

The corporate governance of [Samty Holdings Co., Ltd.] (the “Company”) is described below.

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

### 1. Basic Views

The Samty Group views the strengthening of corporate governance as a key management issue. The Group’s basic thinking on corporate governance is to implement rigorous compliance and improve the transparency and soundness of management activities, then pursue the continuous growth of the Company and earn the trust of society by maintaining efficient management and a strong competitive advantage.

Based on the above basic thinking on corporate governance, and drawing on the provisions of the principles of the Corporate Governance Code, it is the Group’s policy to establish appropriate corporate governance by implementing a structure that enables the dissemination of timely, accurate information, strengthening our information management system, rigorously complying with laws, using independent outside directors, and so forth.

Furthermore, on June 3, 2024, Samty Co., Ltd. transitioned to a holding company structure which was established incorporated through a share transfer solely by Samty Co. Ltd. The transition to a holding company structure will clarify the roles of the holding company and each subsidiary company, with the holding company supervising and controlling the entire group, thereby further strengthening group governance, and we will work on management that is further permeated with group discipline and strategy for each operating company.

Reasons for Not Implementing Each Principle of the Corporate Governance Code

The Company complies all of the principles of the Corporate Governance Code.

## Disclosure Based on the Principles of the Corporate Governance Code

### Rule 1-4: Cross-Shareholding

The Group may maintain and enhance stable business relationships by means of cross-shareholding, and there are cases where it will hold publicly traded shares for policy purposes if doing so is deemed to contribute to the improvement of its enterprise value.

The pros and cons of continuously owning such cross-held shares in the medium to long term shall be considered by the Board of Directors and others, and cross-held shares for which the value of ownership is deemed insufficient will be reduced.

When exercising voting rights relating to cross-held shares, factors such as whether the proposal made by the company in question

is aligned with the Group's ownership policy are taken into consideration.

#### Rule 1-7: Transactions Between Related Parties

The Company's Board of Directors' Regulations stipulate that the approval of the Board of Directors must be obtained if a director engages in competitive transactions or conflict-of-interest transactions, and that a director who engages in such transactions must report the key facts pertaining to said transactions to the Board of Directors without delay. Additionally, it is stipulated that the approval of the Board of Directors must be obtained for important transactions with related parties. Moreover, with regard to Group company officers, related-party transactions will be monitored once per year and transactions must be disclosed in securities reports in accordance with the Companies Act, the Financial Instruments and Exchange Act, and other applicable laws and regulations, as well as the regulations stipulated by the Tokyo Stock Exchange.

#### Supplementary Rule 2-4-1

The majority of the Group's employees are mid-career hires and the Group has always had a policy to further develop strengths and correct weaknesses of employees to foster talented personnel by accurately understanding their skills and aptitudes, regardless of gender, nationality, previous careers, age, and the years of service at the Group. Even in recruitment activities, the Group ensures diversity by actively hiring people from the location of its offices.

Before transitioning to a holding company, females, foreign nationals and mid-career hires accounted for 82.7% of employees, and 100% of those in managerial positions at Samty Co., Ltd. In particular, among the mid-career hires in managerial positions, 66.7% are from the real estate industry, while 33.3% are from other industries, with personnel coming from a diverse range of industries, including finance and retail. Going forward, the proportion of female, foreign national, or mid-career employees in managerial positions may change, but the Group will continue to make efforts to hire more female and foreign national employees and ensure we hire people from a diversity of industries.

In addition, for our human resource development policy, workplace environment policies, and specific initiatives, please refer to the following pages on our website's sustainability section

Website: (Japanese site: [https:// www.samty-holdings.com/ja/sustainability.html](https://www.samty-holdings.com/ja/sustainability.html) English site: <https://www.samty-holdings.com/en/sustainability.html>)

Human resource development policy: (Japanese: <https://samty.disclosure.site/ja/themes/23/>)

English: <https://samty.disclosure.site/en/themes/23/>)

Workplace environment policies: Japanese:( <https://samty.disclosure.site/ja/themes/21/>)

English: <https://samty.disclosure.site/en/themes/21/>)

#### Rule 2-6: Fulfilling Our Role as Company Pension Asset Owner

The Company does not have a company pension plan.

#### Rule 3-1: Comprehensive Information Disclosure

(1) Corporate objectives (Management Philosophy, etc.), management strategy, and management plan

In June 2024, Samty Co., Ltd. transitioned to a holding company structure which was established through a share transfer solely by Samty Co. Ltd.

The philosophy and policies of Samty Co., Ltd. have been inherited as the management philosophy and policies of the Group

and can be found on the website of Samty Holdings, Inc. (<https://www.samty-holdings.com/ja/company/philosophy.html>)  
English site: <https://www.samty-holdings.com/en/company/philosophy.html>)

The management strategy and management plan are disclosed as the Medium-Term Management Plan.

(2) Basic thinking and basic principles relating to corporate governance

These are indicated in Section I-1 of this report, “Basic Thinking.”

(3) Policies and procedures for the Board of Directors to determine managing executives and directors’ remuneration

Remuneration for directors (excluding directors who are members of the Audit and Supervisory Committee) is determined by the Board of Directors based on the results of discussions by the Nomination and Compensation Committee after the Representative Director prepares a proposal taking into consideration the nature of their duties and the situation of the Group. The compensation of Directors who are members of the Audit and Supervisory Committee is determined through discussions by the Audit and Supervisory Committee, taking into consideration the nature of their duties, their experience, the Group’s situation, and other relevant factors.

(4) Policies and procedures for the Board of Directors to appoint/dismiss managing executives and nominate director candidates

The Board of Directors decides on candidates for directors (excluding directors who are members of the Audit and Supervisory Committee) based on the results of discussions by the Nomination and Compensation Committee after the Representative Director prepares a proposal. For candidates for the Audit and Supervisory Committee, the Representative Director prepares a proposal, and based on the results of discussions by the Nomination and Compensation Committee, the Board of Directors decides on the proposal for the General Shareholder Meeting after obtaining the consent of the Audit and Supervisory Committee. Dismissal of directors is decided on by a proposal by the Board of Directors at the General Shareholder Meeting based on the results of discussion by the Nomination and Remuneration Committee that considered violations of the law or the Articles of Incorporation during the execution of their duties, mental or physical impairment, marked incompetence, or considering their responsibility for their department’s performance.

(5) Explanation of individual appointments, dismissals, or nominations given by Board of Directors when appointing/dismissing managing executives and nominating director and the Audit and Supervisory Committee candidates based on Item 4 above

A brief background of each director candidate and the reasons for their selection are indicated in General Shareholder Meeting reference documents.

#### Supplementary Rule 3-1-3

We will aim for our management philosophy of “Morals, passion, challenges, and the realization of dreams,” through our sustainability efforts. A basic sustainability policy was established before transitioning to a holding company, and we are implementing various ESG (Environmental, Social and Governance) initiatives. In February 2023, we identified material issues that we should focus on in our sustainability-related activities in order to further accelerate our efforts to solve social issues through our business.

In addition, CO<sub>2</sub> emissions for Scope 1 and Scope 2 have been tabulated and disclosed on the sustainability section of our website, and we will continue to enhance the disclosure of sustainability-related information.

We believe that the growth of our Group is highly dependent on human resources, primarily superior human resources. Regarding investment in human capital, we will respect to the maximum extent possible their taking on challenges in accordance with their wishes to make the most of their individuality, and in this context, we will strive to develop their skills and build a system that

will enable them to achieve results. In addition, we are actively recruiting mid-career workers in order to acquire excellent human resources and, in parallel, we are improving the working environment by formulating various policies regarding human resource development, the workplace environment, and human rights. We are also continuing to increase base salaries, and have an in-house open recruitment system, a self-development support system using correspondence courses, and a personnel exchange system among group companies. Through these efforts, we will acquire excellent human resources, make sure they want to stay, and develop them.

Finally, we view intellectual property as a brand strategy and will work to foster attachment and pride in our company among our employees and other stakeholders, and to develop our business and enhance our brand value.

Please refer to the sustainability section of our website (<https://www.samty-holdings.com/ja/sustainability.html> English website: <https://www.samty-holdings.com/en/sustainability.html> ) for information on our current initiatives.

#### Supplementary Rule 4-1-1

Matters determined by the Board of Directors and matters entrusted to the business execution system under the representative director (including matters reported to the Board of Directors) are stipulated in the Company's Board of Directors' Regulations, the Committee Regulations, Organization Regulations, and administrative authority chart. These are summarized below.

#### Matters Determined by the Board of Directors

- (1) Matters relating to the directors and the General Shareholder Meeting, such as deciding to convene a meeting and matters to be discussed at the meeting
- (2) Important matters relating to shares and bonds, such as issuance of new shares
- (3) Important matters relating to management in general, such as the Medium-Term Management Plan and the annual consolidated budget
- (4) Important matters relating to business execution

#### Delegation of Important Business Decisions

Some important business decisions are delegated to the Group Strategy Committee based on decisions of the Board of Directors.

#### Matters Entrusted to the Business Execution System under the Representative Director

Execution of the company's business overall based on various policies determined by the Board of Directors.

#### Rule 4-9: Independence Standards and Qualifications of Independent Outside Directors

The independence standards are as stipulated in the Appendix.

#### Supplementary Rule 4-10-1

The Company established the Nomination and Remuneration Committee as requested by the Board of Directors as a deliberative committee for discussing nominations, remuneration, and related matters, and has received appropriate involvement and advice in terms of diversity, skills, and such. The Nomination and Remuneration Committee is composed of three independent outside directors and one inside director, so independence and objectivity are ensured because independent outside directors comprise

the majority of the Committee.

#### Supplementary Rule 4-11-1

The approach to the Company's Board of Directors as a whole with regard to size, diversity, and balancing knowledge, experience, and skills is as follows:

1. The Company's Board of Directors will consist of 11 or fewer members, of which a majority will be independent outside directors.
2. With regard to the composition of the Board of Directors, director candidates will be decided upon by taking into account gender, nationality, age, skills, etc. to ensure that the Board's discussions will be appropriate and represent multiple perspectives.

The skills that the Board of Directors considers necessary and the skills each director has are shown in the skill matrix in the Appendix.

#### Supplementary Rule 4-11-2

Of the directors, two outside directors also serve as outside officers for other publicly listed companies, but the number of concurrent director positions is considered to be within the scope of what is reasonable. None of the other officers concurrently serve as officers for other publicly listed companies, so they are able to concentrate on their duties as directors. The status of concurrent director positions at other publicly listed companies is indicated and disclosed in business reports and securities reports.

#### Supplementary Rule 4-11-3

The Company's Board of Directors will evaluate its effectiveness each year on a regular basis and discloses the results.

Last year, the evaluation was conducted by Samty Co., Ltd. before transitioning to a holding company with a survey about the Board of Directors' effectiveness, and it was completed by all directors and the corporate auditors comprising the Board of Directors, and the results were reported to Samty Co., Ltd.'s Board of Directors. This evaluation indicated that the Company's Board of Directors was functioning appropriately in general with regard to structure, management, governance, etc., thereby confirming its effectiveness.

The main points that require improvement and enhancement in the future include the enhancement of strategic deliberations other than the agenda items and the earlier distribution of materials. We will work to improve and enhance these points after having our Board of Directors review them, too.

#### Supplementary Rule 4-14-2

Newly appointed directors at the Company receive explanations regarding the Group's management strategy, the Medium-Term Management Plan, finances and accounting, business circumstances, etc. from the respective officers in charge or supervising department. Moreover, the Company provides directors with timely information about the economic climate, industry trends, legal compliance, corporate governance, finance and accounting, and other important matters they need to know to fulfill their roles, as well as supporting directors in the execution of their duties by organizing external training workshops and the like.

#### Rule 5-1: Policy Regarding Constructive Dialogue with Shareholders

##### Actions to achieve cost of capital- and stock price-conscious management

At Samty Co., Ltd. in the previous fiscal year (ended November 30, 2023), before transitioning to a holding company, ROE was 10.1%, well above the cost of capital, achieving high capital efficiency. We also recognize that for Samty Co., Ltd., returning profits to shareholders is one of the important issues of management, and have a dividend payout ratio of 38.1%.

For the holding company, too, to achieve shareholder-conscious management and the cost of capital, we will continue to balance financial stability, such as the capital adequacy ratio, with the strengthening of earning power, while we maintain a ROE that exceeds the cost of capital. As indicated in the Appendix, we have stipulated a policy concerning dialogue with shareholders and will take proactive measures to engage in dialogue with them.

## 2. Capital Structure

|   |               |
|---|---------------|
| Percentage of Shares held by Foreigners | Less than 10% |
|---|---------------|

### Status of Major Shareholders

| Name or Company Name                                 | Number of Shares Owned | Percentage (%) |
|--|------------------------|----------------|
| Daiwa Securities Group Inc.                          | 13,195,050             | 28.33          |
| The Master Trust Bank of Japan, Ltd. (trust account) | 2,571,800              | 5.52           |
| Shigeru Moriyama                                     | 1,376,572              | 2.96           |
| Hideaki Kasagi                                       | 1,330,000              | 2.86           |
| Daiwa PI Partners Co., Ltd.                          | 1,250,000              | 2.68           |
| Tsuyoshibiru Co., Ltd.                               | 1,220,000              | 2.62           |
| Ichiro Matsushita                                    | 1,200,000              | 2.58           |
| Kazushi Eguchi                                       | 804,424                | 1.73           |
| Junko Moriyama                                       | 362,500                | 0.78           |
| OG Capital Co., Ltd.                                 | 352,900                | 0.76           |

|   |                |
|---|----------------|
| Name of Controlling Shareholder, if applicable (excluding Parent Company) | —              |
| Name of Parent Company, if applicable                                     | Not applicable |

### Supplementary Explanation

Since the Company is a newly established company established on June 3, 2024, through a share transfer, the Status of Major Shareholders has been prepared based on the shareholder register of Samty Co., Ltd. as of the end of November 2023, taking into account the share transfer ratio in the share transfer.

### 3. Corporate Attributes

|   |  |
|---|--|
| Listed Stock Exchange and Market Segment                                      | Prime Market                                   |
| Fiscal Year-End   | December                                       |
| Business Sector   | Real Estate                                    |
| Number of Employees (Consolidated) as of the End of the Previous Fiscal Year  | 500 or more and fewer than 1,000               |
| Net Sales (Consolidated) as of the End of the Previous Fiscal Year            | ¥100 billion or more and less than ¥1 trillion |
| Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year | 10 or more and fewer than 50                   |

### 4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

—

### 5. Other Special Circumstances Which May have a Material Impact on Corporate Governance

—

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

### 1. Organizational Composition and Operation

|                             |  |
|-----------------------------|--|
| Corporate Governance System | Company with Audit and Supervisory Committee |
|-----------------------------|--|

#### Directors

|   |           |
|---|-----------|
| Number of Directors Stipulated in Articles of Incorporation       | 11        |
| Directors' Term of Office Stipulated in Articles of Incorporation | 1 year    |
| Chairperson of the Board  | President |
| Number of Directors   | 9         |
| Election of Outside Directors                                     | Elected   |
| Number of Outside Directors                                       | 6         |
| Number of Outside Directors who are Independent Directors         | 5         |

Relationship with the Company (1)

| Name            | Attributes                          | Relationship with the Company* |   |   |   |   |   |   |   |   |   |   |
|-----------------|-------------------------------------|--------------------------------|---|---|---|---|---|---|---|---|---|---|
|                 |                                     | a                              | b | c | d | e | f | g | h | i | j | k |
| Shoichi Sampei  | CPA                                 |                                |   |   |   |   |   |   | △ |   |   |   |
| Junko Kawai     | Lawyer                              |                                |   |   |   |   |   |   |   |   |   |   |
| Masatsugu Oishi | Formerly worked for another company |                                |   |   |   |   |   | ○ | ○ |   |   |   |
| Mitsusuke Koi   | Formerly worked for another company |                                |   |   |   |   |   |   | △ |   |   |   |
| Tetsuo Kodera   | Lawyer                              |                                |   |   |   |   |   |   |   |   |   |   |
| Naotaka Murata  | CPA                                 |                                |   |   |   |   |   |   | △ |   |   |   |

\*Categories for "Relationship with the Company."

(Use "○" 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; and "▲" when a close relative of the director fell under the category in the past.)

- Executive of the Company or one of its subsidiaries
- Executive or non-executive director of the parent company of the Company
- Executive of a fellow subsidiary company of the Company
- A party whose major client or supplier is the Company or an executive thereof
- Major client or supplier of the Company or an executive thereof
- Consultant, accountant, or legal professional who receives a large monetary consideration or other property from the Company besides compensation as an officer
- Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
- Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the executive himself/herself only)
- Executive of a company, between which and the Company outside officers are mutually appointed (the executive himself/herself only)
- Executive of a company or organization that receives a donation from the Company (the executive himself/herself only)
- Other

Relationship with the Company (2)

| Name           | Member of Audit and Supervisory Committee | Independent Director | Supplementary Explanation of Applicable Items | Reasons for Appointment  |
|----------------|---|----------------------|---|--|
| Shoichi Sanpei |   | ○                    | —   | In addition to his extensive experience as a certified public accountant and expertise in finance and accounting over many years, he has experience in the management of other companies. He was appointed as an outside director of Samty Co., Ltd. in February 2015, and in February 2023 became an independent director who is a member of the Audit and Supervisory Committee of Samty Co., Ltd. He has appropriately fulfilled his responsibilities from an independent and neutral standpoint. We have elected him as an outside director as a |



|             |  |   |   |   |
|-------------|--|---|---|---|
|             |  |   |   | <p>member of the Audit and Supervisory Committee because we believe that he can continue to contribute to the strengthening of the Samty Group's management and corporate governance by using his wealth of experience and achievements. In addition, he fulfills the Company's criteria for determining the independence of outside directors (attached) which are in accordance with the rules of the Tokyo Stock Exchange, so the Company is designating him as an independent director.</p>   |
| Junko Kawai |  | ○ | — | <p>She has a wealth of experience and knowledge as an attorney over many years and has expertise in a wide range of fields, particularly corporate legal affairs. She was appointed as an outside director of Samty Co., Ltd. in February 2022, and has been appropriately fulfilling her responsibilities from an independent and neutral standpoint. She is appointed as an outside director in the expectation that she will continue to contribute to the strengthening of the Group's management and corporate governance by leveraging her wealth of experience and accomplishments. Although she has no experience of being directly involved in corporate management other than being an outside director, we believe that she will be able to appropriately execute her duties as an outside director from an objective perspective based on her broad experience in her area of expertise.</p> <p>In addition, she fulfills the Company's criteria for determining the independence of outside directors (attached) which are in accordance with the rules of the Tokyo Stock Exchange, so the Company is designating her as an independent director.</p> |

|                            |          |          |          |   |
|----------------------------|----------|----------|----------|---|
| <p>Masatsugu<br/>Oishi</p> |          |          | <p>—</p> | <p>He has abundant experience and knowledge of the financial instruments business and the securitization of real estate, including serving as deputy head of the Corporate Planning Department at a securities company, as well as experience in the management of other companies. He was appointed as a corporate auditor of Samty Co., Ltd. in February 2022 and assumed the office, and has been an Outside Director of Samty Co., Ltd. since February 2023, and has appropriately fulfilled his responsibilities. He is appointed as an outside director in the expectation that he will continue to contribute to the strengthening of the Samty Group's management and corporate governance by using this wealth of experience and accomplishments.</p>  |
| <p>Mitsusuke<br/>Koi</p>   | <p>○</p> | <p>○</p> | <p>—</p> | <p>In addition to his extensive experience and awareness as the head of the Internal Audit Department of a financial institution and as a corporate auditor, he has management experience as the managing director of another company. He was appointed as an outside corporate auditor of Samty Co., Ltd. in February 2012, as a full-time corporate auditor in February 2014, and in February 2023 he was appointed as an outside director who is a member of the Audit and Supervisory Committee, and has been appropriately fulfilling his responsibilities from an independent and neutral standpoint. Based on the judgment that he can continue to contribute to the strengthening of the Samty Group's auditing system by using his wealth of experience and achievements, he has been appointed as an outside director of the Company as a member of the Audit and Supervisory Committee. In addition, he fulfills</p> |

|                |   |   |  |   |
|----------------|---|---|--|---|
|                |   |   |  | the Company's criteria for determining the independence of outside directors (attached) which are in accordance with the rules of the Tokyo Stock Exchange, so the Company is designating him as an independent director.   |
| Tetsuo Kodera  | ○ | ○ | Registered as an attorney in September 2015 after resigning from the position of public prosecutor | He has abundant experience and knowledge as a prosecutor and lawyer for many years. He was appointed as an outside corporate auditor of Samty Co., Ltd. in February 2016, as an outside director of Samty Co., Ltd. in February 2019, and in February 2023 he was appointed as an outside director who is a member of the Audit and Supervisory Committee, and has appropriately fulfilled his responsibilities from an independent and neutral standpoint. Based on this extensive experience and track record, we believe that he can continue to contribute to the strengthening of the SAMTY Group's auditing system, and is therefore appointed as an outside director as a member of the Audit and Supervisory Committee. Although he has no experience of being directly involved in corporate management other than being an outside director, we believe that he will be able to appropriately perform his duties as an outside director from an objective perspective based on his broad experience in his field of expertise. In addition, he fulfills the Company's criteria for determining the independence of outside directors (attached) which are in accordance with the rules of the Tokyo Stock Exchange, so the Company is designating him as an independent director. |
| Naotaka Murata | ○ | ○ | —  | He has many years of extensive experience as a certified public accountant and has specialized knowledge in finance and accounting. He was appointed as an outside director of Samty Co., Ltd. in February 2021,  |

|  |  |  |  |  |
|--|--|--|--|--|
|  |  |  |  | <p>became an outside director who is a member of Samty Co., Ltd.'s Audit and Supervisory Committee in February 2023, and has been appropriately fulfilling the responsibilities of his position from an independent and neutral standpoint. Based on the judgment that he can continue to contribute to the strengthening of the Samty Group's auditing system by using this wealth of experience and achievements, he is appointed as an outside director of the Company as a member of the Audit and Supervisory Committee. Although he has no experience of being directly involved in corporate management other than being an outside officer, we believe that he will be able to appropriately perform his duties as an outside director from an objective perspective based on his broad experience in his field of expertise. In addition, he fulfills the Company's criteria for determining the independence of outside directors (attached) which are in accordance with the rules of the Tokyo Stock Exchange, so the Company is designating him as an independent director.</p> |
|--|--|--|--|--|

## Audit and Supervisory Committee

### Composition of the Audit and Supervisory Committee and Attributes of the Chairperson

|                                 | All Committee Members | Full-time Members | Inside Directors | Outside Directors | Committee Chair  |
|---------------------------------|-----------------------|-------------------|------------------|-------------------|------------------|
| Audit and Supervisory Committee | 3                     | 0                 | 0                | 3                 | Outside Director |

Presence/Absence of Directors and/or Staff to Support the Audit and Supervisory Committee

Appointed

### Matters Concerning the Independence of Said Directors and/or Employees from Executive Officers

The Company has established an Audit and Supervisory Committee Office to support the Audit Committee in its duties. The

employees of the Audit and Supervisory Committee Office are not subject to any directives or orders from directors, etc., in the course of their auditing duties, and their independence from directors is ensured with respect to personnel transfers, evaluations, etc. In addition, they are authorized to collect necessary information under the direction of the Audit and Supervisory Committee. If these employees are concurrently serving in other capacities, they must carry out their orders with priority given to the directions of the Audit and Supervisory Committee.

**Status of Coordination between the Audit and Supervisory Committee, the Accounting Auditor, and the Internal Audit Department**

The Audit and Supervisory Committee has employees of the Audit and Supervisory Committee Office attend audits conducted by the Internal Audit Office as necessary and, based on their reports of such audits, ascertains the actual status of operations in each department and requests improvements if there are any deficiencies in the execution of operations. In addition, the Audit and Supervisory Committee receives explanations of the details of the accounting audit from the accounting auditor, and in addition to regular meetings, the Audit and Supervisory Committee seeks to cooperate with the accounting auditor by providing opportunities for the exchange of information and opinions on a daily basis.

**Voluntary Established Committee(s)**

|   |         |
|---|---------|
| Presence/Absence of Voluntarily Established Committee(s) equivalent to a Nomination Committee or Remuneration Committee | Present |
|---|---------|

**Status of Voluntarily Established Committee(s), Members Constituting the Committee(s), and Attributes of the Committee(s) Chair (Chairperson)**

|  | Committee's Name                      | All Members | Full-time Members | Inside Directors | Outside Directors | Outside Experts | Other | Chairperson     |
|--|---------------------------------------|-------------|-------------------|------------------|-------------------|-----------------|-------|-----------------|
| Voluntarily Established Committee Equivalent to Nomination Committee   | Nomination and Remuneration Committee | 4           | 0                 | 1                | 3                 | 0               | 0     | Inside Director |
| Voluntarily Established Committee Equivalent to Remuneration Committee | Nomination and Remuneration Committee | 4           | 0                 | 1                | 3                 | 0               | 0     | Inside Director |

**Supplementary Explanation**

The Nomination and Remuneration Committee is formed of the representative director and independent outside directors, who are selected by a resolution of the Board of Directors, with independent outside directors comprising the majority of the members. Performing the functions of both a nomination committee and remuneration committee, this Committee deliberates on matters relating to the appointment and dismissal of directors (a matter to be decided at the General Shareholder Meeting), matters relating to the selection and dismissal of the representative director, matters relating to directors' remuneration, and other matters at the

request of the Board of Directors and reports the results of its discussions to the Board. The Committee is chaired by the representative director who serves as a member, and if there are multiple such representative directors, the chairperson will be selected by a resolution of the Board of Directors. Meetings will be held when there are matters for discussion, with Personnel and General Affairs serving as the secretariate.

## Independent Directors

|                                 |   |
|---------------------------------|---|
| Number of Independent Directors | 5 |
|---------------------------------|---|

|  |  |
|--|--|
| Other Matters Concerning Independent Directors |  |
|--|--|

—

## Incentives

|  |   |
|--|---|
| Implementation Status of Measures related to Incentives Granted to Directors | Introduction of Performance-linked Remuneration Scheme, Other |
|--|---|

|  |  |
|--|--|
| Supplementary Explanation for Applicable Items |  |
|--|--|

A performance-linked remuneration system (profit-related compensation) was introduced to increase the incentive to improve performance.

Also, the Company has a restricted stock compensation plan and a point-based monetary compensation plan linked to the Company's stock price to give directors (excluding outside directors) incentives to continually improve the Company's corporate value and to further promote the sharing of value with shareholders.

In addition, for the Company's directors (directors listed in each item of Article 363, Paragraph 1 of the Companies Act; provided, however, that outside directors are excluded.) the Company has adopted variable remuneration linked to business performance (performance-linked remuneration).

|                                    |  |
|------------------------------------|--|
| Persons Eligible for Stock Options |  |
|------------------------------------|--|

|  |  |
|--|--|
| Supplementary Explanation for Applicable Items |  |
|--|--|

—

## Director Remuneration

|  |  |
|--|--|
| Status of Disclosure of Individual Directors' Remuneration | Disclosure for Selected Directors only |
|--|--|

|  |  |
|--|--|
| Supplementary Explanation for Applicable Items |  |
|--|--|

Because the Company is a newly established company, established on June 3, 2024, there is no history of remuneration for

directors. But the total amount of remuneration, etc. for officers in the 42nd fiscal year (from December 1, 2022, to November 30, 2023) for Samty Co., Ltd. before the transition to a holding company was 594 million yen for directors (excluding outside directors) and 16 million yen for outside directors.

Remuneration for selected, individual directors only is disclosed in securities reports for selected directors.

Presence/Absence of a Policy on Determining Remuneration Amounts and its Calculation Method

Established

#### Details of the Disclosure of the Policy for Determining the Amount of Remuneration or its Calculation Method

1. Matters pertaining to the policy for determining the amount of remuneration, etc. for directors and corporate auditors or the method for calculating the amount of remuneration, etc.

The maximum amount of remuneration for directors was determined at Samty Co., Ltd.'s general shareholders meeting. The amount of remuneration for each director was determined by the Board of Directors based on the results of discussions by the Nomination and Compensation Committee, which deliberates on a proposal made by the representative director who considers their work and the company's status. The policy for determining the details of remuneration, etc. for each individual director is as follows:

- a. Policy on Determination of the Amount of Base Remuneration (Monetary Remuneration) for Each Individual (including the Policy on Determination of the Time or Conditions of Granting Remuneration, etc.)

The basic remuneration of the Company's Directors will be a monthly fixed remuneration, which will be determined by taking into consideration the details of their duties, the Company's status, and other factors.

- b. Policy regarding determination of the details and calculation method of the amount of performance-linked and non-monetary remuneration, etc. (including the Policy on Determination of the Time or Conditions of Granting Remuneration, etc.)

Performance-linked remuneration, etc. will be paid in cash and at a given time each year in an amount calculated based on the degree of achievement of annual performance targets set for each fiscal year, with the aim of increasing the incentive to improve performance. Non-monetary remuneration, etc. will be in the form of shares with transfer restrictions. To share interests with shareholders and flexibly provide further incentive to sustainably enhance the Company's corporate value, a number of shares calculated in consideration of the director's position and other factors will be allotted at a certain time each year, with the condition that the transfer restrictions are lifted when the director leaves the Company.

- c. Policy on determining the ratios of the amount of monetary remuneration, performance-linked remuneration, etc., or non-monetary remuneration, etc., to the amount of remuneration, etc., for each individual director

The Company's policy is that the ratio of each type of remuneration for directors (excluding outside directors and members of the Audit and Supervisory Committee) will be the most appropriate payment ratio to have directors share the interests of shareholders and contribute to the sustainable enhancement of corporate value. Due to the nature of the duties of outside directors and directors who are members of the Audit and Supervisory Committee, their remuneration will not be linked to business performance and will be limited to base remuneration only.

- d. The Determination of the Details of Each Director's Remuneration, etc.

A proposal for the amount of remuneration for each director will be drafted by the Representative Director and determined

by the Board of Directors based on the results of discussions by the Nomination and Compensation Committee. The Nomination and Compensation Committee consists of the representative director and independent outside directors, who are a majority of the Committee, and are selected by resolution of the Board of Directors.

e. The Reason why the Board of Directors has Determined that Individual Directors' Remuneration, etc. is in Line with the Policy for Determining Remuneration

The Board of Directors has confirmed that the remuneration for individual directors for the current fiscal year is consistent with the decision-making policy.

At the 41st General Shareholder Meeting held on February 27, 2023, the Company resolved that the amount of remuneration for directors (excluding directors who are members of the Audit and Supervisory Committee) will be no more than 1 billion yen per year (including no more than 50 million yen per year for Outside Directors; the number of directors (excluding directors who are members of the Audit and Supervisory Committee) at the time of the resolution was nine, of which four are outside directors), and the amount of remuneration for directors who are members of the Audit and Supervisory Committee will be no more than 100 million yen per year (the number of directors who are members of the Audit and Supervisory Committee at the time of the resolution was four).

The maximum amount of remuneration for directors, excluding outside directors and directors who are members of the Audit and Supervisory Committee, (hereinafter referred to as "Subject Directors") who are subject to the restricted stock compensation plan (a remuneration plan under which shares are allotted with the condition that the restriction on transfer of shares will be lifted upon leaving the position; hereinafter referred to as the "Plan"), will be determined separately from the above Board of Directors remuneration limit. The 41st General Shareholder Meeting held on February 27, 2023 approved the amount of remuneration, etc. under this plan as an annual amount less than not exceeding 300 million yen (the total number of shares of common stock to be issued or disposed of is not exceeding 300,000 shares per year, and the number of directors at the time of the resolution is five, excluding outside directors and directors who are members of the Audit and Supervisory Committee).

## Support for Outside Directors

Documents for Board of Directors meetings are distributed in advance. For matters expected to require particularly close consideration, the relevant documents are distributed as soon as possible.

## 2. Matters Concerning Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of the Current Corporate Governance System)

### Business Execution

#### 1. Board of Directors

The Company's Board of Directors consists of six directors (including three outside directors, but not including those who are members of the Audit and Supervisory Committee) with a term of office of one year, and three outside directors who comprise the Audit and Supervisory Committee and who have a term of office of two years. The Board of Directors, as the decision-making body for important matters related to business execution, makes resolutions on matters stipulated by law and the Articles of Incorporation as well as matters related to important business operations, and supervises the execution of duties by directors. In



addition to regular monthly meetings of the Board of Directors, extraordinary meetings of the Board of Directors are held when necessary to ensure prompt decision-making on important management matters.

#### 2. The Audit and Supervisory Committee

The Audit and Supervisory Committee consists of three people. In order to monitor the execution of duties by directors from an objective and neutral standpoint, all three members of the Audit and Supervisory Committee are outside members, and the committee is one that is able to grasp important management matters, important matters concerning compliance and risk management, and other matters as needed through attendance at important meetings, inspection of minutes, inspection of all approved documents (every time), regular meetings with all directors, and, as necessary, interviews of directors regarding the execution of duties. In addition, as one of the items to be reported at regular meetings of the Board of Directors, the Company has established a time for Audit and Supervisory Committee members to make comments, so it is a system where the Board receives reports, requests, suggestions, etc. Through these measures, the Company audits the decision-making process at Board of Directors meetings and the status of business execution by directors.

#### 3. Group Strategy Committee

The Group Strategy Committee is a deliberative body delegated by the Board of Directors to make decisions on important matters for group management strategy overall and certain important business operations. In addition to matters delegated by the Board of Directors, the Committee will also deliberate in advance on matters to be discussed at the Board of Directors meetings and other matters related to the overall management and business execution of the Company. The Committee is composed of all directors and, in principle, will be held once a week.

#### 4. Status of Internal Audits

The Internal Audit Office conducts internal audits of the Company's divisions and group companies in accordance with internal audit regulations, etc., and reports the results to the Board of Directors, the President, Audit and Supervisory Committee, and the audited division, etc., pointing out areas for improvement as necessary. In addition, the internal auditors and accounting auditors strengthen cooperation through meetings for sharing information.

#### 5. Status of Accounting Auditors

The Company has entered into an audit contract with Aria Audit Corporation for audits based on the Companies Act and audits based on the Financial Instruments and Exchange Act. There are no special interests between the Company and this audit firm or the managing partners of this audit firm who are engaged in these audits.

### 3. Reasons for Adoption of Current Corporate Governance System

The Company has a General Shareholder Meeting, Board of Directors, Supervisory Committee and Accounting Auditor to further improve the transparency of management and to further accelerate decision-making by strengthening the supervisory function of the Board of Directors and enhancing corporate governance.

We recognize that improving our governance is an important management issue, and we are working to strengthen our corporate governance system by implementing the aforementioned measures in conjunction with the internal controls described below.

### III. Implementation of Measures for Shareholders and Other Stakeholders

#### 1. Measures to make the General Shareholder Meetings More Effective and Facilitate the Exercise of Voting Rights

|  | Supplementary Explanation   |
|--|---|
| Scheduling of the General Shareholder Meeting on Non-Peak Days | We will strive to increase the number of attendees by holding the General Shareholder Meeting by avoiding peak days.  |
| Electronic Exercise of Voting Rights                           | The Company is planning to make it possible to exercise voting rights through the website of the shareholder registry administrator in accordance with the procedures described in the notice of convocation.                       |
| Provision of the Notice of Convocation (Summary) in English    | An English translation of the convocation notice will be prepared and posted on the website of Tokyo Stock Exchange, Inc.   |
| Other  | We are planning to post the Notice of Convocation of the General Shareholder Meeting on the Company's website. In addition, we are also planning to post an English translation of the convocation notice on the Company's website. |

#### 2. Status of IR-related Activities

|   | Supplementary Explanation  | Explanation by a representative director or a representative executive officer |
|---|--|--|
| Regular Investor Briefings held for Individual Investors                  | Meetings are held by the person responsible for IR as appropriate to explain the Company's business, financial results, and other information to investors.                                      | Not Held   |
| Regular Investor Briefings held for Analysts and Institutional Investors  | Briefings for analysts and institutional investors are held every six months, during which the president, as a general rule, provides an explanation of financial results and other information. | Held   |
| Online Disclosure of IR Information                                       | Financial results summaries, securities reports, convocation notices, timely disclosure materials, and other materials are always posted on the website.   |  |
| Establishment of Department and/or Placement of a Manager in Charge of IR | The IR Department is supervised by the IR Office, which is in the Financial Planning Department, and there is an IR manager.   |  |

#### 3. Status of Measures to Ensure Due Respect for Stakeholders

|   | Supplementary Explanation  |
|---|--|
| Establishment of Internal Rules Stipulating | One of the Company's basic thoughts on corporate governance is that impartial, |

|  |   |
|--|---|
| Respect for the Position of Stakeholders   | timely, and appropriate corporate information should be disclosed. In addition to having rules which stipulate that disclosures be timely, and having a system for rapidly communicating important corporate information to the personnel responsible for information disclosure, the details are disclosed via timely, appropriate means.  |
| Implementation of Environmental Preservation Activities and CSR Activities, etc. | We have four basic sustainability policies, which are "Environmental Consideration," "Coexistence with Local Communities," "Being a Company that Values People," and "Thoroughness of Corporate Morals," which are a combination of ESG indicators and disclosure items. We will take the initiative in solving social issues through our business activities by upgrading our sustainability management, a concept that emphasizes the creation of social value. In addition, we have identified material issues as themes that we will give priority to in our efforts to realize a sustainable society. Our sustainability initiatives are posted on the sustainability page of the Samty Holdings Co., Ltd. website ( <a href="https://www.samty-holdings.com/ja/company/outline.html">https://www.samty-holdings.com/ja/company/outline.html</a> ) (English site: <a href="https://www.samty-holdings.com/en/sustainability.html">https://www.samty-holdings.com/en/sustainability.html</a> ). |

## IV. Matters Concerning Internal Control

### 1. Basic Thinking on Internal Control and the Status of its Development

#### 1. Ensuring That the Execution of Directors' and Employees' Duties Complies with the Law and Articles of Incorporation

##### (1) Management Philosophy and Code of Conduct

Directors and employees must comply with the law, the Articles of Incorporation, and societal norms as a matter of course, and the Company has a Management Philosophy and Code of Conduct that establish shared standards for engaging in business conduct that is highly ethical, sincere, and appropriate.

##### (2) Compliance Regulations and Compliance Manual

The Company has Compliance Regulations and a Compliance Manual that serve as the basic rules regarding the Group's compliance management and promote rigorous legal compliance, the establishment of a compliance management system, and education and awareness activities.

##### (3) Compliance Management

To ensure the effectiveness of compliance management, the Company appoints the director responsible for the Legal Department as the compliance officer, and the Legal Department serves as the compliance department. To ensure thorough awareness and practical implementation of the Management Philosophy, Code of Conduct, Compliance Regulations, and Compliance Manual, the compliance department formulates action plans for executing compliance management, and based on this, it holds training workshops, verifies legal compliance, and conducts daily monitoring activities. Moreover, to ensure comprehensive implementation of internal control as a whole, the legal department works to enhance the internal control throughout the company.

#### (4) Whistleblowing Policy

The Company has a whistleblowing policy that enables Company and Group company employees to communicate directly with the compliance department, Audit and Supervisory Committee, or an outside contact desk regarding actions that violate compliance law and similar matters, and people with knowledge of such actions must report them to the company. Moreover, the Company will establish a contact point on its website where directors and employees of business partners of the Company and its group companies can report directly to the compliance control division. When receiving such reports, if circumstances that require remedial measures should arise, the appropriate measures will be taken promptly, and the compliance officer will report the results of any investigations and remedial measures to the Board of Directors and the Audit and Supervisory Committee.

#### (5) Ensuring the Reliability of Financial Reporting

To ensure the reliability of financial reporting, based on the Company's Accounting Compliance Declaration, it will foster a high level of compliance awareness, make accounting audits more transparent, strengthen internal controls, and improve the transparency of information disclosure. Specifically, the Company has a Basic Policy on Financial Reporting that stipulates the basic policy and the role of internal control. Based on this basic policy, the accounting department has policies for ensuring the reliability of financial reporting through the communication of information necessary for appropriate disclosure of financial results and the formulation of measures for information sharing with accounting auditors, etc., along with internal control based on the Companies Act, and also conducts continuous evaluations and makes improvements if there are any deficiencies.

#### (6) Preventing Damage by Anti-Social Forces and Banning Relationships with Anti-Social Forces

To prevent damage by anti-social forces and ban relationships with them, the Personnel and General Affairs Department has overall responsibility for measures against them. The Personnel and General Affairs Department has a manual for this and acts systematically in collaboration with attorneys, the police, etc. if necessary.

#### (7) Internal Auditing

The Internal Audit Department audits the status of compliance management throughout the company and reports its findings to the Representative Director & President, the Board of Directors and the Audit and Supervisory Committee. If improvements are required as a result of auditing, the audited department will promptly implement measures.

### 2. Saving and Managing Information Relating to the Execution of Directors' Duties

#### (1) Saving and Managing Documents

Board minutes, approval request documents, and other information relating to the execution of directors' duties are recorded in writing (includes electronic records) and saved and managed in an appropriate manner based on the Written Document Management Regulations and other internal regulations.

#### (2) Information Security Measures

The Company has a Basic Information Security Policy and an information security management system (ISMS).

### 3. Regulations and Other Systems Related to Managing the Risk of Loss

#### (1) Risk Management Regulations and Emergency Response Regulations

The Company has Risk Management Regulations as basic regulations for risk management and organizations for managing risk during normal times and in emergencies. It has Emergency Response Regulations as separate regulations that stipulate the

measures to be taken in emergencies, and it has a system for promptly evaluating the circumstances in the event of such a situation and taking prompt, appropriate steps to minimize losses.

#### (2) Risk Management During Normal Times

The Company has the director in charge of the Legal Department as the director responsible for risk management, and the Legal Department serves as the department responsible for general risk management. The Legal Department has an action plan for managing risk, and verifies and evaluates the status of risk management based on this, implements countermeasures, and so forth.

#### (3) Emergency Response Department

If an emergency arises, an emergency response department led by the Representative Director & President will be established, and measures will be taken in an organized manner based on the Emergency Response Regulations and Detailed Regulations on Measures for Severe Natural Disasters, Etc.

#### (4) Internal Audits

The Internal Audit Department audits the status of risk management throughout the company and reports its findings to the Representative Director & President, the Board of Directors and the Audit and Supervisory Committee. If improvements are required as a result of auditing, the audited department will promptly implement measures.

### 4. Ensuring the Directors Execute Their Duties Efficiently

#### (1) The Board of Directors and Group Strategy Committee

To rapidly make decisions on important matters stipulated in the Board of Directors' Regulations, regular Board of Directors' meetings are held once per month and extraordinary Board of Directors' meetings are held as needed. A Group Strategy Committee will be established as a deliberative body to make decisions on important matters related to the overall Group management strategy and some important business execution decisions. The Group Strategy Committee is, as a general rule, composed of all directors except outside directors and members of the Audit and Supervisory Committee, and holds meetings once per week.

#### (2) Business Execution Decisions

The Board of Directors determines the duties of the directors and executive directors, and each director and executive director must execute his or her duties in accordance with this decision. For the execution of day-to-day duties, authority may be transferred based on the Organization Regulations (administrative authority chart) and Division of Duties Regulations, and the people in charge at each level must execute their duties in accordance with the decision-making rules. Moreover, meetings attended by directors and business managers are held once per month with the aim of verifying the status of business execution and improving its efficiency.

#### (3) Medium-Term Management Plan and Annual Budget

The Board of Directors formulates Medium-Term Management Plans and, based on these, drafts an annual budget in accordance with the general budgeting policy. To rigorously manage the budget, meetings are held once per month to analyze the reasons for surpluses or shortfalls and, in the case of shortfalls, report on improvement measures and revise targets if necessary.

#### (4) Internal Auditing

The Internal Audit Department monitors the status of business management and, to make improvements, audits its efficiency

and effectiveness and reports its findings to the Representative Director & President.

#### 5. Ensuring the Appropriateness of Business Practices in the Corporate Group

The Corporate Planning Department is the department in charge of ensuring the appropriateness of the Group's business practices. The Corporate Planning Department receives various reports and manages Group companies through group strategy meetings, etc. held based on the Group Strategy Committee Regulations and Affiliate Company Management Regulations. Moreover, the Company promotes integrated compliance for the Group based on the Compliance Regulations and Compliance Manual. Other Group companies are able to use the Company's whistleblowing system, and if necessary, the Company provides other Group companies with advice on compliance and risk management-related matters. Group companies must manage their business based on the division of duties and powers stipulated by each company. The Company dispatches directors to supervise the business of key Group companies. The Internal Audit Department audits the Company's Group management as well as key Group companies and reports its findings to the Representative Director & President, the Board of Directors and the Audit and Supervisory Committee.

#### 6. Matters Relating to Employees Who Should Support the Audit and Supervisory Committee in Its Duties

The Audit and Supervisory Committee Office supports the Audit and Supervisory Committee in its duties. The employees of the Audit and Supervisory Committee Office are not subject to any directives or orders from directors, etc., in the course of their auditing duties, and their independence from directors is ensured with respect to personnel transfers, evaluations, etc. In addition, they are authorized to collect necessary information under the direction of the Audit and Supervisory Committee. If these employees are concurrently serving in other capacities, they must carry out their orders with priority given to the directions of the Audit and Supervisory Committee.

#### 7. Reporting to the Audit and Supervisory Committee and Ensuring That Auditing Is Effectively Implemented by the Audit and Supervisory Committee

##### (1) Reporting to the Audit and Supervisory Committee

The Group's officers and employees must report the matters below to the Audit and Supervisory Committee without delay. Moreover, people who report these matters must not be subject to any detrimental treatment whatsoever because they reported these matters.

1. Important matters related to management
2. Important matters related to compliance and risk management
3. Important matters related to ensuring the reliability of financial reporting
4. All internal approval request documents
5. Minutes of important meetings or meetings requested by the Audit and Supervisory Committee
6. Matters liable to have a major impact on Group companies' business or financial status
7. Other matters requested by the Audit and Supervisory Committee

##### (2) Ensuring That Auditing Is Effectively Implemented by the Audit and Supervisory Committee

Based on the annual auditing policy and auditing plan, the Audit and Supervisory Committee implements effective auditing using the following methods.

1. The Audit and Supervisory Committee attends Board of Directors' meetings and other important meetings.
2. The Audit and Supervisory Committee regularly exchanges information and views with the directors, including the representative directors on issues to be addressed by the company, the status of the environment established for auditing by the Audit and Supervisory Committee, and important auditing-related issues.
3. The Audit and Supervisory Committee questions, as needed, directors and employees about the execution of their duties. Moreover, they review important documents such as accounting records and approval requests and, if necessary, request explanations from directors or employees.
4. The Audit and Supervisory Committee has employees of the Audit and Supervisory Committee Office attend audits conducted by the Internal Audit Office as necessary and, based on the reports of such audits, ascertains the actual state of operations of each department and requests improvements if there are any deficiencies in the execution of operations.
5. The Audit and Supervisory Committee receives explanations of the details of the accounting audit from the accounting auditor, and in addition to regular meetings, the Audit and Supervisory Committee seeks to cooperate with the accounting auditor by providing opportunities for the exchange of information and opinions on a daily basis.

(3) Policy Relating to the Prepayment or Reimbursement of Expenses Arising in the Execution of the Audit and Supervisory Committee's Duties

When the Audit and Supervisory Committee claims expenses that are required to perform audits, those claims cannot be rejected, except in cases where it is deemed that the applicable expenses were not necessary for the execution of the Audit and Supervisory Committee's duties.

## 2. Basic Thoughts on Eliminating Anti-Social Forces and the Status of Development of Provisions, etc., for Doing So

### Basic Thoughts on the Elimination of Antisocial Forces

The Company's Compliance Regulations and Compliance Manual stipulate that the Company must resolutely confront antisocial activities and forces and must not have any relationship with them, and the Company is working to eliminate antisocial forces.

### The Status of Development of Provisions to Eliminate Antisocial Forces

To prevent damage caused by antisocial forces and sever any relationship with them, the Personnel and General Affairs Department oversees the handling of antisocial forces. The Personnel and General Affairs Department prepares response manuals and other documents, and if necessary, cooperates with lawyers, the police, and other authorities to systematically deal with such forces.

## V. Other

### 1. Adoption of Anti-Takeover Measures

|                                    |             |
|------------------------------------|-------------|
| Adoption of Anti-Takeover Measures | Not Adopted |
|------------------------------------|-------------|

|  |
|--|
| Supplementary Explanation for Applicable Items |
| —  |



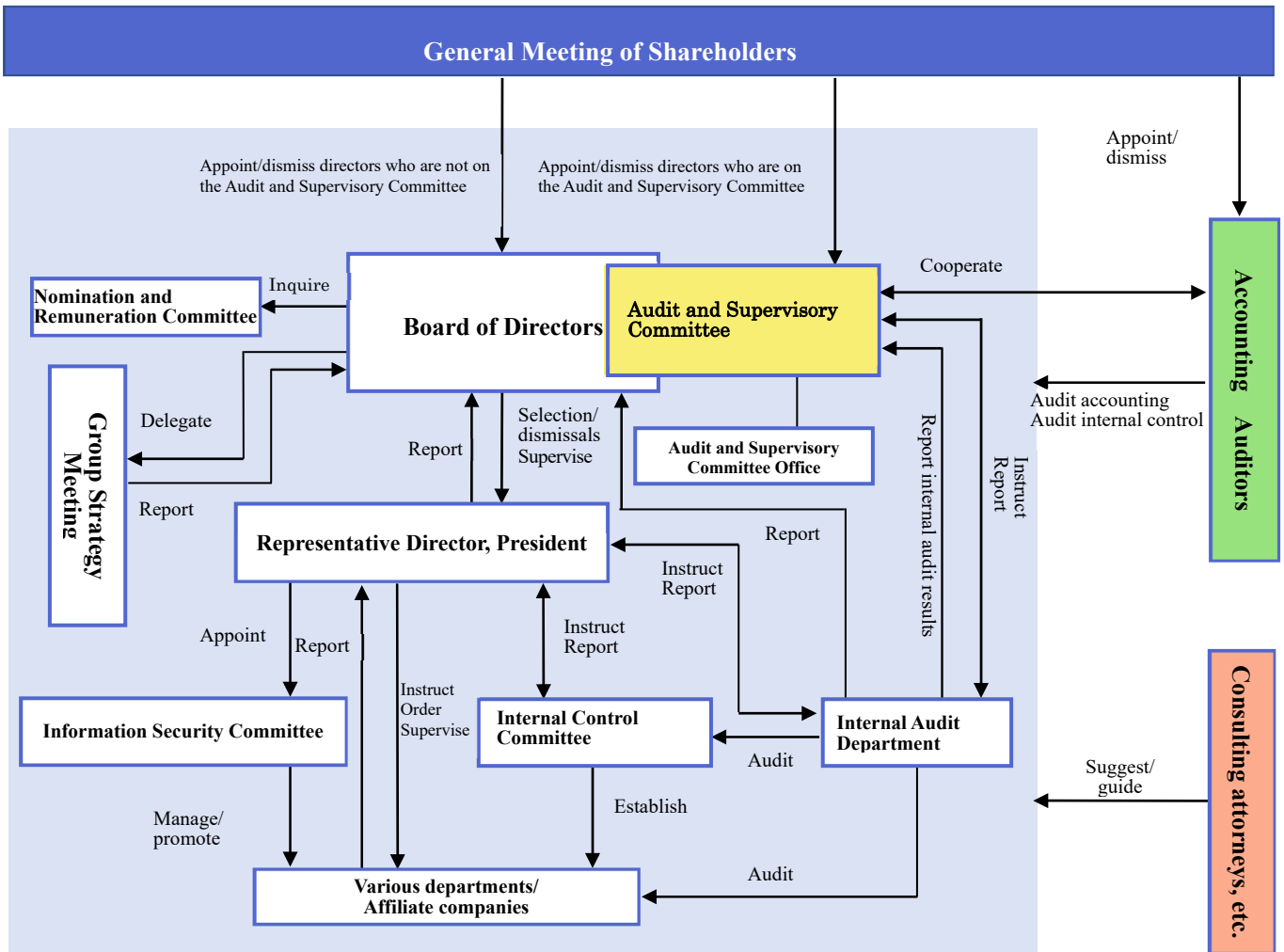
**2. Other Matters Concerning the Corporate Governance System**



END

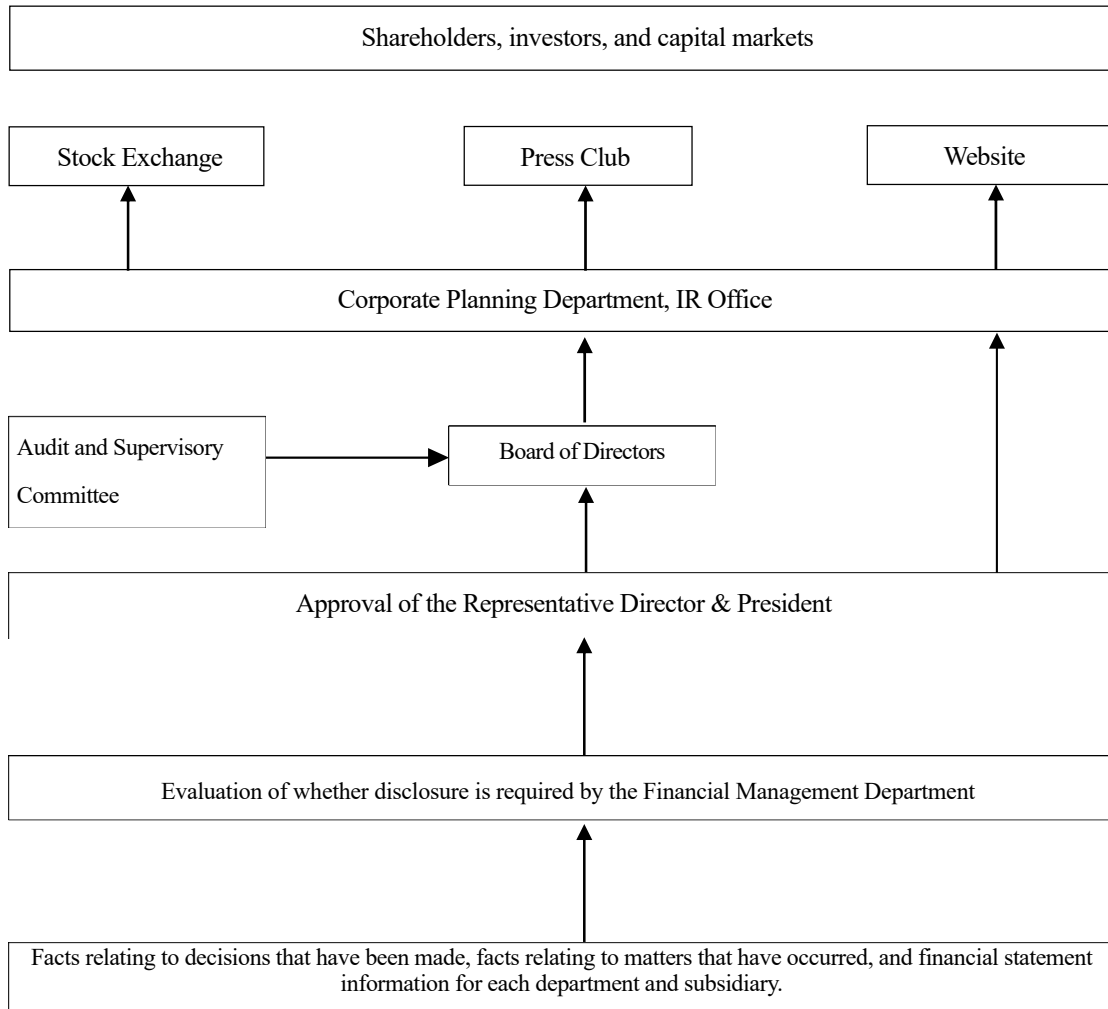


Corporate Governance Structure



Appendix

Internal Structure and Workflow of the Disclosure System



### Independence Standards for Outside Officers

Outside officers (including outside directors who are members of the Audit and Supervisory Committee) are deemed to be independent individuals with no risk of conflict of interest with the Company's general shareholders if they meet the following criteria:

1. The outside officer must not currently be or have previously been an Executive<sup>1</sup> of the Group<sup>2</sup>.

<sup>1</sup> An "Executive" refers to directors (excluding outside directors), corporate auditors (excluding outside corporate auditors), executive directors, and accounting advisors, or any other officials or employees holding positions equivalent to these.

<sup>2</sup> "The Group" refers to the Company and its subsidiaries and affiliate companies.

2. At present or within the past five years, the outside officer

1) must not be or have been a major shareholder<sup>3</sup> of the Company or an Executive of one.

2) must not be or have been an Executive of a company for which the Group is a major shareholder\*<sup>3</sup>

<sup>3</sup> A "major shareholder" refers to a shareholder that owns at least 10% of a company's voting rights.

3. At present or within the past five years, the outside officer must not be or have been a key client/supplier<sup>4</sup> of the Group or an Executive of one.

<sup>4</sup> A "key client/supplier" refers to a client or supplier whose transactions with the Group represent an amount equivalent to at least 2% of either party's consolidated net sales.

4. At present or within the past five years, the outside officer

1) must not be receiving or have received remuneration of 10 million yen or more per year, excluding officer remuneration, from the Group as a consultant, accounting professional, or legal professional (or in the case of a corporation, organization, etc. must not belong to or have belonged to the applicable corporation, organization, etc.).

2) must not be or have been a member, partner or employee of an accounting auditor of the Group.

5. At present or within the past five years, the outside officer must not be receiving or have received 10 million yen or more per year in donations from the Group (or in the case of a corporation, organization, etc. must not belong to or have belonged to the applicable corporation, organization, etc.).

6. At present or within the past five years, the outside officer must not be or have been an Executive of a party between

which and the Group officers are mutually appointed.

7. The outside officer must not be a first- or second-degree relative of a person corresponding to any of Items 1 to 6 above (excluding persons in unimportant positions).

8. The outside officer must not have any other vested interests that are liable to cause serious conflicts of interest or have an influence on decisions while executing his or her duties.

Skill Matrix

|                   | Corporate Management | Knowledge of Industry | Accounting/ Finance | IT/Digital | Legal/ Compliance | Global Experience |
|-------------------|----------------------|-----------------------|---------------------|------------|-------------------|-------------------|
| Yasuhiro Ogawa    | ○                    | ○                     | ○                   |            | ○                 | ○                 |
| Takaharu Terauchi | ○                    | ○                     |                     |            |                   |                   |
| Takashi Hamamatsu | ○                    | ○                     | ○                   | ○          | ○                 | ○                 |
| Shoichi Sanpei    | ○                    |                       | ○                   | ○          |                   |                   |
| Junko Kawai       |                      |                       |                     |            | ○                 | ○                 |
| Masatsugu Oishi   | ○                    | ○                     | ○                   |            |                   |                   |
| Mitsusuke Koi     | ○                    |                       | ○                   |            | ○                 | ○                 |
| Tetsuo Koderu     |                      |                       |                     |            | ○                 |                   |
| Naotaka Murata    |                      |                       | ○                   | ○          |                   |                   |

### Policy Regarding Constructive Dialogue with Shareholders

In order to pursue continuous growth and improve its enterprise value in the medium to long term, the Company recognizes the importance of establishing and consistently working to strengthen a platform for growth after determining its strengths, the value it should create for all stakeholders (hereinafter referred to as “Shareholders, etc.”), and so forth. Forming a partnership with Shareholders, etc. based on a long-term perspective is essential to achieve this, and the Company will promote a constructive dialogue with Shareholders, etc. by means of the following policy insofar as it is reasonable to do so.

#### 1. Promotion System

- 1) The officer responsible for IR will be in charge of promoting a constructive dialogue with Shareholders, etc.
- 2) An IR department will be established to assist with promoting a constructive dialogue with Shareholders, etc.
- 3) The IR Department and related departments, such as Finance, Accounting, and Personnel and General Affairs, will establish an organic cooperation system aimed at promoting a constructive dialogue with Shareholders, etc. By sharing information on a day-to-day basis and other activities.

#### 2. Dialogue with Shareholders, etc.

- 1) Insofar as is reasonable, dialogue with Shareholders, etc. will mainly be handled by the Representative Director & President, the officer responsible for IR and the IR department, or the Personnel and General Affairs Department.
- 2) Besides individual meetings with Shareholders, etc., the following initiatives will be implemented:
  - (i) Briefings, etc. will be held relating to the Medium (Long)-Term Management Plan, business strategy, business details, and so forth.
  - (ii) The Company will participate in IR conferences and so forth organized by securities companies, etc.
  - (iii) The Company will provide comprehensive information via its website, General Shareholder Meeting convocation notices, and other communication.
- 3) The Company will strive to understand who its substantial shareholders are in order to ensure the effectiveness of its dialogue with Shareholders, etc.

#### 3. Mechanisms for Providing Internal Feedback Based on the Views of Shareholders, etc.

- 1) The officer responsible for IR and the IR department will report evaluations and comments from institutional investors following results briefings and announcements of financial results to managerial bodies.
- 2) In addition to 1 above, the officer responsible for IR and the IR department will report any views and concerns obtained via dialogue with Shareholders, etc. to managerial bodies as needed.

#### 4. Management of Insider Information

Dialogue with Shareholders, etc. will be conducted in accordance with internal regulations (Internal Information Management Regulations), and impartial information disclosure will be ensured through the appropriate management of insider information.