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ExaWizards, Inc.
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The corporate governance of ExaWizards, Inc. (hereinafter, the "Company") is described below.

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

1. Basic Views

The Company Group's mission is "Solving social issues through Artificial Intelligence for future generations," and this serves as the foundation for all of the Company's activities. The Company's Board of Directors has established the following basic policies regarding corporate governance in order to build an effective governance system for achieving this mission.

1. Ensuring Shareholders' Rights and Equality

   For any corporate actions or transactions that raise concerns as being contrary to the interests of the Company Group or the common interests of shareholders, the Board of Directors will deliberate on their necessity and rationality before making decisions.

   Fully recognizing the importance of the exercise of voting rights and other shareholder rights, the Company continuously considers and implements specific measures to ensure that shareholders can exercise their rights appropriately and smoothly, such as improvements to the environment for exercising such rights, appropriate information disclosure, and consideration for the rights of minority shareholders.

2. Appropriate Collaboration with Stakeholders Other Than Shareholders

   The Company Group's science and technology are to be used for the betterment of society, and are utilized with the aim of addressing social issues such as climate change, natural disasters, poverty, inequality, and other challenges on both a local and global scale. The Company Group's business and solutions place top priority on contributing to a sustainable society.

   The Company Group, in accordance with the United Nations Guiding Principles on Business and Human Rights adopted by the Human Rights Council, respects internationally recognized human rights in all corporate activities.

   Additionally, the Company Group seeks to understand the cultures and customs of the countries and regions associated with its corporate activities, as well as diverse backgrounds and values, and strives to build appropriate collaborative relationships with stakeholders important to the continuation of the Company's business, including employees, customers, business partners, and local communities, by implementing necessary measures.

3. Ensuring Appropriate Information Disclosure and Transparency

   The Company ensures fairness and transparency in management and fulfills accountability to stakeholders by proactively and voluntarily disclosing non-financial information such as management policies, strategies, management

plans, and activities undertaken to fulfill social responsibilities.

4. Responsibilities of the Board of Directors

   The Company adopts the Audit & Supervisory Board system. The Board of Directors, which includes outside directors, is positioned as the body that decides on corporate strategies and significant business executions and supervises the execution of duties by each director. The auditors and Audit & Supervisory Board audit the decisions of the Board of Directors and the directors' execution of their duties from an independent and objective standpoint.

   The Company's Board of Directors is primarily responsible for presenting policies on medium- to long-term management policies and strategies from a broad perspective, and for establishing mechanisms to encourage bold risk-taking by the executive management toward achieving objectives. To fulfill these responsibilities, the Board secures sufficient time for necessary discussion and ensures that its decisions fully respect and reflect the opinions and advice of outside directors and outside auditors.

5. Dialogue with Shareholders

   The Company, led by the IR department and through close collaboration among related departments such as corporate planning, public relations, accounting, and legal, has established a system enabling timely and appropriate information disclosure. At the same time, by having the President and executive officers engage in direct communication with domestic and international shareholders and investors, the Company gains understanding of its management policies and strategies, and utilizes shareholder and investor analyses and opinions from their perspectives to enhance sustainable growth and corporate value.

Reasons for Non-compliance with the Principles of the Corporate Governance Code

The Company is implementing all basic principles.

Disclosure Based on each Principle of the Corporate Governance Code

[Principle 1-4] Cross-Shareholdings

The Company currently does not hold any listed shares as cross-shareholdings. However, if it is determined that holding such shares would contribute to the maintenance of long-term relationships, business expansion, synergies, and ultimately to the sustainable enhancement of corporate value, the Company will consider holding listed shares as cross-shareholdings.

[Principle 1-7] Related Party Transactions

Transactions between the Company and related parties, including officers of the Company Group and major shareholders, are subject to approval by the Board of Directors in accordance with internal regulations. Transactions between the Company and its subsidiaries, etc., are reported to the Board of Directors. The Chairperson of the Board of Directors seeks opinions from outside directors and auditors regarding the rationality (business necessity) and appropriateness of transaction terms, and decisions are made after thorough deliberation by the Board.

[Supplementary Principle 2-4-1] Ensuring Diversity in Key Personnel within the Organization

The Company brings together individuals with diverse backgrounds—such as nationality, race, gender, age, qualifications, and work experience—in order to address a wide range of social issues. The Company is committed to creating and maintaining an environment and organizational culture where each employee can maximize their abilities and thrive, fostering mutual understanding and trust. The effectiveness of these initiatives is regularly assessed by collecting and analyzing employee

awareness and opinions through employee engagement surveys and other methods, with various measures being implemented accordingly.

Policies and specific initiatives regarding human resource development and the internal work environment are disclosed in the Company's Integrated Report and the annual Securities Report, both available on the Company's website.

Integrated Report: https://exawizards.com/ir/library/material/ (In Japanese Only)

Securities Report: https://exawizards.com/ir/library/securities/ (In Japanese Only)

[Principle 2-6] Roles of Corporate Pension Funds as Asset Owners

Although the Company does not have a corporate pension fund system, it has introduced a defined contribution pension plan for stable asset formation by employees. When selecting investment products, the Company aims to avoid high-risk products as much as possible and mainly chooses those with low fees, also considering retirement asset building. The Company provides information on investment performance and basic knowledge of the defined contribution system via dedicated online resources, including educational videos and life plan simulation tools. Appropriate personnel in charge of pension education are trained through regular sharing of monitoring reports with the plan management institution, among other initiatives.

[Principle 3-1] Full Disclosure

i. **The Company's Basic Management Policy, Basic Policy of Profit Distribution, and Targeted**

The Company's mission is "Solving social issues through Artificial Intelligence for future generations," and it has established three values and five credos to achieve this mission. For details, please see the Company's website (https://exawizards.com/en/aboutus/).

For the Company's management strategy and management plans, please refer to the financial results presentation materials (https://exawizards.com/en/ir/library/result/).

ii. **Basic Views and Policies on Corporate Governance Based on Each Principle of this Code**

The Company's basic views and policies on corporate governance are described in "1. Basic Views" under "I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Key Information."

iii. **Policies and Procedures for Determining Remuneration of Executive Management and Directors by the Board of Directors**

The basic policy for director remuneration is to enhance motivation to contribute to sustainable improvement of performance and corporate value over the medium to long term. Remuneration is provided fairly in accordance with each director's duties and responsibilities, at competitive levels and structure, and consists of base remuneration and performance-linked remuneration. However, outside directors are not eligible for performance-linked remuneration.

<Base Remuneration>

This is a fixed monthly monetary remuneration. The annual amount is determined based on a standard amount according to whether the director is a full-time or part-time member and their position, as well as considering the director's role, responsibilities, Company performance, the employee salary system, and current social conditions, within the overall limit resolved at the General Meeting of Shareholders. Individual payment amounts are delegated to the Representative Director and President, CEO by resolution of the Board of Directors.

<Performance-Linked Remuneration>

To strengthen alignment with corporate value and performance, and to provide healthy incentives for improving both, performance-linked remuneration consists of monetary and stock-based remuneration. Monetary remuneration is

determined annually within the total maximum resolved at the General Meeting of Shareholders, based on standard amounts for the director's position and standards set by the Board of Directors. Individual payment decisions are delegated to the Representative Director and President, CEO by resolution of the Board. Stock-based remuneration is granted at the time of appointment (or reappointment) within limits approved at the General Meeting of Shareholders, based on the resolutions of the Board of Directors.

The policy for remuneration of executive officers is in line with that for directors, with the amount determined by the Representative Director and President, CEO based on personnel evaluations by the internal evaluation committee, and stock-based remuneration granted by Board resolution.

iv. **Policies and Procedures for Selection and Dismissal of Executive Management and Nomination of Director and Auditor Candidates by the Board of Directors**

Directors, auditors, and executive officers of the Company are to perform their duties with integrity as business professionals and are nominated in accordance with the following policies and procedures in line with their responsibilities:

(1) Policies and procedures for selection and dismissal of executive management:

Internal directors and executive officers of the Company Group are nominated based on their ability to act with an innovative mindset, hands-on attitude, and ownership, building strategies and leading the organization in line with the Company's credo, and consistently achieving expected results in their area of responsibility. Candidates are nominated by the Representative Director and President, CEO; director candidates are submitted for resolution at the Board of Directors and subsequently presented for approval at the General Meeting of Shareholders, while executive officer candidates are appointed by Board resolution.

(2) Policies and procedures for nomination of outside director and auditor candidates:

Outside directors and auditors are individuals with a high level of insight or specialized expertise based on rich experience, such as business managers, experienced directors or auditors of listed companies, or academic experts. They are expected to contribute to ensuring the effective functioning of the Board and enhancing corporate value by providing necessary supervision, monitoring, and advice on the Company's medium- to long-term growth strategies, business execution system, and internal control system, from an independent and objective standpoint. Candidates are nominated by the Representative Director and President, CEO and submitted for resolution at the Board, and appointments are presented for approval at the General Meeting of Shareholders.

v. **Explanation of Individual Selection, Dismissal, and Nomination of Executive Management and Director/Auditor Candidates, in Light of (iv) Above**

The reasons for individual selection, dismissal, and nomination of executive management and director/auditor candidates are presented for each candidate in the notice of convocation of the General Meeting of Shareholders; for executive officers, the reasons are explained during deliberations at the Board of Directors.

[Supplementary Principle 3-1-3] Sustainability Initiatives

The Company recognizes that identifying and addressing risks and opportunities related to sustainability as key management issues and creating business models that reduce losses while solving social issues are essential for fulfilling the Company's mission and achieving sustainable long-term growth. The Company believes that achieving its mission—"Solving social issues

through Artificial Intelligence for future generations"—requires the discovery and definition of issues for AI to solve, identifying common, generalizable social issues from individual problems, and developing services and products that address them. To this end, the Company seeks to build an organization where highly capable, diverse individuals—regardless of nationality, age, or gender—who share a strong desire to solve social problems, gather and enhance each other, inspired by the origin of the Company name: "10^{18} (exa) wizards."

For the Company's sustainability promotion structure, initiatives related to sustainability, and investment in human capital, please refer to the Integrated Report and the 10th Securities Report available on the Company's website (https://exawizards.com/en/ir).

[Supplementary Principle 4-1-1] Scope of Delegation to Management

The Board of Directors makes decisions on material management matters and supervises business execution in accordance with laws, the Articles of Incorporation, and relevant Company regulations. To facilitate prompt decision-making in business execution, certain authorities related to business execution are delegated to the Management Meeting and directors responsible for business execution, except for matters exclusively reserved for Board resolution by laws, Articles of Incorporation, or internal regulations.

[Principle 4-9] Independence Standards for Independent Directors/Auditors

The Company applies the independence standards set forth by the Tokyo Stock Exchange for independent directors/auditors. In addition, any person falling under any of the following categories is deemed not to be independent (must not have applied in either the present or during the past three years):

1. Major shareholder of the Company (holding 10% or more of voting rights) or its executive
2. Executive of a business partner of the Group (with payment or receipt amounts equal to or greater than 2% of respective consolidated sales)
3. Executive of a financial institution with loans to the Group (where loan amount is 2% or more of consolidated total assets)
4. Person (or, in the case of a corporation, a person belonging to such an organization or entity) who provides professional services such as attorney, CPA, or consultant and receives 10 million yen or more per year in fees or other benefits from the Company Group besides executive compensation
5. Executive or partner of the Company Group's accounting auditor
6. Anyone whose term of office exceeds eight years

   Note: For descriptions of director attributes, transactions that fall within the criteria above are omitted as minor.

[Supplementary Principle 4-11-1] Board Composition

To fulfill the responsibilities described in Basic Policy "4. Responsibilities of the Board of Directors," the Company's Board is mainly composed of business-executing members familiar with the Company's business, but also maintains a high ratio of outside officers, with three outside directors and three outside auditors among the nine members (including auditors). Opinions and advice based on the diverse knowledge and experience of outside directors and auditors are reflected in substantive discussion and enable transparent, fair, prompt, and decisive decision-making.

For the skills matrix of directors and auditors, refer to the 10th Securities Report available on the Company's website (https://exawizards.com/en/ir).

[Supplementary Principle 4-11-2] Concurrent Positions of Directors and Auditors

The Company discloses major concurrent positions of each director and auditor in business reports. The Company ensures at

Board meetings that each director and auditor's concurrent appointments allow them sufficient time and energy to fulfill their roles and responsibilities to the Company.

[Supplementary Principle 4-11-3] Evaluation of Board Effectiveness

The Company assesses the effectiveness of its Board of Directors by having each director and auditor conduct self-evaluations, analyzing and evaluating whether the Board is addressing important matters appropriately and areas for improvement, from both internal and external perspectives, and applying findings to Board operations.

For an overview of the results for the most recent business year, please refer to the 10th Securities Report available on the Company's website (https://exawizards.com/ir).

[Supplementary Principle 4-14-2] Policy on Training for Directors and Auditors

Upon appointment, internal directors and executive officers receive training to acquire basic knowledge. In addition, the Company provides directors and auditors with opportunities to obtain necessary and useful knowledge for performing their roles—such as information about Company services, competitive analysis, industry trends, and latest technologies.

[Principle 5-1] Policy for Constructive Dialogue with Shareholders

The Company believes that timely, appropriate, and proactive information disclosure and two-way communication are essential for deepening mutual understanding and building trust with shareholders. The Company actively responds to legitimate requests for dialogue that contribute to sustainable growth and long-term corporate value. The Company assigns IR staff under the CFO, regularly reports the content of meetings to CEO, and, as appropriate, CEO engages in direct dialogue with shareholders.

2. Capital Structure

Foreign Shareholding Ratio	Less than 10%

Status of Major Shareholders

Name or Company Name	Number of Shares Owned	Percentage (%)
betaCatalyst Inc.	8,185,000	9.82
Yutaka Sakane	3,776,000	4.53
Toshikazu Furuya	3,403,000	4.08
RH Corporation	3,000,000	3.60
KH Corporation	3,000,000	3.60
Ko Ishiyama (Family name: Ko Narukama)	2,860,000	3.43
Custody Bank of Japan, Ltd. (trust account)	2,333,000	2.80
D4V Fund I Investment Limited Partnership	2,166,000	2.60
Makoto Haruta	1,572,000	1.89
ISGS Fund I Investment Limited Partnership	1,392,000	1.67

Name of Controlling Shareholder, if applicable (excluding Parent Companies)	-
Name of Parent Company, if applicable	-

Supplementary Explanation

The number of shares owned above is as of March 31, 2025.

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Growth Market
Fiscal Year-End	March
Business Sector	Information & Communication
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	500 or more but fewer than 1,000
Net Sales (Consolidated) for the Previous Fiscal Year	Less than ¥10 billion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	Fewer than 10

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

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

N/A

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

1. Organizational Composition and Operation

Corporate Governance System	Company with Audit and Supervisory Board

Directors

Number of Directors Stipulated in Articles of Incorporation	No upper limit
Directors' Term of Office Stipulated in Articles of Incorporation	2 year (s)
Chairperson of the Board	Representative Director and President
Number of Directors	7
Election of Outside Directors	Elected
Number of Outside Directors	4
Number of Independent Directors	4

Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Naoko Munakata	Other											
Manabu Sato	CPA											
Hiroaki Sugita	From another company											
Masayuki Watanabe	From another company											

*Categories for "Relationship with the Company".
(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

a. Person who executes business for the Company or its subsidiary
b. Person who executes business for or a non-executive director of the Company's parent company
c. Person who executes business for a fellow subsidiary
d. Person/entity for which the Company is a major client or a person who executes business for said person/entity
e. Major client of the Company or a person who executes business for said client
f. Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/Audit and Supervisory Board Member
g. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
h. Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to director him/herself only)
i. Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to director him/herself only)
j. Person who executes business for an entity receiving donations from the Company (applies to director him/herself only)
k. Other

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Naoko Munakata	○	-	**Reasons for selecting the candidate for Outside Director** Naoko Munakata possesses extensive experience in administrative fields such as economics, trade, and intellectual property, as well as broad insights as a public policy expert. The Company expects her to contribute to improving the effectiveness of the Board of Directors through supervision, monitoring, and advice based on this experience and insight. Therefore, the Company has nominated her to continue as a candidate for outside director. Although she has not been involved in corporate management other than as an outside officer in the past, it believes that she can appropriately perform her duties as an outside director of the Company for the reasons stated above. **Reason for Appointment as Independent Officer** She does not violate the independence criteria set by the Tokyo Stock Exchange and also meets the independence criteria for independent officers established by the Company. Accordingly, she has been appointed as an independent officer on the grounds that there is no risk of a conflict of interest with general shareholders.
Manabu Sato	○	-	**Reasons for selecting the candidate for Outside Director** Manabu Sato possesses extensive practical experience in financial institutions and broad insights as a qualified Certified Public Accountant. The Company expects him to contribute to improving the effectiveness of the Board of Directors through supervision, monitoring, and advice based on this experience and insight. Currently, Mr. Sato serves as the Audit &

			Supervisory Board Member of the Company. Although he has not been involved in corporate management other than as an outside officer in the past, the Company believes that he can appropriately perform his duties as an outside director of the Company for the reasons stated above. **Reason for Appointment as Independent Officer** He does not violate the independence criteria set by the Tokyo Stock Exchange and also meets the independence criteria for independent officers established by the Company. Accordingly, he has been appointed as an independent officer on the grounds that there is no risk of a conflict of interest with general shareholders.
Hiroaki Sugita	○	-	**Reasons for selecting the candidate for Outside Director** Hiroaki Sugita possesses extensive experience and broad insights as both a business executive and management consultant. Based on this experience and insight, the Company expects him to contribute to its growth and enhancement of corporate value by providing opinions and suggestions from an objective and long-term perspective, maintaining an independent stance from the Company. **Reason for Appointment as Independent Officer** He does not violate the independence criteria set by the Tokyo Stock Exchange and also meets the independence criteria for independent officers established by the Company. Accordingly, he has been appointed as an independent officer on the grounds that there is no risk of a conflict of interest with general shareholders.
Masayuki Watanabe	○	-	**Reasons for selecting the candidate for Outside Director** Masayuki Watanabe has experience in founding and managing multiple IT companies both domestically and internationally. He possesses

			broad insights regarding product and service growth, business development, and global expansion. Based on this experience and insight, the Company expects him to contribute to its growth and enhancement of corporate value by providing opinions and suggestions from an objective and long-term perspective, maintaining an independent stance from the Company. **Reason for Appointment as Independent Officer** He does not violate the independence criteria set by the Tokyo Stock Exchange and also meets the independence criteria for independent officers established by the Company. Accordingly, he has been appointed as an independent officer on the grounds that there is no risk of a conflict of interest with general shareholders.

Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee	Not Established

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

None

Supplementary Explanation

N/A

Audit and Supervisory Board Member*

Establishment of Audit and Supervisory Board	Established
Number of Audit and Supervisory Board Members Stipulated in Articles of Incorporation	No upper limit
Number of Audit and Supervisory Board Members	3

Cooperation among Audit and Supervisory Board Members, Accounting Auditors and Internal Audit Departments

The Company's auditors strive to closely coordinate with necessary internal and external organizations in order to enhance audit quality, and in particular, play a central role in the three-pronged audit system through collaboration with the accounting auditors and the internal audit department.

The head of the Internal Audit Department and the full-time Auditors hold regular monthly meetings as well as ad hoc meetings as needed, in which they exchange information and opinions regarding audit implementation plans and progress. In addition, the head of the Internal Audit Department attends all Audit & Supervisory Board meetings to continuously share updates on the status of audits by auditors.

Furthermore, the structures, plans, and results of internal audits, audits by auditors, and accounting audits are reported and shared reciprocally at meetings of the Audit & Supervisory Board, attended by both the head of the Internal Audit Department and the accounting auditors, thereby fostering mutual coordination among the three types of audits.

Appointment of Outside Audit and Supervisory Board Members	Appointed
Number of Outside Audit and Supervisory Board Members	3
Number of Independent Audit and Supervisory Board Members	3

Outside Audit and Supervisory Board Members' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Shigeru Tsuru	From another company													
Masaru Iida	Lawyer													
Yuko Atsumi	Lawyer													

*Categories for "Relationship with the Company".
(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

a. Person who executes business for the Company or its subsidiary
b. A non-executive director or an accounting advisor of the Company or its subsidiaries
c. Person who executes business for or a non-executive director of the Company's parent company
d. An Audit and Supervisory Board Member of a parent company of the Company
e. Person who executes business for a fellow subsidiary
f. Person/entity for which the Company is a major client or a person who executes business for said person/entity

g. Major client of the Company or a person who executes business for said client
h. Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/ Audit and Supervisory Board Member
i. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
j. Person who executes business for a client of the Company (excluding persons categorized as any of f, g, or h above) (applies to the auditor him/herself only)
k. Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to the director/auditor him/herself only)
l. Person who executes business for an entity receiving donations from the Company (applies to the person him/herself only)
m. Other

Outside Audit and Supervisory Board Members' Relationship with the Company (2)

Name	Designation as Independent Audit and Supervisory Board Member	Supplementary Explanation of the Relationship	Reasons for Appointment
Shigeru Tsuru	○	-	**Reasons for selecting the candidate for Outside Director** Shigeru Tsuru possesses extensive experience in financial institutions as well as in management roles at a variety of companies, along with a high level of insight. Based on this experience and expertise, we expect him to conduct audits to ensure the soundness and appropriateness of the Company's business execution and internal control systems. Additionally, through effective supervision, monitoring, and advice from the perspective of internal control and financial accounting, we have determined that he can enhance the effectiveness of the Company's Board of Directors and provide valuable oversight and guidance. For these reasons, he has been appointed as an Outside Audit & Supervisory Board Member. **Reason for Appointment as Independent Officer** He does not violate the independence criteria set by the Tokyo Stock Exchange and also meets the independence criteria for independent officers established by the Company. Accordingly, he has been appointed as an independent officer on the grounds that there is no risk of a conflict of interest with general shareholders.
Masaru Iida	○	-	**Reasons for selecting the candidate for Outside**

			Director Masaru Iida possesses extensive practical experience in financial institutions and has high-level insights and diverse experience in auditing and supervising various companies as an attorney. Based on this experience and insight, the Company has determined that he can conduct audits to ensure the soundness and legality of the business execution system and internal control system. Additionally, the Company expects him to provide effective supervision, monitoring, and advice from the perspective of improving and strengthening the internal control system and financial accounting. Although Mr. Iida has not been involved in corporate management other than as an outside officer in the past, the Company believes that he can appropriately perform his duties as an outside audit & supervisory board member for the reasons stated above. **Reason for Appointment as Independent Officer** He does not violate the independence criteria set by the Tokyo Stock Exchange and also meets the independence criteria for independent officers established by the Company. Accordingly, he has been appointed as an independent officer on the grounds that there is no risk of a conflict of interest with general shareholders.
Yuko Atsumi	○	-	**Reasons for selecting the candidate for Outside Director** Yuko Atsumi possesses extensive practical experience in financial institutions and has high-level insights and diverse experience in both management and auditing/supervision of various companies as an attorney. Based on this experience and insight, the Company has determined that she can conduct audits to ensure the soundness and legality of the business execution system and internal control system. Additionally, the Company

			expects her to provide effective supervision, monitoring, and advice from the perspective of improving and strengthening the internal control system and financial accounting. Although Ms. Atsumi has not been involved in corporate management other than as an outside officer in the past, the Company believes that she can appropriately perform her duties as an outside auditor for the reasons stated above.. **Reason for Appointment as Independent Officer** She does not violate the independence criteria set by the Tokyo Stock Exchange and also meets the independence criteria for independent officers established by the Company. Accordingly, she has been appointed as an independent officer on the grounds that there is no risk of a conflict of interest with general shareholders.

Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members

Number of Independent Directors and Independent Audit and Supervisory Board Members	7

Other Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members

All outside officers who satisfy the qualifications for independent officers are designated as independent officers.
The criteria for determining the independence of independent officers at the Company are as disclosed under [Principle 4-9] of "[Disclosure Based on the Principles of the Corporate Governance Code]."

Incentives

Implementation Status of Measures related to Incentives Granted to Directors	Introduction of Performance-linked Remuneration Scheme Introduction of Stock Options Scheme

Supplementary Explanation for Applicable Items

The policy regarding remuneration for directors is as described in [Principle 3-1] of [Disclosure Based on the Principles of the Corporate Governance Code]. For directors other than outside directors, the Company has introduced a performance-linked monetary remuneration system as well as a stock option system as performance-linked stock-based remuneration.
Regarding performance-linked monetary remuneration, it was approved at the 8th Annual General Meeting of Shareholders held on June 28, 2023, that the annual amount shall be capped at 1% of net income for the previous fiscal year.
Regarding the stock option system, it was approved at the same shareholders' meeting that the annual amount shall be limited to

a maximum of 200 million yen and/or 6,000 stock options, whichever is lower.

Persons Eligible for Stock Options	Inside Directors / Outside Directors / Outside Audit and Supervisory Board Members / Employees / Other

Supplementary Explanation for Applicable Items

Stock options are granted to directors and employees of the Company Group as incentives to further enhance the Company's corporate value by increasing motivation and willingness to contribute to improved business performance, as well as to attract and retain talented personnel.

For outside directors and auditors, stock options are granted within a reasonable scope in order to align their interests with those of shareholders and to raise awareness of appropriate supervision or auditing for the enhancement of corporate value.

Director Remuneration

Status of Disclosure of Individual Director's Remuneration	No Disclosure for any Directors

Supplementary Explanation for Applicable Items

There are no directors whose total remuneration amounts to 100 million yen or more, and therefore individual remuneration is not disclosed.

Remuneration for directors is disclosed in total for each category.

Policy on Determining Remuneration Amounts and Calculation Methods	Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

The policy regarding remuneration for directors is as stated in [Principle 3-1] of [Disclosure Based on the Principles of the Corporate Governance Code].

Support System for Outside Directors (and Outside Audit and Supervisory Board Members)

In order to ensure sufficient deliberation by the Board of Directors and the Audit & Supervisory Board, the Legal Department, acting as the secretariat, supports outside directors and outside auditors by sending proposal materials in advance and providing prior explanations as necessary.

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

<Board of Directors>

The Board of Directors is composed of seven directors, including four outside directors. Meetings are chaired by the President and are held in principle once a month as regular board meetings, with extraordinary meetings convened as necessary. The Board makes important management decisions, monitors the execution of duties by directors and business performance, and focuses on discussing management strategies, medium- to long-term business plans, and internal control systems in accordance with the basic policies of corporate governance determined by the Board.

In the most recent business year, the Board of Directors met a total of 13 times (excluding meetings by written resolution), with all directors attending every meeting.

Specific matters discussed by the Board of Directors during the most recent business year included:

- Matters concerning officers and executive officers (e.g., election of the Representative Director, director remuneration, appointment of executive officers)
- Matters concerning overall management (e.g., formulation of business plans, reporting of business progress, M&A and group management matters, organizational and personnel matters, sustainability initiatives)
- Matters concerning financial reporting (e.g., monthly financial results, approval of quarterly and annual financial statements)
- Other matters (e.g., reports on internal audits, compliance committee and risk management committee reports, operation of the Board of Directors)

  In addition to the above, strategic discussion sessions are held as necessary by directors and auditors, where important themes are discussed from the perspective of board effectiveness, including medium- to long-term growth strategies and whether the Board is addressing key issues.

<Audit & Supervisory Board and Auditors>

The Audit & Supervisory Board consists of three members—one full-time auditor and two part-time auditors—all of whom are outside auditors. Meetings are chaired by the full-time auditor and held monthly as regular meetings, with extraordinary meetings or meetings with accounting auditors, the internal audit department, and outside directors held as necessary.

The full-time auditor monitors the execution of duties by attending meetings of the Board of Directors and other important meetings of the Company and regularly meets with officers, executive officers, and key employees of the Company Group to obtain information and give opinions as needed. As chair of the Audit & Supervisory Board, the full-time auditor drafts or compiles agenda items and reports on regular audit activities.

Each auditor independently supervises management, shares and discusses information at Audit & Supervisory Board meetings, and provides recommendations and advice to directors as necessary to ensure effective auditing.

During the most recent business year, the Audit & Supervisory Board met 13 times, with all auditors attending each meeting.

Specific matters addressed include:

Resolutions (4 items): Reappointment of accounting auditors, approval of audit reports, decision of audit policies and plans, consent to accounting auditor’s remuneration

Reports (26 items): Reports on audit activities by the full-time auditor, sharing results, frameworks, and plans of internal audits; results, frameworks, and plans of accounting audits (year-end and quarterly reviews); activity reports of the risk management and

compliance committees

Deliberations (4 items): Contents of confirmations of directors' duty execution, drafts of audit reports, appropriateness of agenda items for the General Meeting of Shareholders, drafts of audit policies and plans

Others: Exchange of opinions and interviews with directors and executive officers

<Management Meeting>

The Management Meeting consists of full-time directors and group executive officers as members with voting rights; divisional executive officers attend when there are matters relevant to their areas of responsibility to provide explanations and opinions. The President chairs the meetings, which are held weekly in principle, with extraordinary meetings as necessary.

The Management Meeting serves as an executive body for prompt and efficient management by making decisions and deliberations on business execution delegated by the Board of Directors, formulating business strategies, and deciding and implementing specific measures to achieve division goals. It also acts as the primary body coordinating and promoting group-wide risk management, identifying and managing risks and opportunities through sustainability activities as an important agenda, aiming for enterprise risk management.

<Internal Audit Department>

The Internal Audit Department, reporting directly to the President, has one person in charge and conducts internal audits. Internal audits are carried out based on audit plans approved by the President, with results reported directly not only to the President but also to the Board of Directors and the Audit & Supervisory Board.

<Compliance Committee>

The Compliance Committee is composed of the President, full-time directors, executive officers responsible for the corporate division, and executive officers responsible for the human resources division. Meetings are chaired by the President and held quarterly, with additional meetings as necessary. Four meetings were held in the most recent business year.

The Compliance Committee, as an advisory body to the President, examines various compliance measures for the Company Group, deliberates on individual compliance and risk matters, and provides recommendations.

<Risk Management Committee>

The Risk Management Committee consists of the President, full-time directors, executive officers responsible for the corporate division, executive officers responsible for information security and human resources, division heads, the personal information protection officer, and the head of the service quality assurance office. The President chairs the meetings, which are held quarterly in principle, with additional meetings as necessary. Four meetings were held in the most recent business year.

The Risk Management Committee, established under the Management Meeting as a body responsible for concrete risk management activities and emergency response, plays an important role in internal control to support corporate governance, including cross-organizational management of information security, legal, and reputational risks, as well as response to claims and incidents. The committee discusses specific measures for these areas and addresses significant individual cases. In emergencies, it is intended to function as a decision-making and directive body for response measures.

<Committee of Experts on the Suitability of AI>

The Committee of Experts on the Suitability of AI consists of external experts on AI technology as well as external specialists in public policy, ethics, law, sociology, and the humanities. Meetings are generally held twice a year, with extra meetings convened as needed. Two meetings were held in the most recent business year.

The Committee of Experts on the Suitability of AI is an independent organization not under the umbrella of any particular in-

house body or department, established to provide recommendations on the operation of the Company's AI Basic Policy and to develop and advise on appropriateness evaluation standards for AI use in products and projects. The Company incorporates the Committee's recommendations into management processes, including the Board of Directors and the Management Meeting.

<Summary of Limited Liability Agreements>

The Company has entered into limited liability agreements with outside directors, outside auditors, and accounting auditors pursuant to Article 427, Paragraph 1 of the Companies Act. Such limitation of liability is applicable only when the individual performs their duties in good faith and without gross negligence, and the maximum amount of liability for damages under such agreements is the minimum liability amount as stipulated in Article 425, Paragraph 1 of the Companies Act.

3. Reasons for Adoption of Current Corporate Governance System

The Company has adopted the Audit & Supervisory Board system. Decisions on important management matters are made by the Board of Directors, which includes outside directors, in order to ensure transparency and soundness in decision-making. Furthermore, by having auditors and the Audit & Supervisory Board, which are independent from the Board of Directors, fulfill the audit function over the Board, the Company believes that it can establish a more appropriate governance structure.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize General Meeting of Shareholders and Facilitate Exercise of Voting Rights

	Supplementary Explanation
Early Posting of Notice of the General Meeting of Shareholders	The Company endeavors to send the convocation notice for the General Meeting of Shareholders as early as possible. For the 10th Annual General Meeting of Shareholders to be held on June 25, 2025, the notice was sent out 15 days prior to the meeting date. Furthermore, in order to provide information at an earlier stage, the notice was disclosed on the Company's website and the Tokyo Stock Exchange website 22 days prior to the meeting date, before the physical mailing.
Scheduling of the General Meeting of Shareholders on a Non-Peak Day	The Company will make efforts to schedule the General Meeting of Shareholders on a date that avoids peak dates, so that as many shareholders as possible can attend.
Electronic Exercise of Voting Rights	For General Meetings of Shareholders with resolutions to be voted on, the Company provides a means for exercising voting rights via the internet, thereby creating an environment that makes it easier for shareholders to exercise their voting rights.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	The Company participates in the voting platform for institutional investors.
Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	The convocation notice in English is provided on the Company's website (https://exawizards.com/en/ir/stock/meeting/) and on the voting platform for institutional investors

2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	The Company provides its disclosure policies on the website. https://exawizards.com/ir/company/disclosure/ (In Japanese Only)	
Regular Investor Briefings held for Individual Investors	In addition to providing explanations on the business during the General Meeting of Shareholders, the Company also conducts online streaming of financial results briefings and holds online briefings for individual investors.	Held

Regular Investor Briefings held for Analysts and Institutional Investors	The Company regularly holds briefings for analysts and institutional investors in conjunction with financial results announcements, and the CEO, CFO, and IR representatives also conduct various individual interviews and participate in conferences.	Held
Regular Investor Briefings held for Overseas Investors	In conjunction with financial results announcements, the Company provides overseas institutional investors with the same briefing content as is provided to domestic analysts and institutional investors, delivering it in English. The CEO, CFO, and IR representatives also conduct various individual interviews and participate in conferences.	Held
Online Disclosure of IR Information	In addition to materials related to financial results and General Meetings of Shareholders, the Company proactively publishes information such as business plans and growth prospects, integrated reports, case studies, and public relations information such as news on its website.	
Establishment of Department and/or Placement of a Manager in Charge of IR	The Head of the Corporate Division also serves as CFO, and directly under this position, the Public Relations/IR Group, which includes IR personnel, has been established.	

3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	As stated in "1. Basic Views," the Company's basic policy on corporate governance is to strive for appropriate collaboration and dialogue with stakeholders. This policy is stipulated in the "Compliance Code," which serves as the code of conduct for all officers and employees of the Company Group, as well as in other internal regulations and rules.
Implementation of Environmental Preservation Activities and CSR Activities, etc.	The Company Group's mission is to "Solving social issues through Artificial Intelligence for future generations," and we are undertaking initiatives through our business to address a wide range of social issues and aim for a happy and sustainable society. Our sustainability initiatives are described in [Principle 3-1-3] of [Disclosure Based on the Principles of the Corporate Governance Code].
Formulation of Policies, etc. on Provision of	In addition to information whose disclosure is required by laws and

Information to Stakeholders	regulations such as the Companies Act and the Financial Instruments and Exchange Act, as well as information subject to timely disclosure rules set by the Tokyo Stock Exchange, the Company Group has established internal rules such as the Insider Trading Prevention Regulations and manuals for disclosure of material information. The Company strives to ensure timely, appropriate, and fair disclosure of information that is deemed useful for stakeholders to understand the Company Group.

IV. Matters Concerning the Internal Control System

1. Basic Views on Internal Control System and Status of Development

The Company has established the following basic policies regarding the internal control systems for the corporate group consisting of the Company and its subsidiaries (the "Company Group"). Based on these basic policies, the Company develops and operates the internal control systems for the Company Group, continuously improves them through ongoing reviews, and strives to build a more appropriate and efficient framework.

1. Systems to Ensure that Directors and Employees of the Company Group Execute Their Duties in Compliance with Laws and the Articles of Incorporation
    - (i) Under the mission of "realizing a happy society by solving social issues through the use of AI," the Company has established its values and credo, and the directors and employees of the Company Group put these into practice.
    - (ii) The Company has established group-wide "Compliance Rules" and set up a Compliance Committee chaired by the President. The Compliance Committee formulates a "Compliance Code," communicates a message indicating that compliance is the top priority for directors and employees of the Company Group in the execution of their duties, and implements specific measures to ensure thorough compliance.
    - (iii) The Company has established an internal audit department under the direct control of the President to carry out internal audits for the Company Group. Audit results are reported to the President, the Board of Directors, and the Audit & Supervisory Board.
    - (iv) The Company has established an internal reporting system (whistleblowing system) with reporting windows inside the Company as well as with external organizations, to enable early detection and prevention of acts that violate or may violate compliance within the Company Group. The Company ensures the confidentiality of personal information of those making reports and prohibits dismissal, disciplinary action, or any other disadvantageous treatment due to such reporting.
2. Systems for Storing and Managing Information Pertaining to the Execution of Duties by Directors
    - (i) The Company sets rules regarding information storage and management. Minutes of key meetings such as the Board of Directors and Management Meetings, as well as other information pertaining to directors' duties, are appropriately stored and managed according to their importance and the nature of the records.
    - (ii) The business planning and legal departments keep such information securely and in a highly searchable format so they can respond promptly to viewing requests from directors and auditors.
3. Regulations and Other Systems for Managing the Risk of Loss
    - (i) In accordance with the "Basic Sustainability Policy" and "Basic Corporate Governance Policy," the Company establishes group-wide "Risk Management Rules," positions the Management Meeting as the main body for group-wide risk management, and develops and operates the risk management system.
    - (ii) The Management Meeting identifies major risks and opportunities on a cross-organizational and cross-business basis, deliberates, and makes decisions on countermeasures and other key issues. Updates on these activities are reported as necessary to the Management Meeting and the Board of Directors.
    - (iii) Recognizing the importance of internal controls, the Company establishes a Risk Management Committee chaired by the President as a subordinate body under the Management Meeting to promote

ongoing risk management, particularly in the areas of information security, legal, and reputational risks, as well as to ensure appropriate and prompt response in times of crisis.

(iv) Regarding information security, the Company establishes and discloses a "Basic Information Security Policy" and maintains and continues an information security management system.

(v) Each group company and department of the Company Group strives for proper identification and management of risks in their respective businesses and promotes early detection and prevention of risks by sharing information across divisions in accordance with the "Risk Management Rules." The Management Meeting regularly monitors the status of risk management at each company and department of the Company Group.

(vi) In the event of a significant crisis, a crisis response headquarters, etc., is promptly established with the President as the responsible person to ensure swift and accurate responses to the crisis, including appropriate communication within and outside the company.

4. Systems to Ensure Efficient Execution of Duties by Directors

(i) The Company clarifies directors' duties, authority, and responsibilities by establishing rules such as the "Board of Directors Rules," "Rules for Segregation of Duties," and "Authority Rules," and implements appropriate delegation of authority to enable prompt and efficient execution of directors' duties.

(ii) The Board of Directors, in addition to deciding on legal and statutory matters and other important management matters, supervises the performance of directors' duties, holding regular monthly meetings and extraordinary meetings as necessary.

(iii) The Board of Directors deliberates on agenda items and their criteria for submission, as appropriate, from the perspective of supervising business execution.

5. Systems to Ensure the Appropriateness of Operations throughout the Company Group

(i) The Company ensures that its mission, values, and credo are disseminated and adhered to as common principles and codes of conduct throughout the Company Group. The Company establishes major rules necessary to achieve these basic policies and applies them to all group companies. However, such application is appropriately designed taking into account the laws, cultures, and business environments of the countries and regions where subsidiaries are located and respects subsidiary autonomy.

(ii) Group company management is governed by the "Group Company Management Rules" and overseen by the business planning function. The Company establishes a framework to grasp the operations and financial reporting of each group company according to their organization, country/region, or business domain. Proper information is gathered as needed, and the Company monitors that decisions and reporting are carried out in accordance with the "Group Company Management Rules," including through secondment of officers or employees as necessary.

6. Matters Concerning Employees Who Should Assist the Auditors (hereinafter "Assistant Employees") upon Request from Auditors, Independence of such Assistant Employees from Directors, and Ensuring the Effectiveness of Instructions to Assistant Employees

(i) When the auditors request the appointment of assistant employees, the Board of Directors appoints them after consulting with the auditors and assigns them to assist with duties.

(ii) Assistant employees do not take direction or orders from directors or their supervisors regarding tasks to assist auditors and are subject only to the instructions and orders of the auditors.

(iii) Transfers, evaluations, or disciplinary action for assistant employees require the consent of the auditors.

7. Systems for Directors and Employees to Report to Auditors and Other Systems for Reporting to Auditors

(i) To understand the process of important decision-making and the status of business execution, auditors may attend the Board of Directors meetings, other important meetings, and any meeting they wish and may request business execution reports from directors and employees, who must promptly respond.

(ii) Directors and employees of the Company Group promptly report to auditors any facts that are in violation of laws or that may cause significant damage to the Company, as well as any facts likely to materially affect the Company.

(iii) The internal audit department reports to the auditors on the status and details of internal audits and reports received through the whistleblower system.

8. Systems to Ensure that Persons Who Report to Auditors Are Not Treated Disadvantageously

The Company Group keeps the personal information of those who report to auditors confidential and prohibits dismissal, disciplinary action, or any other disadvantageous treatment against those who report to auditors for such reporting.

9. Policies on Procedures for Advance Payment or Reimbursement of Expenses Incurred in the Execution of Auditors' Duties and Other Expense or Liability Processing Related to Execution of Such Duties

When auditors claim advance payment or reimbursement of expenses incurred in the execution of their duties, the Company Group promptly processes such expenses or liabilities unless it is reasonably determined that such payment or reimbursement is not necessary for the execution of the auditors' duties.

10. Other Systems to Ensure Effective Auditing by the Auditors

The Company Group ensures effective auditing by providing regular or occasional meetings or opportunities for the auditors as requested, including:

- Regular meetings with each director to facilitate mutual communication;
- Reviewing and requesting explanations for information concerning the execution of duties by directors and employees as necessary;
- Regular communication and coordination with accounting auditors and internal audit staff;
- Consulting with lawyers, certified public accountants, or other professionals as necessary for audit duties.

2. Basic Views on Measures for Eliminating Anti-Social Forces and Status of Development

In the "Basic Policy on Internal Control Systems," the Company has established policies and developed a framework to eliminate anti-social forces. In addition, by introducing an internal workflow system, the Company has constructed a structure that enables comprehensive checks for anti-social elements in transactions.

Basic Policy for Eliminating Anti-Social Forces

(1) The Company Group maintains a basic policy of having no relationship whatsoever with anti-social forces, organizations, or individuals, and does not respond to any unjust or illegal demands. The Group has established "Rules for Responding to Anti-Social Forces" and ensures that all officers and employees of the Company Group are fully informed.

(2) On a regular basis, the Company strives to collect information from relevant administrative agencies and, in the event of an incident, establishes a system for swift, organization-wide response through close cooperation with relevant authorities and legal professionals.

V. Other

1. Adoption of Anti-Takeover Measures

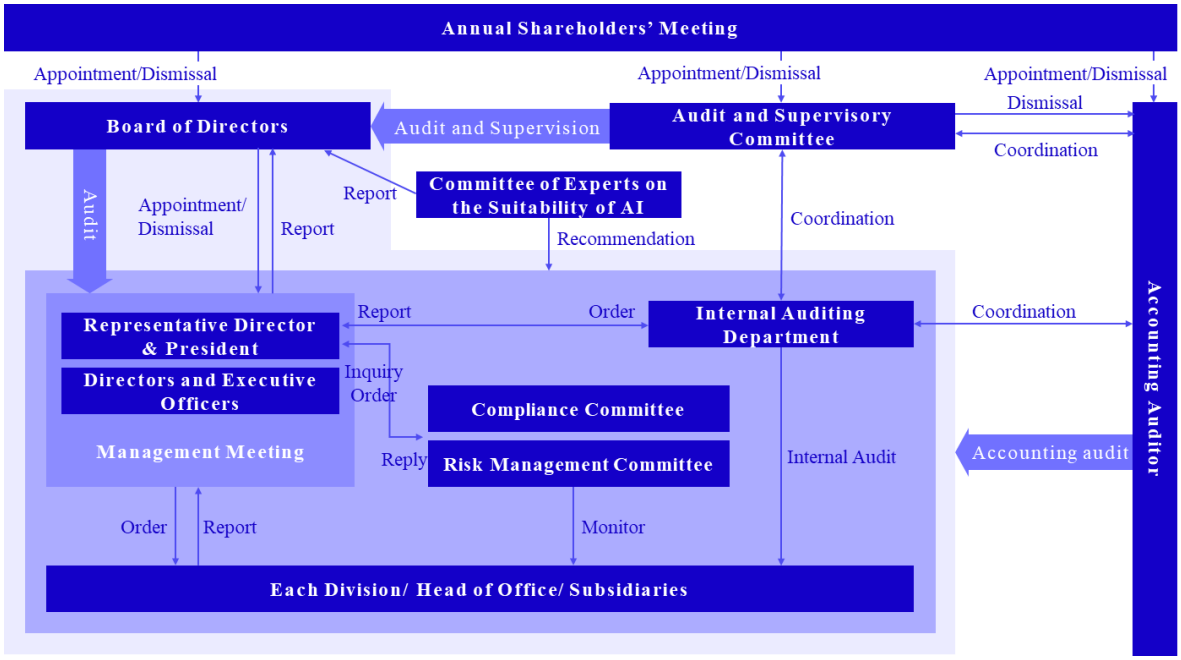
Adoption of Anti-Takeover Measures	Not Adopted

Supplementary Explanation for Applicable Items

N/A

2. Other Matters Concerning the Corporate Governance System

System of Corporate Governance



System of Disclosure

