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Notice of Transition to the Company with an Audit & Supervisory Committee System

The Board of Directors of Japan System Techniques Co., Ltd. (JAST) approved a resolution to change the corporate governance system from the Audit & Supervisory Board system to the company with an Audit & Supervisory Committee system. The proposed change must first be approved by shareholders at the 52nd Annual General Meeting of Shareholders to be held in June 2024.

1. Purposes of the change to a new governance system

(1) Increase transparency of JAST's management

The Audit & Supervisory Committee, where the majority of members are outside directors, has the role of performing audit and supervision to ensure that businesses are operated in compliance with laws and regulations and are managed properly. The goals are to increase the transparency of management and build a framework capable of meeting the expectations of stakeholders in Japan and other countries with even greater accuracy.

(2) Faster decision-making

By giving directors the authority of the Board of Directors to make decisions about business operations, the company with an Audit & Supervisory Committee system enables us to make management decisions and implement actions more quickly under the appropriate supervision of the Board of Directors.

2. Date of the change

If shareholders approve the proposal submitted at the 52nd Annual General Meeting of Shareholders to be held in June 2024 to change to the company with an Audit & Supervisory Committee system, JAST plans to change to the new system.

3. Other information

Announcements will be made as decisions are made about amendments to the Articles of Incorporation concerning this change and assignments of directors and other executives following the change to the new system.