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Corporate Governance Report

Last Update: June 6, 2025
Ichigo Inc.
Scott Callon, Chairman
Contact: Takanori Sakamatsu, Executive Managing Director
Tel. 03-4485-5221
Securities Code: 2337
www.ichigo.gr.jp/en

I. Corporate Governance Principles & Corporate Structure

1. Basic Policy

Ichigo is a Japanese sustainable infrastructure company dedicated to making the world more sustainable. We are committed to growing long-term value for shareholders by contributing to a sustainable society.

Ichigo's key businesses are:

1) Sustainable Real Estate – preserving and improving real estate, lengthening the useful life of buildings and other physical and social infrastructure;

2) Asset Management – managing the Tokyo Stock Exchange-listed Ichigo Office (8975), Ichigo Hotel (3463), and Ichigo Green (9282), and private real estate funds;

3) Clean Energy – developing and operating solar and wind power plants nationwide that supply clean energy and bring productive use to idle land.

Ichigo works to continually strengthen its compliance culture and corporate governance in order to improve its business performance, enhance transparency, and promote its sustainable growth. Ichigo aims to reduce the environmental impact of our activities and pro-actively join conservation efforts in line with the "Ichigo Sustainability Policy." Ichigo is committed to optimizing its organizational structure and further developing the capabilities of its employees while promoting its sustainability management system.

In pursuit of these goals, Ichigo has taken the following actions:

Ichigo has adopted the Company with Committees (Nominating, Audit, Compensation) governance structure.

All Directors on Ichigo's Board of Directors (the "Board") are aware of their fiduciary responsibility towards shareholders and work collaboratively and appropriately with other stakeholders to ensure sustained value creation for shareholders.

・Ichigo's Board focuses on setting and supervising long-term corporate strategy and management, and delegates day-to-day management of Ichigo to Statutory Executive Officers while making clear the respective roles and responsibilities of the executive team. Through its supervision, the Board aims to drive management transparency and agility.

・In order to ensure active and meaningful discussion, the Board is comprised of four Directors who also serve as Ichigo Statutory Executive Officers, thus having hands-on understanding of Ichigo's business, and five Independent Directors with specialized expertise, including former CEOs of major Japanese companies and experts in finance and accounting.

・The Nominating Committee is comprised of a majority of Independent Directors and selects Director candidates for approval at Ichigo's shareholder meetings, appoints Statutory Executive Officers, and provides advice on the selection of Directors at all Ichigo group companies.

・Ichigo has established a Compliance Committee directly under the Board that is independent from management in order to monitor and evaluate critical compliance matters.

・As of the date of this report, the number of Directors on the Board and its committees are as follows:
Board: 9 (of whom 5 are Independent Directors)
Nominating Committee: 5 (of whom 3 are Independent Directors)
Audit Committee: 3 (of whom all are Independent Directors)
Compensation Committee: 5 (of whom 3 are Independent Directors)
Compliance Committee: 4 (of whom 2 are Independent Directors)

Ichigo works to ensure that all employees understand its mission and values and work to fulfill the mission and values through the following measures:

・Ichigo's mission and values are communicated on an ongoing basis to all employees, including during annual business goal-setting and personnel evaluations.

・Ichigo shares its Code of Corporate Ethics and Code of Conduct with all Ichigo group companies to ensure that all employees are fully informed of the importance of adhering to them.

・All Ichigo employees, including at all Ichigo group companies, participate in annual training where the content of the Code of Corporate Ethics and Code of Conduct is explained and discussed, and all employees expressly acknowledge and pledge their compliance in writing.

Explanation of Any Non-Compliance with Corporate Governance Code Principles

Ichigo complies with all principles of the Corporate Governance Code.

Disclosure with respect to Compliance with Corporate Governance Code Principles

Principle 1.4 Cross-Shareholdings

Ichigo does not engage in cross-shareholdings.

Principle 1.7 Related Party Transactions

Any transaction with a Director or a major shareholder (a "Related Party Transaction") is carefully examined with respect to its purpose, the process of negotiation, the fairness of its price, and whether it will contribute to Ichigo's shareholder value, and is further examined by external legal counsel and discussed by Ichigo's Audit Committee before being submitted for consideration to the Board.

Furthermore, at the end of each business year the Audit Committee requires all Directors, Statutory Executive Officers, and Directors of all Ichigo group companies to submit a signed statement confirming the absence of any conflicts of interest, illegal provision of profits, abnormal transactions, or violations of fiduciary duty during the course of their duties.

Supplementary Principle 2.4.1 Diversity of Core Personnel

More than 90% of Ichigo and its group company personnel are mid-career hires with diverse career backgrounds, and when hiring key personnel, it is Ichigo's policy to consider candidates based on their abilities and achievements in context of expected roles, regardless of gender, age, and nationality. Ichigo aims for the proportion of women in management roles to be equal to the overall gender ratio of the firm, and is working to promote professionalism and career advancement, and support work-life balance.

Ichigo's human resources policy, details of personnel composition, and information about workplace environment are disclosed in Ichigo's Sustainability Report and on its corporate website. Ichigo constantly undertakes progressive measures to ensure both creativity and diversity as Ichigo continues to expand its businesses, and will promptly disclose such measures as necessary.

Principle 2.6 Roles of Corporate Pension Funds as Asset Owners

Ichigo does not have a corporate pension plan, so therefore does not oversee any pension fund management.

Principle 3.1 Full Disclosure

(i) Ichigo discloses its mission, corporate strategy, and long-term vision on its corporate website. (www.ichigo.gr.jp/en/ir)
(ii) Ichigo provides details on its corporate governance through this report, available on its corporate website, and through its Financial Report (Yuka Shoken Hokokusho).
(iii) Ichigo's policy on Director and Statutory Executive Officer compensation is disclosed in this report, its Financial Report (Yuka Shoken Hokokusho), and its Business Report (Jigyo Hokokusho).
(iv) With respect to the Board's selection and dismissal of Directors and the appointment of Statutory Executive Officers, the two principles described in (1) and (2) below are considered by the Nominating Committee in making its recommendations.

(1) Nomination of Candidates for Directors and Statutory Executive Officers
Ichigo's Nominating Committee, comprised of a majority of Independent Directors, is responsible for nominating candidates for Director and Statutory Executive Officer. The Nominating Committee holistically considers: 1) the candidates' ability to contribute both to Ichigo and to society in adherence with Ichigo's mission and Code of Conduct; and 2) the candidates' understanding and compliance with relevant laws and regulations.

(2) Nomination of Candidates for Independent Directors
Nomination of candidates, provided that the candidates do not have any personnel, capital, or other relationship in conflict with Ichigo, are based on a holistic consideration of the Tokyo Stock Exchange's standards for independence; the candidates' depth of expertise and experience in fields such as corporate management, finance/investment, law, risk management, ESG, and human resource development; and the candidates' ability to objectively monitor Ichigo's management. Candidates are nominated by the Nominating Committee and approved by the Board.

(v) Explanations with respect to the nomination and appointment of each Director are disclosed in Ichigo's shareholder meeting materials.

Supplementary Principle 3.1.3 Sustainability Initiatives

Ichigo has established a sustainability management system, including an Ichigo Sustainability Policy in order to drive its sustainability initiatives, and discloses details of such initiatives on its website.

The knowledge and expertise of our personnel are essential underpinnings of our business, and we work to grow and develop this critical human capital through measures such as providing in-house trainings. Ichigo considers employee health a management priority and also works to set policies and workplace environments that support employees in realizing their best. Its multitude of efforts towards these ends are disclosed on its website. Ichigo's investments in intellectual property include those related to its promotion of Real Estate DX (digital transformation), as disclosed in its long-term vision, as well as software investments aimed at enhancing operational efficiency and accuracy.

Ichigo has been accelerating its initiatives aimed towards a net-zero carbon society, such as joining RE100 and establishing the ReGeneration Group, which directly reports to the CEO and is responsible for Ichigo's group-wide environmental initiatives. The ReGeneration Group works to gather information towards becoming climate positive, assess and implement related initiatives, calculate greenhouse gas emissions and obtain third-party verifications thereof, and proactively participate in a range of international initiatives.

(Note: Climate positive refers to a state in which reductions in greenhouse gasses exceed emissions.)

Ichigo analyzes the impact of climate change on its business activities, earnings, and financial plans, and based on such analysis discloses its TFCD-compliant long-term targets and initiatives towards addressing climate change on its corporate website.
www.ichigo.gr.jp/pdf/esg/Ichigo_TCFD_Alignment_ENG.pdf

Supplementary Principle 4.1.1 Roles and Responsibilities of the Board

The Board examines and decides on matters stipulated by law and regulation, set in Ichigo's Articles of Incorporation, defined in internal rules pertaining to the Board, and presented to the Board as an agenda item. All other decision matters are delegated to Ichigo's management with the objective to promote sound governance through a clear separation between business execution and the supervision thereof.

All Statutory Executive Officers are expected to efficiently and effectively make decisions and lead employees within their specific scope of delegated responsibility and authority. To this end, Ichigo has established internal rules that clearly define the specific roles, responsibilities, authority, and requirements for consultation of the Board and the respective Executive Officers such that each individual business case is appropriately examined and decided upon by the relevant organization.

Principle 4.9 Independence Standards and Qualifications of Independent Directors

Pursuant to both the Company Law and the Tokyo Stock Exchange's standards for independence, Ichigo selects Independent Directors who have significant experience in the field of finance and corporate management, are accountants with extensive experience in advising various tax and accounting transactions, including M&A, or have management experience at of major Japanese companies. Ichigo's standards for independence are as defined by the TSE, and are disclosed both in Ichigo's Financial Report (Yuka Shoken Hokokusho) and Ichigo's shareholder meeting materials.

Supplementary Principle 4.10.1 Appropriate Independent Director Involvement and Advice via the Independent Nominating and Compensation Committees

Ichigo has adopted the Company with Committees (Nominating, Audit, Compensation) governance structure and has established the Nominating and Compensation Committees, each comprised of a majority of Independent Directors, to deliberate and resolve on critical issues such as the nomination, appointment, and dismissal of directors, while carefully considering gender diversity and candidate skillset.

Supplementary Principle 4.11.1 Preconditions for Board Effectiveness

Ichigo's view with respect to the diversity, knowledge, experience, and expertise of the Board is consistent with its criteria used to select individual Directors as disclosed in its response to Principle 3-1 (iv).
The skill matrix of Ichigo's Board of Directors has been disclosed on page 26 of the Materials for the Twenty-Fifth Annual Shareholder Meeting.
www.ichigo.gr.jp/news/p_news_file/file/Ichigo_20250502_FY2025_AGM_ENG.pdf

Ichigo's Articles of Incorporation stipulates that the Board must comprise no more than twelve Directors with a majority of the Directors being Independent Directors. Ichigo believes the size of the Board is appropriate for effective supervision of management and deliberation of Board matters. Also, the Board is comprised of Independent Directors with specialized expertise, including former CEOs of major Japanese companies.

Supplementary Principle 4.11.2 Positions Held at Other Companies by Directors

Positions held at other companies by Directors and Independent Directors are within reason and do not interfere with their roles and responsibilities at Ichigo. Any Director seeking to assume a position at another company must notify Ichigo in advance and receive prior approval by the Board with respect the appropriateness of assuming such position. Positions held at other companies by Directors are disclosed in the Securities Report and on page 52 of the Materials for the Twenty-Fifth Annual Shareholder Meeting.
www.ichigo.gr.jp/news/p_news_file/file/Ichigo_20250502_FY2025_AGM_ENG.pdf

Supplementary Principle 4.11.3 Board Evaluation

Ichigo's Board in FY25/2 consisted of nine Directors, of whom a majority (five Directors) were Independent Directors. Ichigo conducts the Board evaluation by having each Director independently assess the Board with respect to the below evaluation criteria, followed by the Board collectively analyzing and reviewing the results.

(1) Board Composition
(2) Board Operation
(3) Board Effectiveness
(4) Board Support Resources
(5) Engagement with Shareholders and Stakeholders
(6) SDGs and Sustainability Initiatives

The Board confirmed that its deliberation and decision-making processes are effective, leveraging the knowledge and experience of the Directors, and that the Board is appropriately overseeing management in line with Japan's Corporate Governance Code. The Board thus concluded that it is functioning properly.

Ichigo uses the Board Evaluation to improve the functioning of its Board and disclose and explain that functioning to Ichigo shareholders. Ichigo will continue to conduct a Board evaluation on an annual basis.

Ichigo is committed to further improving its corporate governance structure and growing shareholder value by ensuring the effectiveness of its Board and actively communicating with its shareholders and investors.

Ichigo disclosed the details of its most recent board evaluation in its release "Board of Directors Evaluation."
www.ichigo.gr.jp/news/p_news_file/file/Ichigo_20250520_Board_Evaluation_ENG.pdf

Supplementary Principle 4.14.2 Director and Auditor Training

Ichigo is a member of the Japan Association of Corporate Directors (JACD) and the Japan Audit & Supervisory Board Members Association (JASBA) and provides its Directors, including Independent Directors, with opportunities to participate in seminars and trainings held by these associations. Furthermore, Ichigo will bear expenses with respect to any training and materials that Directors feel are necessary in order for them to execute their supervisory responsibilities. Additionally, Ichigo has established Ichigo University, available to all Ichigo employees, in order to provide opportunities for employees to enhance their skills necessary to successfully perform their respective roles. Ichigo also permits employees to pursue relevant licenses and qualifications at Ichigo's expense. Ichigo-wide compliance training (including the topic of insider trading prevention) is conducted at least once a year. In addition, employees of the three Ichigo companies operating with Financial Instrument and Exchange Law (FIEL) licenses are subject to a strict compliance regime that includes six mandatory training sessions each year.

Newly appointed Independent Directors are briefed on Ichigo's corporate governance, its business, and financial statements, and are given direct exposure to Ichigo's business activities via briefings and site visits to Ichigo real estate assets.

Principle 5.1 Policy for Constructive Dialogue with Shareholders

Ichigo's IR team within the Finance Division is responsible for shareholder relations. Earnings call webinars on Ichigo's financial results are held quarterly in both Japanese and English for analysts, institutional investors, and global investors. Ichigo also makes available video recordings and transcripts of the Q&A sessions of these corporate presentations and webinars on Ichigo's Japanese and English corporate website. Small group meetings and one-on-one meetings are also conducted for analysts and investors, both domestically and abroad.

The IR team also services telephone calls, email inquiries, and other correspondences with shareholders, and is responsible for reporting all such shareholder interaction with management.

In recognition that Ichigo's shareholder meetings are a critical forum for dialogue with shareholders, Ichigo always holds its shareholder meetings on weekends in order to maximize shareholder attendance and endeavors to share quality time with shareholders not just at the shareholder meeting but also by conducting a business results meeting and reception for shareholders. Ichigo addresses all questions pertaining to voting agenda items in earnest and tries to ensure that shareholders fully understand Ichigo's business strategy.

Implementation of Cost-of-Capital-and-Share-Price-Conscious Management

Ichigo has adopted the Ichigo 2030 vision to pursue long-term value creation. This long-term vision sets out the basic policies for profit planning and capital policy, and establishes indicators for increasing shareholder value such as profitability and capital efficiency, including cost of capital. In addition, Ichigo considers Cash ROE and ROE as two of our key performance indicators. In order to achieve profits that exceed our cost of capital, we have set a long-term goal of Cash ROE of greater than 18% and ROE of greater than 15% by FY30/2, and are working to maximize shareholder value. Ichigo discloses its key performance indicators including Cash ROE and ROE on its corporate website.

Key Performance Indicators
www.ichigo.gr.jp/en/ir/highlight/kpi.html

Earnings & Financial Highlights
www.ichigo.gr.jp/en/ir/highlight/highlight.html

2. Shareholding Structure

Percentage of Non-Japanese Shareholders	Over 30%

Major Shareholders

Name	Number of Shares	Percentage (%)
Ichigo Trust	225,108,200	52.83%
Morgan Stanley MUFG Securities Co., Ltd.	21,744,894	5.10%
MACQUARIE BANK LIMITED DBU AC	21,139,500	4.96%
The Master Trust Bank of Japan, Ltd. (Trust Account)	20,256,300	4.75%
MORGAN STANLEY SMITH BARNEY LLC CLIENTS FULLY PAID SEG ACCOUNT	15,001,500	3.52%
Custody Bank of Japan, Ltd. (Trust Account)	9,853,500	2.31%
THE NOMURA TRUST AND BANKING CO., LTD. AS THE TRUSTEE OF REPURCHASE AG FUND 2024-09 (LIMITED OT FINANC IN RESALE RSTRCT)	8,500,000	1.99%
STATE STREET BANK AND TRUST COMPANY 505001	6,066,907	1.42%
SMBC Nikko Securities Inc.	5,093,219	1.20%
HOST-PLUS PTY LTD - HOSTPLUS POOLED SUPERANNUATION TRUST - PARADICE GLOBAL SMALL CAPS	4,519,830	1.06%

Controlling Shareholder	Ichigo Trust
Parent Company	N/A

Supplementary Explanation

Percentage (%) in the above table is calculated excluding treasury shares (19,589,711 shares).

3. Corporate Profile

Stock Exchange	Tokyo Stock Exchange Prime
Fiscal Year-End	February
Type of Business	Real Estate
Number of Employees (Consolidated) as of the End of FY25/2	Between 500 and 1,000
Revenue (Consolidated) as of the End of FY25/2	Between JPY 10 billion and JPY 100 billion
Number of Consolidated Subsidiaries as of the End of FY25/2	Between 10 and 50

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

In the event of any transactions with its controlling shareholder (Ichigo Trust), Ichigo takes special care to protect the interests of minority shareholders and has in place appropriate procedures to that effect, including the due diligence of all transactions by the Compliance Department, Internal Audit Department, Audit Committee, Board, and external legal counsel. In addition, the majority of the Board are Independent Directors.

5. Other Special Circumstances which may have Material Impact on Corporate Governance

N/A

II. Business Organization and Other Corporate Governance Systems for Decision-Making, Business Execution, and Management Oversight

1. Organizational Structure

Organizational Form	Company with Committees (Nominating, Audit and Compensation)

Directors

Maximum Number of Directors Stipulated in Articles of Incorporation	12
Term of Office Stipulated in Articles of Incorporation	1 year
Board Chairperson	Chairman (Internal Director)
Number of Directors	9
Appointment of Independent Directors	Yes
Number of Independent Directors	5

Backgrounds and Independence of External Directors (1)

Name	Background	Relationship with Ichigo*									
		a	b	c	d	e	f	g	h	i	j	k
Tetsuya Fujita	Business Management											
Noriko Kawate	Certified Public Accountant (CPA)											
Nobuhide Nakaido	Business Management											
Sakon Uda	Business Management											
Seiichi Tanaka	Business Management											

* Categories for "Relationship with Ichigo"

○ 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 Ichigo or its subsidiaries
b. Non-executive Director or executive of a parent company of Ichigo
c. Executive of a fellow subsidiary of Ichigo
d. A party whose major client or supplier is Ichigo or an executive thereof
e. Major client or supplier of Ichigo or an executive thereof
f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from Ichigo besides compensation as a Director/Auditor
g. Major shareholder of Ichigo (or an executive of the said major shareholder if the shareholder is a legal entity)
h. Executive of a client or supplier of Ichigo (which does not correspond to any of d, e, or f)
i. Executive of a company with which Ichigo Independent Directors/Auditors are mutually appointed
j. Executive of a company or organization that receives a donation from Ichigo
k. Others

Backgrounds and Independence of External Directors (2)

Name	Committee Membership	Registered with TSE as Independent Director	Reason for Appointment
Tetsuya Fujita	Nominating/ Compensation/ Audit	Yes	Ichigo's Nominating Committee and Board have nominated Mr. Tetsuya Fujita as a candidate for Director based upon his extensive knowledge and experience working for a leading property insurance company and a leading life insurance company.
Noriko Kawate	Nominating/ Compensation/ Audit	Yes	Ichigo's Nominating Committee and Board have nominated Ms. Noriko Kawate as a candidate for Director based upon her experience in statutory audit at a major auditing firm and her experience in accounting and tax advisory as a certified public accountant and tax accountant.

Name	Committee Membership	Registered with TSE as Independent Director	Reason for Appointment
Nobuhide Nakaido	Nominating/ Compensation/	Yes	Ichigo's Nominating Committee and Board have nominated Mr. Nobuhide Nakaido as a candidate for Director based upon his extensive experience and knowledge as the Executive Vice President of one of Japan's largest trading companies and President & Chairman of a leading Japanese IT system company, driving innovation in the IT service industry and increasing shareholder value through workstyle and workplace transformation, which he can draw upon to fully monitor Ichigo's activities on behalf of shareholders.
Sakon Uda		Yes	Ichigo's Nominating Committee and Board have nominated Mr. Sakon Uda as a candidate for Director based upon his extensive experience in corporate strategy and management, and serving as Independent Director and Chairman of the Board of major listed companies. He has extensive knowledge in corporate governance, HR development, and corporate management, which he can draw upon to fully monitor Ichigo's activities on behalf of shareholders.
Seiichi Tanaka	Audit	Yes	Ichigo's Nominating Committee and Board have nominated Mr. Seiichi Tanaka as a candidate for Director based upon his extensive experience in growing shareholder value via risk management and strengthening financing as Chief Financial Officer and Executive Vice President of a major global trading company. He can draw upon his management capability and financial expertise and experience to fully monitor Ichigo's activities and maximize cash flows for shareholders.

Committees

Committee Composition and Chairpersons

	Number of Committee Members	Full-Time Directors	Internal Directors	Independent Directors	Chairperson
Nominating Committee	5	1	2	3	Internal Director
Compensation Committee	5	1	2	3	Internal Director
Audit Committee	3	0	0	3	Independent Director

Statutory Executive Officers

Number of Statutory Executive Officers	14

Statutory Executive Officer Duty Status

Name	Corporate Representative Authority	Additional Duties as Director			Additional Duties as Employee
			Nominating Committee Member	Compensation Committee Member	
Scott Callon	Yes	Yes	Yes	Yes	–
Takuma Hasegawa	Yes	Yes	Yes	Yes	–
Akira Yamanouchi	–	–	–	–	–
Minoru Ishihara	–	Yes	–	–	–
Eri Murai	–	Yes	–	–	–
Takeyuki Yoshimatsu	–	–	–	–	Yes
Takanori Sakamatsu	–	–	–	–	Yes
Kazunori Kurita	–	–	–	–	Yes
Ryutaro Yamamoto	–	–	–	–	Yes
Takashi Ohigawa	–	–	–	–	Yes
Yasutoyo Senda	–	–	–	–	Yes
Kenji Tanaka	–	–	–	–	Yes
Hiroaki Fujii	–	–	–	–	Yes
Naoko Furukawa	–	–	–	–	Yes

Audit Structure

Director and/or Employee Support for the Audit Committee	Yes

Independence of Audit Directors and Employees

Directors and employees who assist in the performance of the duties of the Audit Committee report to the Audit Committee. The appointment, transfer, appraisal, and compensation of the relevant employees require the consent of the Audit Committee. This ensures independence from the Statutory Executive Officers. Other matters regarding the independence of such Directors and employees are pursuant to internal rules as separately provided.

Coordination between the Audit Committee, External Auditors, and Internal Audit

Executive decisions are monitored by both the Audit Committee, from the perspective of supervision, and the Internal Audit Department, from the perspective of execution. The Internal Audit Department works closely with the Audit Committee and its members in discussing the internal audit plan, conducting internal audits, and reporting findings to management. Additionally, the Audit Committee and Internal Audit Department work closely with External Auditors by discussing and exchanging views on important matters.

Independent Directors

Number of Independent Directors	5

In addition, a Lead Independent Director has been chosen by vote of the Independent Directors.

Compensation & Incentives

Incentive Policies for Directors and Statutory Executive Officers	Performance-Linked Compensation & Stock Options

Supplementary Explanation

Compensation of Directors and Statutory Executive Officers is determined based on a variety of factors, including job content, job performance, and market-based compensation.

– Compensation of Directors

Compensation of Directors consists of a monthly base salary and a performance-based bonus. The monthly base salary is a fixed amount based on the role and responsibilities of each Director. The performance-based bonus is based on Ichigo's total corporate performance, the Director's level of contribution towards value creation across the Ichigo Group, and the Director's level of achievement of their respective goals.

– Compensation of Statutory Executive Officers

Compensation of Statutory Executive Officers consists of a monthly base salary and a performance-based bonus. The monthly base salary is a fixed amount based on the role of each Statutory Executive Officer. The performance-based bonus is based on Ichigo's total corporate performance, the performance of the operating unit or area for which the Statutory Executive Officer is responsible, the Statutory Executive Officer's individual performance, and the Statutory Executive Officer's contribution towards enhancing operations and alignment with the corporate mission and corporate code of conduct.

– Stock Options Stock options are granted to further strengthen commitment towards Ichigo's sustainable growth and the maximization of shareholder value. These stock options are granted in addition to the compensation described above and are awarded based on the position and specific role and responsibility of the recipient.	
Recipients of Stock Options	All Internal Directors, Independent Directors, Statutory Executive Officers, and Employees

Supplementary Explanation

All Ichigo Directors and employees work together to strengthen Ichigo's finances and operating performance and grow shareholder value. To this end, stock options are issued to all Directors and employees to further strengthen this commitment.

Compensation for Directors and Statutory Executive Officers

Disclosure of Individual Directors' Compensation	N/A
Disclosure of Individual Statutory Executive Officers' Compensation	N/A

Supplementary Explanation

Aggregate compensation is disclosed for Directors, Statutory Executive Officers, and Independent Directors.

Policy on Determining Compensation Amounts and Calculation Methods	Yes

Disclosure of Policy on Determining Compensation Amounts and Calculation Methods

– Compensation of Internal Directors

Compensation of Directors consists of a base salary and a performance-based bonus. The base salary is a fixed amount based on the role and responsibilities of each Director. The performance-based bonus is based on Ichigo's total corporate performance, the Director's level of contribution towards value creation across the Ichigo Group, and the Director's level of achievement of their respective goals.

Compensation of Independent Directors

Compensation of Independent Directors consists of a base salary and a performance-based bonus. The base salary is a fixed amount in accordance with the number of points assigned to each Independent Director based on their respective supervisory roles and past management experience. If a performance-based director bonus is to be paid, the amount is based on a point system, similar to that used for base salary, taking into consideration the importance of the supervisory function and the contribution towards value creation across the Ichigo Group.

– Compensation of Statutory Executive Officers

See above.

– Stock Options

See above.

Ichigo has adopted a Company with Committees (Nominating, Audit, Compensation) governance structure, and the Compensation Committee, comprised of a majority of Independent Directors, has the authority to decide Ichigo's compensation policy and the compensation amount for each officer. The Compensation Committee Chairman drafts a proposal regarding each Director and Statutory Executive Officer's compensation, and the Compensation Committee members evaluate the performance of each individual to finalize the proposal. In addition, the Compensation Committee acts as an advisory body with respect to compensation at all Ichigo group companies and reviews the compensation of all officers within the Ichigo group to ensure strong corporate governance.

The Compensation Committee is comprised of five members, two of which are Internal Directors and three are Independent Directors. The Committee held seven meetings this year with 100% attendance by all five members.

Compensation of Ichigo's Internal Directors consists of a base salary, a performance-based bonus, and stock options, with the breakdown 20% to 40% base salary, 45% to 70% performance-based bonus, and 10% to 15% stock options. The proportion of the performance-based bonus and stock options is higher than the base salary in order to align their interests with Ichigo shareholders and reflect their responsibility as members of senior management for Ichigo's total corporate performance. (The proportion of base salary relative to total compensation is higher for Statutory Executive Officers.)

The performance-based bonus is based on a comprehensive assessment of Ichigo's total corporate performance and growth in shareholder value and incorporates metrics including achievement of Ichigo's annual operating profit, recurring profit, and net income forecasts, progress against shareholder return targets (dividends and buybacks), and progress with respect to the KPIs in the Ichigo 2030 long-term vision.

Administrative Support for Independent Directors

- The Board Secretariat supports the effective execution of duties by the Board by drafting meeting agendas and related materials, providing pre-notification of the agendas, scheduling meetings, and recording meeting minutes.
- The Nominating Committee Secretariat ensures the effective execution of duties by drafting meeting agendas and related materials, providing pre-notification of the agendas, scheduling meetings, and recording meeting minutes.
- The Audit Committee Secretariat and Ichigo employees selected by the Audit Committee ensure the effective execution of duties by the Audit Committee by drafting meeting agendas and related materials, providing pre-notification of the agendas, scheduling meetings, and recording meeting minutes.
- The Compensation Committee Secretariat ensures the effective execution of duties by the Compensation Committee by drafting meeting agendas and related materials, providing pre-notification of the agendas, scheduling meetings, and recording meeting minutes.

2. **Overview of Current Corporate Governance System**

Ichigo operates under the Company with Committees (Nominating, Audit, Compensation) structure to ensure robust supervision of management, agile business execution, and effective, transparent, and ethical business operations.

– Business Execution

Aside from responsibilities specifically assigned to the Board by law or Ichigo's Articles of Incorporation, internal rules, and shareholder meeting resolutions, the Board delegates responsibility for business execution to the Statutory Executive Officers, who in turn lead and direct employees based on the management policy set by the Board and in accordance with their respective assigned roles. The Chairman and President oversee Statutory Executive Officers serving as division heads, and in turn these division heads oversee their respective teams. Of Ichigo's Statutory Executive Officers, there are twelve men and two women.

Ichigo regularly holds a Senior Management Meeting at which important business matters across all of Ichigo's businesses are deliberated. Senior Management Meeting participants are: Scott Callon (Chairman), Takuma Hasegawa (President), Akira Yamanouchi (Vice Chairman), Minoru Ishihara (Executive Vice President & COO), Eri Murai (Senior Executive Managing Director), Takeyuki Yoshimatsu (Executive Managing Director), Takanori Sakamatsu (Executive Managing Director), Kazunori Kurita (Senior Statutory Executive Officer), Ryutaro Yamamoto (Senior Statutory Executive Officer), Takashi Ohigawa (Senior Statutory Executive Officer), Hiroshi Iwai (President, Ichigo Investment Advisors), Yasuhide Hosono (President, Ichigo Estate), Eiichiro Gotoh (President, Ichigo ECO Energy), and Masahiko Koketsu (President, Ichigo Owners).

Ichigo works to achieve efficient business execution by establishing a clear management policy and precise business targets. To this end, Ichigo develops a business plan, the President's annual policy direction, and annual business goals for Ichigo as a whole and its individual business units, all of which are shared with all Ichigo Directors and employees.

In addition, the Compliance Department reviews all material business matters.

– Monitoring

The Board sets a long-term management policy and monitors business execution based on this. In order to promote active dialogue and effective internal control, the Board is comprised of five Independent Directors with specialized fields of expertise and four Internal Directors also serving as Statutory Executive Officers (Chairman, President, Executive Vice President, and Senior Executive Managing Director). Of the nine members of the Board, two are women.

Ichigo has three statutory committees (Nominating, Audit, Compensation) and a Compliance Committee.

Nominating Committee (Held 8 meetings in the previous fiscal year): Chairman: Takuma Hasegawa; Members: Scott Callon, Tetsuya Fujita, Noriko Kawate, Nobuhide Nakaido

Audit Committee (Held 18 meetings in the previous fiscal year): Chairman: Tetsuya Fujita; Members: Noriko Kawate, Seiichi Tanaka

Compensation Committee (Held 7 meetings in the previous fiscal year): Chairman: Takuma Hasegawa; Members: Scott Callon, Tetsuya Fujita, Noriko Kawate, Nobuhide Nakaido

Compliance Committee (Held 3 meetings in the previous fiscal year): Chairman: Takuma Hasegawa; Vice Chairman: Sakon Uda; Members: Scott Callon, Tetsuya Fujita

– Independent Director Activities in the Previous Fiscal Year

Tetsuya Fujita: Attended 10 out of 10 meetings (100%) of the Board of Directors. Attended 18 out of 18 meetings (100%) of the Audit Committee and attended 3 out of 3 meetings (100%) of the Compliance Committee. Attended 8 out of 8 meetings (100%) of the Nominating Committee and 7 out of 7 meetings (100%) of the Compensation Committee. Commented and advised on resolutions and discussions from an objective standpoint independent from the management team, primarily in the areas of corporate management, risk management, and ESG.

Noriko Kawate: Attended 10 out of 10 meetings (100%) of the Board of Directors. Attended 18 out of 18 meetings (100%) of the Audit Committee. Attended 8 out of 8 meetings (100%) of the Nominating Committee and 7 out of 7 meetings (100%) of the Compensation Committee. Commented and advised on resolutions and discussions from an objective standpoint independent from the management team, primarily in the areas of finance and investment, and risk management.

Nobuhide Nakaido: Attended 10 out of 10 meetings (100%) of the Board of Directors. Attended 8 out of 8 meetings (100%) of the Nominating Committee and 7 out of 7 meetings (100%) of the Compensation Committee. Commented and advised on resolutions and discussions from an objective standpoint independent from the management team, primarily in the areas of corporate management, finance and investment, and human resource development. Also supervised management from a multifaceted perspective, proactively commenting and advising on best-practice governance functions with a focus on appropriate risk-taking.

Sakon Uda: Attended 10 out of 10 meetings (100%) of the Board of Directors. Attended 1 out of 1 meeting (100%) of the Compliance Committee since becoming a Compliance Committee member. Commented and advised on resolutions and discussions from an objective standpoint independent from the management team, primarily in the areas of corporate management, ESG, and human resource development, and provided effective management oversight via commenting and advising on long-term strategies and business execution to drive Ichigo's continued growth.

Seiichi Tanaka: Attended 8 out of 8 meetings (100%) of the Board of Directors since becoming a director. Attended 13 out of 13 meetings (100%) of the Audit Committee since becoming an Audit Committee member. Commented and advised on resolutions and discussions from an objective standpoint independent from the management team, primarily in the areas of corporate management, ESG, and human resource development, and provided effective management oversight via commenting and advising on cash flow generation and business execution to drive Ichigo's continued growth, drawing upon his management experience at a major trading company.

– Independent Director Limited Liability Agreements

In order to retain Independent Directors of the highest quality, Ichigo has in place limited liability agreements pursuant to Article 427 Clause 1 and Article 423 Clause 1 of the Company Law. These agreements set the maximum liability to be borne by an Independent Director as the minimum liable amount specified in Article 425 Clause 1 of the Company Law. However, limitation of liability is predicated upon execution of duty in good faith and in absence of any gross negligence.

3. Reason for Adoption of Current Corporate Governance System

Ichigo continuously works to strengthen its corporate governance to ensure effective and ethical management and drive sustainable shareholder value creation. Since May 2006, Ichigo has adopted the Company with Committees (Nominating, Audit, Compensation) governance system to ensure robust supervision of management, agile business execution, and effective, transparent, and ethical business operations.

III. Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize Shareholder Meetings and Promote the Exercise of Voting Rights

	Supplementary Explanation
Scheduling the Meeting to Maximize Attendance	Ichigo always holds its shareholder meetings on the weekends in order to make it easier for shareholders to participate.
Allowing Electronic Exercise of Voting Rights	Ichigo allows for electronic voting via the Internet.
Participating in Electronic Voting Platform	Ichigo encourages voting from as many shareholders as possible by participating in the TSE's electronic voting platform, thus making it easier for institutional investors, both domestic and overseas, to exercise their votes. This also helps to ensure that the interests of shareholders are reflected in the management of Ichigo.
Providing Shareholder Meeting Materials in English	Ichigo provides early disclosure of its shareholder meeting materials in both Japanese and English on both the TSE's electronic voting platform as well as its corporate website.
Other	Ichigo views its shareholder meeting as a critical forum for dialogue with its shareholders. In order to ensure that shareholders have sufficient time to understand and consider agenda items, the convocation notice is sent three weeks in advance of the shareholder meeting. At its shareholder meetings, Ichigo ensures that shareholders have ample opportunity to engage in dialogue with the company and have questions answered. In addition, the shareholder meeting is live-streamed so that shareholders can watch the meeting in real-time.

2. IR Activities

	Supplementary Explanation
Regular Investor Briefings for Analysts and Institutional Investors	Ichigo conducts earnings results meetings led by the Chairman and President every quarter. Ichigo also conducts small meetings as well as one-on-one investor meetings on a regular basis. Ichigo also participates in investor conferences hosted by securities companies.
Regular Investor Briefings for Overseas Investors	Ichigo holds an English-language earnings call every quarter, led by the Chairman, along with conducting one-on-one meetings and participating in investor conferences.
Posting of IR Materials on Website	Ichigo posts IR materials on its IR release page of the corporate website immediately after disclosure via the Tokyo Stock Exchange. Ichigo also posts financial statements, press releases, and corporate presentation materials, including video/audio recordings of earnings meetings and earnings calls, on the website. Investors and shareholders can also send inquiry emails to the IR team using a form on the website. In order to ensure that differential language disclosure does not result in any information disadvantage for all Ichigo stakeholders, Ichigo releases its IR information simultaneously in both Japanese and English.
Establishment of Department and/or Manager in Charge of IR	Ichigo's investor and shareholder relations are handled by the IR team within the Finance Division. Communication with investors and shareholders is conducted via phone calls, email, and conventional mail.
Other	Ichigo sends IR-related announcements and updates to investors in real-time via an email distribution service. In order to promote a deeper understanding of Ichigo and its businesses, Ichigo hosts a business results meeting for the benefit of shareholders on the same day as its shareholder meeting.

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Internal Rules for Respecting the Position of Stakeholders	Ichigo's mission is to contribute to Japanese society. All of Ichigo's business activities are conducted with this mission at heart and in strict compliance with Ichigo's Code of Corporate Ethics, Code of Conduct, and Ichigo's internal rules.
Environmental & CSR Activities	Ichigo has made sustainability a key business and social priority as a responsible corporate citizen, and sustainability remains at the core of everything we do. Ichigo has established and disclosed its Ichigo Sustainability Policy to contribute to sustainability and address corporate social responsibility. In addition, Ichigo has adopted a sustainability system, and under its Ichigo Sustainability Promotion Organization Code, Ichigo has established individual policies for important environmental issues identified in the Ichigo Sustainability Policy, determined concrete initiatives to reduce our environmental impact, and implemented the code and policy based on the Ichigo EMS Manual. With its mission of contributing to Japanese society, Ichigo puts environmental protection and ESG activities at the center of its business, and discloses these initiatives in its Sustainability Report. (Please refer to Ichigo's website for details on Ichigo's ESG initiatives.)
Information Provision to Stakeholders	Ichigo's Code of Corporate Ethics stipulates that Ichigo will ensure a balanced relationship between clients, shareholders, and all other stakeholders, and make disclosures in a fair, timely, and equitable manner. It further stipulates that Ichigo will focus on transparent and ethical management as a means to enhance its business operations.
Other	Supportive Workstyle and Workplace Initiatives ・Ichigo has flexible working hours and a remote-work policy to provide employees with flexibility in terms of when and where they work, supporting employee job satisfaction and productivity. ・Ichigo offers all employees the option of a shortened work day in order to accommodate the diverse needs of employees at different life stages and with different personal circumstances. ・Ichigo provides employees with the option of maternity/paternity leave for two years (or up to three years under certain circumstances); subsidies (JPY 10,000 per day for a maximum of 10 days per month) to help cover childcare and nursing expenses during overtime, weekend work, and business trips; and paid leave to tend to young children; accrued paid medical leave of up to 60 days. ・Ichigo's retirement age is set at 70. ・Ichigo seeks for the proportion of women in management to be equal to the overall gender ratio of the firm, and is working to promote professionalism and career advancement and support work-life balance. Percentage of women employees: 40.4% (43.0%) Percentage of women in senior executive roles: 11.1% (15.8%) Percentage of women in management roles: 30.8% (38.5%) Return rate of employees who take maternity/paternity leave: 100% Note: Ichigo group-wide data as of FY25/2-end. Figures in parentheses are Ichigo parent-only data. ・Ichigo conducts engagement surveys to support the creation of an organizational culture in which each and every member of our diverse employee community can work independently and autonomously, supporting their fulfillment and personal growth goals (100% response rate in FY25/2)

Other	Health Management Initiatives ・Best Place to Work initiative to promote the health of all employees. ・Recognized as a 2025 Certified Health and Productivity Management Organization for our engagement in community-based health initiatives and deployment of health and productivity management. ・Reduction of work hours (monitoring overtime, management training, and ongoing monitoring by the HR Division). Average overtime: 11.9 hours in FY25/2 (13.2 hours in FY24/2). ・Opportunities to meet with occupational health physicians for all Directors and employees that exceed overtime work limits for the purpose of health management and disease prevention. ・Mental healthcare training and mental healthcare checks for all employees. ・Enhanced periodic health check-ups and subsidies for follow-up medical examinations. ・Promotion of the full use of paid vacation days via various paid leave Programs, including a mandatory annual 5-day leave. ・Additional 10-day bonus leave for every 5 years of service. ・Sharing of health-related information and Ichigo exercise programs. ・Ichigo University seminars on lifestyle-related health issues led by occupational health physicians. ・Provision of a positive working environment, including flexible and versatile office layouts, increase in communal spaces, nutritional foods for employees, and installation of health equipment such as a blood pressure monitor, etc. ・Sponsorship of Ichigo clubs such as golf, running, soccer, and flower arrangement.

IV. Internal Control Systems

1. Internal Control System Details

Pursuant to Japan's Company Law, Ichigo has set forth a "Basic Policy for the Establishment of Structure of Internal Controls," and established the required internal policies, ensured the legality and efficiency of Ichigo's operations, and established an appropriate risk management system. Ichigo will strive to improve and reinforce these systems through continuous review.

a. Internal Controls to Ensure that Statutory Executive Officers and Employees Execute Their Duties in Compliance with Laws and Regulations and Ichigo's Articles of Incorporation

(i) Corporate Governance

– Ichigo's Board determines material matters regarding management and monitors the execution of duties by Statutory Executive Officers pursuant to laws and regulations, the Articles of Incorporation, shareholder meeting resolutions, Ichigo's corporate mission, Board rules, Ichigo's Code of Corporate Ethics, and Ichigo's Code of Conduct.
– The Statutory Executive Officers make decisions on the execution of business that are delegated by the Board, and perform their duties pursuant to these decisions, Board resolutions, and internal rules.
– In order for the Board to monitor the execution of duties by Statutory Executive Officers, the Statutory Executive Officers report on the status of the execution of business to the Board at least quarterly. Statutory Executive Officers monitor and supervise the execution of one another.
– The status of the execution of duties by Statutory Executive Officers will be audited by the Audit Committee.

(ii) Compliance

– Ichigo has established a Code of Corporate Ethics and Code of Conduct which provide rules and standards for action to be taken by all employees including Directors and Statutory Executive Officers.
– Ichigo has established a Compliance Committee to deliberate major issues regarding compliance. The Compliance Committee is independent from the Statutory Executive Officers.
– Ichigo's compliance structure comprises Responsible Officers (Chairman and President), a Statutory Executive Officer (Corporate Operations) and a Compliance Department under Corporate Operations. These parties work together across businesses and Ichigo group companies to ensure proper compliance across Ichigo.
– Ichigo has in place a whistleblower system whereby Directors, Statutory Executive Officers, and employees can report any questionable acts to a designated internal person or external lawyer.

(iii) Structure to Ensure Appropriate Financial Reports

– Ichigo has established internal systems to ensure lawful and appropriate financial reports by establishing internal rules and by complying with the Financial Instruments and Exchange Act, accounting standards, and other related laws and regulations.
– The President, Statutory Executive Officers (Audit, Finance, and Corporate Operations), and Internal Audit Department promote and establish an internal structure which complies with J-SOX.

(iv) Internal Audit

– Ichigo has established a Statutory Executive Officer (Audit) and Internal Audit function which conducts an internal audit with respect to compliance with laws and regulations, the Articles of Incorporation, internal rules, and the appropriateness of the execution of duties, and reports the results of the audit to the Audit Committee, the Chairman, the President, and the Board. The Statutory Executive Officer (Audit) and the Internal Audit Department reports on corrective activities called for by the audit to the Audit Committee, the Chairman, the President, and the Board.

  The Internal Audit Department closely collaborates with the Audit Committee and Audit Committee members to establish an internal audit plan and reports the results of audits. The Audit Committee, Audit Department, and the Corporate Auditor also hold meetings as required to exchange views on material audit-related matters.

(v) Elimination of Involvement with Anti-Social Forces
– In order to prevent anti-social forces from entering into the real estate and financial markets, Ichigo has established a Code of Corporate Ethics which prohibits interaction with anti-social forces, working in cooperation with the Police Department and other institutions.
– Ichigo has designated the Statutory Executive Officer (Corporate Operations) and the Compliance Department as responsible for working to prevent any and all interaction with anti-social forces by: coordinating with the Police Department, external counsels, and other external experts; becoming a member of police-related institutions; establishing manuals for the screening of anti-social forces; conducting due diligence checks on transaction counterparties; including language in contracts to prevent interaction with anti-social forces; and establishing manuals with respect to the handling of interaction with anti-social forces.
– In the event Ichigo encounters an anti-social force, the Statutory Executive Officer (Executive Vice President & COO) shall promptly contact and relay the information to the police, external counsel, and Ichigo and take a forceful attitude and fully reject any interaction with the anti-social force.

(vi) Structure to Prevent Insider Trading
– In order to prevent insider trading, the Chairman and President have appointed a Statutory Executive Officer (Finance) as the person responsible for information control with regards to information specified by the stock exchange and the person responsible for information control by Ichigo's internal rules. The Statutory Executive Officer (Finance), responsible for providing the management structure of internal information and for the management of transactions of specific securities by employees, thoroughly prevents insider trading within each Ichigo company.

(vii) Initiatives to Fight Climate Change
– Ichigo's President is responsible for initiatives to fight climate change, and has directed the Statutory Executive Officer (Executive Vice President & COO) and the ReGeneration Group to coordinate with all Ichigo group companies to reduce greenhouse gases produced by Ichigo's businesses. The President sets long-term and annual greenhouse gas reduction targets, and together with the Statutory Executive Officer (Executive Vice President & COO) and the ReGeneration Group, monitors progress against these targets. The Board monitors the progress of these climate change initiatives based upon annual reports after fiscal-year end from the President, Statutory Executive Officer (Executive Vice President & COO), and the ReGeneration Group.

b. Systems for the Retention and Management of Information Pertaining to Execution of Duties by Statutory Executive Officers
Ichigo properly retains and manages documents and other information pertaining to the execution of duties by the Statutory Executive Officers with due care and in compliance with laws and regulations and internal rules.

c. Risk Management Policies and Systems
(i) The Board delegates decision-making authority as appropriate to Statutory Executive Officers to support the agile execution of duties. All employees are responsible to establish policies with respect to their own activities that are appropriate to effective execution of risk management.

(ii) As a means to facilitate strong risk management and appropriate handling of material risks, Ichigo has established a risk management structure comprised of Responsible Officers (Chairman and President), the Overseeing Statutory Executive Officer (Corporate Operations), and a Risk Management Department.

(iii) The Statutory Executive Officer (Corporate Operations) together with the Risk Management Department are responsible for monitoring risks associated with business execution.

(iv) The Executive Vice President and Statutory Executive Officer (Corporate Operations) are responsible for setting and coordinating a risk management framework to handle situations of crisis, including natural disasters. In the event of a crisis, a crisis management team will be established under the President, aimed at preventing any further damages and a speedy recovery of business.

d. Systems to Ensure Effective Execution of Duties by Statutory Executive Officers

(i) The Board authorizes Statutory Executive Officers to make certain decisions for the appropriate and agile execution of duties. In order to comprehensively discuss and deliberate on material management matters, the Statutory Executive Officer (Finance) convenes regular management meetings comprised of the Chairman & Representative Statutory Executive Officer, the Vice Chairman, the President & Representative Statutory Executive Officer, the Executive Vice President & Statutory Executive Officer, and the President of major subsidiaries, thus ensuring smooth execution of duties by Statutory Executive Officers.

(ii) Ichigo creates a long-term vision (Ichigo 2030 vision), annual Ichigo-wide business targets, and annual subsidiary and division business targets. The Statutory Executive Officer (Finance) ensures effective and efficient management by tracking Ichigo's progress against these plans and targets.

e. Directors and Employees Assisting the Performance of the Duties of the Audit Committee

(i) Directors who assist in the performance of the duties of the Audit Committee will be determined by the Board in line with the opinions of the Audit Committee.

(ii) Employees assisting the performance of the duties of the Audit Committee are members of the Internal Audit Department appointed by the Head of the Internal Audit Department and the Audit Committee. Following the direction of the Audit Committee or a member of the Audit Committee assigned by the Audit Committee, the Head of the Internal Audit Department manages the members of the department or directly leads the execution of assisting in the performance of the duties of the Audit Committee.

(iii) Statutory Executive Officers must confirm that the Audit Committee and employees assisting in the performance of the duties of the Audit Committee receive no undue constraints in carrying out duties. In case such employees receive undue constraints in carrying out duties, the employees can report to the Audit Committee or one or more Audit Committee Members appointed by the Audit Committee in advance, and request for such constraints to be resolved.

f. Independence of Directors and Employees from Statutory Executive Officers

Directors and employees who assist in the performance of the duties of the Audit Committee report to the Audit Committee. The appointment, transfer, appraisal, and compensation of the relevant employees require the consent of the Audit Committee. This ensures independence from the Statutory Executive Officers. Other matters regarding the independence of such Directors and employees from the Statutory Executive Officers are pursuant to internal rules as separately provided.

g. Reporting by Directors, Statutory Executive Officers and Employees to the Audit Committee and Other Systems for Reporting to the Audit Committee

(i) Audit Committee Members may attend the meetings of the Board, the Compliance Committee, and other important meetings and listen to the status of the execution of duties by Statutory Executive Officers, inspect related materials, and ask for explanations and reports at the meetings.

(ii) All Statutory Executive Officers, department heads, and other employees must explain and report to the Audit Committee and Audit Committee Members as required.

(iii) Statutory Executive Officers and employees must immediately report on the matters below to the Audit Committee or to its members. Where determined to be necessary, Statutory Executive Officers and employees can also report matters not listed below to the Audit Committee or its members. If the matter reported falls within Ichigo's Whistleblower policy, then such report shall follow the procedures of the policy. Any person making a report shall not be relieved of employment and shall not receive any disadvantageous treatment directly as a result of making such report.

1. Any matter that may have a material impact on Ichigo's business operation and financial standing (including matters of compliance and risk management)
2. Any matter that has material impact on Ichigo's internal control systems
3. Any matter that impacts Ichigo's handling of complaints or whistleblower reports
4. Any matter stipulated in the rules with respect to matters to be reported to the Audit Committee
5. Any matter that may materially impact the audits conducted by the Audit Committee or its members

h. Other Systems to Ensure Effective Audits by the Audit Committee

(i) The Internal Audit Department works closely with the Audit Committee and the Audit Committee Members by discussing the internal audit plan and handles the reporting of the results. Audit Committee Members and the Internal Audit Department also work closely with the External Auditor and exchange opinions about internal audit issues.

(ii) The Audit Committee or the Audit Committee Member designated by the Audit Committee may retain any lawyers, certified public accountants, consultants, and other outside advisors at Ichigo's cost without prior approval from the Board or the Statutory Executive Officers.

(iii) The Audit Committee Member designated by the Audit Committee reports the status of the execution of duties by the Audit Committee to the Board at least quarterly.

i. Systems to Ensure Fully Appropriate Business Activities

(i) Ichigo's subsidiaries share Ichigo's Management Philosophy, Code of Corporate Ethics, and Code of Conduct.

(ii) In managing its subsidiaries, Ichigo provides advice with respect to each subsidiary's corporate governance, compliance, risk management, and prevention of involvement with anti-social forces pursuant to Ichigo's internal rules, in addition to Ichigo exercising its rights as a shareholder.

(iii) Ichigo has established a Business Promotion Department to supervise and monitor Ichigo subsidiaries, including determining the subsidiaries' rules and regulations, obtaining ongoing reporting with respect to their business developments, and managing and guiding each subsidiary towards achieving its KPIs.

(iv) The Audit Committee works closely with Ichigo subsidiaries by holding liaison meetings with the Auditors of the subsidiaries to exchange opinions about material internal audit matters.

(v) The business activities of Ichigo's subsidiaries are subject to an internal audit by the Internal Audit Department.

(vi) In the event of any transactions with Ichigo Trust, Ichigo's controlling shareholder, Ichigo takes special care to protect minority shareholders and has in place and follows appropriate procedures, including Board resolutions and reporting.

(vii) In order to prevent conflicts of interests, Ichigo has established a Policy for Managing Conflicts of Interest and manages any conflicts in accordance with such policy.

(viii) Ichigo subsidiaries hold meetings attended by officers and executives of the respective companies to ensure consistency of decision-making and operational efficiency and establish and maintain a system where execution of duties by subsidiary Directors are reported regularly to Ichigo.

(ix) In accordance with Ichigo's approach, its subsidiaries establish a corporate governance framework, compliance structure (including an internal reporting system), a structure to secure the reliability of financial reporting, an internal audit system, anti-social forces countermeasures, a structure to prevent insider trading, and risk management systems. Ichigo's subsidiaries also establish and operate a system to ensure that the officers and employees of the subsidiaries execute their duties in compliance with laws and regulations, and the Articles of Incorporation.

Internal Control Implementation Status

1. Internal Controls to Ensure that Statutory Executive Officers and Employees Execute Their Duties in Full Compliance with Japanese Law and Ichigo's Articles of Incorporation (Article 416 Clause 1 of the Company Law, Article 112 Clause 2 Item 4 of the Enforcement Regulation of the Company Law)

Status

(1) The Board is comprised of five Independent Directors and four internal Directors and had a total of 10 meetings during the previous fiscal year with a 100% attendance rate. Statutory Executive Officers make decisions and or seek board approval through proposal documents and report their activities to the Board at least quarterly. The Audit Committee is comprised of three Independent Directors and held a total of 20 meetings during the previous fiscal year with a 100% attendance rate.

(2) (a) Compliance – The Compliance Committee held three meetings to deliberate material compliance matters and conducted training sessions based on Ichigo's Code of Corporate Ethics and Code of Conduct. A whistleblowing system exists, including the ability to directly notify an external legal counsel.

(b) Financial Reporting Controls – The President, together with Statutory Executive Officers of each division and subsidiary, work to ensure compliance with internal controls and the evaluation thereof.

(c) Internal Audit – The objective of Internal Audit Department for FY25/2 was to contribute to management level decision-making through an Ichigo-wide, risk-based approach in close collaboration with the Audit Committee and Subsidiary Corporate Auditors. Specifically, audits examined the appropriateness of the fulfilment of management contracts, the status of investment securities, and information management systems.

(d) Prevention of Dealings with Anti-Social Forces – Ichigo has written manuals on how to handle Anti-Social Forces as well as rules that prescribe that Anti-Social Forces clauses must be included in Ichigo contracts. Ichigo also works with the Tokyo Metropolitan Police Department and other external experts in conducting due diligence of business counterparties. (See "System Against Anti-Social Forces")

(e) Prevention of Insider Trading – Through its internal rules on the management of insider information, Ichigo strictly manages all critical corporate information and ensures proper disclosure thereof. Internal rules require that all employees must pre-clear any transaction in designated securities with the Statutory Executive Officer of their respective divisions.

(f) Climate Change Initiatives – Ichigo develops annual and long-term greenhouse gas emission reduction plans and has appointed the President as the person responsible for its climate change initiatives. The Statutory Executive Officer (Executive Vice President & COO) and the ReGeneration Group coordinate with group companies to reduce and monitor greenhouse gas emissions, and reports the results to the Board of Directors.

2. System to Ensure Proper Storage and Management of Information Required for Execution of Duty by Statutory Executive Officers (Article 112 Clause 2 Item 1 of the Enforcement Regulation of the Company Law)

Status

Handling of information is stipulated in the Information Security Management Policy, handling of documents is stipulated in the Document Management Policy, and handling of undisclosed and insider information is stipulated in the Inside Information Management Policy. All employees conduct business in full compliance with each and every policy.

3. Risk Management Policies and Systems (Article 112 Clause 2 Item 2 of the Enforcement Regulation of the Company Law)

Status

(1) Ichigo continually monitors business execution and risks, and the Chief Risk Officer reports the results of this monitoring to the Board.

(2) Ichigo also has business continuity plans that specify how to recover from natural disasters and other crises, and all employees are fully aware of these plans.

4. Systems to Ensure Effective Execution of Duties by Statutory Executive Officers (Article 112 Clause 2 Item 3 of the Company Law)

Status

(1) Statutory Executive Officers execute their duties within their respective delegated scopes of responsibilities without any undue overlap or negligence.

(2) During the previous year, Ichigo's annual company and division targets as well as execution of duties by Statutory Executive Officers were monitored by the Board of Directors at least once every three months.

5. Audit Committee and Audit Systems (Article 416 of the Company Law, Article 112 Clause 1 Items 1-7 of the Enforcement Regulation of the Company Law)

Status

(1) In accordance with internal rules pertaining to Directors and employees assisting in the duties of the Audit Committee, Ichigo has appointed employees to support the Audit Committee and has ensured their independence. Furthermore, prior consent from the Audit Committee has been sought for any organizational or compensation matter with respect to these employees.

(2) In accordance with the Audit Committee Rules, the Audit Committee attended important management meetings and received explanations as well as reviewed all relevant materials. In addition, Ichigo employees have made all required reporting to the Audit Committee, and no disadvantageous treatment has resulted from such reporting.

(3) The Audit Committee approved internal audit plans and received reports on the results of audits. Furthermore, the Audit Committee has received periodic reports from the external auditor and has engaged in discussions of material audit matters.

(4) The Audit Committee holds two liaison meetings a year with Audit Committee Members and auditors of subsidiaries and receives explanations and reports from the employees of subsidiaries.

(5) The Audit Committee has requested that Ichigo bear the costs associated with auditing of subsidiaries.

6. Systems to Ensure Fully Appropriate Business Activities (Article 112 Clause 2 Item 5 of the Enforcement Regulation of the Company Law)

Status

(1) Ichigo and its subsidiaries share a common mission, Code of Corporate Ethics, and Code of Conduct. Ichigo subsidiaries have established or are establishing a system to align with Ichigo's corporate governance and compliance.

(2) The President receives a report from the presidents of each subsidiary with respect to business operations and the execution of duties by Directors and officers at least quarterly, and the presidents of each subsidiary receives reports with respect to business operations from the relevant teams and advises on enhancing transparency and achieving business targets.

(3) There were no transactions between Ichigo and its controlling shareholder, Ichigo Trust during FY25/2.

Intra-group transactions between Ichigo and its subsidiaries are managed and executed in accordance with the conflict-of-interest control policy to ensure that they are appropriate.

(4) Consistent with Ichigo's framework, its major subsidiaries have established internal systems including: a corporate governance structure, a compliance structure (including a whistleblower system), a system for reliable financial reporting, an internal audit structure, anti-social forces countermeasures, an insider trading prevention system, risk management policies and systems, and an operational monitoring system in accordance with the Company Law. Other Ichigo subsidiaries are in the process of establishing such systems.

2. Policies Against Anti-Social Forces

Ichigo has included its policy against anti-social forces in Ichigo's Code of Corporate Ethics, as well as established an internal system against anti-social forces based on its Basic Policies on Internal Control Systems.

(a) Responsible Departments and Persons
Ichigo has appointed the Executive Vice President & Statutory Executive Officer as the responsible manager and the Corporate Operations Division as responsible for handling any potential encounter with anti-social forces in cooperation with relevant departments.
Ichigo also receives advice from legal counsel with respect to enforcing its policies against anti-social forces.

(b) Cooperation and Coordination with External Experts
Ichigo has established a system against anti-social forces in cooperation and coordination with external experts such as the Organized Crime Investigation Division of Tokyo Metropolitan Police Department, the Marunouchi Police Department, the National Center for the Elimination of Boryokudan, and external lawyers, and is a member of associations to combat anti-social forces in Tokyo and Osaka to receive guidance and share information.

(c) Collection and Management of Information on Anti-Social Forces
The Head of Compliance Group (Corporate Operations) is responsible for managing information on anti-social forces gathered in and outside of Ichigo and uses such information to ensure transaction counterparties are not anti-social forces.

(d) Rejection of Anti-Social Forces
Ichigo shall not accept any contact from anti-social forces and shall reject any and all interactions with a firm attitude and, in cooperation and coordination with external experts.

(e) Implementation of Provisions against Anti-Social Forces
Ichigo shall set forth provisions against anti-social forces in standard written agreements and terminate any and all contracts if the counterparty is discovered to be an anti-social force.

(f) Training against Anti-Social Forces
Ichigo Directors and employees expressly confirm their understanding of and adherence to rules against anti-social forces through a statement they sign and submit to Ichigo's Chairman and President on a yearly basis. Guidance from external experts is also delivered to all Directors and employees promptly to raise awareness and prevent the involvement of anti-social forces in the marketplace.

V. Other

1. Anti-Takeover Measures

Adoption of Anti-Takeover Measures	N/A

Supplementary Explanation
Ichigo has not adopted any takeover defense, poison pill, or any other policy with respect to persons or parties seeking to control decisions related to Ichigo's financial and business policies.

2. Other Corporate Governance Issues

Timely and Appropriate Disclosure

(1) Ichigo's Policy on Timely and Appropriate Disclosure
The Code of Corporate Ethics shared across all Ichigo companies stipulates under the section "Transparent and Ethical Management" that Ichigo will maintain an appropriate balance between clients, shareholders, and all other stakeholders, and will make disclosures on a fair and timely basis.

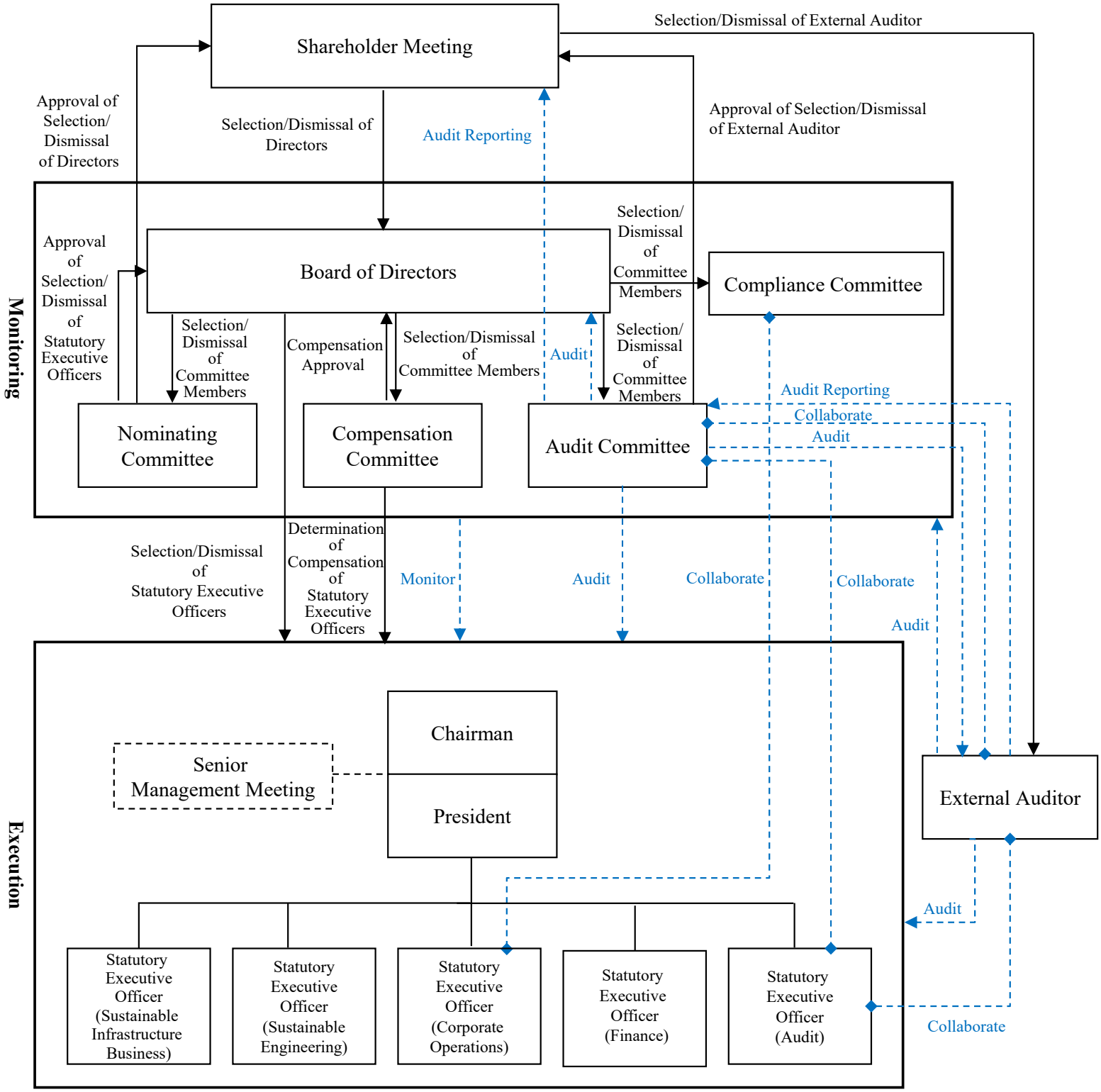
(2) Adherence to Ichigo's Policy on Timely and Appropriate Disclosure
The Code of Conduct shared across all Ichigo companies stipulates that Ichigo will comply with all laws and regulations with respect to information disclosure and endeavor to disclose information in a fair, timely, and readily understandable manner. It further stipulates that Ichigo will endeavor to promote appropriate disclosures, strictly control material non-public information (MNPI) and any other non-public information arising from business operations, and deliver a consistent message to the media. To this end, Ichigo strictly complies with all relevant laws, regulations, and exchange rules with respect to the timely and appropriate disclosure of information.

(3) Systems to Ensure Timely and Appropriate Information Disclosure
The Chairman and President have appointed the Statutory Executive Officer (Finance) to be the Chief Disclosure Officer (CDO) responsible for ensuring timely and appropriate disclosures for Ichigo in accordance with procedures set forth by the Tokyo Stock Exchange.

Material disclosure issues related to management decisions, including that of subsidiaries, are managed centrally by the CDO and IR team, and the need for disclosure is determined, as appropriate, in consultation with external legal counsel.

The CDO and IR team work in close collaboration with subsidiaries to capture and examine all material business issues and make timely disclosures as necessary.

IR releases regarding matters of material importance are circulated, along with all related documents, for review by the Compliance Department and the relevant Ichigo decision-making entity.


Shareholder Meeting
Selection/Dismissal of External Auditor
Approval of Selection/ Dismissal of Directors
Selection/Dismissal of Directors
Audit Reporting
Approval of Selection/Dismissal of External Auditor
Monitoring
Approval of Selection/ Dismissal of Statutory Executive Officers
Board of Directors
Selection/ Dismissal of Committee Members
Compliance Committee
Selection/ Dismissal of Committee Members
Compensation Approval
Selection/Dismissal of Committee Members
Audit
Selection/ Dismissal of Committee Members
Audit Reporting
Collaborate
Audit
Nominating Committee
Compensation Committee
Audit Committee
Selection/Dismissal of Statutory Executive Officers
Determination of Compensation of Statutory Executive Officers
Monitor
Audit
Collaborate
Collaborate
Audit
Execution
Chairman
Senior Management Meeting
President
External Auditor
Audit
Statutory Executive Officer (Sustainable Infrastructure Business)
Statutory Executive Officer (Sustainable Engineering)
Statutory Executive Officer (Corporate Operations)
Statutory Executive Officer (Finance)
Statutory Executive Officer (Audit)
Collaborate