[Notes of caution]
This document is an English translation of the Japanese original. In the event of any differences or inconsistencies between the Japanese and English versions, the Japanese language version shall take precedence.

Corporate Governance Report

Last Update: March 29, 2021

Japan Investment Adviser Co., Ltd.
Naoto Shiraiwa, President and CEO
Contact: PR and IR Group: 03-6550-9307
Stock code: 7172
https://www.jia-ltd.com/

The corporate governance of Japan Investment Adviser Co., Ltd. (the "Company") is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views

The management policies of the Japan Investment Adviser (JIA) Group are to improve its corporate value and contribute to stakeholders, including shareholders, customers, employees, and business partners, through securing appropriate profits and continuously returning them to the stakeholders, by means of following corporate ethics, laws, and regulations thoroughly; tightening internal control; and actualizing highly efficient, sound, and transparent business administration. To follow these policies, the JIA Group will implement various measures, such as the establishment of a management structure, and fulfill its responsibility.

At meetings of the Board of Directors of JIA, inside directors and highly independent outside directors have deliberations to make swift, transparent decisions. In addition, Audit & Supervisory Board members strictly oversee and check the legality and efficiency of business operations of directors, the appropriateness of their decision-making process, etc. and strive to improve their function to audit business administration.

[Reasons for Non-compliance with the Principles of the Corporate Governance Code] **Updated**

[Supplementary Principle 1.2.4] The environment surrounding the exercise of electronic voting rights, providing convocation notices in English.

JIA does not use a platform for electronic exercise of voting rights. Considering the ratio of institutional investors to shareholders, JIA will make efforts to make such a platform available to them.

As for convocation notices, the reference material of the 15th annual meeting of shareholders has been provided in English.

[Supplementary Principle 3.1.2] providing English language disclosures.

JIA discloses and provides the brief reports on financial results, the material for explaining financial results, Convocation Notices for General Meetings of Shareholders (reference material), Notices on Resolutions, and Corporate Governance Reports in English. Also for the timely disclosure of other documents, etc., JIA will develop a system for disclosing and providing them in English.

[Supplementary Principle 4.1.2] Medium term management plan.

JIA does not disclose its mid-term management plans. JIA analyzes the outcomes and problems of business plans for each year, and reflect the analysis results in business plans for the following term. From now on, JIA will announce its mid-term management plans, so that its mid/long-term visions and business administration will be understood by shareholders and investors.

[Supplementary Principle 4.1.3] Succession Plan

Considering the age, etc. of the Representative Director and President Shiraiwa, JIA has not yet produced a plan for successors to the CEO, et al. However, it considers that it needs to be dealt with, and will have discussions to formulate a concrete plan for successors.

[Supplementary Principle 4.10.1] Establishment of Independent Advisory Committee

JIA has established an independent advisory committee for the nomination, remunerations, etc. of directors. JIA aims to realize transparent processes for nominating directors and determining their remunerations, through the independent advisory committee where independent outside directors get involved appropriately and give advice.

[Supplementary Principle 4.11] preconditions for Ensuring Effectiveness of the Board of Directors and the Audit & Supervisory Board

The incumbent directors possess expertise, broad knowledge, and plenty of experiences of business administration and execution.
JIA selects and recruits appropriate candidate directors, while considering future business developments and diversity including gender and nationality.

[Supplementary Principle 5.2] Establishing and disclosing business strategies and business plans.

JIA will grasp its capital cost, and announce its mid-term management plans summarizing its mid/long-term visions and management policies, so that shareholders and investors can understand the Company's earning capacity, capital efficiency, etc.

[Disclosure Based on the Principles of the Corporate Governance Code] **Updated**

[Principle 1.4 Cross-Shareholding]

The JIA Group may hold shares for achieving sustainable growth and improving its corporate value, as part of its management strategies, including the maintenance and cementing of good business relationships and the forming of business alliances. As of the submission of this document, JIA does not hold any listed shares strategically.
When exercising the voting rights of strategically held shares, JIA will check whether proposals would degrade shareholder value and determine whether or not to approve the proposals.

[Principle 1.7 Related Party Transactions]

JIA has established the following systems so that transactions with executives, major shareholders, or others (transactions with related parties) will not harm the common interests of the Company and shareholders.

・Directors' transactions with related parties require a resolution of the Board of Directors in accordance with "the Regulations for the Board of Directors," and the results of said transactions are reported to the Board of Directors.
・"The Compliance Manual," which sets forth the basic policy of the JIA Group for promoting compliance, has explicit provisions for prohibiting conflict-of-interest transactions, etc. and eliminating unfair, preferential transactions.

[Principle 2.6 Roles of Corporate Pension Funds as Asset Owners]

JIA has not established a company pension system. The Company has no plan to create such a system, but if it is considered necessary, JIA will develop a system for exerting functions as an asset owner.

[Principle 3.1] (ⅰ)Corporate Vision (Management Philosophy, etc.), Management Strategy, and Management Plan

The management philosophy of JIA is "to keep contributing to society by offering financial services." Please refer to the Convocation Notices for General Meetings of Shareholders, Annual Securities Report, and the website at http://www.jia-ltd.com/en/aboutus/philosophy/.

The three core businesses are the Operating Lease, Renewable Energy, and Parts Out & Conversion businesses. In addition to these 3 core businesses, JIA operates the businesses of M&A Advisory, Insurance Agency, Private Equity, etc. The basic strategy of the JIA Group is to enhance its corporate value by offering the financial solution business related to the above-mentioned diverse businesses, and the media business to investors around Japan.

The JIA Group, which aims to grow and expand its business scale mainly through the 3 core businesses, announces its management plan for the current fiscal year.

[Principle 3.1] (ii) Basic Views and Basic Policy on Corporate Governance

These are described in "I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information, 1. Basic Views" of this document, and Annual Securities Report. Please refer to them.

[Principle 3.1] (iii) Policy and Procedure for Determining Compensation of Directors and Audit & Supervisory Board Members

These are described in "II. Business Management Organization and Other Corporate Governance Systems Regarding Decision-making, Execution of Business, and Oversight in Management 1. Organizational Composition and Operation [Director Compensation]" of this document, and Annual Securities Report. Please refer to them.

[Principle 3.1] （iv）Policy and Procedure for Nomination and Dismissal of Directors and Audit & Supervisory Board Members

Candidate directors and audit & supervisory board members are determined through deliberations of the board of directors after receiving the nomination/remuneration committee's report while putting importance on the balance among knowledge, experience, skills, etc. in the Board of Directors as a whole and the external environment. Proposals for appointment of audit & supervisory board members are submitted after receiving an approval of the Audit & Supervisory Board.

[Principle 3.1] （v）Providing Explanations for Individual Appointments and Nominations for the Positions of Director and Audit & Supervisory Board Member

The reasons for appointment of directors and audit & supervisory board members are described in the section for introducing executives in the Convocation Notices for General Meetings of Shareholders and the website of JIA. As for candidate directors and audit & supervisory board members, the reasons for selecting them are described in the proposals for appointment mentioned in the Convocation Notices for General Meetings of Shareholders.

[Supplementary Principle 4.1.1 Overview of the Scope of Delegation to Management]

While considering its responsibility toward shareholders, the board of directors makes important decisions for business execution and supervise business execution. By doing so, it aims to achieve the sustainable growth of JIA and improve its corporate value. According to the Regulations for the Board of Directors, only important items that require a resolution of the Board of Directors are discussed by the Board of Directors, and decision making about other items are left to the management.

As for private equity investments, swift judgments are required, so the "Council for Discussing Investments," which is composed of the director and president, outside directors, and others, has deliberations.

[Principle 4.9 Independence Standards for Outside Officers]

The criteria for judging independence are described in "[Independent Officers], Other matters concerning independent officers" of this document and Annual Securities Report. Please refer to them.

[Supplementary Principle 4.11.1 Views on the Overall Balance of Knowledge, Experience, and Skills, and Diversity and Size of the Board of Directors]

Considering its responsibility as a trustee toward shareholders, JIA appoints 4 independent outside directors, who account for 50% of board members, to achieve a good balance with inside directors versed in the operations of the JIA Group and realize a well-balanced composition of the Board of Directors that has a variety of knowledge and expertise. As for candidate directors, JIA selects and recruits appropriate personnel, while taking into account future business developments and diversity including gender and nationality.

[Supplementary Principle 4.11.2 Concurrent Appointments of Directors and Audit & Supervisory Board Members]

The concurrent posts of directors and audit & supervisory board members of JIA are described in the Convocation Notices for General Meetings of Shareholders, Annual Securities Report, and the section for introducing executives in the website of JIA.

The important concurrent posts of outside directors and audit & supervisory board members are described in "[Items related to directors] and [Items related to audit & supervisory board members]" of this document. Please refer to them.

[Supplementary Principle 4.11.3 Analysis and Evaluation of Overall Effectiveness of the Board of Directors]

At JIA, all directors and audit & supervisory board members self-evaluate the effectiveness of the board of directors, and report the details of their analysis and evaluation at a meeting of the board of directors.

While it is considered that the effectiveness of the Board of Directors has been secured, there are comments about information provision and material to be distributed, and the Company will keep making improvements.

[Supplementary Principle 4.14.2 Policy on Training Directors and Audit & Supervisory Board Members]

JIA conducts appropriate education and training, so that directors and audit & supervisory board members can fulfill their roles and duties properly. Corporate lawyers regularly give lectures about the obligations and responsibilities of directors and audit & supervisory board members.

[Principle 5.1 Policy for Constructive Dialogue with Shareholders]

JIA holds constructive dialogues with shareholders, in order to achieve sustainable growth and improve its mid/long-term corporate value. The Director and General Manager of Corporate Administration Division manages the dialogues, and the Publicity/IR section serves as an exclusive section. The section in charge of IR cooperates closely with related sections, and engages in IR activities. For shareholders and investors, the Representative Director and President holds results briefing sessions, while executives in charge and the Publicity/IR section deal with inquiries from them by telephone or email or through personal interviews. The opinions, etc. of shareholders received through dialogue are shared by the Representative Director and President and the Board of Directors. The “Disclosure Policy,” which summarizes the basic policy for disclosing IR information, is described in the IR page of the website of JIA at: http://www.jia-ltd.com/en/ir/disclaimer/. Please refer to the website.

As for insider information management, the Company has produced the group-wide “Regulations for Preventing Insider Trading,” so that executives and employees of companies of the JIA Group would follow them. Like this, the Company is striving to manage important facts appropriately and prevent insider trading.

2. Capital Structure

Percentage of Shares by Foreign investors	Less than 10%

[Status of Major Shareholders] Updated

Name / Company Name	Number of Shares Owned	Percentage (%)
Naoto Shiraiwa	6,875,000	22.88
KODO Holding Co., Ltd.	6,400,000	21.30
Custody Bank of Japan Ltd. (Trust account)	3,120,000	10.38
Yoshitaka Murata	372,000	1.24
Teiji Ishikawa	368,000	1.22
Government of Norway	366,481	1.22
The Master Trust Bank of Japan Ltd. (Trust account)	357,000	1.19
The Bank of New York 133972	200,400	0.67
Sojitz Corporation	200,000	0.67
Custody Bank of Japan Ltd. (Trust account No.5)	157,600	0.52

Controlling Shareholder (except for Parent Company)	None
Parent Company	None

Supplementary Explanation **Updated**

1. The status of the above major shareholders and percentage of foreign shareholders is based on the list of shareholders as of December 31, 2020.

2. The Company holds 540,391 treasury stocks, which are excluded in the above list. The percentage is calculated after deducting the number of treasury stocks from that of total outstanding shares.

3. Corporate Attributes

Stock Market and Market Section Listed on	Tokyo Stock Exchange, First Section
Fiscal Year-end	December
Type of Business	Securities & Commodity Futures
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	From 100 to less than 500
Sales (Consolidated) as of the End of the Previous Fiscal Year	From ¥10 billion to less than ¥100 billion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 10 to less than 50

4. Policy on Measures to Protect Minority Shareholders When the Company Engages in Transactions with Controlling Shareholder

None

5. Other Special Circumstances that May Have Material Impact on Corporate Governance

None

II. Business Management Organization and Other Corporate Governance Systems Regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Organization Form	Company with an Audit & Supervisory Board Members

[Board of Directors] Updated

Maximum Number of Directors Stipulated in Articles of Incorporation	10
Term of Office Stipulated in Articles of Incorporation	2 year
Chairperson of the Board	President
Number of Directors	8
Appointment of Outside Directors	Appointed
Number of Outside Directors	4
Number of Independent Directors	4

Outside Directors' Relationship with the Company (1) Updated

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Takashi Mori	From another company										△	
Shunji Yanai	Other											
Akira Maekawa	Attorney at law											
Kiyoto Ido	Other											

* Categories for "Relationship with the Company"

* "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past

* "●" when a close relative of the director presently falls or has recently fallen under the category; "▲"when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiaries
b. Non-executive director or executive of a parent company of the Company
c. Executive of a fellow subsidiary of the Company
d. A party whose major client or supplier is the Company or an executive thereof
e. Major client or supplier of the Company or an executive thereof
f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/audit & supervisory board member
g. Major shareholder of the Company (or an executive of the major shareholder if the shareholder is a legal entity)
h. Executive of a client or supplier of the Company (which does not correspond to any d, e, or f) (the director himself/herself only)
i. Executive of a company which has the same individual(s) as the Company appointed as outside directors/audit & supervisory board members (refers only to the director)

j. Executive of a company or organization that has received a donation from the Company (refers only to the director)
k. Others

Outside Directors' Relationship with the Company (2) Updated

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Takashi Mori	○	Mr. Takashi Mori came from the Sanwa Bank (present: MUFJ Bank), but after resigning from that bank in 2005, he has never engaged in the business execution of the Sanwa Bank group. That bank is one of financing banks of the JIA Group, but it is not a business partner that significantly influences the decision making of JIA. The criteria for judging the independence of outside executives of JIA are as mentioned in "(4) Independent Officers, Other matters concerning independent officers." The Company has concluded a contract for liability limitation with him. His term as an outside director is 8 years as of the end of the annual meeting of shareholders in 2021.	Mr. Takashi Mori has given helpful advice, proposals, etc. actively at meetings of the board of directors since he was appointed as an Outside Director of the Company, based on his long-term experience in the field of international finance and outstanding management skills in business companies. Accordingly, we elected him as an Outside Director, hoping that his knowledge, experience, etc. will be utilized for supervision of business administration. <Reason for designation as an independent officer> He is independent of the management that executes business, and there is no risk of causing a conflict of interest with general shareholders.
Shunji Yanai	○	Mr. Shunji Yanai serves as a judge of the International Tribunal for the Law of the Sea and a director of Proudfoot Japan concurrently. The Company has concluded a contract for liability limitation with him. His term as an outside director is 5 years as of the end of the annual meeting of shareholders in 2021.	Mr. Shunji Yanai has served as Vice-Minister for Foreign Affairs, an Ambassador to the United States of America., and the Judge of International Tribunal for the Law of the Sea, so he possesses profound knowledge of international affairs and viewpoint of diversity. Since he was appointed as an Outside Director of the Company, he has given appropriate opinions, suggestions, etc. actively at meetings of the board of directors. Accordingly, we elected him as an Outside Director, hoping that his knowledge, experience, etc. will be utilized for supervision of business administration. <Reason for designation as an independent officer> He is independent of the management that executes business, and there is no risk of causing a conflict of interest with general shareholders.

Akira Maekawa	○	Mr. Akira Maekawa serves as a partner of the law office Iota, a councilor of the social welfare corporation Asumi Fukushikai, and a conciliation commissioner of Tokyo Summary Court concurrently. The Company has concluded a contract for liability limitation with him. His term as an outside director is 3 years as of the end of the annual meeting of shareholders in 2021.	Based on his knowledge and experience as a legal specialist, Mr. Akira Maekawa has given appropriate opinions, suggestions, etc. actively from the viewpoints of legal risks and compliance at meetings of the board of directors since he was appointed as an Outside Director of the Company. Accordingly, we elected him as an Outside Director, hoping that his knowledge, experience, etc. will be utilized for supervision of business administration. <Reason for designation as an independent officer> He is independent of the management that executes business, and there is no risk of causing a conflict of interest with general shareholders.
Kiyoto Ido	○	Mr. Kiyoto Ido serves as deputy director of Institute for International Economic Studies and an outside director of Kuraray Co., Ltd. concurrently. The Company has concluded a contract for liability limitation with him. He was appointed at the annual meeting of shareholders in 2021.	Mr. Kiyoto Ido has served as Director-General of the International Bureau of the Ministry of Finance, Executive Director of the Bank of Japan, and Outside Director of a business corporation, and has a high level of insight into domestic and international financial conditions and corporate governance. Therefore, he can be expected to provide appropriate opinions and recommendations to the Board of Directors. He has never been involved with business administration as an executive other than an outside executive, but for the above-mentioned reason, we consider that he will fulfill his duties as an Outside Director. <Reason for designation as an independent officer> He is independent of the management that executes business, and there is no risk of causing a conflict of interest with general shareholders.

Voluntary Establishment of Committee(s) Corresponding to a Nomination Committee or Compensation Committee	Established Updated

Establishment of voluntary committees, their structure, and attributes of their chairmen

	Committee name	Total No. of members	Fulltime members	Inside directors	Outside directors	Outside experts	Other	Chairman
Voluntary committee equivalent to the nomination committee	the Advisory Committee on Nomination and Remuneration	3		2	1			Inside Director
Voluntary committee equivalent to the remuneration committee	the Advisory Committee on Nomination and Remuneration	3		2	1			Inside Director

Supplementary Explanation

The Company has established the Advisory Committee on Nomination and Remuneration as an advisory body to the Board of Directors in order to enhance the fairness, transparency and objectivity of procedures related to the nomination and remuneration of directors and to improve corporate governance. The committee consists of three or more members (directors of the Company), and the chairman is an Inside Director.

[Audit & Supervisory Board Members]

Establishment of Audit & Supervisory Board	Established
Maximum Number of Audit & Supervisory Board Members Stipulated in Articles of Incorporation	4
Number of Audit & Supervisory Board Members	3

Cooperation Among Audit & Supervisory Board Members, Accounting Auditors and the Internal Audit Department

Audit & supervisory board members, accounting auditors, and internal audit managers cooperate closely with one another, exchange information regularly, cement the cooperation, and strive to improve the effectiveness and efficiency of audit.

Appointment of Outside Audit & Supervisory Board Members	Appointed
Number of Outside Audit & Supervisory Board Members	2
Number of Independent Audit & Supervisory Board Members	0

Outside Audit & Supervisory Board Member's Relationship with the Company (1)

Name	Attributes	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	L	m
Hitoshi Komatsuzawa	From another company													
Hisao Yamaguchi	Tax Accountant										○			

* Categories for "Relationship with the Company"

* "○" when the audit & supervisory board member presently falls or has recently fallen under the category; "△" when the audit & supervisory board member fell under the category in the past

* "●" when a close relative of the audit & supervisory board member presently falls or has recently fallen under the category;
"▲" when a close relative of the audit & supervisory board member fell under the category in the past

a. Executive of the Company or its subsidiaries
b. Non-executive director or accounting advisor of the Company or its subsidiaries
c. Non-executive director or executive of a parent company of the Company
d. Audit & supervisory board member of a parent company of the Company
e. Executive of a fellow subsidiary of the Company
f. A party whose major client or supplier is the Company or an executive thereof
g. Major client or supplier of the Company or an executive thereof
h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as an audit & supervisory board member
i. Major shareholder of the Company (or an executive of the major shareholder if the shareholder is a legal entity)
j. Executive of a client or supplier of the Company (which does not correspond to any f, g, or h) (refers only to the audit & supervisory board member)
k. Executive of a company which has the same individual(s) as the Company appointed as outside directors/audit & supervisory board members (refers only to the audit & supervisory board member)
l. Executive of a company or organization that has received a donation from the Company (refers only to the audit & supervisory board member)
m. Others

Outside Audit & Supervisory Board Member's Relationship with the Company (2)

Name	Designation as Independent Audit & Supervisory Board Member	Supplementary Explanation of the Relationship	Reasons of Appointment
Hitoshi Komatsuzawa		Mr. Hitoshi Komatsuzawa serves concurrently as a part-time audit & supervisory board member of Nihon Securities Journal Inc. The Company has concluded a contract for liability limitation with him. He has served as an audit & supervisory board member of JIA for 8 years.	He possesses plenty of experience and knowledge as he served as an executive of a management section and an employer of financial institutions and business companies for many years. Since he was appointed as an outside audit & supervisory board member of JIA, he has been giving helpful advice, suggestions, etc. actively in the audit & supervisory board. In the board of directors, too, he has been giving useful suggestions, proposals, etc. from the viewpoint of management supervision. He was appointed, with the hope that he will keep utilizing his knowledge, experience, etc. for auditing JIA.
Hisao Yamaguchi		Mr. Hisao Yamaguchi concurrently serves as director of Hisao Yamaguchi Tax Accountant Office, with which a subsidiary of JIA (JP Lease Products & Services Co., Ltd.) concluded a contract for introducing customers. The remunerations that will be paid by the subsidiary to the tax accountant office when the tax accountant office introduces customers to the subsidiary are insignificant and below the amount specified in JIA's criteria for judging independence, and such transactions are the same as those with a third party. In addition, he serves as representative of Hisao Yamaguchi Tax Accountant Office, a part-time outside audit & supervisory board member of AIM Services Co., Ltd., and an outside director and an audit committee member of Home Position Co., Ltd. The Company has concluded a contract for liability limitation with him. He has served as an audit & supervisory board member of JIA for 7 years.	He worked in various important positions in the Taxation Bureau, and gave instructions about business administration for many enterprises as a tax accountant. Since he was appointed as an outside audit & supervisory board member of JIA, he has been giving helpful advice, suggestions, etc. actively in the audit & supervisory board. In the board of directors, too, he has been giving useful suggestions, proposals, etc. from the viewpoint of management supervision. He was appointed, with the hope that he will keep utilizing his knowledge, experience, etc. for auditing JIA.

[Independent Officers (Directors/Audit & Supervisory Board Members)]

Number of Independent Officers	4 Updated

Other matters concerning independent officers

For securing the appropriateness of corporate governance and tightening it further, JIA has established the criteria for the independence of outside directors or audit & supervisory board members.

Criteria for judging independence

The outside directors or audit & supervisory board members who do not fall under any of the following items are considered to be independent.

1. Those whose major business partner is JIA or those who execute the business thereof
2. A major business partner of JIA or those who execute the business thereof
3. A lawyer, certified public accountant, tax accountant, consultant, or the like who receives money or property benefits whose amount exceeds a specified amount in addition to the remuneration for executives from JIA (or a member of a group, such as a corporation and an association, that receives property benefits)
4. A major financing institution of JIA or those who execute the business thereof
5. A person or a director of a group, such as a corporation and an association, that receive a donation or subsidy whose amount exceeds a specified amount from JIA or those who execute the business thereof
6. Those who execute the business of a company whose outside director executes or executed the business of JIA
7. A major shareholder of JIA or those who execute the business thereof
8. Those who fell under any of the above items 1 to 7 in the past 3 years
9. Close relatives or the like of those who fall under any of the above items 1 to 8 (limited to those who are in important positions)
10. Close relatives or the like of directors, executive officers, managers, or other important employees of JIA or a subsidiary thereof

(Notes)

1. "Those whose major business partner is JIA" mean those who have received a payment accounting for 1% or higher of annual consolidated sales thereof in the latest fiscal year
2. "A major business partner of JIA" is the one that has paid an amount accounting for 1% or higher of annual consolidated sales of JIA in the latest fiscal year.
3. "Those who execute the business" mean executive directors, executive officers, managers, or other employees of a company.
4. "A major financing institution" means the one that provides JIA with a loan equivalent to 2% or higher of consolidated total assets of JIA in the latest fiscal year.
5. "A specified amount" is 10 million yen per year.
6. "A major shareholder" means a shareholder who holds voting rights accounting for 10% or higher of a total number of voting rights of JIA. Shareholding ratio is calculated while excluding treasury shares, and JIA is not considered as a major shareholder.
7. "Those who are in important positions" mean directors, excluding outside ones, executive officers, and employees in the division chief position or higher positions.
8. "Close relatives or the like" mean spouses and relatives within the second degree of kinship.

[Incentives]

Incentive Policies for Directors	Stock Options

Supplementary Explanation

Stock options were adopted for the purpose of enhancing directors' willingness and motivation to improve the JIA Group.

The board of directors determine the directors receiving stock options and the number of stock options after deliberations and discussions, completing fair procedures.

Recipients of Stock Options	Inside Director, Eternal Director, Inside Auditor, Eternal Auditor, employee, subsidiary Director, subsidiary Auditor and subsidiary employee.

Supplementary Explanation

As JIA aims to improve the business performance and corporate value of the JIA Group from the mid/long-term standpoint, it has issued share acquisition rights to the executives and employees of JIA and its subsidiaries, for the purpose of enhancing their willingness and motivation and strengthening solidarity in the JIA Group.

If all of share acquisition rights that were provided after payment are exercised, the number of common shares of JIA will increase by the amount equivalent to 2.8% of the total number of outstanding shares. Said share acquisition rights can be exercised only when business performance goals are attained. It is recognized that the achievement of said goals would improve the corporate value and shareholder value of JIA.

Accordingly, it is considered that the issuance of said share acquisition rights would contribute to the benefits of existing

shareholders, and the effects of stock dilution are reasonable.
In addition to the above-mentioned share acquisition rights that are provided after payment, the Company issues charge-free share acquisition rights. If all of said share acquisition rights are exercised, the number of common shares of JIA will increase by the amount equivalent to 1.0% of the total number of outstanding shares.

[Director Compensation]

Disclosure of Individual Directors' Compensation	Individual compensation is not disclosed.

Supplementary Explanation Updated

The total amount of remuneration for each of the Directors and Audit & Supervisory Board Members is disclosed in the Annual Securities Report and Business Report. There is no one whose total amount of remuneration, etc. is more than 100 million yen.

The amount of remuneration and other financial benefits paid to Directors and Audit & Supervisory Board Members in the fiscal year ended December 31, 2020 (annual amount) was 181 million yen (for 10 persons), of which 170 million yen was paid to 7 Directors (of which 15 million yen was paid to 3 Outside Directors), 10 million yen was paid to 3 Audit & Supervisory Board Members (of which 5 million yen was paid to 2 Outside Audit & Supervisory Board Members). The amounts paid to directors do not include the salaries of employees of directors who also serve as employees.

Policy on Determining Compensation Amounts and Calculation Methods	Established

Disclosure of Policy on Determining Compensation Amounts and Calculation Methods Updated

The remuneration of each director is determined by the Board of Directors based on the report of the Advisory Committee on Nomination and Remuneration, which is an advisory body to the Board of Directors, after deliberation within the limit of the amount resolved at the General Meeting of Shareholders.
The remuneration for Directors shall consist of basic remuneration, aiming for a remuneration system that is linked to shareholders' profits in the medium term so that it can fully function as an incentive for the sustainable enhancement of corporate value.
The basic remuneration for Directors shall be a fixed monthly remuneration, which shall be determined in accordance with their position, responsibilities and years in office, taking into consideration the level of other companies, the Company's business performance and the achievements of the Directors.
The Representative Director and President decides the amount of individual remuneration within the scope of the total amount of remuneration, etc., resolved at the General Meeting of Shareholders. In making such decisions, the Company respects the reports of the Advisory Committee on Nomination and Remuneration, which was established based on a resolution of the Board of Directors and includes outside directors as members.

[Support System for Outside Directors and/or Outside Audit & Supervisory Board Members]

The Corporate Administration Division supports Outside Directors and Audit & Supervisory Board Members.
Concretely, it explains the details and progress of businesses of JIA to them when necessary, and disclose necessary material and information swiftly, to support the business operations of Outside Directors and Audit & Supervisory Board Members.

2. Matters Concerning the Functions of Business Execution, Auditing, Oversight, and Nomination and Compensation Decisions (Overview of Current Corporate Governance System) Updated

1. Board of Directors

The Board of Directors of JIA is composed of 8 directors, including 4 outside ones, and has the authority to determine the business execution of JIA and supervise the execution of duties of directors.
The Board of Directors holds a regular meeting once a month and an extraordinary meeting when necessary. The Board of Directors makes a decision about important items regarding business administration, receives reports on business execution from directors when necessary, and oversees the business execution of directors.
In the term ended Dec. 2020, the Board of Directors held a total of 13 meetings. The situation of attendance by directors is tabulated below.

Name	Attendance at meeting of the Board of Directors (number of times attended / number of meetings)
Naoto Shiraiwa	100% (13 times / 13 times)
Teiji Ishikawa	100% (13 times / 13 times)
Yoshitaka Murata	100% (13 times / 13 times)
Takeshi Sugimoto	100% (13 times / 13 times)
Takashi Mori	100% (13 times / 13 times)
Shunji Yanai	92% (12 times / 13 times)
Akira Maekawa	100% (13 times / 13 times)

2. Audit & Supervisory Board Members

JIA has adopted the system of auditors, and the Audit & Supervisory Board is composed of 1 full-time audit & supervisory board member and 2 outside audit & supervisory board members. Just in case the number of audit & supervisory board members falls below the number specified in law, the Company has selected a substitute audit & supervisory board member.
Audit & supervisory board members attend important meetings, such as the meetings of the board of directors, receive business reports from directors and others, browse important documents, investigate the situations of business operations and assets, etc., and oversee the business execution of directors.
The Audit & Supervisory Board holds a regular meeting once a month and an extraordinary meeting when necessary. Audit & supervisory board members exchange opinions, share information, and so on regarding the contents of audit.
The full-time audit & supervisory board member Osamu Kobayashi possesses the adequate knowledge of finance and accounting.

(a) Number of meetings of the audit & supervisory board, and the situation of attendance by audit & supervisory board members

In the term ended Dec. 2020, the audit & supervisory board held a total of 13 meetings. The situation of attendance by audit & supervisory board members at the meetings of the audit & supervisory board and the board of directors is tabulated below.

Name	Attendance at meeting of the Audit & Supervisory Board (number of times attended / number of meetings)	Attendance at meeting of the Board of Directors (number of times attended / number of meetings)
Osamu Kobayashi	100% (13 times / 13 times)	100% (13 times / 13 times)
Hitoshi Komatsuzawa	100% (13 times / 13 times)	100% (13 times / 13 times)
Hisao Yamaguchi	100% (13 times / 13 times)	100% (13 times / 13 times)

(b) Major items discussed by the Audit & Supervisory Board

In the current fiscal year, the Audit & Supervisory Board mainly discussed the following items:
Annual policy, plan, and methods for audit, the allocation of duties among audit & supervisory board members, the selection of a substitute audit & supervisory board member, the evaluation and reappointment of accounting auditors, receipt of explanations about an annual audit plan from an audit corporation, agreement for remunerations for the audit corporation, reports on monthly activities of the full-time Audit & Supervisory Board member, the internal audit plan of the internal audit office, internal audit results, internal control evaluation results, etc. Audit & Supervisory Board members exchange opinions about them.

(c) Major activities of Audit & Supervisory Board members

The full-time audit & supervisory board member attends important meetings, such as the meetings of the board of directors, browses documents about important decisions, investigates and checks the business operations and assets of each business

department, based on the audit policy, methods, and plans produced by the Audit & Supervisory Board. In addition, the full-time audit & supervisory board member regularly exchanges information, opinions, etc. with the representative director, accounting auditors, and the internal audit office.
Like the full-time audit & supervisory board member, outside audit & supervisory board members attend the meetings of the board of directors, to audit management policies, interim results, accounting, internal control related to financial control, annual results, etc.

３． Internal Audits

JIA has established an internal audit system for preserving its assets and confirming appropriate business execution, and two employees under the direct control of the president engage in internal audit.
Basic items about internal audit are stipulated in the regulations for internal audit, and internal audit is carried out based on internal audit plans while closely interlinking internal audit information among audit & supervisory board members and accounting auditors.
Internal audit results are reported to the representative director and president, opinions are exchanged with the audited sections, improvement is promoted when necessary, and follow-up management is conducted, to prevent misconduct.

４． Accounting Audits

JIA has concluded an audit contract with Grant Thornton Taiyo LLC. Through the audit by said audit corporation, JIA confirms accounting problems and makes efforts to improve the appropriateness of its accounting process.
The following certified public accountants executed the tasks.

Grant Thornton Taiyo LLC	Designated Unlimited Liability Partner, Engagement Partner	Hiroshi Tsurumi
Grant Thornton Taiyo LLC	Designated Unlimited Liability Partner, Engagement Partner	Keita Kawashima

５． Limitation of Liability Agreement

JIA has concluded a contract for limiting the liability for damages mentioned in Article 423, Paragraph 1 of the Companies Act in accordance with Article 427, Paragraph 1 of the Companies Act. The upper limit of liability set forth in said contract is as specified by law.

3. Reasons for Adoption of Current Corporate Governance System Updated

Four outside directors account for 50% of directors of JIA, to enhance the function to check business administration. In addition, two outside audit & supervisory board members are appointed, to secure the corporate governance function together with outside directors. Furthermore, JIA has established a system for consulting with corporate lawyers when necessary.
Accordingly, it can be concluded, considering the current corporate scale, that the Company has established a sufficient governance system.

Ⅲ. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Ensure Dynamic General Shareholder Meetings and Smooth Exercise of Voting Rights Updated

	Supplementary Explanations
Early Notification of General Shareholder Meetings	The convocation notice for the 15th annual meeting of shareholders was sent on March 8, 2021, and submitted to Tokyo Stock Exchange on February 26, 2021.
Scheduling General Shareholder Meetings on Days When Numerous Other Companies Are Not Holding Theirs	Dates on which many companies hold meetings of shareholders are avoided, so that many shareholders can attend the general meeting of shareholders of JIA. The 15th annual meeting of shareholders was held on March 26, 2021.
Convocation Notice in English Provided	The reference material for the 15th annual meeting of shareholders was provided in English.
Other Matters	The convocation notice for the 15th annual meeting of shareholders was uploaded to the website of JIA on February 26, 2021, so that it can be browsed in the Internet. The situation of exercise of voting rights is described in the extraordinary report submitted on March 29, 2021.

2. IR Activities Updated

	Supplementary Explanations	Explanation from Representative
Formulation and Public Disclosure of the Disclosure Policy	JIA has set the policy for disclosing IR information, and announced it in its website at http://www.jia-ltd.com/en/ir/disclaimer/.	
Regular Investor Briefings for Analysts and Institutional Investors	In 2020, the following briefing sessions were held. A session for briefing results for institutional investors on February 12, 2020 (hosted by the Securities Analysts Association of Japan, held at Nikkei Kayabacho Seminar Room 1) A telephone conference for briefing results for institutional investors on July 31, 2020 (at the conference room of JIA)	Yes
Posting of IR Materials on Website	The website includes financial results and other items to be disclosed timely, PR material, securities report, quarterly reports, corporate governance reports, and convocation notices for general meetings of shareholders. https://www.jia-ltd.com/ir/	
Establishment of Department and/or Manager in Charge of IR	The director in charge of IR is the director and head of Management Dept. The section in charge of IR is the PR/IR Group of Corporate Planning Depratment.	

3. Measures to Ensure Respect for Stakeholders' Positions

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	JIA mentions that it will respect the standpoints of stakeholders in "Compliance Manual," "Disclosure Policy," etc., which summarize the basic policy for promoting compliance.
Development of Policies on Provision of Information to Stakeholders	JIA considers that a duty as a listed company is to disclose corporate information timely and appropriately to all stakeholders, including shareholders, investors, and local communities, and recognizes well that it is indispensable to fulfill this duty as a company listed a sound securities market. Keeping it in mind, the Company will disclose corporate information swiftly, accurately, and fairly to shareholders and investors. Under the "Disclosure Policy," JIA timely discloses financial statements, which are information on business administration, and information on corporate activities, and uploads them to its website, to provide information proactively.

Ⅳ. Matters Related to the Internal Control System

1. Basic Views on the Internal Control System and Progress on System Development Updated

The following is the overview of the decisions made and the operational status regarding the system to ensure compliance by the directors of JIA and the JIA Group companies with laws and the Articles of Incorporation in the execution of their duties, and other systems to ensure appropriate business operations of the corporate group consisting of JIA and its subsidiary companies:

【Overview of the decisions made about the system to ensure appropriate business operations】

1. System to ensure compliance by the directors and employees of the Company and its Group companies with laws and the Articles of Incorporation in the execution of their duties

(1) The directors and employees of JIA and JIA's subsidiary companies (hereinafter collectively referred to as "the JIA Group") shall comply with social ethics, laws, the Articles of Incorporation, various internal regulations, and other applicable rules and engage in appropriate and sound corporate activities on the basis of the Corporate Philosophy.

(2) The Board of Directors shall develop internal regulations related to execution of duties, including the Rules of the Board of Directors and Rules on Administrative Authorities, and the employees execute their respective duties pursuant to the internal regulations so specified.

(3) The status of compliance shall be reported by the Compliance Committee to the directors and the audit & supervisory board members, and the person in charge of each department shall build and promote a framework of legal compliance upon understanding compliance-related issues specific to their departments.

(4) The Internal Audit Office, which is under the direct supervision of the President, shall regularly audit such matters as business execution and compliance by each department and report audit results to the president and the audit & supervisory board members.

(5) The JIA Group has set up points of contact for internal reporting in order to properly deal with violation of law, legally questionable acts, and other similar matters.

2. System for storing and managing information associated with business execution by the directors

(1) Records, ringisho (drafts circulated to obtain managerial approval), and other important information associated with business execution by the directors shall be documented in paper form or electromagnetic media, and properly stored and managed pursuant to the law and internal regulations.

(2) The directors and the audit & supervisory board members shall be allowed to refer to such documents and other relevant information as necessary.

3. Risks of Loss Management Regulations and Other Systems

(1) The Board of Directors shall formulate internal regulations for dealing with various risks, including compliance, personal information, natural disaster, security, and system failure, and regularly review them.

(2) The person in charge of each department and the person in charge of each Group company shall report on risk information and other relevant information to the directors and the audit & supervisory board members, and monitor and deal with risks in a cross-organizational manner. Each department in charge shall properly cope with risks by providing education and training, and developing and distributing manuals in regard to risk management.

(3) When an unforeseen event has unfolded, headquarters for emergency response shall be set up under the command of the President, and the event shall be swiftly and accurately handled in cooperation with outside specialized agencies, such as advisory law offices, as necessary, in order to prevent further loss.

(4) The Internal Audit Office shall audit the risk management status at each department and report audit results to the President, and the Board of Directors shall regularly review the risk management structure.

4. System to Ensure the Efficient Execution of Duties by Directors

(1) In order to enhance the decision-making and supervisory functions of the Board of Directors and streamline execution of duties by the Board, the President and each director shall execute their own duties under the command and direction of the President in accordance with the decisions reached by the Board of Directors within the scope of authority and responsibility defined by the internal regulations.

(2) The Board of Directors shall hold meetings regularly once every month or at any time as needed, in order to formulate the Corporate Philosophy, business policies, medium-term business plans, business objectives, including an annual budget, as well as matters specified by law, and supervise execution of duties. Each department shall institute and implement concrete measures to attain the objectives so defined.

(3) Each department shall ensure swiftness and efficiency through delegation of authority and clarification of responsibility pursuant to the internal regulations.

5. System to Ensure Appropriate Business Conduct by the Corporate Group, Consisting of the Company and its Subsidiaries

(1) JIA's subsidiary companies shall effectively manage business by complying with social ethics, laws, the Articles of Incorporation, and the internal regulations and ensuring appropriate business conduct in accordance with the JIA Group's Corporate Philosophy.
(2) Pursuant to JIA's various regulations and rules, JIA's subsidiary companies shall propel forward development of regulations required to ensure that execution of duties by their directors and employees comply with laws and the Articles of Incorporation, and regulations related to storage and management of information on execution of duties by their directors.
(3) Pursuant to JIA's various regulations and rules, JIA's subsidiary companies shall ensure appropriate business conduct by propelling forward establishment of systems to ensure that their directors efficiently execute their duties and developing systems suited for the business and organizational structure of each Group company.
(4) JIA's subsidiary companies shall propel forward establishment of regulations related to management of risks of loss, develop a system for understanding and comprehensively managing individual risks, and take proper measures in order to prevent further loss when an unforeseen event has taken place.
(5) JIA's subsidiary companies shall give JIA necessary reports on business operations
(6) JIA's audit & supervisory board members and the Internal Audit Office shall audit the status of business execution by the directors and employees of JIA's subsidiary companies in cooperation with the audit & supervisory board members and the management department of the subsidiaries.

6. Employees who assist A&SB Members in auditing, and such employees' independence from Directors
(1) JIA shall swiftly appoint employees as assistants to the audit & supervisory board members upon their request.
(2) The employees shall be free from the command and instructions of the president, managers, or other personnel in equivalent positions when the employees have received instructions from the audit & supervisory board members in order to ensure the effectiveness of their instructions and the employees' independence from the directors.
(3) The employees shall never be treated unfairly in regard to human affairs or other treatment in the JIA Group because they followed instructions from the audit & supervisory board members.

7. System for Reporting to Company A&SB Members
(1) The audit & supervisory board members shall be allowed to attend important meetings, such as Board of Directors meetings, refer to ringisho and other important documents as needed, and ask the directors and employees for explanations in order to take a grip on the process of important decision-making and the status of execution of duties.
(2) The directors, the audit & supervisory board members, and employees of the JIA Group shall make reports swiftly to JIA's Audit & Supervisory Board or its members about matters that have significant influence on the Group's business or business performance, the implementation status of internal audits, the reporting status through the internal reporting system, other matters required for execution of duties by the audit & supervisory board members, as well as matters specified by law. Important matters reported by the JIA Group companies to JIA's directors and employees shall be included in these matters to be reported.
(3) JIA shall ensure that a person who has made a report as set forth in the preceding paragraph shall never be treated unfairly because of the report.

8. Policy on management of expenses and debt incurred in execution of A&SB Members duties
(1) When an audit & supervisory board member has submitted a request to JIA, pursuant to the Companies Act, for advance payment or reimbursement of expenses necessary for execution of duties, JIA shall bear such expenses upon receiving the request.

9. Other systems for ensuring effective performance of audits by the A&SB Members
(1) The audit & supervisory board members shall forge a relationship of deep mutual understanding with the president through regular meetings with the president, information exchange, and report and discussion about business execution.
(2) The audit & supervisory board members shall establish a structure of highly effective and efficient audits through coordination with the Internal Audit Office and the accounting auditor.

10. System to Ensure Reliability of Financial Reporting in the Corporate Group
(1) The JIA Group shall establish an effective and appropriate internal audit framework pursuant to the Financial Instruments and Exchange Act and other applicable laws and regulations in order to ensure the reliability of financial reporting.

【Status of Basic Policy Implementation in the Company】
The following is the overview of the implementation status of the systems to ensure appropriate business operations by JIA in the current fiscal year:
1. System to ensure compliance by directors and employees of the Company and its Group companies with laws and the Articles of Incorporation in the execution of their duties
(1) The JIA Group facilitates full understanding of the Group's Corporate Philosophy by its executives and employees in

order to realize the Philosophy.
(2) The executives and employees of the JIA Group submit written oaths when they join the Group and once in every fiscal year thereafter, stating that they understand and comply with the Compliance Manual, for such purposes as heightening their awareness of compliance and preventing misconduct.
(3) The JIA Group has set up points of contact for internal reporting that receive reports and requests for advice from its executives and employees in an effort to protect whistle-blowers, and identify issues and make improvements as swiftly as possible. The full-time audit & supervisory board member, the Group legal and compliance department, and outside law offices serve as the points of contact.
(4) The JIA Group has formulated the Regulations for Prohibition of Insider Trading in order to prohibit insider trading and facilitates full understanding of the regulations by its executives and employees, and corporate information is centrally and strictly managed within the Group. In addition, as for transactions of JIA's shares by the JIA Group's executives and employees, the Group not only provides e-learning programs, but also has enhanced the function to check fraudulent transactions by allowing its executives and employees to put in an order for share transaction only after submitting a written notice of an intent to buy or sell JIA's shares and undergoing a screening by the person in charge of information management regarding whether or not an order placed can be approved.

2. System for storing and managing information associated with business execution by the directors
(1) Records, ringisho, and other important information in relation to business execution by the directors are documented in paper form or electromagnetic media, and properly stored and managed pursuant to laws and regulations, and such internal regulations as the Regulations for Document Management and the Regulations for the Ringi Decision-Making Process.
(2) The directors and the audit & supervisory board members refer to such documents as necessary.

3. Risks of Loss Management Regulations and Other Systems
(1) Issues related to management of risks are discussed pursuant to the Regulations for Risk Management.
(2) The JIA Group has developed systems that allow it to take swift and proper action against natural disasters and other emergencies, including confirmation of the safety of its executives and employees using a safety confirmation system and preventive measures against the novel coronavirus infection.
(3) The Internal Audit Office audits the appropriateness of business operations and administration of the JIA Group from an independent standpoint.

4. System to Ensure the Efficient Execution of Duties by Directors
(1) JIA holds extraordinary meetings of the Board of Directors as necessary, as well as regular board meetings every month in order to make decisions on execution of duties and supervise execution of duties. In addition, the Board of Directors strives to boost the efficiency of the internal control system by discussing measures against new business risks on a continuing basis and reviewing various internal regulations and business operations as required.

5. System to Ensure Appropriate Business Conduct by the Corporate Group, Consisting of the Company and its Subsidiaries
(1) Pursuant to the Rules on Management of Affiliates, the department in charge of subsidiary management monitors the administration of JIA's subsidiary companies and takes a grip on the status of the business operations of its major subsidiaries.
(2) Pursuant to the Rules on Management of Affiliates, JIA's subsidiaries regularly report the progress with their business and trends of their business performance to JIA and have discussion in advance about important matters.
(3) The department in charge of management of JIA's subsidiaries shall be the division or department in charge of the business that is closely related to the subsidiary's business, and the division or department in charge manages and instructs the subsidiary so that it can efficiently attain its business objectives. In addition, Corporate Administration Division checks the subsidiary's business plans and business management, including funds, business performance, and human affairs.
(4) JIA's audit & supervisory board members regularly exchange opinions and share issues with the audit & supervisory board members of JIA's subsidiaries, and the person in charge of internal audits conducts internal audits of JIA's subsidiaries.

6. Employees who assist A&SB Members in auditing, and such employees' independence from Directors
(1) JIA does not appoint any employee as an assistant to the audit & supervisory board members. JIA will swiftly appoint employees to assist the audit & supervisory board members in their duties upon their request.

7. System for Reporting to Company A&SB Members
(1) The audit & supervisory board members attend important meetings, such as meetings of the board of directors, and understand the process of important decision-making and the status of business execution. In addition, they refer to ringisho and other important documents as necessary and ask the directors and employees for explanations.
(2) The JIA Group's directors and employees report to the audit & supervisory board members matters that have significant

influence on its business or business performance, the implementation status of internal audits, the reporting status through the internal reporting system, as well as matters specified by laws and regulations.

8. Policy on management of expenses and debt incurred in execution of A&SB Members duties
(1) The Company bears expenses incurred by the audit & supervisory board members in execution of their duties.

9. Other systems for ensuring effective performance of audits of by the A&SB Members
(1) In regard to the status of the audit system, the audit & supervisory board members attend liaison meetings with the audit & supervisory board members of JIA's subsidiaries as well as such important meetings as meetings of the board of directors, and monitor and verify reports that they have received. The audit & supervisory board members hold discussion based on reports that they regularly receive from the Internal Audit Office about internal audit results and ones from the accounting auditor about results of accounting audits and internal control audits.
(2) The Audit & Supervisory Board regularly holds meetings with the president and exchanges opinions about important matters associated with audits and issues that the Company should address.
(3) The Internal Audit Office regularly conducts internal audits of JIA's subsidiary companies and evaluates the effectiveness of the internal control system, including cooperation with the outside audit & supervisory board members.

2. Basic Views on Elimination of Antisocial Forces and State of Preparedness

The Company's basic views on elimination of antisocial forces and the state of preparedness are detailed below.

1) Basic Views on Elimination of Antisocial Forces
(1) The JIA Group cuts off any relationship with antisocial forces, including business relationships, and refuses unreasonable demands from antisocial forces. The Group will terminate business relationships with any individuals, corporations, or organizations when they are proven to be related to antisocial forces.
(2) The JIA Group establishes education programs for preventing any damage by antisocial forces, and develops countermeasures and facilitates full understanding of them by its executives and employees.
(3) The JIA Group establishes a relationship of cooperation with the police and outside specialized agencies, such as advisory law offices, for coping with emergencies arising from unreasonable demands from antisocial forces.

2) State of Preparedness for Eliminating Antisocial Forces
(1) The JIA Group has established a department that is in charge of handling unreasonable demands from antisocial forces in order to prevent any transactions with antisocial forces.
(2) The JIA Group ensures sound business conduct by specifying matters and developing systems that are necessary for eliminating antisocial forces in advance.
(3) The JIA Group has enhanced its internal control framework through education for preventing any damage by antisocial forces.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted

Supplementary Explanation

None

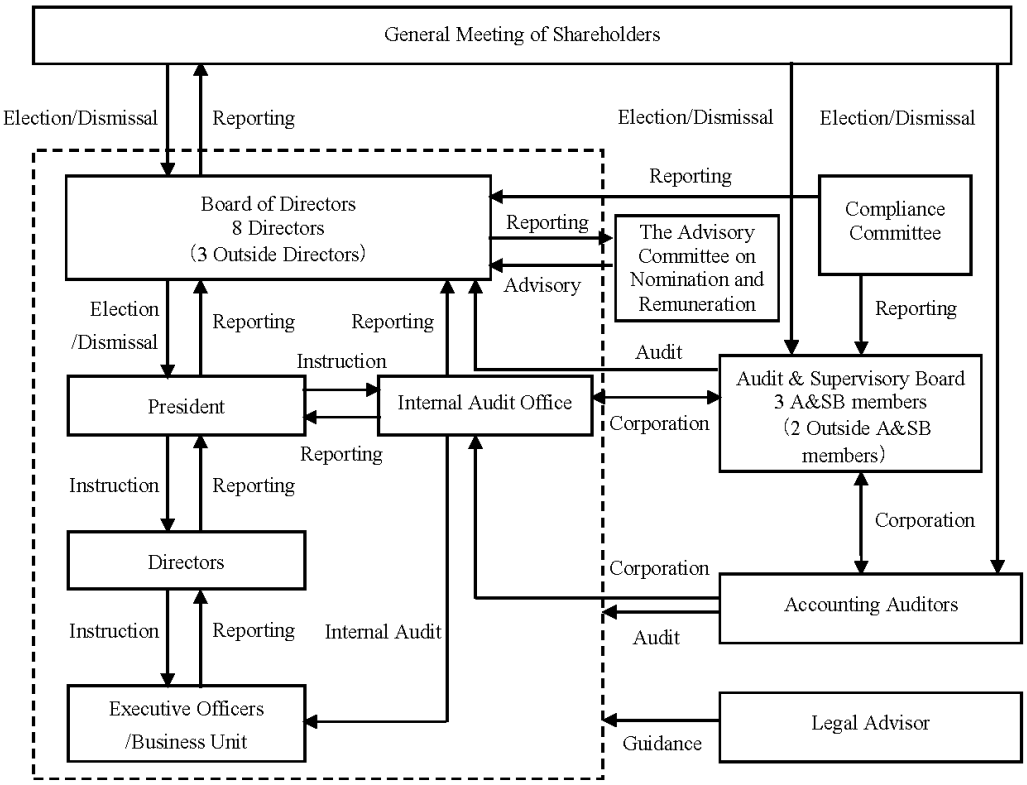
2. Other Matters Concerning Corporate Governance System

Internal system for timely disclosure of Company information

The PP & IR Group of the Company (hereinafter referred to as the "Department in Charge of Timely Disclosure") shall be the department in charge of Timely disclosure, and shall supervise Timely disclosure operations in accordance with the Timely Disclosure Rules, as well as liaison operations with the Tokyo Stock Exchange. The department in charge of Timely Disclosure strives to inform internal departments of the importance of Timely disclosure, and internal departments report to and consult with the department in charge of Timely disclosure regarding decisions and facts that arise in the course of business activities that are considered to have a significant impact on investors' investment decisions. Such important information is collected from other departments in the Administration Division to the department in charge of Timely Disclosure through internal reporting or the process of approval by the prescribed resolution.
Important matters such as decisions, occurrences, and financial information of subsidiaries are also required to be approved or reported as prescribed by the Company, and important or potentially important corporate information within the Group is collected from each department within the Company to the department in charge of Timely Disclosure without omission or delay through the process of internal reporting by subsidiaries to the department in charge of the relevant subsidiary or approval by the Company.

[Reference Material]

1. Diagram of Corporate Governance System



2. Timely Disclosure System Flowchart

<Determined items, events, financial results, etc. of the JIA Group>

