

Corporate Governance Guidelines

Enacted September 1, 2019

IMAGICA GROUP Inc.

Corporate Governance Guidelines

Chapter 1: General Provisions

(Purpose)

Article 1:

1. These guidelines specify the guiding principles for the optimal corporate governance to fulfill the IMAGICA GROUP's social responsibilities to all stakeholders by achieving our Group Mission, which is set forth below. The purpose of these guidelines is to achieve sustainable growth and enhance the corporate value of the group over the medium and long term. [2-1]
2. The IMAGICA GROUP has established Rules on Corporate Ethics and implements and operates the business according to these rules. Everyone who works in the group adheres to these rules and implements our Group Mission. [2-2, 2-2(1)]

《Group Mission》

We strive to create new value with honesty and sincerity,
and aim to be a visual communications group
that provides the world with surprise and excitement.

《Our Values》 The 4 We's

We lead	To rapidly respond to changes in society
私たちは先駆ける。	and serve as an industry leader.
We collaborate	To apply our strengths as a global Group and
私たちは協働する。	one-stop service provider to provide customers with strong value.
We serve	To apply our advanced technology and spirit of sincerity towards
私たちは貢献する。	meeting the needs of our customers, regardless of the situation.
We discover	To constantly search for the key to inspiring people
私たちは発見する。	and work towards improving our business.

(Basic Views on Corporate Governance)

Article 2:

1. Our Group Mission describes our goal to be a visual communications group that strives to create new value with honesty and sincerity and provide people around the world with surprise and excitement. We recognize that corporate governance is one of the important tasks of group management to achieve this, and implement various measures to improve management transparency, ensure compliance, and pursue swift decision-making. [3-1(ii)]
2. We also oversee the implementation of various initiatives at group subsidiaries to enable them to build a corporate governance structure similar to that of the IMAGICA GROUP.

(Relationship to the Corporate Governance Code)

Article 3:

The Company fully understands and validates the general provisions, provisions, and supplementary provisions in the Corporate Governance Code formulated by Tokyo Stock Exchange, Inc., and complies with each of the provisions, except for those we deem compliance to be inapplicable owing to the special characteristics of the IMAGICA GROUP.

Chapter 2: Relationship to Shareholders

(Delegation of Responsibilities)

Article 4:

1. The Board of Directors fulfills the responsibilities delegated to it by the General Meeting of Shareholders. We recognize the disclosure of information as one of the highest priority management tasks to better serve the shared interests of the Company and shareholders. We provide the necessary information to all stakeholders via transmission of information or dialog with each stakeholder, regardless of whether the information is positive or negative in nature. [4-2, 4-5]
2. The Board of Directors establishes the medium to long-term management strategy for the Company and allocates management resources for the Company as a whole, as responsibilities delegated to it by the General Meeting of Shareholders. The Board of

Directors also establishes and discloses the Mid-Term Business Strategy, clearly specifies effective management indicators, and works to ensure that the qualitative and quantitative grounds for accomplishing goals are explained. [5-2]

(Capital Policy)

Article 5:

1. The Company strives to improve capital efficiency by strengthening financial soundness and investing management resources in businesses where growth is projected. We work to increase shareholder value by improving management efficiency through the introduction of effective management indicators and working to achieve sustainable growth and enhance corporate value to achieve that. [1-3]
2. The Company holds the shares of companies that will contribute to the enhancement of the corporate value of the IMAGICA GROUP over the medium to long term, from the perspective of business alliances, strengthening relationships, and collecting information. We carefully examine each individual company whose shares we hold to determine whether the purpose of holding the shares, and the benefits and risks of holding the shares are commensurate with the capital cost and other pertinent factors. The Board of Directors verifies decisions on whether or not to hold shares, and works to reduce shareholdings in companies when the board deems it to be no longer reasonable to hold that company's shares.

(Cross-shareholdings)

Article 6:

1. The Company policy is to exercise voting rights held in all cross-shareholdings on all resolutions, and makes appropriate decisions on whether to vote for or against a resolution after considering the management status of the company whose shares are held from the perspective of enhancing corporate value over the medium and long term. [1-4]
2. When a company that holds the shares of the IMAGICA GROUP as a cross-shareholding expresses the intention to sell our shares, we follow the intentions of the cross-shareholder and do not interfere with the sales of the shares. [1-4(1)]
3. When engaging in transactions with cross-shareholders, we fully consider the rationale for the transaction just as we do when engaging in general transactions. [1-4(2)]

(Shareholder Return)

Article 7:

The Company regards shareholder returns as one of the important tasks of management. We base dividends on distribution of profits in line with consolidated performance, specify a goal for the consolidated dividend payout ratio, and strive to maintain stable dividends and increase the level of dividends paid. [1-3]

(General Meeting of Shareholders)

Article 8:

1. The Company takes appropriate steps to effectively secure the voting rights of shareholders and other shareholder rights in the General Meeting of Shareholders. We work to establish an environment that enables shareholders to exercise their rights properly and to secure effective equality. [1, 1-2]
2. The General Meeting of Shareholders is the supreme decision-making body of the Company and consists of shareholders who hold voting rights. The Company analyzes the reasons for voting for or against all resolutions and faithfully accepts the results of the voting rights exercised on all resolutions. [1-1(1)]

(Respecting Voting Rights)

Article 9:

1. The Company appropriately provides information that we believe will help shareholders to make appropriate decisions in the General Meeting of Shareholders, as necessary. [1-2(1)].
2. To ensure that shareholders can exercise their voting rights appropriately, the Company sends notice of the General Meeting of Shareholders and supplementary materials to shareholders and discloses the contents of the notice of the General Meeting of Shareholders on the corporate website approximately three weeks prior to the scheduled date of the General Meeting of Shareholders. [1-2(2)]
3. To make it more convenient for shareholders, the Company participates in a platform on which shareholders can exercise their voting rights electronically. We also pay close attention to the percentage of overseas investors and provide an English translation of the convocation notice when necessary. [1-2(4)]

(Protecting Shareholder Rights)

Article 10:

1. When implementing capital policies that could affect the interests of shareholders, the Company considers the opinions of outside directors and audit & supervisory committee members and strives to promptly disclose information on the results of such consideration, the objectives, and other pertinent information, and explain it sufficiently. [1-6]
2. The Company recognizes sustainable growth and enhancing corporate value as important issues, and currently has no intention of introducing anti-takeover defense measures. [1-5, 1-5(1)]
3. The Company has specified the method for exercising shareholder rights in the Articles of Incorporation and the Rules on Shareholder Treatment. The rights of minority shareholders are important and we therefore make sure that the exercise of those rights is not effectively hindered. [1-1(3)]
4. When institutional investors who hold shares in the name of a trust bank, etc. wish to exercise their own voting rights and attend or passively listen to the General Meeting of Shareholders, the Company discusses it with the trust bank, etc. and responds appropriately. [1-2(5)]

(Ensuring Shareholder Equality)

Article 11:

The Company discloses information in a timely and appropriate manner to make sure that all shareholders are treated equally and there are no differences in the level of information provided to different shareholders, regardless of the number of or type of shares held.
[1]

(Prohibiting Transactions that Conflict with Shareholder Interests)

Article 12:

1. The Company works to prevent officers and other persons associated with the Company from abusing their positions and engaging in transactions that are contrary to the interests of the Company and shareholders, in order to protect the interests of shareholders.
[1-7]
2. In the Rules on the Board of Directors, the Company specifies that approval of

transactions between directors and approval of transactions between directors and industry competitors are matters that must be referred to the Board of Directors. [1-7]

Chapter 3: Corporate Governance Structure

(Structure of the Board of Directors and Audit & Supervisory Committee)

Article 13:

1. The Company has selected the corporate form of a company with an Audit & Supervisory Committee. The Audit & Supervisory Committee audits the performance of duties by directors and executive officers.
2. The Company separates the management supervisory function from the executive function and has adopted an executive officer system to facilitate swift decision-making and accurately targeted response to the external environment.
3. The Company elects people with professional expertise and extensive experience or considerable knowledge in the various areas of the imaging business to the Board of Directors. We consider the diversity and balance of knowledge, experience, and skills of the Board of Directors as a whole. [4-11, 4-11(1)]
4. The Company elects outside directors who meet the requirements for independence specified by the financial instruments exchanges. This enables them to participate in discussions from a perspective that is independent of management at Board of Directors meetings. [1-1(2), 4-8, 4-6, 4-7]
5. The Company has established a Personnel Advisory Committee that includes independent directors among its members as an advisory body to the Board of Directors. The Personnel Advisory Committee provides necessary advice when considering nomination and compensation of executive management and directors, and other matters of particular importance. [4-10, 4-10(1)]

(Responsibilities of the Board of Directors)

Article 14:

1. The Board of Directors is responsible for the executive oversight function while also making important decisions concerning the Company as a whole. It accomplishes this by discussing and making decisions on matters that are referred to the Board of Directors as

- required by law and as specified in the Rules on the Board of Directors. [4-1, 4-1(1)]
2. In separating the management decision-making and supervisory systems from the executive function, the Company strove to establish a structure by which the Board of Directors functions. The Board of Directors has formulated various kinds of internal rules that clearly specify the division of duties and responsibilities and authority for the Board of Directors and management, and this enables the Board of Directors to support appropriate risk taking by management. [4]
 3. The Company strives to share information with shareholders and investors through public disclosure of its Mid-Term Business Strategy. [4-1(2)]
 4. The Company has established policies and procedures for the election of director candidates and dismissal of directors and discloses these publicly. [4-3(2)]
 5. The Board of Directors secures sufficient audit time and a sufficient support structure to enable the accounting auditors to perform high quality audits. [4-3(2)]
 6. The Board of Directors has established policies and procedures for the election of director candidates and dismissal of directors and discloses these publicly. [4-3(3)]
 7. The Board of Directors plays a central role in formulating and implementing a succession plan for the chief executive officer (CEO) and other executive management, based on the Group Mission and management strategy. It oversees the plan appropriately to ensure that sufficient time and resources are allocated to train successor candidates. [4-1(3)]

(Operation of the Board of Directors)

Article 15:

1. The Board of Directors administrative office provides materials on agenda items in advance to facilitate active deliberations in Board of Directors meetings. It also provides advance explanations when necessary and secures sufficient time for deliberation by extending meeting time and through other means. [4-12, 4-12(1), 4-13(1)]
2. The administrative office notifies directors of the schedule for Board of Directors meetings and the items they can expect to discuss.

(Board of Directors Evaluations)

Article 16:

The Board of Directors conducts an anonymous survey of all directors concerning the operation and other aspects of the Board of Directors. It analyzes the effectiveness of the

Board of Directors as a whole, and discloses a summary of those results. [4-11(3)]

(Directors)

Article 17:

1. Directors (excluding directors who are audit & supervisory committee members) serve a one-year term and are elected annually by the General Meeting of Shareholders.
2. Directors who are audit & supervisory board members serve a two-year term and are elected by the General Meeting of Shareholders.
3. Directors assume the obligation to perform duties faithfully and with the due care of a good manager.
4. When a director serves concurrently as an executive officer in another listed company, that director shall limit the positions in which he or she is concurrently serving to a reasonable number, and the Company discloses the status of concurrent positions.
5. Directors request the necessary information they need to perform their duties and fulfill their roles from individual departments in the Company. [4-13]
6. Directors actively utilize and consider the advice provided by consultants, attorneys, and other external professionals in regard to matters deemed to require third-party opinions or perspectives, such as medium to long-term forecasts of the market environment, verifying the effectiveness of the corporate governance structure, and identifying market needs. The Company will assume the expenses incurred for such external advice, based on invoices from directors according to the internal rules. [4-13(2)]

(Outside Directors)

Article 18:

1. The independence of outside directors is determined based on the standards of independence specified by financial instruments exchanges. [4-9]
2. In electing independent directors, the Company selects candidates who can be expected to contribute to frank, robust, and constructive deliberations in Board of Directors meetings. They are selected after sufficient deliberation by the Personnel Advisory Committee and sufficient discussion by the Board of Directors. [4-9]
3. The Company elects a sufficient number of independent directors who are sufficiently equipped with the skills needed to fulfill their roles and responsibilities and thereby contribute to sustainable growth of the Company and enhancement of corporate value

over the medium to long term. [4-8]

4. The Company has established a structure that enables independent directors to communicate and coordinate with internal employees and enables the Company to obtain the opinions and other things requested from independent directors as needed. [4-13(3)].
5. Independent directors hold meetings with full-time directors who are audit & supervisory committee members as necessary and exchange opinions based on an objective perspective. [4-8(1)]
6. The Company has built a communication structure for independent directors, the Board of Directors administrative office, and the Audit & Supervisory Committee administrative office to provide each director with advance notice of and explanations for Board of Directors meetings and to communicate with the Audit & Supervisory Committee. [4-8(2)]

(Audit & Supervisory Committee)

Article 19:

1. The Audit & Supervisory Committee audits the performance of duties by directors and executive officers, makes decisions on the content of resolutions that are submitted to the General Meeting of Shareholders concerning the selection, dismissal, and the decision not to reappoint the accounting auditors and decides other matters concerning accounting audits and specified in laws and regulations.
2. The Audit & Supervisory Committee receives reports on matters concerning the audits noted above from directors, employees, and the accounting auditors as appropriate. The committee also shares necessary information with the accounting auditors, the Internal Auditing Office, and the auditors of group companies, and strives to improve the quality of audits and to perform efficient audits.
3. The Audit & Supervisory Committee has formulated Rules on the Audit & Supervisory Committee concerning the necessary basic policy and procedures and Audit & Supervisory Committee Audit Standards concerning the standards and guidelines for performing audits, and performs all of these functions. [4-4]

(Audit & Supervisory Committee Members)

Article 20:

1. As one body that has received a mandate from the General Meeting of Shareholders, the

Audit & Supervisory Committee members ensure that the Company is healthy and grows sustainably by auditing the performance of duties by directors and executive officers. They are responsible for ensuring a robust corporate governance structure. [4-4]

2. Full-time audit & supervisory committee members work to establish the audit environment and gather information based on their characteristics as full-time officers. They also monitor and verify the establishment and operational status of the internal control system on a routine basis.
3. Full-time audit & supervisory committee members participate in group management meetings and other important meetings in addition to Board of Directors meetings. They actively state their opinions as audit & supervisory committee members, and actively share information with outside audit & supervisory committee members. [4-4(1)]

(Executive Officers)

Article 21:

1. Executive officers serve a one-year term. Each year, the president and representative director recommends candidates for executive officer positions and candidates are appointed by the Board of Directors.
2. Executive officers who serve concurrently as directors assume the responsibility of overseeing management of the company as a director, and are responsible for performing the duties they are charged with as an executive officer.

(Personnel Advisory Committee)

Article 22:

1. The Personnel Advisory Committee is an advisory body to the Board of Directors. The committee deliberates on and considers the election and dismissal of Company directors (including outside directors), compensation of each individual director, and the policy on the content of compensation paid to directors and executive officers. It reports the results of such deliberations to the Board of Directors. [4-3, 4-3(1)]
2. The Personnel Advisory Committee makes decisions based on the standards of independence specified by financial instruments exchanges to ensure that the outside directors elected are independent and neutral. [4-9]

(Director & Executive Officer Compensation)

Article 23:

1. The compensation of and other matters concerning directors and executive officers are appropriately determined through deliberation by the Personnel Advisory Committee.
2. The Company has formulated standards on the calculation of compensation for directors and executive officers. This compensation consists of base compensation, a variable bonus, and restricted stock compensation according to the executive officer compensation system, which is designed to provide sound incentives to strive for medium to long-term sustainable growth. Compensation is determined according to these standards. [4-2(1)]

(Internal Controls)

Article 24:

The Board of Directors has formulated and implements the Guidelines on Establishing a System of Internal Controls to ensure adequate internal controls in the group. These guidelines contain the Company's basic views and policy on initiatives concerning internal controls and establish a structure to ensure that directors comply with laws and regulations and the Articles of Incorporation in performing their duties as well as a structure to ensure proper conduct of business by the corporate group, based on the Companies Act. [4-3(4)]

(Internal Whistleblowing System)

Article 25:

1. The Company has established an internal whistleblowing system to ensure that employees and others can convey information and sincere suspicions concerning illegal or improper acts or disclosure of information without fear of risking retaliation, and to ensure that the information and concerns conveyed are objectively verified and properly used. [2-5]
2. The Company has established an independent external whistleblowing hotline at a law firm in addition to the internal whistleblowing hotline. [2-5(1)]
3. The content of and response status on information received through whistleblowing reports is shared with the Board of Directors according to the degree of seriousness and the details are reported to the Board of Directors after the incident response is complete,

based on the Rules on the Hotline System. [2-5]

(Accounting Auditors)

Article 26:

1. The Company retains accounting auditors to ensure the reliability of financial statements. We recognize that the accounting auditors play an important role in achieving excellent corporate governance, and respond in a manner aimed at ensuring proper audits.
2. In our Company, the accounting auditors work together with the Audit & Supervisory Committee and relevant departments such as accounting, finance, and business management to establish an audit schedule and audit structure. These entities work to establish a structure that will enable proper audits by the accounting auditors. [3-2, 3-2(2)]
3. The Audit & Supervisory Board formulates standards for appropriate selection and evaluation of the accounting auditors to ensure their independence and manage audit quality. [3-2(1)]

Chapter 4: Enhancing Sustainable Corporate Value

(Enhancing Corporate Value)

Article 27:

1. As a unique corporate group engaged in a wide range of business segments in the imaging business, the IMAGICA GROUP strives to expand its corporate value as the only creative and technology group that delivers imaging communication through the group's integrated strengths.
2. The Company recognizes the essential need to work together with shareholders and all other stakeholders to generate sustainable growth and corporate value for the Company over the medium to long term. [2]
3. To successfully enhance corporate value over the medium to long term, the Company formulates the group policy and Mid-Term Business Strategy based on our Group Mission and philosophy, and discloses these publicly. [3-1(i)]

(Development of Human Resources for Management)

Article 28:

1. When directors assume their positions as director, the Company provides opportunities to explain the Company's management strategy, business content, financial status, and other important information to them and holds an orientation to enable them to tour our main companies. We provide opportunities for directors to gather the necessary information to fulfill their role and functions. [4-14(1)]
2. The Company uses an external training organization to provide officer training to directors as necessary on topics such as legal obligations and responsibilities that they must comply with as officers (Companies Act, Financial Instruments & Exchange Act), financial knowledge and company analysis, and case studies concerning decisions and actions as directors. [4-14(2)]

(Diversity in Human Resources)

Article 29:

1. The Company recognizes that the existence of diverse perspectives and values reflected in different experiences, talents, and attributes can be a strength in achieving sustainable growth of the Company, and we work to ensure diversity in human resources.
2. The Company recognizes that the advancement of women is absolutely essential to future growth, and we evaluate abilities and results without respect to gender in all stages of an employee's career, from hiring through promotion, to promote the advancement of women. [2-4]

(Achieving Sustainability)

Article 30:

The Board of Directors recognizes that responding to issues relating to sustainability is an important part of risk management. We respond appropriately and consider ways to address them proactively and positively. [2-3, 2-3(1)]

Chapter 5: Information Disclosure

(Disclosure of Information)

Article 31:

1. The Company strives to communicate information in a concrete and easy-to-understand manner to enable accurate communication of important information concerning the Company to shareholders, investors, and all other stakeholders. [3-1(1)]
2. The Company provides information in English, in consideration of the percentage of shareholders in the Company who are overseas investors, and works to enhance information provision and disclosure. [3-1(2)]
3. The Company limits the number and status of concurrent positions of directors who serve concurrently as officers in other listed companies to a reasonable number, and discloses these annually. [4-11(2)]
4. The Company discloses the contents of these guidelines and matters that should be disclosed under the various provisions of these guidelines and laws and regulations, as necessary.

(Dialog with Shareholders)

Article 32:

1. The Company regards the disclosure of information as one important management task to deepen the understanding of shareholders and other stakeholders and establish a relationship of trust with them. We recognize that appropriate disclosure of information is absolutely essential in order to gain the understanding of stakeholders. [3]
2. The Company has designated the Corporate Planning Department as the department in charge of IR to facilitate constructive dialog with shareholders. We have appointed an officer in charge of IR and established an IR team to foster relationships of trust with shareholders. [5, 5-1, 5-2, 5-1(1), 5-1(2)]
3. The Company recognizes the General Meeting of Shareholders as an opportunity to engage in dialog with shareholders, and we schedule it on a date when numerous other companies are not holding theirs to enable even more shareholders to attend. [1-2(3)]

(Quiet Period)

Article 33:

The Company observes a quiet period of a certain length of time before the announcement of financial results to prevent leakage of information on financial results and ensure fairness, and refrains from commenting on financial results during this time period. [5-1(2)(v)]

Chapter 6: By-laws

(Amendments & Repeal)

1. Amendments to and repeal of these guidelines is subject to discussion by the Board of Directors.

(Enactment)

2. These guidelines were enacted on September 1, 2019.