Corporate Governance Report

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

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

1. Basic Views Updated

We see Corporate Governance at the Company as a means of energizing the Board of Directors, the decision-making body of the Company, and of effectively utilizing the Company's functions of monitoring and supervising its senior management.
The various methods used for the smooth corporate management of the Company are covered by corporate governance, and by increasing transparency for the stakeholders involved with the Company (shareholders, customers, employees, business partners, local communities, etc.), we aim to establish a system that realizes efficient management.
Based on the above basic approach, our basic policy is to implement Japan's Corporate Governance Code to ensure rationality in our decision-making, and by further enhancing our corporate value, to respond to the expectations of all our stakeholders.

(1) Management and business execution system
The Company has established the Audit and Supervisory Committee from the perspective of ensuring the transparency and fairness of the decision-making process, as well as to realize effective corporate governance. While holding deliberations and resolutions on the basic policy associated with the Group's management and important matters as its decision-making body, by placing important matters on the agenda and through regular reports on important matters, the Board of Directors also supervises the state of operational execution.

(2) Management monitoring and supervisory system
The Company elects multiple Outside Directors so that the Company's management can receive appropriate suggestions and advice from an objective standpoint and outside perspective and to strengthen the supervisory function of the Board of Directors.
To strengthen the independence, objectivity, and accountability of the functions of the Board of Directors associated with the nomination and remuneration of Directors, the Company has established a Nomination and Remuneration Committee that is chaired by an Independent Outside Director, and of which Independent Outside Directors account for a majority of the members.
When evaluating important items such as decisions on the nomination and remuneration of the senior management, items are first thoroughly deliberated and resolved at the Nomination and Remuneration Committee while sharing diverse opinions, and then proposed to the Board of Directors.

[Reasons for Non-Compliance With the Principles of Japan's Corporate Governance Code]

The Company complies with every principle of Japan's Corporate Governance Code.

[Disclosure Based on the Principles of Japan's Corporate Governance Code] Updated

The Company's disclosure based on the principles of Japan's Corporate Governance Code is as follows.

[Principle 1.4 Shares Held as Cross-Shareholdings]

(1) Policy on cross-shareholdings
By working to maintain and strengthen business relationships with our business partners, business partners that we believe contribute to the medium- to long-term corporate value of the Company may acquire and own shares in the Company. Furthermore, based on the assessment results listed in (2), we decide whether to continue to hold or to sell shares.

(2) Details of assessment with regard to cross-shareholdings
Each year at the Board of Directors, we perform a comprehensive assessment of the economic rationale of share ownership, including the goal of ownership, trading conditions, and the capital cost of individual issues.

(3) Standards for exercising voting rights with regard to cross-shareholdings
In exercising our voting rights, the Company evaluates individual proposals and decides to vote for or against proposals from the standpoints of playing a role in the efficient, sound management of the issuing company and whether enhanced corporate value can be expected.

[Principle 1.7 Related Party Transactions]

While the Company does not conduct related party transactions in principle, in the rare event that transactions are conducted between the Company and its officers or principal shareholders, to ensure that the interests of the company or shareholders are not damaged, the Board of Directors discusses and approves the transactions in question ahead of time in accordance with laws and regulations and receives reports on the status of transactions. The majority of the Board of Directors is composed of Independent Outside Directors, and the Board of Directors passes resolutions on related party transactions while fully considering the rationality and validity of the transactions and ensuring that they do not diverge from general transaction standards.
Furthermore, the Company requests the submission of a "Survey Form on Transactions with Related Parties" from its officers once each year, confirming the presence of transactions with related parties.

[Supplementary Principle 2.4.1 Ensuring Diversity]

The Company believes that enhanced corporate value is realized by responding to the various needs of society through honest corporate activities.
Therefore, the Company believes that exchanging opinions among human resources with a wide range of values not bound by preconceived notions is precisely what makes effective decision-making possible and in turn contributes to enhanced corporate value. The Company proactively conducts hiring not bound by gender or nationality and builds a comfortable working environment, working to develop the next generation of management leaders.
The Company's policies for human resource development and internal environment development are disclosed in the ESG Policy and the annual securities report (2 [Approach and initiatives for sustainability]).
(ESG Policy: https://www.jinushi-jp.com/en/sustainability/esg-policy/)
(Annual securities report: https://www.jinushi-jp.com/ir/library.html; available in Japanese only)

・[Women] As of December 31, 2024, there is one woman in a management position of the Company (excludes persons seconded to subsidiaries; hereinafter, the same shall apply in this principle), representing 6.7% of the total. In addition, the percentage of women among all employees is approximately 31.9%. In recent years, the Company has been actively recruiting female employees with the intention of expanding opportunities for future management appointments. In the future, we intend to increase the number of women in management positions or the ratio of women in management positions from the current level.

・[Midcareer hires] The Company is actively pursuing midcareer hiring of human resources who have diverse values and perspectives, and who demonstrate originality based on their experience and abilities to promote innovation in the real estate industry itself. As of December 31, 2024, the percentage of midcareer hires in management positions of the Company is 93.3%.

・[Foreign nationals] As of December 31, 2024, there are no foreign nationals in management positions of the Company, however, in the event that the Company expects to expand the ratio of overseas business in the future, it will consider appointing foreign nationals as necessary.
The Company fairly evaluates and promotes employees with diverse skills, experiences, values, motivation, and abilities, regardless of race, nationality, religion, gender, age, disability, gender identity, or sexual orientation.

[Principle 2.6 Functioning as Asset Owner of Corporate Pension Funds]

Because the Company has no corporate pension system, the management of contributions to corporate pensions do not affect the Company's financial standing.
Furthermore, in the event a corporate pension system is introduced, we will pursue a responsible course of action based on a recognition of the expected roles of asset owners.

[Principle 3.1 Enhancement of Information Disclosure]

(1) Company objectives (e.g., management philosophy), management strategies and business plans
The Company has formulated management philosophy and a medium-term management plan. In March 2024, the Company identified materiality (material issues) related to sustainability.
(Management philosophy: https://www.jinushi-jp.com/en/company/vision/)
(Results of Operations for the Fiscal Year Ended December 31, 2024:
https://www.jinushi-jp.com/en/ir/library.html; including the details and progress of the medium-term management plan announced on February 14, 2022)
(Materiality: https://www.jinushi-jp.com/en/sustainability/materiality/)

(2) Basic views and policies on corporate governance based on each of the principles of the Code
* Please refer to I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes and Other Basic Information, 1. Basic Views.

(3) Policies and procedures of the Board of Directors in determining the remuneration of the senior management and Directors
* Please refer to II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Supervision in Management, [Director Remuneration], Disclosure of Policy for Determining Remuneration Amounts or Calculation Methods Thereof.

(4) Policies and procedures of the Board of Directors in the appointment/removal of the senior management and the nomination of Director candidates
The Company has established a Nomination and Remuneration Committee that is chaired by an Independent Outside Director, and of which Independent Outside Directors account for a majority of the members.
The Representative Director and President is delegated by the Board of Directors to consult with the Nomination and Remuneration Committee on plans related to the appointment and dismissal of senior management. After deliberation and resolution by the committee, the plans are resolved by the Board of Directors and the candidates are nominated. Members including Independent Outside Directors confirm the validity of Director candidates while receiving sufficient explanation from the Representative Director and President.
The Representative Director and President is also delegated by the Board of Directors to consult with the Nomination and Remuneration Committee on plans for Directors candidates, and after deliberation and resolution by the committee, and with the consent of the Audit and Supervisory Committee in case of Directors who are Audit and Supervisory Committee Members, the plans for the appointment/ dismissal of Director candidates to be proposed to the general meeting of shareholders are resolved by the Board of Directors.

(5) Explanations with respect to individual appointments and removals of the senior management and nominations of Director candidates based on (4) above by Directors
When nominating Director candidates, the reasons for the individual appointments and nominations are provided in the notice of the general meeting of shareholders.
(Notice of the general meeting of shareholders: https://www.jinushi-jp.com/en/ir/stock/meeting.html)

[Supplementary Principle 3.1.3 Sustainability Initiatives]

The Company identified materiality related to sustainability in March 2024. The approach and initiatives for sustainability are disclosed on the Company's website and in the annual securities report.

(https://www.jinushi-jp.com/en/sustainability/)

(Annual securities report: https://www.jinushi-jp.com/ir/library.html; available in Japanese only)

The JINUSHI BUSINESS, the Company's unique real estate investment method that only invests in land rather than owning buildings, is a model that produces an extremely small volume of greenhouse gas emissions and industrial waste.

Through the JINUSHI BUSINESS, the Company aims to contribute to the realization of a sustainable society.

In August 2023, the Company expressed its endorsement of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and has disclosed information based on those recommendations.

(https://www.jinushi-jp.com/en/company/sustainability/).

In addition, the Company aims to be a major landowner in Japan as JINUSHI REIT grows. The main driving force of this is each one of our employees who embrace the management philosophy and code of conduct, and take on the challenge to further expand the JINUSHI BUSINESS, and the Company recognizes our human resources as an important management resource.

The Company believes that the "be an adult" in the code of conduct is essential to promote human-resource recruitment and promotion unconstrained by age and gender and to cultivate a corporate culture that is open (inclusive) and flat (egalitarian). The Company has identified this as one of the material issues and engages in human capital management.

We will continue to further enhance our efforts to date to solve various social issues and make appropriate information disclosures.

[Supplementary Principle 4.1.1 Scope of Matters Delegated to the Senior Management]

The Board of Directors resolves not only on items stipulated by laws and regulations, but also items for discussion stipulated by Articles of Incorporation and the Board of Directors rules.
Important items such as the medium-term management plan and the management policy are proposed to the Board of Directors after deliberation by the Budget Committee, etc.
From the viewpoint of separating execution and oversight and strengthening their functions, the authority to make business execution decisions other than those resolved by the Board of Directors is delegated to the Representative Director and President, among others, and specific details are stipulated in the administration authority rules, etc.

[Principle 4.9 Independence Standards and Qualifications for Independent Outside Directors]

The Company selects candidates for Independent Outside Directors based on the independence standards established by the Tokyo Stock Exchange.

[Supplementary Principle 4.10.1 Authority, Roles, etc. of the Nomination and Remuneration Committee]

The Company has established a Nomination and Remuneration Committee that is chaired by an Independent Outside Director, and of which Independent Outside Directors account for a majority of the members. For the authority, roles, etc. of this committee, please refer to II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Supervision in Management, 1. Organizational Composition and Operation, [Voluntary Committee], Supplementary Explanation.

[Supplementary Principle 4.11.1 Views on the Balance Between Knowledge, Experience and Skills of the Board of Directors as a Whole, Diversity and Size]

In addition to conducting proper supervisory of operational execution at the Board of Directors, to conduct important decision-making through multi-faceted analysis, we believe that having a Board of Directors composed of Directors with diverse backgrounds is essential.
Furthermore, regarding the scale of the Board of Directors, after considering whether they can sufficiently exercise the above roles of the Board of Directors, we secure the appropriate human resources as necessary, and the Company currently has seven Directors including Directors who are Audit and Supervisory Committee Members (including four Independent Outside Directors).
Given the importance of forecasting changes in the management environment and reflecting that forecast in the management strategy in selecting Director candidates, we work to select well-balanced candidates with expertise, including candidates with management experience at other companies and knowledge of corporate management.
Furthermore, in this report, the Company has disclosed a so-called skill matrix that provides a list of the knowledge, experience, and skills of each Director.

[Supplementary Principle 4.11.2 Status of Concurrent Positions of Directors and Audit & Supervisory Board Members With Other Listed Companies' Officers]

So that they can exercise their roles and responsibilities appropriately, the Company makes every effort to avoid having Directors who are not Audit and Supervisory Committee Members who concurrently serve as officers at other listed companies.
The status of Directors who concurrently serve as officers at other listed companies is provided in the notice of the general meeting of shareholders, etc.
(Notice of the general meeting of shareholders: https://www.jinushi-jp.com/en/ir/stock/meeting.html)

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

The Company analyzes and evaluates the effectiveness of the Board of Directors, and works to further improve the functioning of the Board of Directors. As the methods for the analysis and evaluation, the Company has used a third-party organization for the preparation and analysis of a questionnaire since 2024. Following an analysis of those results, the Board of Directors held discussions at its meeting on an annual basis.
As a result, while the Company believes that the effectiveness of the Board of Directors is ensured at its meeting held in February 2025, issues were pointed out from the viewpoint of further enhancing the operation and discussions, etc. of the Board of Directors, and going forward, the Company will examine ways to realize further enhancements to the operation and discussions, etc. of the Board of Directors. Aiming to continue to realize Board of Directors operations with a high level of effectiveness, the Company will strive for further improvement.

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

The Company conducts training on compliance, provides materials related to the principles of Japan's Corporate Governance Code and other matters, and carries out other measures in order to promote understanding by Directors of their roles and responsibilities.
Furthermore, the Company provides information as necessary to Outside Directors to deepen understanding of the Company's management philosophy, management policy, business activities, and organization.
The Company also offers support by providing the necessary opportunities for Directors to acquire knowledge related to business, finance, organizations, and laws and regulations to fulfill their roles and responsibilities, as well as its good offices and the required expenses.

[Principle 5.1 Policy for Constructive Dialogue With Shareholders]

The Company values constructive dialogue with shareholders and investors. Twice a year, we hold financial results briefings for institutional investors and analysts in which the Representative Director and President explains the Company's business results. The Representative Director and President or the Investor Relations and Public Relations Office also proactively meet with investors as much as possible.
For meeting requests from shareholders, the Investor Relations and Public Relations Office oversee overall dialogue with shareholders, while taking sufficient consideration to facilitate constructive dialogue with shareholders.
The General Manager of the Investor Relations and Public Relations Office also shares information by providing feedback to the Board of Directors on opinions received from investors and shareholders and other matters as appropriate.

[Action to Implement Management That Is Conscious of Cost of Capital and Stock Price] [English disclosure]
The Company formulated the medium-term management plan (2022–2026) in February 2022 in order to continuously enhance corporate value. In this plan, the Company established financial targets for the fiscal year ending December 31, 2026, as well as set a target for return on equity (ROE) of approximately 13% as a management indicator. In addition, through the creation of profit that exceeds cost of shareholders' equity by recognizing that the Company's cost of shareholders' equity is around 6%–8% and by realizing the ROE target, the Company will maximize shareholder value.
Regarding changes in the management indicators, such as ROE, and other information, the Company will include such information in the materials for financial results that are disclosed every quarter.

IR library of the Company's website: https://www.jinushi-jp.com/en/ir/library.html

2. Capital Structure

Foreign Shareholding Ratio	Less than 10%

[Status of Major Shareholders] Updated

Name	Number of Shares Owned (Shares)	Shareholding Ratio (%)
Tetsuya Matsuoka	2,887,300	14.05
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,733,300	13.30
Custody Bank of Japan, Ltd. (Trust Account)	1,867,000	9.09
Matsuoka G.K.	915,000	4.45
Hirofumi Nishira	377,912	1.83
NOMURA PB NOMINEES LIMITED OMNIBUS-MARGIN (CASHPB) (Standing proxy: Nomura Securities Co., Ltd.)	241,600	1.17
Kenji Irie	232,100	1.13
Yukinori Nagaoka	200,000	0.97
Custody Bank of Japan, Ltd. (Trust Account 4)	163,300	0.79
Nichirei Corporation	156,000	0.75

Controlling Shareholder (except for Parent)	–
Parent (Listed Stock Market)	N/A

Supplementary Explanation

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3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange Prime
Fiscal Year-End	December
Type of Business	Real Estate
Number of Employees (Consolidated) at End of the Previous Fiscal Year Updated	From 100 to less than 500
Net Sales (Consolidated) for the Previous Fiscal Year	From ¥10.0 billion to less than ¥100.0 billion
Number of Consolidated Subsidiaries at End of the Previous Fiscal Year	From 10 to less than 50

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

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

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

1. Organizational Composition and Operation

Organization Form	Company with audit and supervisory committee

[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	15
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors Updated	7
Appointment of Outside Directors	Appointed
Number of Outside Directors	4
Number of Independent Directors Designated from among Outside Directors	4

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Hiroyuki Nishimura	From another company											
Kensuke Shiwa	Attorney at law											
Aya Ozasa	From another company											
Tomonori Ishiwata	CPA											

* Categories for "Relationship with the Company"

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

a. Executive (a person who executes business; hereinafter, the same) of the Company or its subsidiary
b. Non-executive director or executive of the parent of the Company
c. Executive of a fellow subsidiary of the Company
d. Party whose major client or supplier is the Company or an executive thereof
e. Major client or supplier of the Company or an executive thereof
f. Consultant, accounting professional or legal professional who receives a large amount of monetary consideration or other property from the Company besides remuneration as a director
g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a corporation)

h. Executive of a client or supplier of the Company (which does not correspond to any of d., e., or f.) (the director himself/herself only)
i. Executive of a corporation to which outside officers are mutually appointed (the director himself/herself only)
j. Executive of a corporation that receives a donation from the Company (the director himself/herself only)
k. Other

Outside Directors' Relationship with the Company (2) Updated

Name	Audit and Supervisory Committee Member	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Hiroyuki Nishimura	○	○	–	The Company appointed Mr. Hiroyuki Nishimura based on the belief that he is suitable as an Outside Director who is an Audit and Supervisory Committee Member because he has a wealth of knowledge and experience accumulated as a person responsible for the compliance section in a financial institution. He is involved as a Nomination and Remuneration Committee Member from a standpoint of objectivity and neutrality in nominating the Company's candidates for Director and making decisions on remuneration and other such matters.
Kensuke Shiwa	○	○	–	Although Mr. Kensuke Shiwa has not been directly involved in corporate management in the past, the Company appointed him based on the belief that he is suitable as an Outside Director who is an Audit and Supervisory Committee Member because he has a high degree of expertise in corporate legal affairs as well as wealth of knowledge and experience as an attorney at law. He is involved as a Nomination and Remuneration Committee Member from a standpoint of objectivity and neutrality in nominating the Company's candidates for Director and making decisions on remuneration and other such matters.
Aya Ozasa	○	○	–	The Company appointed Ms. Aya Ozasa based on the belief that she is suitable as an Outside Director who is an Audit and Supervisory Committee Member because of her extensive experience and track record in corporate management and her ability to use her wide-ranging insights to supervise the overall management of the Company and make appropriate recommendations. She will be involved as a Nomination and Remuneration Committee Member from a standpoint of objectivity and neutrality in nominating the Company's candidates for Director and making decisions on remuneration and other such matters.

Name	Audit and Supervisory Committee Member	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Tomonori Ishiwata	○	○	–	Although Mr. Tomonori Ishiwata has not been directly involved in corporate management in the past, other than as an outside officer, the Company appointed him based on the belief that he is suitable as an Outside Director who is an Audit and Supervisory Committee Member because he has abundant experience as a certified public accountant and professional knowledge of finance and accounting, and is capable of appropriately performing his duties to strengthen the supervisory function of overall management. He will be involved as a Nomination and Remuneration Committee Member from a standpoint of objectivity and neutrality in nominating the Company's candidates for Director and making decisions on remuneration and other such matters.

[Audit and Supervisory Committee]

Committee's Composition and Attributes of Chairperson

	Total Committee Members	Full-time Members	Inside Directors	Outside Directors	Chairperson
Audit and Supervisory Committee	4	1	0	4	Outside Director

Appointment of Directors and/or Employees to Support Duties of the Audit and Supervisory Committee	Not appointed

Reasons for Adopting the Current System

We currently have no employees to assist with the work of the Audit and Supervisory Committee, however the staff of the administration division provides support as necessary, and we believe that the required system is in place.

Cooperation Among Audit and Supervisory Committee, Accounting Auditor and Internal Audit Office Updated

At the Company, while maintaining independence from each other as an audit organization, Directors who are Audit and Supervisory Committee Members, internal audits, accounting audits are coordinating and cooperating, and increasing the efficiency and effectiveness of audits.
Furthermore, the Company has established an Internal Audit Office, as an organization under the direct supervision of the Representative Director and President, that organizes and operates overall internal controls.
For example, Directors who are members of the Audit and Supervisory Committee receive reports from the Accounting Auditor at the time of formulating audit plans and on a quarterly basis, and receive explanations from the internal auditors on the progress of internal audits, etc., and in addition to conducting systematic audits through three-party meetings, they also exchange information regularly with the Internal Audit Office to confirm

the progress of internal audits. In implementing internal audits, internal auditors coordinate with Directors who are Audit and Supervisory Committee Members and exchange opinions with the Accounting Auditor in organizing and operating internal controls. During this process, they receive guidance as necessary and exchange and share information as necessary to increase the effectiveness of internal audits.

The status of internal audits is as follows.
(1) Internal auditing system
Regarding the internal auditing system, the Company has established the Internal Audit Office under the direct supervision of the Representative Director and President based on the internal audit rules. In accordance with the internal audit plan for each fiscal year approved by the Board of Directors, the Internal Audit Office conducts internal audits of each division and important subsidiary concerning the effectiveness of internal controls, appropriateness and efficiency of business execution, status of compliance with laws and regulations and other matters. The results of internal audits are reported to the Representative Director and President, and then they are also reported to the Board of Directors and the Audit and Supervisory Committee (dual reporting lines). Furthermore, if the audit results contain issues raised or other matters that need to be improved, the Internal Audit Office confirms the status of improvement measures in the audited division, reports to the Representative Director and President as well as to the Board of Directors and the Audit and Supervisory Committee, and ensures the effectiveness of audits.

(2) Mutual cooperation with the Accounting Auditor and the Audit and Supervisory Committee
Through participation in three-party coordination meetings together with the Audit and Supervisory Committee and by receiving reports on the audits from the Accounting Auditor on a regular basis, the Internal Audit Office collects information and exchanges opinions as needed and cooperates with the Accounting Auditor and the Audit and Supervisory Committee. In addition, by reporting directly to the Accounting Auditor and the Audit and Supervisory Committee on a regular basis regarding the results of internal audits, the development and implementation of internal controls, and other matters, the Internal Audit Office shares information regarding the confirmation on the progress of internal audits, status of internal controls, etc., and cooperates.
As the audits by the Audit and Supervisory Committee, internal audits and accounting audits are conducted in an independent but mutually complementary manner, the Company is building an auditing structure that maintains objectivity and efficiency.

[Voluntary Committee]

Voluntary Establishment of Committee(s) Equivalent to Nomination Committee or Remuneration Committee	Established

Committee's Name, Composition, and Chairperson's Attributes Updated

	Committee Equivalent to Nomination Committee	Committee Equivalent to Remuneration Committee
Committee's Name	Nomination and Remuneration Committee	Nomination and Remuneration Committee
Total Committee Members	6	6
Full-time Members	0	0
Inside Directors	2	2
Outside Directors	4	4
Outside Experts	0	0
Other	0	0
Chairperson	Outside Director	Outside Director

Supplementary Explanation Updated

To strengthen the independence, objectivity, and accountability of the functions of the Board of Directors associated with the nomination and remuneration of Directors, the Company has established a Nomination and Remuneration Committee that is chaired by an Independent Outside Director, and of which Independent Outside Directors account for a majority of the members.
When evaluating important items such as decisions on the nomination and remuneration of the senior management, items are first thoroughly deliberated and resolved at the Nomination and Remuneration Committee while sharing diverse opinions, and then proposed to the Board of Directors.

[Independent Directors]

Number of Independent Directors	4

Matters Relating to Independent Directors

The Company designates all persons who are qualified as Independent Directors.

[Incentives]

Implementation of Measures to Provide Incentives to Directors	Other

Supplementary Explanation

At the 24th Annual General Meeting of Shareholders held on March 22, 2024, it was decided to introduce a restricted stock remuneration plan for Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) in order to give them incentives to continuously improve the Company's corporate value and further promote value sharing with the Company's shareholders.

Recipients of Stock Options	

Supplementary Explanation

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[Director Remuneration]

Disclosure of Individual Directors' Remuneration	Selected directors

Supplementary Explanation Updated

In the 25th fiscal year (January 1, 2024 to December 31, 2024), remuneration of ¥143 million (fixed remuneration of ¥120 million and non-monetary remuneration, etc. of ¥23 million) was paid to the Company's Representative Director and President Hirofumi Nishira.
Additionally, as nobody was paid a total of ¥100 million or more in consolidated remuneration, remuneration has not been disclosed.
Furthermore, the Company discloses the total amount of remuneration by officer category, the total amount of remuneration by remuneration category, and the number of covered officers in our annual securities report.

Policy for Determining Remuneration Amounts or Calculation Methods Thereof Updated	Established

Disclosure of Policy for Determining Remuneration Amounts or Calculation Methods Thereof

Matters concerning the resolution of the general meeting of shareholders regarding remuneration, etc. for officers are as follows.

At the 20th Annual General Meeting of Shareholders held on June 25, 2020, it was resolved to set the maximum amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) at no more than ¥800,000 thousand per year, and that the amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) would not include the salary for employees concurrently serving as Directors. It was also resolved to set the maximum amount of remuneration for Directors who are Audit and Supervisory Committee Members at no more than ¥100,000 thousand per year.
At the 24th Annual General Meeting of Shareholders held on March 22, 2024, separate from the above amount of remuneration, etc. for Directors, it was resolved to set the total amount of the monetary claims paid as remuneration to the Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) for the granting of restricted stock at no more than ¥200,000 thousand per year (excluding the salary for employees concurrently serving as Directors), and to set the total number of common shares of the Company to be issued or disposed of as a result thereof at no more than 80,000 shares per year.

As of the filing date of this report, the policy for determining remuneration for individual Directors is as follows.

Regarding the amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members), based on consultation with the Nomination and Remuneration Committee, whose members are made up of a majority of Independent Outside Directors, the Board of Directors fully respects and discusses recommendations of the Nomination and Remuneration Committee, and within the scope of the total amount of remuneration approved by the General Meeting of Shareholders, the Board of Directors decides the amounts of individual remuneration.
Specifically, it is composed of "fixed remuneration as an annual salary" at a certain level based on the Director's role in business execution and their responsibilities, taking into consideration the Company's results and the results of individual Directors (divided evenly over 12 months and paid as monthly fixed remuneration), and "restricted stock remuneration" to provide incentives to continuously improve corporate value and further promote value sharing with shareholders (paid at a certain time each year). The Company has no performance-linked remuneration or retirement benefits.
The ratio of "fixed remuneration as an annual salary" to "restricted stock remuneration" is determined by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee, which is consulted after considering the amount of "fixed remuneration as an annual salary" for each individual Director (excluding Directors who are Audit and Supervisory Committee Members).
For both "fixed remuneration as an annual salary" and "restricted stock remuneration," each Director (excluding Directors who are Audit and Supervisory Committee Members) shall prepare an individual remuneration proposal after evaluating the business results, etc. for the previous fiscal year, and meet individually with the Representative Director and President.

The Board of Directors holds decision-making authority on policy related to decisions on the amount of remuneration for each Director (excluding Directors who are Audit and Supervisory Committee Members) and the calculation method. The Representative Director and President, designated by the Board of Directors, briefs the Nomination and Remuneration Committee on the plan for individual remuneration for each Director (excluding Directors who are Audit and Supervisory Committee Members), and the committee deliberates on the plan. Thereafter, the Representative Director and President provides a briefing on the timeline of the formulation of the amounts of individual remuneration at the Board of Directors, and based also on a report on the recommendation from the Nomination and Remuneration Committee, the individual amounts of remuneration are decided at the Board of Directors.

Furthermore, regarding remuneration for Directors who are Audit and Supervisory Committee Members, within the scope of the total amount of remuneration approved at the general meeting of shareholders, the amounts are decided based on discussion with Directors who are Audit and Supervisory Committee Members (Audit and Supervisory Committee). Specifically, remuneration is composed only of fixed remuneration as an annual salary at a certain level based on the role of supervising the business execution of Directors (excluding Directors who

are Audit and Supervisory Committee Members). We consider industry standards and decide the amounts of individual remuneration through discussion with Directors who are Audit and Supervisory Committee Members (Audit and Supervisory Committee).

[Supporting System for Outside Directors] Updated

So that Outside Directors can smoothly supervise and monitor management and thoroughly fulfill their role in improving the Company's corporate governance, the Company has a system in place to provide the required materials and explain conditions as necessary through our administration division and full-time Audit and Supervisory Committee Member, etc.

2. Matters on Functions of Business Execution, Audit and Supervision, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System) Updated

- Management and business execution system

From the standpoint of ensuring transparency and fairness in decision-making and realizing effective corporate governance, the Company has established an Audit and Supervisory Committee.
While holding deliberations and resolutions on the basic policy associated with the Group's management and important matters as its decision-making body, by placing important matters on the agenda and through regular reports on important matters, the Board of Directors also supervises the state of operational execution.

- Management monitoring and supervisory system

The Company elects multiple Outside Directors so that the Company's management can receive appropriate suggestions and advice from an objective standpoint and outside perspective and to strengthen the supervisory function of the Board of Directors.

- Overview of corporate governance system

The Company's Board of Directors is composed of Hirofumi Nishira, who makes management decisions and performs business execution as the Representative Director and President, and Directors Tetsuya Matsuoka and Yuya Kitagawa, as well as Hiroyuki Nishimura, Kensuke Shiwa, Aya Ozasa, and Tomonori Ishiwata as Directors who are Audit and Supervisory Committee Members (all four are also Outside Directors). To prevent serious risks from materializing ahead of time, the Company has also established a system of corporate governance with an Internal Audit Office under the direct supervision of the Representative Director and President and an Accounting Auditor to audit the details of our financial statements and appropriateness of our accounting methods from a fair, third-party perspective.

- Establishment of a voluntary committee for decisions on nominations and remuneration

To strengthen the independence, objectivity, and accountability of the functions of the Board of Directors associated with the nomination and remuneration of Directors, the Company has established a Nomination and Remuneration Committee that is chaired by an Independent Outside Director, and of which Independent Outside Directors account for a majority of the members. When evaluating important items such as decisions on the nomination and remuneration of the senior management, items are first thoroughly deliberated and resolved at the Nomination and Remuneration Committee while sharing diverse opinions, and then proposed to the Board of Directors.

- Other voluntary committees

In addition to the above, the following committees have been established as key organizations.
(1) Compliance & Risk Management Committee
This committee examines and deliberates on matters related to the formulation of basic policies, plans and systems for compliance and risk management, and identifies risks in the Company and formulates and implements appropriate countermeasures in accordance with their importance. In addition, the results are reported to the Board of Directors.
(2) ESG Committee
This committee examines on various policies, targets, and measures related to ESG promotion, drafts plans, and reports the results to the Board of Directors.

3. Reasons for Adoption of Current Corporate Governance System

To promote the sustainable growth of the Company and medium- to long-term improvement in corporate value, the Company's Board of Directors formulates and decides on large-scale policy such as corporate strategy to improve earnings power and capital efficiency. Based on this policy, the Board of Directors holds thorough discussion on individual issues and identifies and deliberates on risks. Furthermore, at the Board of Directors, the Directors supervise their mutual business execution. In addition to the above, by making all Directors who are Audit and Supervisory Committee Members Outside Directors, we have built a management supervisory system with a high level of effectiveness and independence.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Energize General Meetings of Shareholders and Smooth Exercise of Voting Rights Updated

	Supplementary Explanations
Early Notification of General Meeting of Shareholders	The Company sends notices of general meetings of shareholders earlier than the statutory deadline, which is two weeks before the date on which the meeting is held. The date of sending the notice in 2025 is March 5, and the date on which the meeting is held is March 26. The notice was also made available via electronic provision on the website of the Company and elsewhere approximately one week before the sending date.
Scheduling General Meeting of Shareholders Avoiding the Peak Day	The Company schedules general meetings of shareholders in a way that avoids peaks days.
Allowing Electronic or Magnetic Exercise of Voting Rights	Starting at the 18th Annual General Meeting of Shareholders held on June 27, 2018, we began to allow the exercise of voting rights via the internet.
Participation in Electronic Voting Platform and Other Efforts to Enhance the Voting Environment for Institutional Investors	Starting at the 18th Annual General Meeting of Shareholders held on June 27, 2018, all institutional investors are able to join meeting from the "Electronic Voting Platform" operated by ICJ, Inc.
Providing Convocation Notice in English (Summary)	Summarized English versions of the convocations notices are provided on the electronic voting platform and on the Company's website.

2. IR Activities Updated

	Supplementary Explanations	Explanation by Representative
Holding Regular Investor Briefings for Analysts and Institutional Investors	Twice a year, after the announcement of the interim and full-year financial results, the Company holds results briefings for institutional investors and analysts.	Yes
Holding Regular Investor Briefings for Individual Investors	Several times a year, the Company holds results briefings.	Yes
Posting IR Materials on Website	Financial results summaries, materials for financial results, annual securities reports (including semi-annual securities reports), convocation notices for general meetings of shareholders, interim reports, the medium-term management plan, and other various IR information are posted on the Company's website.	
Establishment of Division and/or Manager in Charge of IR	Investor Relations and Public Relations Office	
Other	The Company conducts IR activities in Japan and overseas using individual visits, video conferences and teleconferences.	

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Implementation of Environmental Initiatives, CSR Activities, etc.	The Company identified materiality related to sustainability in March 2024. The approach and initiatives for sustainability are disclosed on the Company's website and in the annual securities report. For each materiality, the Company categorizes the opportunities and risks and aims to contribute to the realization of a sustainable society through initiatives for these and through its business activities. In August 2023, the Company expressed its endorsement of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and has disclosed information based on those recommendations. (https://www.jinushi-jp.com/en/sustainability/) In addition, as part of its contributions to local communities, the Company supports sports, among other measures. Details are posted on the Company's website. (https://www.jinushi-jp.com/en/sustainability/sponsor/)
Formulation of Policies for Information Provision to Stakeholders	For smooth corporate operations, we aim to establish a system to realize efficient management by increasing corporate transparency for stakeholders involved with the Company (shareholders, customers, employees, business partners, local communities, etc.). In addition, as stipulated in our ESG Policy disclosed on the Company's website, the Company discloses ESG-related information to our diverse stakeholders in a timely and appropriate manner. We also sincerely respond to the opinions and requests of our stakeholders by promoting initiatives to address ESG issues. (https://www.jinushi-jp.com/en/sustainability/esg-policy/)

IV. Matters Related to Internal Control System

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

The Group considers the internal control system as the basis of corporate governance and also considers that the development and implementation of the internal control system strengthens the Company's competitiveness and raises corporate value for stakeholders, including shareholders.

1. System to ensure that execution of business activities by Directors and employees of the Company and the subsidiaries is in compliance with laws and regulations and Articles of Incorporation
   (1) The Company has established the Compliance & Risk Management Committee, where the Representative Director and President shall be the chairperson, as an advisory body to the Board of Directors in accordance with the Compliance & Risk Management Rules to ensure that the execution of duties complies with laws and regulations and Articles of Incorporation.
   (2) The Compliance & Risk Management Committee examines and deliberates on matters related to the formulation of basic policies, plans and systems for compliance and risk management, and identifies risks in the Company and formulates and implements appropriate countermeasures in accordance with their importance. In addition, the results are reported to the Board of Directors.
   (3) In the event that the Company discovers any act that may violate laws and regulations or internal rules, etc., the Company has put in place a structure which established an internal contact point for whistleblowing as well as an external contact point for anonymous whistleblowing.
   (4) As a means of raising awareness of compliance with laws and regulations, corporate ethics, social norms, and internal controls, training on compliance is implemented for Directors and employees of the Group.

2. System relating to the storage and management of information relevant to the execution of duties of the Company's Directors
   In accordance with document management and other related rules, the Company implements proper retention and management of documents (including electromagnetic records) containing information pertaining to the execution of duties.

3. Rules and other systems relevant to risk and loss management in the Company and its subsidiaries
   (1) In addition to the rules of affiliated company management specifying General Manager in charge of each subsidiary, the rules of segregation of duties specify that each division is responsible for risk management within the division itself.
   (2) The Compliance & Risk Management Committee examines and deliberates on matters related to the formulation of basic policies, plans and systems for compliance and risk management, and identifies risks in the Company and formulates and implements appropriate countermeasures in accordance with their importance, based on the Compliance & Risk Management Rules. In addition, the results are reported to the Board of Directors.
   (3) The Company puts in place measures based on the crisis management response procedures to prepare for the occurrence of unforeseen circumstances such as a large-scale accident, disaster, or scandal, consisting of the establishing of a crisis response headquarters, in which the Representative Director and President serves as director-general, and other measures.

4. System to ensure that the efficiency of execution of duties by Directors of the Company and its subsidiaries
   (1) The Group has established a system that enables a Director's proper and efficient execution of duties, pursuant to the authority and decision-making rules based on administration authority and other related rules. By delegating authority to the Representative Director and President of the Company and subsidiaries, among others, the Group seeks to speed up decision-making and improve the efficiency of operations.
   (2) The Company ensures prompt decision-making in relation to business execution by holding meetings of the Board of Directors twice a month, in principle.
   (3) In accordance with the budget management rules, the Board of Directors sets out the medium-term management plan, following deliberations by the Budget Committee, and reviews the results periodically.

5. Matters related to reporting to the Company regarding the execution of duties of directors, etc., of its subsidiaries
   The Company obliges each subsidiary to regularly report to the Company the progress of each company's business, the balance of assets, and other significant matters by establishing the rules of affiliated company management and other related rules.

6. Other systems to ensure the properness of operations by the corporate group comprised of the Company and its subsidiaries
   (1) The Company specifies General Manager in charge of each subsidiary in the rules of affiliated company management and establishes a structure for the provision of guidance and support for the business activities of its subsidiaries. The execution of business is managed through the sharing of information with subsidiaries at regular reporting meetings, etc.
   (2) A whistleblowing system has been introduced and training on compliance is conducted for the entire Group.
   (3) The Internal Audit Office conducts internal audits of the Group companies as appropriate. In addition, the results of these audits are reported to the Board of Directors and the Audit and Supervisory Committee.

7. Matters regarding Directors and employees to support duties of the Audit and Supervisory Committee
   When the Audit and Supervisory Committee requests to appoint a Director or an employee who assists the duty of the Audit and Supervisory Committee (hereinafter, the "Assistant"), the necessary personnel is selected and the consent of the Audit and Supervisory Committee for the appointment is obtained.

8. Matters concerning the independence of the Assistant from other Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members) and ensuring the effectiveness of instruction to the Assistant of the Audit and Supervisory Committee of the Company
   (1) In executing said duties, the Assistant shall obey only instructions and orders from the Audit and Supervisory Committee Members and shall not receive instructions and orders from other Directors (excluding Directors who are Audit and Supervisory Committee Members) and employees.
   (2) Exercising the right of personnel management, such as the evaluation of employee performance, personnel change, disciplinary measures concerning an assisting employee, shall require prior consultation with the Audit and Supervisory Committee and respect its opinion.
   (3) The internal audit rules specify that in the event of the Internal Audit Office receiving instructions from the Audit and Supervisory Committee regarding matters that are necessary for the execution of audit duties, the Internal Audit Office shall not accept direction or orders from a Director other than an Audit and Supervisory Committee Member.

9. System whereby the Directors (excluding Directors who are Audit and Supervisory Committee Members) and employees of the Company and its subsidiaries report to the Audit and Supervisory Committee, other systems related to reporting to the Audit and Supervisory Committee, and system to ensure that Directors or employees who make such reports are not subjected to unfair treatment as a result
   (1) In the event of the Audit and Supervisory Committee requesting Directors or employees of the Group to report matters, in addition to the matters set out by laws and regulations, the Articles of Incorporation, or other internal rules, the recipient of the request must provide a report to Audit and Supervisory Committee immediately.
   (2) The internal audit rules specify that internal audit reports and improvement confirmation reports are to be reported to the Board of Directors and the Audit and Supervisory Committee.
   (3) The rules on whistleblowing specify that the status of whistleblowing is to be reported to the Board of Directors and the Audit and Supervisory Committee. They also specify that the whistle-blower shall not be dismissed or undergo any other unfair treatment for the reason of whistleblowing.

10. Matters concerning the policy on the treatment of expenses or debts arising in the course of the execution of duties of Audit and Supervisory Committee Members including the procedure for advance payment and reimbursement of expenses arising in the course of the execution of said duties
    When an Audit and Supervisory Committee Member claims advance payment of expenses incurred for their execution of duties, the Company shall not refuse such payment, except for a case where it is proven that expenses or debts related to the claim are not necessary for executing the duties of the Audit and Supervisory Committee Member.

11. Other systems to ensure that audits by the Audit and Supervisory Committee of the Company are conducted effectively
    (1) In addition to exchanging opinions and information with the Accounting Auditor and Internal Audit Office, the Audit and Supervisory Committee works to achieve close cooperation by means of such measures as the use of three-party meetings to conduct systematic audits.
    (2) The Audit and Supervisory Committee meets regularly with the Representative Director and President to exchange opinions and information, and seeks to ensure an effective structure for performing audits.
    (3) When it is deemed necessary in conducting an audit, the Audit and Supervisory Committee shall entrust an investigation to external experts, such as lawyers, certified accountants, and specialized institutions, or seek their opinions at the expense of the Company.
    (4) Audit and Supervisory Committee Members shall attend the Board of Directors and other important meetings to state their opinions as necessary.
    (5) Documents involving approval for important matters, etc. shall be sent to and reviewed by full-time Audit and Supervisory Committee Member. When an Audit and Supervisory Committee Member requests additional reporting, Directors and employees shall provide such a report to the Audit and Supervisory Committee immediately.

12. System to ensure the reliability of financial reporting
    The Company shall establish a system to develop and implement internal controls on financial reporting under the supervision of the Representative Director and President to ensure the reliability of the financial reporting and submit effective and appropriate internal control reports as stipulated in the Financial

Instruments and Exchange Act. In addition, the Board of Directors is responsible for supervising the development and implementation of internal controls on financial reporting and shall monitor the status thereof.

2. Basic Views on Eliminating Antisocial Forces and Progress of Related Efforts Updated

(1) Basic Views

The Company shall have no relationships with antisocial forces that threaten the order of civil society and the sound activities of companies.

(2) Progress

(i) The Company sets out action guidelines for antisocial forces and its confrontational stance under the outline of countermeasures against the antisocial forces and groups and shall thoroughly communicate the action guidelines.

(ii) The Company designates the HR and General Affairs Division as the administrative division to demonstrate its resolve to reject any injustice requests from antisocial forces.

(iii)The Company builds close cooperative relationships with the police, the National Center for Removal of Criminal Organization, lawyers and other specialized agencies to centralize the management and collection of information related to antisocial force.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	N/A

Supplementary Explanation Relating to These Items

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2. Other Matters Concerning Corporate Governance System Updated

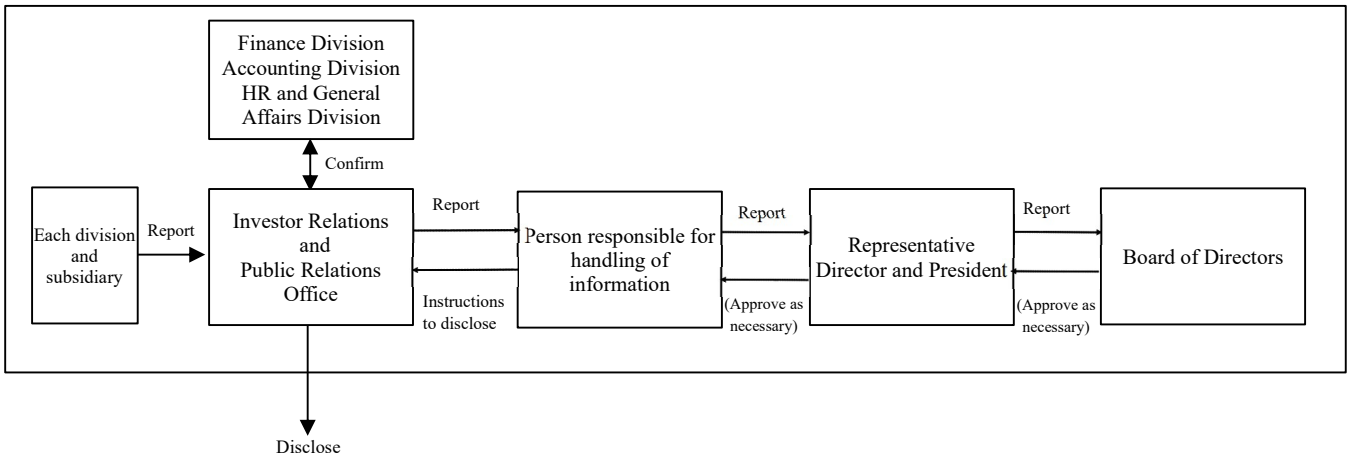
(1) Liability Limitation Agreement

The Company has concluded a liability limitation agreement to limit the liability stipulated in Article 423, Paragraph 1 of the Companies Act to the amount prescribed by laws and regulations with each of the Outside Directors.

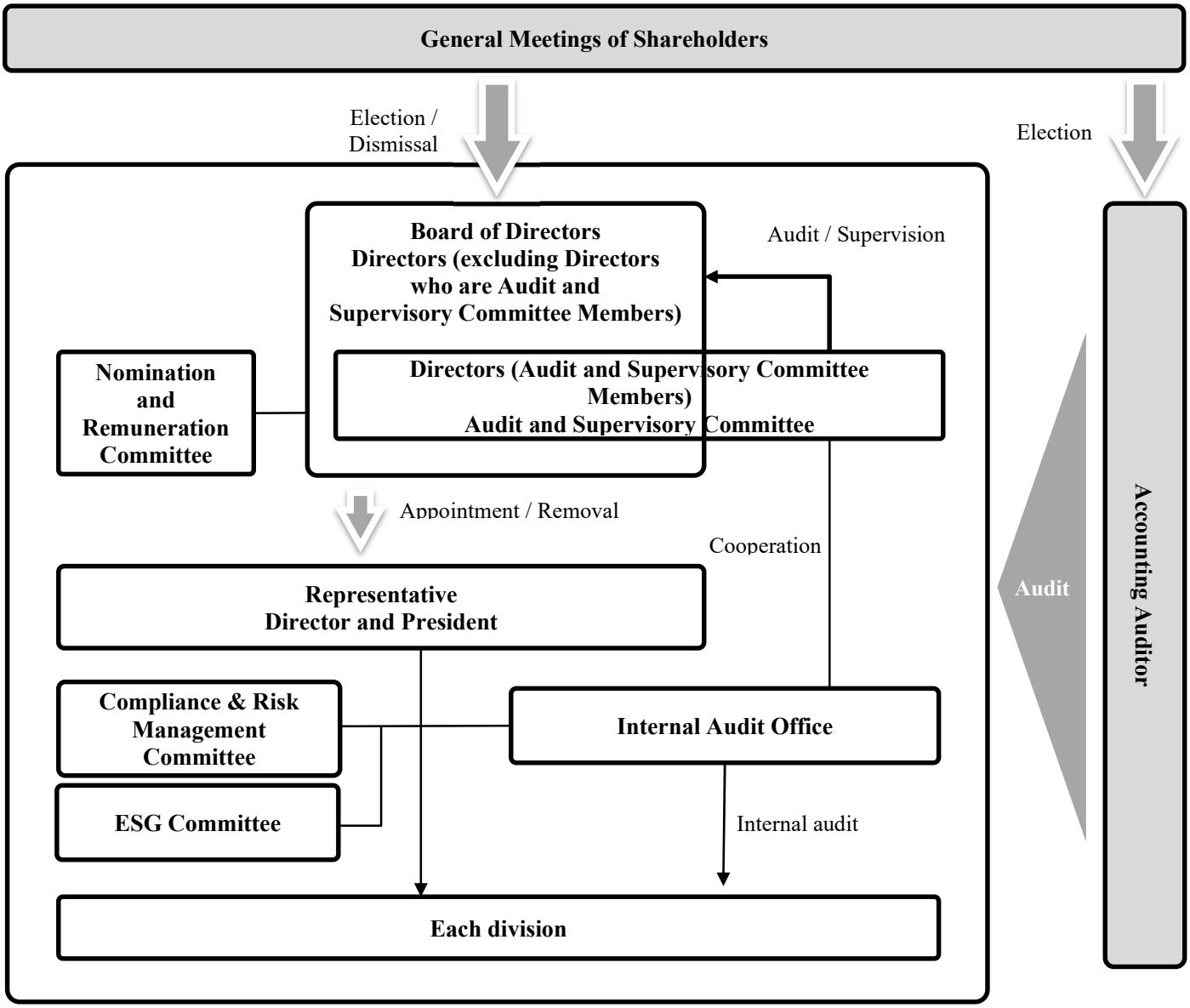
(2) Directors and Officers Liability Insurance Policy

The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, thereby covering losses and costs incurred by Directors and/or certain others in cases where they are liable for damages arising from their performance of duties (unless a coverage exclusion in the insurance policy is applied). The full amount of the insurance premiums for the insurance is borne by the Company. The term of the insurance policy is one year, and when the policy is renewed, the Company renews the policy with the same terms.

[Overview of Timely Disclosure System (Organization Chart)]



Overview of Corporate Governance System



Skill Matrix

	Corporate management	Sales/Marketing	Finance/ Accounting	Legal/ Compliance/ Audit	Sustainability	Overseas
Hirofumi Nishira	○	○			○	○
Tetsuya Matsuoka	○	○		○	○	○
Yuya Kitagawa			○	○	○	
Hiroyuki Nishimura			○	○		○
Kensuke Shiwa				○		
Aya Ozasa	○	○			○	○
Tomonori Ishiwata			○	○	○	