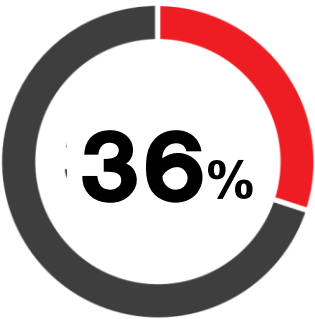
President and CEO	Representative Director Senior Managing Executive Officer	Director Senior Managing Executive Officer	Outside Director	Outside Director	Outside Director	Outside Director	Outside Director	Director serving as Audit & Supervisory Committee Member	Audit & Supervisory Committee Member	Audit & Supervisory Committee Member
Hiroshi Otsuka	Tracey Sivill	Kenji Morisaki	Yoshie Munakata	Goro Kamino	Hari N. Nair	Keisuke Tomimatsu	Emi Onozuka	Michi Miyasawa	Makiko Yamamoto <small>Outside Director</small>	Kazutaka Okubo <small>Outside Director</small>



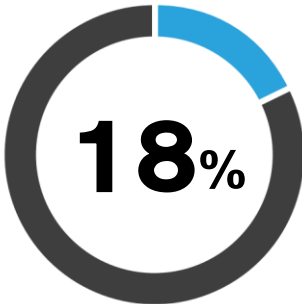
Outside Directors



Female directors







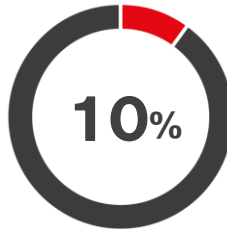
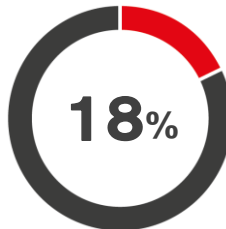
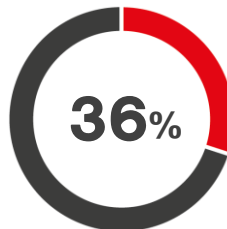
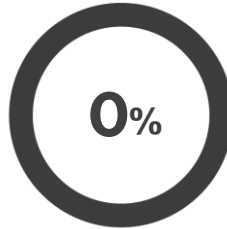
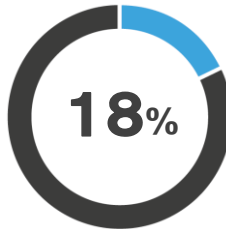
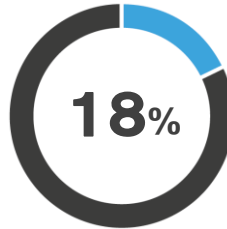


Foreign directors



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- Introduction of executive officer system
- Appointment of outside directors

Changes in the composition of the Board of Directors	2015	2018	2023												
Inside directors	<div></div> <table><tr><th>Total number of directors</th><th>Number of female directors</th></tr><tr><td>6</td><td>0</td></tr></table>	Total number of directors	Number of female directors	6	0	<div></div> <table><tr><th>Total number of directors</th><th>Number of female directors</th></tr><tr><td>5</td><td>1</td></tr></table>	Total number of directors	Number of female directors	5	1	<div></div> <table><tr><th>Total number of directors</th><th>Number of female directors</th></tr><tr><td>4</td><td>2</td></tr></table>	Total number of directors	Number of female directors	4	2
Total number of directors	Number of female directors														
6	0														
Total number of directors	Number of female directors														
5	1														
Total number of directors	Number of female directors														
4	2														
Outside directors	<div></div> <table><tr><th>Total number of directors</th><th>Number of female directors</th></tr><tr><td>4</td><td>1</td></tr></table>	Total number of directors	Number of female directors	4	1	<div></div> <table><tr><th>Total number of directors</th><th>Number of female directors</th></tr><tr><td>6</td><td>1</td></tr></table>	Total number of directors	Number of female directors	6	1	<div></div> <table><tr><th>Total number of directors</th><th>Number of female directors</th></tr><tr><td>7</td><td>2</td></tr></table>	Total number of directors	Number of female directors	7	2
Total number of directors	Number of female directors														
4	1														
Total number of directors	Number of female directors														
6	1														
Total number of directors	Number of female directors														
7	2														
Percentage of women	<div></div>	<div></div>	<div></div>												
Percentage of non-Japanese nationals	<div></div>	<div></div>	<div></div>												

Our company uses opportunities such as the Sustainability Strategy Meeting to deepen discussions with the Board of Directors to resolve long-term strategies for sustainable growth of corporate value.

The Sustainability Strategy Meeting deliberates on the direction, targets, and indicators for the realization of sustainability based on policies and strategies resolved by the Board of Directors. In addition to social issues and managerial risk and governance, we discuss from the perspective of medium- to long-term corporate value enhancement, as well as resolving issues in each field and at group companies in Japan and overseas. This meeting is held twice a year with the Board of Directors, executive officers, and executive officers meeting together. After deliberation at the Sustainability Strategy Meeting, resolutions are made by the Board of Directors.

Discussion topics at the Sustainability Strategy Meeting (2021-2023)

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- Business portfolio, Focus Areas, Business Domains
- Vision targets, midium-term targets
- Core Businesses
 - 4-wheel business/2-wheel business
- New Businesses
 - e-Mobility,
 - Energy Solution,
 - Smart Industry,
 - Plant Biotechnology,
 - CVC

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- Climate Change
- Human Capital
- Governance
- Risk Management
- Human Capital Development (DX)
- Intellectual Property/Intangible Assets

*In addition to this, tech tours and lectures by outside speakers are held to add multiple perspectives to the discussion.

■ Assessing board effectiveness

Each year, each director conducts a self-evaluation, and the Board of Directors analyzes and evaluates the effectiveness of the Board of Directors as a whole, using the results of the self-evaluation as a reference, and shares the results. In addition, a round-table discussion was held by outside directors to evaluate the board from objective and multifaceted perspectives.

We confirmed that the diversity of the Board of Directors' members, appropriate proceedings and opportunities for comments are ensured, and that discussions on the Group's overall management strategy and improvement of corporate value are sufficiently conducted.

In addition, in order to improve the effectiveness of the Board of Directors, the Company is working to further enhance its human capital management initiatives, which focus on continuous verification of company-wide risks from various perspectives and human resource development. We also provide directors with the information and knowledge necessary for them to properly fulfill their roles and responsibilities. Directors are provided with information on management and organizational operations, and training on the Group's management issues, relevant laws and regulations, and corporate governance is provided on an ongoing basis.

■ Independence of the Nominating Committee

The Company has established the Nominating Committee and the Remuneration Committee as advisory bodies to the Board of Directors. The purpose of the Nominating Committee is to enhance transparency and objectivity in determining candidates for directors and to strengthen the supervisory function of the Board of Directors. Candidates for Directors (excluding Audit Committee members) are determined by resolution of the Board of Directors after deliberation by the Nominating Committee, and candidates for Audit Committee members are determined by resolution of the Board of Directors with the consent of the Audit Committee.

The Committee is chaired by Keisuke Tomimatsu, an outside director. The committee consists of Hiroshi Otsuka, Goro Kamino, Keisuke Tomimatsu, and Emi Onozuka, with the majority of the members being outside directors. The meeting was held twice in FY2023, and the main topics discussed were the Company's Board of Directors structure, Executive Officers structure, personnel matters, and the division of roles among them.

■ Independence of the Remuneration Committee

The Remuneration Committee aims to ensure fairness, transparency, and objectivity in the compensation and evaluation of directors and executive officers, and deliberates on the establishment and revision of the director compensation system and evaluation system, as well as on the results of evaluation and the appropriateness of each compensation. Decision-making policies regarding the content of directors' remuneration, etc., are determined by resolution of the Board of Directors after deliberation by the Remuneration Committee.

The committee is chaired by Emi Onozuka, an outside director. The committee consists of Hiroshi Otsuka, Goro Kamino, Keisuke Tomimatsu, and Emi Onozuka, the majority of whom are outside directors, as is the case with the Nomination Committee. In fiscal 2023, we held 3 meetings. The attendance rate of meeting members was 100%. The main topics of discussion were the policy for payment of remuneration to directors and executive officers excluding Audit Committee members, individual remuneration proposals, review of evaluation indicators and design of the evaluation process.

Remuneration for officers

The Company determines the remuneration of each officer in accordance with the Policy for Decisions on Directors' and Executive Officers' Remuneration stipulated in the Basic Policy for Musashi Corporate Governance, and the Policy for Decisions Regarding the Details of Individual Remuneration, etc. of Directors resolved by the Board of Directors. The remuneration consists of basic salary which is fixed compensation for the execution of duties that is paid every month, performance-linked bonuses that are linked to business performance for the fiscal year, and restricted stock compensation that is aimed at sharing profits with shareholders and paid as an incentive for improving the Company's medium- to long-term corporate value. The remuneration of outside directors consists of the basic salary and restricted stock compensation, reflecting their roles and independence. The remuneration of directors serving concurrently as Audit and Supervisory Committee members includes only a basic salary, reflecting their roles. Decisions regarding remuneration are deliberated by the Remuneration Committee, which consists mainly of outside directors, before resolution by the Board of Directors, to increase the transparency and objectiveness of decisions regarding remuneration.

■ Policy for decisions regarding the details of the individual remuneration, etc. of Directors

Under the Policy for Decisions Regarding the Details of the Individual Remuneration, etc. of Directors, performance-linked remuneration is closely linked to the degree of achievement of target values for each fiscal year and initiatives for improving medium- to long-term corporate value. This is outlined as follows. See the Company's securities report for details. (Only in Japanese)

Policy for determining compensation, etc.

- 1 The basic policy on the remuneration of the Company's directors (excluding those serving concurrently as Audit and Supervisory Committee members; the same applies hereinafter) is to link the remuneration system to shareholder profit so that it is able to fully function as an incentive to improve corporate value sustainably, and to appropriately set the remuneration of the individual directors in light of the duties of each director.
- 2 The basic remuneration of the Company's directors is monthly fixed compensation, and the amount of remuneration for the individual directors is determined in accordance with the position and responsibilities of each director while comprehensively considering of the remuneration provided by other companies and other factors.
- 3 Performance-linked remuneration is paid at a certain time every year as a cash bonus the amount of which is calculated based on the degree of achievement of the Company's annual performance targets and strategic indicators based on a medium- to long-term perspective. The composition of the indicators used is as follows. Calculations are made based on coefficients determined by the Board of Directors. Non-monetary compensation is awarded as restricted stock compensation. As restricted stock compensation, in principle the Company grants monetary compensation claims in order to allot restricted stock to eligible directors based on their positions and responsibilities each fiscal year in accordance with a resolution of the Company's Board of Directors. By having the monetary compensation claims contributed in kind to the Company as investment assets, the Company's common stock shall be issued or disposed of, and held. The total amount of the Company's common stock issued or disposed of in this manner shall not exceed 200,000 shares per year.

Perspectives for evaluation	Reason for selection	Weighting	Evaluation items
Financial indicators	Linking to annual performance targets	20%	Net sales
		20%	Operating profit
		30%	EBITDA
Strategic indicators	Linking to medium-term strategic indicators, improved social value	10%	Net sales of new businesses
		10%	Percent of products for EVs
		10%	Achievement of ESG indicators

- 4 The ratio of each type of director's remuneration is considered by the Remuneration Committee based on the level of remuneration using the benchmark of other companies with the same scale of business as the Company or companies which belong to relevant industries or business categories while the composition of remuneration determined under this policy is regarded as the basic level, so that the remuneration system will function as an appropriate incentive.
- 5 Regarding the remuneration of individual directors, the Remuneration Committee evaluates the appropriateness of the executive directors' execution of their duties, such as by comparing the Company's business performance with other companies, while considering the Company's business environment. Based on the results of the evaluation, decisions on the specific amounts of remuneration for individual directors are left to the representative director and president.