March 27, 2025

Representative Director Akinori Nishida
Contact: Corporate Administration Division
03-6862-8335

The status of our corporate governance is as follows.

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

1.Basic Policy

In order to continuously increase our corporate value, we recognize the importance of accelerating decision-making to improve management efficiency, while at the same time strengthening risk management in management.
We are a company with an Audit and Supervisory Committee. We monitor management risks through the Audit and Supervisory Committee Audit, and through audits by the Internal Audit Office, we strive to ensure thorough compliance and strengthen self-purification capabilities.
Through these measures, we will ensure the effectiveness of corporate governance and further enhance our group's business management organization.

[Reasons for not implementing each principle of the Corporate Governance Code]

We are continuously implementing initiatives to strengthen corporate governance, and we believe that we are satisfying all of the principles of the Corporate Governance Code.

[Disclosure based on each principle of the Corporate Governance Code]

[Principles 1-4] (Policy for cross-shareholdings and criteria for exercising voting rights)
We do not currently hold any listed shares as strategic shareholdings.
If we decide to hold listed shares for the purpose of strategic holding in the future, we will examine whether it will contribute to enhancing the corporate value of our group from a medium-to long-term perspective, taking into account our business strategy, business relationships, and other factors. Depending on the results, we will take measures such as reducing the number of shares held. We plan to disclose the details of the verification in a timely and appropriate manner that contributes to the interests of shareholders. In addition, with regard to the exercise of voting rights related to strategic shareholdings, we plan to formulate specific standards from the perspective of enhancing the corporate value of our group, and disclose them appropriately in a manner that contributes to the interests of shareholders.

[Principles 1-7] (Procedures and Monitoring System for Related Party Transactions)
When we conduct transactions (including conflicts of interest transactions) between our executives, major shareholders, and other related parties, we take care not to harm the common interests of the company and its shareholders. In order to comply with the Companies Act and other legal procedures, we make resolutions for approval and report on the implementation of such transactions at the Board of Directors.

[supplementary principle 2-4①] (Ensuring diversity by promoting women, foreign nationals, and mid-career hires to managerial positions)
(1) Approach to ensuring diversity
In order to continue to seize the diversifying needs of our customers and establish a position as a pioneer company that opens up the future of our clients with expertise and diverse solutions, we are working to develop a work environment that makes maximum use of the characteristics and abilities of our core human resources and to acquire management skills, while securing human resources with diverse attributes, sensibilities and values, such as women, foreigners and mid-career recruits with various career backgrounds.
In August 2022, we established DE&I Promotion Committee. This committee is responsible for exchanging views and discussing measures with the aim of creating a work environment where employees can make the most of their individuality and fostering a dynamic organizational culture.

(2) Voluntary, measurable targets for ensuring diversity and the status thereof
Promotion of women to managerial positions
As of the end of December 2024, the Group had 22.7% of female employees (24.7% in the same period of the previous fiscal year) and 8.8% of female managers (6.8% in the same period of the previous fiscal year). We believe that the promotion of diversity in the company, including the promotion of the active participation of women, is an important measure for securing sustainable growth.
We will promote the creation of an environment in which women can play an active role, support the autonomous growth of our employees, and increase the number of female employees who will be involved in management decision-making in the future.
Target 1: Increase the percentage of female workers in the workforce to 30% or more (FY2026 target).
Goal 2: Increase the percentage of female workers in management positions to 15% or more (FY2026 target).

<promotion of foreign nationals to managerial positions>

We have been continuously recruiting foreign nationals, and currently have 30 employees, five of whom are active in management positions.
At this time, we have not set a target for the ratio of foreign managers, but we will continue to recruit foreign human resources and promote them to managerial positions in order to expand our business domains by acquiring cross-border projects, create new businesses, and secure a competitive advantage.

Promotion of mid-career hires to management positions
Currently, our management positions are dominated by mid-career hires.
We will continue to actively recruit and train mid-career employees based on our policy of securing management personnel and professional personnel and strengthening the diversity of women and foreigners.

(3) Human resource development policy and internal environment development policy to ensure diversity, and the status thereof
We recruit by job category to provide an environment where each individual can make the most of his or her abilities. We also support multi-faceted career development by utilizing a system that allows employees to switch to other positions if they wish.
In terms of improving the internal environment, we are promoting work style reforms to create a comfortable working environment for diverse human resources by appropriately managing and limiting working hours, reviewing our personnel system, further enhancing benefits, and thoroughly educating employees on harassment.

[Principle 2-6] (Exercise functions as an asset owner of corporate pension funds)
We do not have a defined benefit pension plan and have a company defined contribution pension plan. As a result, we are not involved in, and do not plan to, invest in the funding of the corporate pension plan as the asset owner.

[principle 3-1] (Enhancement of information disclosure)
(i)Corporate goals (management philosophy, etc.), corporate strategy and corporate planning
Management philosophy and plans are disclosed on our website and in our financial results briefing materials.

(ii)Basic Policy on Corporate Governance
Our basic approach to corporate governance is described on our website, this report, etc.

(iii)Policy and Procedures for Determining Remuneration of Directors, etc.

In determining the remuneration of directors, the Nomination and Remuneration Advisory Committee first deliberates based on the policies described in II1 of this report in order to increase transparency and fairness, decides on a draft of the individual remuneration of directors, and reports it to the Board of Directors. The Board of Directors then deliberates on the draft submitted by the Nomination and Compensation Advisory Committee and decides individual compensation for each director.

(iv)Policies and Procedures for Election, Dismissal, and Nomination of Candidates for Director

As described in Supplementary Principle 4-11① of this report.

(v)Explanation on the appointment, dismissal, and appointment of candidates for directors

When nominating candidates for Directors, the reasons for individual election and dismissal shall be disclosed to the notice of convocation of the general meeting of shareholders.

[supplementary principle 3-1③] (Initiatives regarding Sustainability)

(1)Initiatives for the Company's Sustainability

Our Group has been working to contribute to the enhancement of corporate value and the building of a sustainable society by providing diverse solutions tailored to the business phases of our customers, such as consulting, M&A, management staffing, and revitalization support, to domestic and overseas companies through teams of specialist groups. To contribute to the sustainability of our entire Group more than ever before, we have established the "Basic Policy on Sustainability" and the "Material Issues for Sustainability (Materiality)" that our Group should prioritize, and have established the "Sustainability Promotion Committee."

<Basic Sustainability Policy>

Since its foundation, our group has been operating under the management philosophy of "Contributing to the interests of clients," "Contributing to the interests of stakeholders," and "Contributing to society."

Our Group will gather the wisdom of our diverse professionals and contribute to a prosperous global environment and a sustainable society by helping our customers solve their management issues. At the same time, we will realize the sustainable growth and development of our Group.

<Material Sustainability Issues (Materiality)>

In view of the fact that "human capital" is the core of the Group's management resources, the first important theme is "establishment of diversity and expertise in human resources." The second

important theme is to use human capital to "contribute to the transformation of society and business". In addition, in order for our Group itself and our client companies themselves to grow, we have identified "strengthening corporate growth and resilience" as a third important theme, and we have established important issues (materiality) in accordance with these three important themes. Our group will contribute to a sustainable global environment and society by tackling these important issues, and strive for further growth of our group. We believe that the growth of our group will have a positive effect on the enhancement of human capital.

Important theme	Important issue (material quality)
Establishing Human Resource Diversity and Expertise	①Deepening diversity and acceptance
	②Continued investment in human capital
	③Development and production of management personnel
	④Contributing to a society where people can play an active role by making the most of their individuality
Contributing to the transformation of society and business	⑤To foster business ethics
	⑥Promotion of conversion to a decarbonized, recycling-oriented society
	⑦Contribution to regional revitalization
Strengthening Corporate Growth and Resilience	⑧Enhance the long-term value of client companies
	⑨Pursuing a Sound Governance System

<Sustainability Promotion System>

We have established the Sustainability Promotion Committee, which deliberates and gives business instructions on matters related to activity plans, setting goals, and managing the progress of material issues related to sustainability, as well as matters related to the disclosure of such information, and regularly reports and makes proposals to the Board of Directors.

・Verification and proposals from a sustainability perspective regarding the Group's management policies and business strategies

・To determine policies for responding to key issues (formulation of KPI)

・Formulation of annual action plans based on response policies and confirmation of progress (reporting and proposals to the board of directors)

・For TCFD items, in addition to the items examined by the Risk Management Committee, company-wide risk management and cooperation are implemented.

・Formulation of information disclosure content related to the Group's sustainability initiatives

The Sustainability Promotion Committee is chaired by Akitoku Nishida, President and Chief Executive Officer, and is composed of the chairs of major organizations.

<Efforts for TCFD>
Our Group will contribute to climate change by promoting the reduction of greenhouse gas emissions and the reduction of environmental impact, while at the same time, supporting client companies in their transformation to a new business model in order to build a sustainable global environment and society.
We disclose information related to climate change on our website based on TCFD framework of Governance, Strategy, Risk Management, and Indicators and Targets.

Response to TCFD recommendations: disclosed in the "https://www.frontier-mgmt.com/sustainability/" section of our website.
In November 2022, our Group established the Basic Policy on Sustainability and the Material Sustainability Issues (Materiality) that our Group should prioritize, and established the Sustainability Promotion Committee in order to contribute to the sustainability of the entire Group over the medium to long term.

In the scenario analysis, we analyzed the financial impact in 2030 on our consulting and advisory business, which is our main business, assuming two scenarios: a 1.5°C scenario in which the impact in terms of transition materializes, and a 4°C scenario in which the impact in terms of physical aspects materializes.
While climate change has a negative impact on our consulting and advisory business due to natural disasters and other factors, there is a possibility that demand for our consulting and advisory business will increase as we move toward a carbon-free society and adapt to climate change.

The Group considers climate change risk to be one of the important risks. The Risk Management Committee anticipates and appropriately assesses business risks and takes measures to avoid, mitigate and transfer risks. In addition, the status of responses and other matters are regularly reported to the Board of Directors.

CO 2 emissions (Scope1, 2) at our domestic sites are estimated to be 5.8t-CO 2 in fiscal 2024 and 0.0t-CO 2 in fiscal 2024 per employee. Since September 2022, we have been switching to green power for our head office, which accounts for the majority of our power consumption, and we have seen a remarkable reduction in CO 2 emissions.

Our KPI for carbon-related emissions are as follows.

KPI	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 Actual	FY2030 Goal	FY2050 Goal
Scope1、2 (t-CO 2)	105.9	77.9	5.5	5.8	—	Virtually zero
Scope1、2 (t-CO 2) Employees Per capita	0.4	0.3	0.0	0.0	Compared to fiscal 2021 50% reduction	

In addition, we have set the following targets to achieve "virtually zero" carbon dioxide emissions.

・We will reduce greenhouse gas emissions by 50% from the fiscal year ended December 2021 by the fiscal year ending December 2030.

・Our goal is to reduce greenhouse gas emissions to virtually zero by the fi fiscal year ending december 2050, compared to the fi fiscal year ending december 2021.

・We are working to reduce the use of disposable plastic in our offices.

・We will encourage our employees to take climate change-friendly business trips.

・We will support our client companies in their transition to a decarbonized and recycling-oriented society.

In December 2022, we joined TCFD Consortium. We agreed to actively disclose financial data on climate-related changes. We will continue to actively disclose information on our own climate change-related risks and opportunities by utilizing information exchanges with companies and organizations endorsed by the consortium.

(2)Investment in human capital and intellectual property

As described in "(1) Initiatives Related to Our Company's Sustainability" above, the core of our Group's management resources is "human capital," and our important theme is "establishment of diversity and expertise in human resources."

With regard to investment in human capital, we have identified the recruitment of human resources with knowledge in key industries as an important strategy to continue active recruitment of human resources and to build a support system for a wide range of industries. At the same time, as described in Supplementary Principle 2-4 ① of this report, we are working to ensure diversity by promoting core human resources (women, foreigners, mid-care.

In addition, based on our management strategy, our group actively engages in investment in

intellectual property that enables us to provide diverse solutions for clients' problems by appointing professionals such as lawyers, accountants and tax accountants, as well as management consultants, industrial analysts and other professionals.
In November 2022, we participated in the Human Capital Management Consortium, which was established with the aim of promoting human capital management in Japanese companies both in terms of practice and disclosure. We will make use of this information to promote our human capital management through sharing of advanced examples of human capital management practices and discussions on cooperation between companies.

Supplementary principle 4-1① (Scope of Delegation to Management)
Matters to be judged and decided by the Board of Directors are stipulated in the Rules of the Board of Directors. The Board of Directors delegates decision-making on business execution to the management team, except for matters stated in laws and regulations, the Articles of Incorporation, and the Board of Directors Regulations, and operates in accordance with the Regulations on Administrative Authority.

[principle 4-9] (Independence Criteria for Appointing Independent Outside Directors)
The Board of Directors has formulated the "Guidelines for the Composition of the Board of Directors and the Election of Director Candidates. The internal rules stipulate the following criteria for determining independence in the appointment of independent outside directors.

The Board of Directors and the Nomination and Compensation Advisory Committee shall determine that an outside director is independent if he/she does not fall under any of the following items.
(1) A close relative within the second degree of kinship of the said outside director is currently or has held office as a director, executive officer, executive officer, department manager or other important executive officer of the Company or any of its subsidiaries in the past year.
(2) The outside director is currently an executive director, executive officer, or employee of a company that receives or provides to us in consideration of the provision of products or services, and the amount of such transactions exceeds 10% of the consolidated sales of any company in any one of the past three fi fiscal years.
(3) In any one of the past three fi fiscal years, the outside director has received remuneration in excess of 10 million yen directly from us as a legal, accounting, or tax expert, consultant, or advisor (excluding remuneration as a director of our company).

Supplementary principle 4-10① (Establishment of Advisory Committees with Independent Outside Directors as Major Members)

We are a company with an Audit and Supervisory Committee. Of the seven directors, three are independent outside directors. Independent outside directors have not reached a majority of the Board of Directors. Voluntary Nominating and Compensation Advisory Committee, however, consists of three independent outside directors and two internal directors. Independent outside directors account for a majority of the Board of Directors, and the chairman of the committee is an independent outside director. As a result, independence and objectivity are enhanced. Deliberates on matters related to the nomination of directors and executive officers at the managing director level or higher who are consulted by the board of directors, as well as matters related to the remuneration of directors, and reports the details to the board of directors.

Supplementary principle 4-11① (Approach to Balance, Diversity and Scale of the Board of Directors)

In light of our medium-to long-term management direction and business strategy, the Board of Directors is composed of directors with diverse backgrounds, taking into account the knowledge and experience required of directors. The Board of Directors maintains an appropriate size that enables the Board of Directors to effectively perform its functions.

The Board of Directors consults the Nomination and Compensation Advisory Committee with regard to director candidates, and then selects director candidates after deliberating the draft decided by the committee. In such cases, the Board of Directors and the Nomination and Compensation Advisory Committee select candidates in accordance with the following policies set forth in the "Composition of the Board of Directors and Policy for Appointment of Director Candidates," which is an internal regulation of the Board of Directors.

Composition of the board of directors and policy for selecting director candidates (excerpts)

The Board of Directors and the Nominations and Compensation Advisory Committee shall consider the following when determining the candidates for the Board of Directors.

(1) The prospective director is a person with excellent personality and insight.

(2) Candidates for directors (excluding outside directors) shall have excellent track records in the business we conduct, both inside and outside the company.

(3) Candidates for outside directors must meet the criteria for independence set forth in the following article and must have expertise or practical experience in management, economics, finance, accounting, finance, taxation, legal, risk-taking, IT, engineering, and administration.

At present, our Board of Directors is composed of seven members, including three outside directors. One of the three outside directors is a woman.

Our board skill matrix

Name (current position)	Attribute	Company Management	Economy	Finance Accounting	Company Investments and loans	Legal Affairs Risk Management	Sales Marketing	Global Business	Environment Society
Shoichiro Onishi (Representative Director)		●			●	●	●		●
NISHIDA Akinori (Representative Director)		●	●	●	●		●		
Masao Nishihara (Directors)			●	●	●				●
Takeshi Umemoto (Audit and Supervisory Committee Member)			●	●	●				
Kazuhito Osugi (Audit and Supervisory Committee Member)	Outside the Company Independence		●	●	●			●	
Keiko Unotoro (Audit and Supervisory Committee Member)	Outside the Company Independence		●			●			●
Hikaru Minami (Audit and Supervisory Committee Member)	Outside the Company Independence	●		●	●		●	●	

Supplementary principle 4-11② (Interlocking Position in Cases Where Directors Have Been Executives of Other Listed Companies)

The status of important concurrent positions held by directors and their candidates is disclosed annually in the notice of convocation of the general meeting of shareholders and in the annual securities report.

Supplementary principle 4-11③ (Analysis and Evaluation of the Effectiveness of the Board of Directors as a Whole)

We aim to achieve sustainable growth and increase corporate value over the medium to long term. To achieve this, we recognize that it is necessary to improve the effectiveness of the Board of Directors and further substantiate corporate governance.

The effectiveness of the Board of Directors is evaluated annually. An overview of the effectiveness assessment for the fiscal year ended December 31, 2024 is as follows.

1.Outline of the Effectiveness Evaluation Method

(1)Evaluation method

Questionnaire system in which directors freely describe each question in the questionnaire

(2)Personnel who conduct the evaluation

Two directors and four directors who are members of the audit and supervisory committee

(3)Implementation of the evaluation

① In January 2024, a questionnaire survey was conducted among the evaluators.

② At a Board of Directors meeting held in March 2025, after exchanging opinions on the results of a questionnaire survey, the results of a survey of the effectiveness of the Board of Directors for the fiscal year ended December 2024 were finalized.

2.Summary of the Results of the Evaluation of Effectiveness

(1)Effective supervision of directors and management (executive officers, etc.)

The Board of Directors received a positive evaluation. The evaluation indicated that the Board of Directors (i) conducts necessary and sufficient discussions on management strategy, management planning, and key issues; (ii) appropriately builds internal control and risk-management systems based on changes in organizational designs and management systems, including representatives, and effectively supervises directors and management (executive officers, etc.); and (iii) sufficiently cooperates with the Institution and Supervisory Committee and the Internal Audit Division.

On the other hand, there were the following opinions.

・This is the first year of the transition from a company with a board of auditors to a company with an audit and supervisory committee, and there is room for improvement in operations.

(2)Securing human resources

The Board of Directors received a positive evaluation, stating that (i) the nomination and compensation system for directors and management (executive officers, etc.) is appropriately designed for the Board of Directors to supervise directors and management in order to increase our corporate value, (ii) the nomination and compensation system for directors and management (executive officers, etc.) is appropriately designed to secure human resources for us, and (iii) the Nomination and Compensation Advisory Committee functions appropriately to secure human

resources for directors and management (executive officers, etc.). The Nomination and Compensation Advisory Committee functions appropriately to secure human resources for directors and management (executive officers, etc.).

(3)Sustainability Initiatives

The Board of Directors was positively evaluated as follows: (i) discussing sustainability initiatives (basic policies, materiality, promotion systems, etc.), (ii) discussing long-term strategies that we should tackle in order to realize the sustainable growth and development of our group, and (iii) discussing long-term strategies that we should tackle in order to contribute to an affluent global environment and a sustainable society.

On the other hand, there were the following opinions.

・In fiscal 2025, sustainability management issues should be addressed while improving performance.

(4)Other

There was a positive opinion that the ability of directors to speak freely and independently at meetings of the Board of Directors and the ease of access to executive officers and others with the support of the secretariat have been maintained even after the institution design has been changed.

On the other hand, there were the following opinions.

・Governance as a company with an Audit and Supervisory Committee needs to be continuously examined and developed.

3.Initiatives to Improve the Effectiveness of the Board of Directors

Based on the issues recognized through the "Fiscal 2024 Evaluation of the Effectiveness of our Board of Directors," we will deliberate on matters to be implemented and decide on the policies for fiscal 2025 in order to further improve the effectiveness of our Board of Directors.

Supplementary principle 4-14② Training policy for directors and corporate auditors

With regard to the policy of training directors, we have formulated the "Executive Training Guidelines," which are the bylaws of the Board of Directors. These bylaws generally stipulate the following as training policies.

・Directors shall attend external seminars as necessary to deepen their insight into the duties and responsibilities of officers. We shall bear the expense of the training.

・We shall set up opportunities for our executives to meet with each other to cultivate their knowledge of the industry to which we belong and their knowledge of us.

[Principle 5-1] (Policy for Establishing a System to Promote Constructive Dialogue with

Shareholders)

(basic approach)

We believe it is important to engage in constructive dialogue with shareholders and investments in order to increase corporate value over the medium to long term. Through dialogue, we strive to gain shareholders and investors an understanding of our management policies, etc., and to appropriately reflect the opinions of shareholders and investors in our management policies, etc.

(Supervising Manager)

In order to realize constructive dialog with shareholders and investors, a person appointed by the director in charge of administration (meaning the director in charge of administration or the executive officer in charge of administration) has been appointed as the person in charge of IR.

(Organization)

The Corporate Management & IR Division is the department in charge of IR, and related departments, centered on this department, share information and other internal coordination.

(Means of Dialogue)

We strive to enhance the means of dialogue by holding general shareholders' meetings, financial results briefings and group meetings for institutional investors, and briefings for individual investors.

(feedback measures)

Shareholders' views obtained through dialogue are compiled by the department in charge of IR, and appropriate feedback is provided to the Representative Director or the Board of Directors by the person in charge of IR as needed.

(measures for managing insider information)

At the time of dialogue, insider information is appropriately managed in accordance with the "Internal Information Management Regulations," which are internal regulations.

[Measures for realizing management that is conscious of the cost of capital and stock price] <disclosed in english>

We consider ROE to be one of the key management indicators, and △ for the fiscal year ended December 2024 was 21.9% (23.6% for the fiscal year ended December 2023).

In the fiscal year ended December 2024, we recorded a deficit. We believe it is essential to revise the Medium-Term Management Plan for Fiscal 2024-2026, which was announced in February 2024. First, we formulated the Structural Reform Plan on February 13, 2025, in order to achieve profitability in the fiscal year ended December 2025.

We regard this structural reform as the first year of our second founding, and we will clarify the focus of the solutions we provide and quickly reorganize our management model and organizational structure.

ROE will continue to be one of the key management indicators, and we will continue to take measures

to realize management that is conscious of the cost-of-capital and stock price.

[Implementation status of dialogue with shareholders]
We are actively engaged in interviews with domestic and foreign institutional investors by the representative director, the director in charge of IR, and the person in charge in the department in charge of IR. In addition, the Company actively provides information through IR website, materials for announcements of financial results, notices of general meetings of shareholders, etc. (including disclosure in English), and gathers opinions obtained through dialogue and feeds them back to management. IR activities for individual investors (shareholders) are also actively carried out by the representative director, the director in charge of IR, and the person in charge of the department in charge of IR.
The activities for the fiscal year ended December 2024 are as follows.
(i)Financial results briefing: 4 times
(ii)Interviews with institutional investors and analysts (total number): 43
(iii)IR for individual investors.
・Appeared on a radio program for individual investors: once
・Company briefing for individual investors: 1

2.Capital Structure

Foreign shareholding ratio	Less than 10%

[Major Shareholders]

Name	Number of shares held	Ratio(%)
M&A Capital Partners, Inc.	2,287,000	19.50
Shoichiro Onishi	2,182,691	18.61
Masaya Yajima	614,880	5.24
The Master Trust Bank of Japan, Ltd.(Trust Account)	536,400	4.57
The Custody Bank of Japan, Ltd. (Trust Account)	269,700	2.30
Masahiro Matsuoka	247,691	2.11
Tomohiro Murata	229,100	1.95
ANTEMA	223,900	1.91
JPMorgan Securities Japan Co., Ltd.	108,065	0.92
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	108,000	0.92

Controlling shareholders (excluding the parent company)	―――

Parent company name	None
Parent company's stock exchange	―――

Supplementary explanation

In the report of large shareholdings made available for public inspection on March 17, 2021, it is stated that Sparks Asset Management Co., Ltd. held shares as of March 15, 2021. However, since we have not been able to confirm the actual number of shares held as of December 31, 2024, it is not included in the above list of major shareholders.
In addition, in the change report made available for public inspection on January 7, 2022, it is stated that Sumitomo Mitsui Trust Asset Management Co., Ltd. and Nikko Asset Management Co., Ltd. are jointly holding shares as of December 31, 2021. However, as we have not been able to confirm the actual number of shares held as of December 31, 2024, they are not included in the above list of major shareholders.

3.Company attributes

Listed exchange and market division	Tokyo prime
Fiscal year end	December
Industry type	Service industry
Number of employees (consolidated) as of the end of the immediately preceding fiscal year	100 to less than 500
(Consolidated) sales for the immediately preceding fiscal year	Less than ¥10 billion
Number of consolidated subsidiaries at the end of the immediately preceding fiscal year	Less than 10 companies

4.Guidelines for measures to protect minority shareholders when conducting transactions with controlling shareholders

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

Not applicable.

Status of the corporate governance system, including the management structure for II. management

decision-making, execution, and supervision

1.Organizational structure and operation

Organizational form	Company with audit and supervisory committee

[Directors]

Number of directors in the articles of incorporation	10
Term of directorships in the Articles of Incorporation	One year
Chairman of the board of directors	Chairman
Number of Directors	7
Appointment of outside directors	Be appointed
Number of Outside Directors	3
Number of outside directors appointed as independent director	3

Relationship with the company (1)

Name	Attribute	Relationship with the Company (*1)									
		a	b	c	d	e	f	g	h	i	j	k
Kazuhito Osugi	From other company								△			
Keiko Unotoro	From other company											
Hikaru Minami	From other company											

※ Nature of relationship with the Company

※ "○" when the person corresponds to "Present/Recent" or "△" when the person corresponds to "Previous"

※ "●" if the close relative falls under the category of "current/recent" and "▲" if the close relative falls under the category of "previous"

a. Managing Person of a Listed Company or its Subsidiary

b. Executive officer or non-executive director of the parent company of a listed company

c. Executive officer of a sister company of a listed company

d. A person whose main business partner is a listed company or the person who executes the business thereof

e. Major business partner of a listed company or a person executing the business thereof

f. Consultants, accountants, and legal professionals who receive large amounts of money and other assets from listed companies in addition to executive compensation

g. A major shareholder of a listed company (in cases where said major shareholder is a juridical person,

a person executing the business of said juridical person)

h. A person executing business of a business partner of a listed company (who does not fall under any of d, e, or f) (only the person himself/herself)

i. Person executing business of a company with which an outside director is mutually appointed (only the person in question)

j. Person executing business of a company to which a listed company has made a donation (only the person himself/herself)

k. Other

Relationship with the company (2)

Name	Independence Officers	Supplementary Explanation Concerning Relationship with the Company	Reason for appointment
Kazuthio Osugi	○	We have concluded advisory contracts with fi financial institutions for the purpose of providing sales support. Upon assuming the post of director, the advisory contract was terminated in August 2018.	I would like to see the Bank of Japan and IRCJ draw on their deep insight into the economy, finance, and business revitalization gained through their careers in the Bank of Japan and IRCJ to strengthen the supervisory function of our Board of Directors. In addition, he meets the requirements for independent directors as stipulated by the Tokyo Stock Exchange, and the Company has determined that there is no risk of conflicts of interest with general shareholders and has designated him as an independent director.
Keiko Unotoro	○	—	She is expected to contribute to the strengthening of the supervisory function of the Board of Directors based on his deep

			insight and extensive experience in economic law, competition policy, and corporate compliance cultivated during his career as a key member of the Japan Fair Trade Commission. In addition, he meets the requirements for independent directors as stipulated by the Tokyo Stock Exchange, and the Company has determined that there is no risk of conflicts of interest with general shareholders and has designated him as an independent director.
Hikaru Minami	○	—	Since joining Marubeni Corporation, I have been engaged mainly in fiscal, accounting, logistics, information, and real estate-related operations. I have served as Managing Executive Officer and Representative Director, and I hope that I will contribute to the enhancement of our corporate value in the future based on my financial and accounting expertise accumulated during my career as an Audit & Supervisory Board Member, and my knowledge of general trading company management and global business management. In addition, he meets the requirements for independent directors as stipulated by the Tokyo Stock Exchange, and the Company has determined that

			there is no risk of conflicts of interest with general shareholders and has designated him as an independent director.

[Audit and Supervisory Committee]

Composition of the committee and attributes of the chairperson

	All members (Name)	Full-time members (Name)	Internal directors (Name)	Outside Directors (Name)	Chairman (Chairman)
Audit and Supervisory Committee	4	1	1	3	Internal directors

Existence of directors and employees who should assist the duties of the audit and supervisory committee	Yes

Matters related to the independence of such directors and employees from the managing directors

We have established the Audit & Supervisory Committee Secretariat to assist the Audit & Supervisory Committee in its duties, and have assigned employees. There are no directors to assist the duties of the Audit & Supervisory Committee.
In the event that such employees are assisting the Audit & Supervisory Committee, they shall follow the instructions and orders of the Audit & Supervisory Committee without belonging to the chain of command in the execution of business, and the Audit & Supervisory Committee shall agree to any transfer, personnel evaluation, disciplinary action, etc. of such employees.

Cooperation among the Audit & Supervisory Committee, Accounting Auditors, and the Internal Audit Division

The Audit and Supervisory Committee cooperates with the accounting auditor by closely exchanging information, such as holding meetings with the accounting auditor as necessary. In addition to exchanging information on a day-to-day basis with the Internal Audit Division, we will cooperate with each other by conducting audits jointly.

[voluntary committee]

Existence of a nominating committee or a	Yes

voluntary committee equivalent to the compensation committee	

Status of the establishment of voluntary committees, their composition, and the attributes of the chairperson

Voluntary committee equivalent to the nominating committee

Title of the committee			Nomination and compensation advisory committee			
All members (Name)	Full-time members (Name)	Internal directors (Name)	Outside Directors (Name)	Internal experts (Name)	Other (Name)	Chairman (Chairman)
5	0	2	3	0	0	Outside Directors

Voluntary committee equivalent to the compensation committee

Title of the committee			Nomination and compensation advisory committee			
All members (Name)	Full-time members (Name)	Internal directors (Name)	Outside Directors (Name)	Internal experts (Name)	Other (Name)	Chairman (Chairman)
5	0	2	3	0	0	Outside Directors

Supplementary explanation

・Nomination and compensation advisory committee

1.Purpose of establishing the committee

The Company aims to ensure appropriate opportunities for the involvement and advice of independent directors with regard to decisions on executive nomination and remuneration, etc., and to improve the fairness, objectivity, and transparency of the decision-making process at the Board of Directors, and to further enhance and strengthen the corporate governance system.

2.Work of the committee

(1)Nominating Consultation Matters

In response to inquiries from the Board of Directors, the Board of Directors shall deliberate on matters relating to the nomination of Directors and other relevant matters and report to the Board of Directors.

(2)Compensation Advisory Matters

In response to inquiries from the Board of Directors, the Board of Directors deliberates on matters

related to remuneration, etc. for Directors and reports to the Board of Directors.

3.Structure of Committees
The Nomination and Compensation Advisory Committee consists of two Representative Directors and three Independent Directors and the chairperson is selected by resolution of the committee from among the members who are Independent Outside Directors.

[Independent Directors/Auditors]

Number of Independent Directors/Auditors	Three

Other matters related to independent executives

All outside directors who qualify as ID/As are appointed as ID/As.

[Incentive relationship]

Initiatives and Implementation Status Concerning Incentives for Directors	Introduction of performance-linked remuneration system Introduction of stock option plan

Supplementary Explanation

We have introduced a restricted stock compensation system as a performance-linked compensation system for directors (excluding outside directors; hereinafter referred to as "Eligible Directors"). The content consists of cash bonuses and stock-based compensation A as single-year performance-based compensation, and stock-based compensation B as medium-to long-term performance-based compensation.

(1) Non-consolidated performance-based compensation (cash bonus and stock-based compensation A)
Single-year performance-linked remuneration
Performance-linked remuneration for a single fi fiscal year (cash bonuses and stock-based remuneration A) is linked to the degree of achievement of management goals and improvement in corporate value for a single fi fiscal year. The amount of remuneration is determined based on our performance for a single fi fiscal year, and the determined amount of remuneration is paid to eligible directors in the form of cash bonus and restricted stock (stock-based remuneration A) after the performance for each fi fiscal year is determined.
The composition ratio of the single-year performance-linked remuneration for each applicable director shall be 1/2 for cash bonuses and 1/2 for stock-based remuneration A.
The basic indicators for consolidated performance are the rate of share price increase and the amount

of consolidated net income excluding Frontier Capital Co., Ltd. The amount of single-year performance-linked remuneration paid to each eligible director is determined based on the degree of performance contribution and the maximum amount of remuneration for the eligible director.

(2) Medium-to Long-Term Performance-Based Compensation (Stock Compensation B)
Medium-to long-term performance-linked remuneration (stock-based remuneration B) is linked to the degree of achievement of the management goals of the medium-term management plan and the degree of improvement in corporate value, etc. At the beginning of each fi fiscal year, restricted shares (stock-based remuneration B) are paid to eligible directors based on the standard remuneration amount according to their positions. In principle, after the end of the period covered by the medium-term management plan, the number of shares to be lifted from the transfer restriction will be determined according to the degree of achievement of the management goals of the medium-term management plan and the degree of improvement in corporate value.
Indicators of management targets for the medium-term management plan from 2024 to 2026 include the rate of increase in stock prices, consolidated net income excluding Frontier Capital Co., Ltd., and the degree of achievement of consolidated ROE excluding Frontier Capital Co., Ltd. In the event that a new medium-term management plan is formulated in the future, the indicators for such management targets may be changed by resolution of the Board of Directors.

2.In 2018, we granted stock options to directors with the aim of further enhancing the motivation and morale of directors to contribute to the medium-to long-term improvement of business performance and enhancement of corporate value.
The number of awards granted is determined based on a comprehensive consideration of each person's contribution to performance and expectations for the future.
All three directors who were granted stock options exercised their rights to acquire common stock.

Eligible persons for stock options	Internal directors and employees

Supplementary Explanation

Regarding stock options for internal directors, please refer to the "Supplementary explanation regarding relevant items" in the "Implementation status of measures to provide incentives to directors" above.
Stock options for employees were granted in 2018, 2021, 2022, and 2024 to raise employee sense of belonging to the Company, to promote businesses with an awareness of enhancing shareholder value, and to provide incentives for future contributions of all employees.

[Director Compensation]

Disclosure status	Disclosure of individual compensation is not made.

Supplementary Explanation

Since there are no employees whose total remuneration is 100 million yen or more, we do not disclose individual remuneration. Remuneration for directors and corporate auditors is disclosed in total.

Whether or not there is a policy for determining the amount of remuneration or the method for calculating that amount	Yes

Disclosure of the policy for determining the amount of remuneration or the method of calculating remuneration

1. Policy for determining director remuneration

(1)Basic policy

The remuneration is designed to allow the appointment of outstanding human resources as directors who put the corporate philosophy into practice, achieve short-term performance targets, achieve medium-to long-term performance targets, and contribute to the sustainable improvement of corporate value.

The compensation system will be highly transparent, fair, and rational, enabling us to fulfill our accountability to stakeholders.

(2)Compensation Composition

Remuneration for directors (excluding directors serving as members of the Audit and Supervisory Committee and outside directors) consists of base remuneration, which is a fixed remuneration, and single-year performance-linked remuneration and medium-to long-term performance-linked remuneration, which fluctuate in accordance with performance, while balancing the elements listed in the basic policy above.

The remuneration of directors serving on the Audit and Supervisory Committee and outside directors consists solely of base remuneration from the perspective of their role and independence.

The composition ratio of each performance-linked remuneration to base remuneration for directors (excluding directors serving as Audit & Supervisory Committee members and outside directors) is determined according to the classification of officers.

(3)Basic remuneration

Basic remuneration, which is a fixed remuneration, is paid to directors on a monthly basis.

Basic remuneration for directors (excluding directors and outside directors who are members of the Audit and Supervisory Committee) is determined in consideration of the level of other companies in

the same industry, taking into account the nature of the duties in charge, scope of responsibility, length of service, contribution to short-term, medium-to long-term business performance, contribution to enhancement of corporate value, etc.
Directors and outside directors serving on the Audit & Supervisory Committee shall be determined in consideration of their responsibilities and the level of other companies.

(4)Single-year performance-linked remuneration and medium-to long-term performance-linked remuneration
Single-year performance-linked remuneration and medium-to long-term performance-linked remuneration are described in the "supplementary explanation of relevant items" in the "status of implementation of measures to provide incentives to directors" section above.

(5)Compensation governance
Remuneration for directors (base remuneration, single-year performance-linked remuneration, and medium-to long-term performance-linked remuneration) is determined by a resolution of the board of directors based on the deliberations and reports of the optional nomination and remuneration advisory committee.
In the event of serious fiscal improprieties or large losses, a clash back clause shall be set to the effect that all or part of the paid share compensation A and share compensation B shall be refunded free of charge according to the responsibilities of each director.

2. Contents of the director's compensation system
(1)Composition of Compensation, etc.
Remuneration for Directors consists of "base remuneration," which is a fixed remuneration, and "single-year performance-linked remuneration (cash bonus, stock remuneration A)," which is linked to the degree of achievement of single-year management targets for target directors and the degree of improvement in corporate value, etc., and "medium-to long-term performance-linked remuneration (stock remuneration B)," which is linked to the degree of achievement of management targets and the degree of improvement in corporate value, etc. under the Medium-Term Management Plan.
The composition ratio of each performance-linked remuneration to the base remuneration shall be determined according to the category of directors.

(2)Basic remuneration
Basic remuneration, which is a fixed remuneration, is paid to directors on a monthly basis.
The amount of basic remuneration shall be determined for eligible directors in consideration of the

level of other companies in the same industry, taking into account the content of duties in charge, scope of responsibility, year's of service, contribution to short-term, medium-to long-term business performance, contribution to enhancement of corporate value, etc., and for outside directors in consideration of their responsibilities and the level of other companies.

(3)Annual performance-linked remuneration (cash bonus, stock-based remuneration A)

Performance-linked remuneration for a single fi fiscal year will be paid to eligible directors after the performance of each fi fiscal year is determined and before the ordinary general meeting of shareholders.

The annual performance-linked remuneration (total amount of all eligible directors) shall be calculated by multiplying the maximum amount of 16 months' basic remuneration for representative directors and 9 months' basic remuneration for each eligible director (excluding representative directors) by a certain ratio in accordance with the rate of increase in stock price and the achievement of consolidated net income (net income attributable to owners of parent, before deduction of performance-linked remuneration for a single fi fiscal year, before deduction of additional bonuses for employees) excluding Frontier Capital Co.

The amount of annual performance-linked remuneration for each Eligible Director will be determined based on the degree of contribution to performance and the maximum amount of remuneration for Eligible Directors.

The composition ratio of the single-year performance-linked remuneration for each applicable director shall be 1/2 for cash bonuses and 1/2 for stock-based remuneration A.

(4)Medium-to Long-Term Performance-Based Compensation (Stock Compensation B)

As a medium-to long-term performance-linked remuneration, stock-based remuneration B will be allocated to eligible directors at the beginning of each fi fiscal year based on the standard amount of remuneration according to their positions.

Medium-to long-term performance-linked remuneration (total amount of all eligible directors) shall be calculated by multiplying the maximum amount of three months' basic remuneration for representative directors and 1.5 months' basic remuneration for individual eligible directors (excluding representative directors) by a certain ratio according to the rate of increase in stock prices, consolidated net income excluding Frontier Capital Co., Ltd., and the achievement status of consolidated ROE excluding Frontier Capital Co., Ltd.

The amount of medium-to long-term performance-linked remuneration for each Eligible Director will be determined based on the contribution to performance and the maximum amount of remuneration for Eligible Directors.

In principle, after the end of the period covered by the medium-term management plan, the number

of shares to be lifted from the transfer restriction will be determined according to the degree of achievement of the management goals of the medium-term management plan and the degree of improvement in corporate value.

3. Restrictions on Transfer of Performance-linked Stock Compensation

(1)Stock grants A

A transfer restriction shall be imposed for a period of three years from the date on which the Subject Directors receive the delivery of such shares, during which the Subject Directors shall not transfer, mortgage or otherwise dispose of such shares (hereinafter referred to as the "Transfer, etc.").

In principle, the transfer restriction shall be terminated at the time of expiration of the transfer restriction period.

In the event the Subject Director resigns prior to the expiration of the Restriction on Transfer due to the expiration of the term of office, death or any other justifiable reason, the Restriction on Transfer shall be terminated with respect to all such shares granted to the Subject Director after reasonable adjustment as may be necessary for the time when the Restriction on Transfer is to be terminated.

If, prior to the expiration of the Restriction Period on Transfer, the Subject Directors retire from office without the expiration of their term of office or for any other reason deemed justifiable by our Board of Directors, we will, of course, acquire free of charge all such shares allocated to such Subject Directors.

In the event that, during the Restriction Period on Transfer, a merger agreement under which we become an extinguished company, a share exchange agreement, a share transfer plan, or other matters relating to organizational restructuring, etc. (hereinafter referred to as the "organizational restructuring agreement, etc.") are approved at our general meeting of shareholders (provided, however, that, in the event that the approval of our general meeting of shareholders is not required for such organizational restructuring agreement, etc., the Board of Directors of the Company), the restriction on transfer shall be terminated with respect to all of the shares granted to such director after reasonably adjusting the time to terminate the restriction on transfer as necessary.

We will, of course, acquire without charge the shares for which the restriction on transfer has not been terminated at the time when the number of shares for which the restriction on transfer is terminated is determined.

In the event of serious fiscal improprieties or large losses, the Company will set a claimable back clause to the effect that all or part of the paid share compensation A will be refunded free of charge according to the responsibilities of each director.

(2)Stock grants B

A transfer restriction shall be established for a period of three years from the date on which the

Subject Directors receive the delivery of such shares, and the Subject Directors shall not transfer, etc. such shares during such period.

In principle, after the end of the period covered by the medium-term management plan, the number of shares to be lifted from the transfer restriction will be determined based on the degree of achievement of the management goals of the medium-term management plan and the degree of improvement in corporate value.

In the event the Subject Director resigns prior to the expiration of the Assignment Restriction Period due to expiration of the term of office, death, or any other justifiable reason, (i) in the event such resignation occurs during the period from the time when such shares are granted to the time when the number of shares for which transfer restrictions are to be cancelled is determined, the number of such shares for which transfer restrictions are to be cancelled and the time when the transfer restrictions are to be cancelled in accordance with the achievement level of the management goals of the Mid-term Management Plan and the degree of improvement in corporate value at that time, and (ii) in the event such resignation occurs during the period from the time when the number of shares for which transfer restrictions are to be cancelled to the time of expiration of the Transfer Restriction Period among such shares, the time when the transfer restrictions are cancelled shall be reasonably adjusted as required. If, prior to the expiration of the Restricted Transfers Period, the Subject Directors retire from our Directors without such cause as the expiration of their term of office or otherwise as our Board of Directors may deem justifiable, we will naturally acquire, without charge, all such allotted Shares.

In the event that a restructuring agreement, etc. is approved at a general meeting of shareholders of the Company (provided, however, that approval is not required at a general meeting of shareholders of the Company with respect to the relevant restructuring agreement, etc., at a meeting of the Board of Directors of the Company), (i) in the event such approval is given during the period from the time when the relevant shares are granted until the number of shares for which the restriction on transfer will be cancelled is determined, the number of shares for which the restriction on transfer will be cancelled and the time when the transfer restriction will be cancelled in accordance with the degree of achievement of the management goals of the medium-term management plan and the improvement of corporate value at that time, and (ii) in the event such approval is given during the period from the time when the number of shares for which the restriction on transfer will be cancelled to the time when the restriction on transfer expires, the time when the restriction on transfer will be cancelled shall be reasonably adjusted as required.

We will, of course, acquire without charge the shares for which the restriction on transfer has not been terminated at the time when the number of shares for which the restriction on transfer is terminated is determined.

In the event of serious fiscal improprieties or large losses, a clash back clause shall be set to the effect

that all or part of the paid share compensation B shall be refunded free of charge according to the responsibilities of each director.

[Support System for Outside Directors]

Support for outside directors is provided by the Board of Directors (Corporate Administration Division).
In addition, to ensure that the Board of Directors has sufficient time to consider proposals, the Board of Directors sends relevant materials in advance, and the Board of Directors' Secretariat holds a pre-briefing session on proposals for outside directors. In addition, information is transmitted by telephone or E-mail as appropriate.

2.Matters related to functions such as business execution, audit and supervision, nomination, and compensation decision-making (outline of the current corporate governance system)

a. Board of Directors
The Board of Directors meets once a month and extraordinary meetings are held as necessary. In accordance with the Articles of Incorporation and laws and regulations, the Board of Directors makes decisions on important matters related to management, such as legal resolutions and management policies, as well as on business execution, and supervises the status of business execution by directors. Directors serving as members of the Audit and Supervisory Committee also attend meetings of the Board of Directors to audit the status of directors' business execution.
There are currently seven directors (including directors serving on the Audit and Supervisory Committee), three of whom are independent outside directors.

b. Audit and Supervisory Committee
We transitioned to a company with an audit and supervisory committee. There are currently four directors serving on the Audit and Supervisory Committee, three of whom are independent outside directors, and one of whom is a full-time internal director.
In addition to the regular monthly meetings of the Audit and Supervisory Committee, the Audit and Supervisory Committee holds extraordinary meetings as necessary when important matters arise.
The Audit and Supervisory Committee makes decisions on important matters and reports on the progress of operations in accordance with laws and regulations, the Articles of Incorporation, and our Audit and Supervisory Committee Rules.
In addition, the Board of Directors attends meetings of the Board of Directors and other important meetings to express opinions on the directors' business execution as appropriate, and to monitor and audit the overall business execution. In addition, the Audit & Supervisory Committee works closely with internal auditors and accounting auditors to conduct audits based on the annual audit plan,

requests reports from officers and employees as necessary, discusses matters discovered through audits, etc., and submits audit findings to the Board of Directors.

c. Accounting Auditor

We are a company with independent auditors, and when selecting an independent auditor, the Board of Corporate Auditors appoints a candidate as an independent auditor in consideration of the auditing performance of the auditing firm and other factors, and consults with the General Meeting of Shareholders. KPMG AZSA LLC is KPMG AZSA LLC's accounting auditor. The names of the certified public accountants who executed the business are as follows.

Designated Limited Liability Partner and Executive officer Partner Yoshinori Saito

Designated Limited Liability Partner: Business Partner: Kazuaki Sasaki

In addition, there are four certified public accountants and eight other assistants in the auditing process.

d. Business Execution Structure

The Company has adopted an executive officer system under the supervision of the Representative Director.

The President and Chief Executive Officer leads other executive officers and oversees the execution of company-wide businesses.

The executive officer system has been introduced to strengthen, streamline, and accelerate the business execution functions of management. In addition, the Company has established the Executive Committee and the Management Committee as prior advisory bodies to the Board of Directors.

The Executive Committee is attended by representative directors, full-time directors (excluding directors who are members of the Audit and Supervisory Committee), President and CEO, Vice President and CEO, Senior Managing Executive Officers, Managing Executive Officers, and persons designated by the Chairman. In principle, the Executive Committee meets once a month to discuss matters that require speed, important personnel matters, business alliances with other companies, and other matters that require confidentiality.

The Management Committee is attended by the representative director, full-time directors (excluding directors who are members of the Audit and Supervisory Committee), the President and CEO, the Executive Vice President, the Senior Management Executive Officer, the Managing Executive Officer, the head of the Internal Audit Office, and other executive officers, division heads, deputy department heads, or general managers who are designated by the representative director. In principle, the Management Committee meets once a month, and extraordinary meetings are held as necessary to share information on the status of business execution and to discuss important matters related to business execution.

e. Authority to make decisions

The authority to make decisions is clearly defined in the regulations on administrative authority, and important decisions are made by the Board of Directors after consultation with the Executive Committee or the Management Committee.

f. Contents of Contract for Limitation of Liability

We and our directors (excluding those who are executive officer directors, etc.) have concluded an agreement to limit their liability for damage under Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 of the same Act. The limited amount of liability for damages under the applicable agreement is the minimum amount of liability as stipulated by law.

3.Reasons for Adoption of Current Corporate Governance System

We have shifted to a company with an Audit and Supervisory Committee with the aim of further enhancing the corporate governance system and achieving sustainable growth in corporate value by further strengthening the supervisory functions of the Board of Directors and improving the flexibility of business execution.

III. Implementation of Measures for Shareholders and Other Interested Parties

1.Initiatives for invigorating the general meeting of shareholders and facilitating the exercise of voting rights

	Supplementary explanation
Early Dispatch of Stockholder Meeting Convocation Notices	In order to ensure that shareholders have time to fully consider the agenda, we sent out the convocation notice for our 18th ordinary general meeting of shareholders two weeks earlier than the date of the meeting. Please note that convocation notices are posted on our website approximately one week prior to shipment.
Scheduling of Stockholder Meetings to Avoid Peak Periods	We hope to avoid the days when general meetings of shareholders of other companies are expected to be concentrated, and to set the days when it is easy for many shareholders to attend.
Voting by Electromagnetic Method	Voting rights are exercised electronically (on the internet).
Participation in	We participate in an electronic voting platform for institutional investors

electronic voting platforms and other initiatives to improve the environment for institutional investors to exercise their voting rights	operated by ICJ Corporation.
Provision of convocation notices (summary) in english	The full text of the convocation notice is available in English on our website.

2.Investor Relations Activities

	Supplementary explanation	Presentation by the Group CEO and President
Preparation and publication of disclosure policy	This information is posted on our IR website (https://www.frontier-mgmt.com/ir/disclosure/).	
Regular briefings for individual investors	The meeting will be held as needed.	Yes
Regular briefings for analysts and institutional investors	We hold quarterly briefings for analysts and institutional investors. Individual visits to institutional investors are also made.	Yes
IR materials posted on our website	We have a IR website that contains various IR materials (earnings reports, timely disclosure materials, financial reports and quarterly reports, materials for corporate briefings, status of corporate governance, notices of convocation for general meetings of stockholders, etc.).	
Creation of an IR Dept. (IR Officer)	A person in charge of IR has been appointed in the Corporate Management & IR Division.	

3.Measures to Ensure Due Respect for Stakeholders

	Supplementary explanation
Internal Rules and Regulations that Promote Respect for the Status and Position of Stakeholders	Our corporate philosophy is to contribute to society, and our Code of Conduct states that we will act to contribute to a sustainable society.

Matters related to IV. internal-control systems, etc.

1.Basic approach to internal control systems and progress update

At the Board of Directors meeting held on March 27, 2024, our Group revised the following in order to realize our management philosophy of "contributing to the interests of our clients, contributing to the interests of our stakeholders, and contributing to society."

1.Structure to ensure that the execution of duties by directors and hired experts is in keeping with corporate law and the articles of incorporation

(1) Based on the recognition that thorough compliance is essential to ensure the survival and sustainable growth of the company, we will ensure that all directors and employees are aware of compliance and provide training on compliance for all directors and employees.

(2) Audits by the Audit and Supervisory Committee and internal audits by the Internal Audit Office shall be conducted to confirm that the execution of duties by directors and employees is being carried out appropriately without violating laws and regulations, the Articles of Incorporation, and internal rules.

(3) Establish a system for reporting violations of laws and regulations by establishing the Compliance Rules and Internal Reporting Rules, and promptly recognize and deal with such acts.

2.Structure and System to Maintain and Manage Information Relating to Directors in the Execution of their Duties

(1) Documents pertaining to the execution of duties by Directors (including electromagnetic records) shall be stored and managed in accordance with laws and regulations, the Articles of Incorporation, the Document Management Rules, and other relevant regulations.

(2) Such documents (including electromagnetic records) shall be available for perusal at all times upon the request of the directors.

3.Rules and Other Systems to Manage Risk of Loss

(1) The general manager for risk management shall be the representative director, and the risk management regulations shall be established to provide necessary matters for risk management across the organization, and a risk management system shall be established based on these regulations.

(2) The Company shall strive to quickly and appropriately identify emergency situations and minimize losses by establishing crisis management rules and establishing a system for reporting and command and communication in the event of an emergency.

4 .System for ensuring efficient execution of Directors' duties

(1) In principle, the Board of Directors holds regular meetings once a month, and extraordinary meetings are held as necessary to make decisions on important matters stipulated in the Board of Directors Regulations and to supervise the execution of duties by Directors.

(2) Matters to be discussed by the Board of Directors are subject to consultation by the Nomination and Compensation Advisory Committee, the Executive Committee, or the Management Committee.

5 .System to ensure the appropriateness of operations in the corporate group consisting of us and our subsidiaries

(1) In order to ensure the appropriateness of the businesses of the corporate group consisting of us and our subsidiaries, we have established the Subsidiary Management Regulations and will manage our subsidiaries in accordance with these regulations.

(2) In addition to maintaining daily communication with the directors of subsidiaries and discussing management as a corporate group, we confirm that subsidiaries are operating appropriately in accordance with our subsidiary management regulations.

6 .Matters concerning directors and employees who assist the duties of the audit and supervisory committee

The Audit & Supervisory Committee Secretariat shall be established to assist the duties of the Audit & Supervisory Committee, and employees shall be assigned. No director shall be appointed to assist the duties of the Audit & Supervisory Committee.

7 .Matters concerning the independence of the employees set forth in the preceding item from directors who are not audit and supervisory committee members

When an employee as set forth in the preceding item is engaged in assisting the Audit and Supervisory Committee, he/she shall comply with the instructions and orders of the Audit and Supervisory Committee without belonging to the chain of command for the execution of business,

and with regard to the transfer, personnel evaluation, disciplinary action, etc. of the said employee, the matters to be agreed upon by the Audit and Supervisory Committee shall apply.

8 .Matters related to ensuring the effectiveness of the audit and supervisory committee's instructions to employees set forth in item 6

The Audit and Supervisory Committee shall hold regular meetings with the employees set forth in Item 6 to confirm the status of the execution of businesses by such employees.

9 .System for directors and employees who are not audit and supervisory committee members and directors, auditors and employees of our subsidiaries to report to the audit and supervisory committee

(1) Directors and employees who are not audit and supervisory committee members shall report on the status of execution of duties and other matters at the request of the audit and supervisory committee.

(2) Audit and supervisory committee members shall attend meetings of the executive committee and other important meetings and receive reports on important matters from directors and employees who are not audit and supervisory committee members.

(3) The Audit and Supervisory Committee shall receive reports from directors, auditors and employees of subsidiaries, either directly or through Audit and Supervisory Committee members and internal auditors, in accordance with the Subsidiary Management Rules and the Internal Audit Rules.

1 0 .A system to ensure that the person who has made the report set forth in the preceding item is not treated disadvantageously by reason of such person's having made the report

We prohibit any person who has made the report in the preceding item from treating such person disadvantageously on the grounds that he or she has made the report, and shall operate the report in accordance with or in accordance with the Internal Reporting Rules.

1 1 .Matters concerning policies concerning procedures for prepayment or reimbursement of expenses arising from the execution of duties by audit and supervisory committee members, and the processing of other expenses or liabilities arising from the execution of duties

(1) The audit and supervisory committee shall secure the budget necessary to implement the audit plan approved by the audit and supervisory committee.

(2) Where an Audit and Supervisory Committee member requests expenses, etc. for the execution of his/her duties, the Company shall promptly pay such expenses, except in cases where it is found clearly unnecessary to perform the duties of an Audit and Supervisory Committee

member.

（3） The management and execution of expenses pertaining to the execution of duties by Audit and Supervisory Committee Members shall be carried out by Audit and Supervisory Committee Members and employees who assist the duties of Audit and Supervisory Committee Members.

１２.Other systems to ensure that audits by the Audit and Supervisory Committee are conducted effectively

（1） The Audit and Supervisory Committee shall establish the Audit and Supervisory Committee Rules and the Audit Standards of the Audit and Supervisory Committee, prepare an audit plan, explain its contents to the Board of Directors, and obtain the understanding and cooperation of the implementation of audits.

（2） The audit and supervisory committee exchanges opinions with representative directors through regular meetings.

（3） The Audit and Supervisory Committee shall ensure the effectiveness of audits by exchanging opinions with internal auditors and through close cooperation with relevant departments.

１３.System to Ensure Appropriateness of Financial Reporting

Directors and employees shall ensure the appropriateness of fi financial reporting through business execution in compliance with the "Basic Policy for Development, Operation and Evaluation of Internal Controls Related to Fi financial Reporting."

１４.Basic Approach and Systems to Exclude Anti-Social Forces

We will take a firm stand against antisocial forces and sever all relations with them. In addition, in order to sever relations with antisocial forces, we will establish compliance rules and other internal rules and ensure a system to sever relations with antisocial forces.

2.Basic Approach and Systems to Exclude Anti-Social Forces

We respect the "Guidelines for Companies to Prevent Damage from Anti-Social Forces" (agreed upon at the Executive Committee of the Ministerial Conference on Anti-Crime Measures in June 2007), etc., and have established and operated our systems in accordance with these guidelines. Our policies and standards are stipulated in the Basic Policy of the Internal Control System, and we are working to ensure that the content of these policies and standards is thoroughly understood at major meetings and other opportunities.

As part of our internal structure, the Business Administration Department is in charge of operations related to the elimination of anti-social forces, and we have prepared "Bylaws for Responding to Anti-Social Forces," "Anti-Social Forces Investigation Manual," and "Manual for Responding to

Unjust Requests" as practical regulations. In addition, we have established clauses in our contracts with our business partners to exclude antisocial forces, and we are working to ensure that these clauses are strictly enforced. As for cooperation with external organizations, we consult with the police station, the Center for the Elimination of Boryokudan, etc. as necessary.

V. In addition,

1.Adoption of anti-takeover measures

Introducing the anti-takeover measure	None

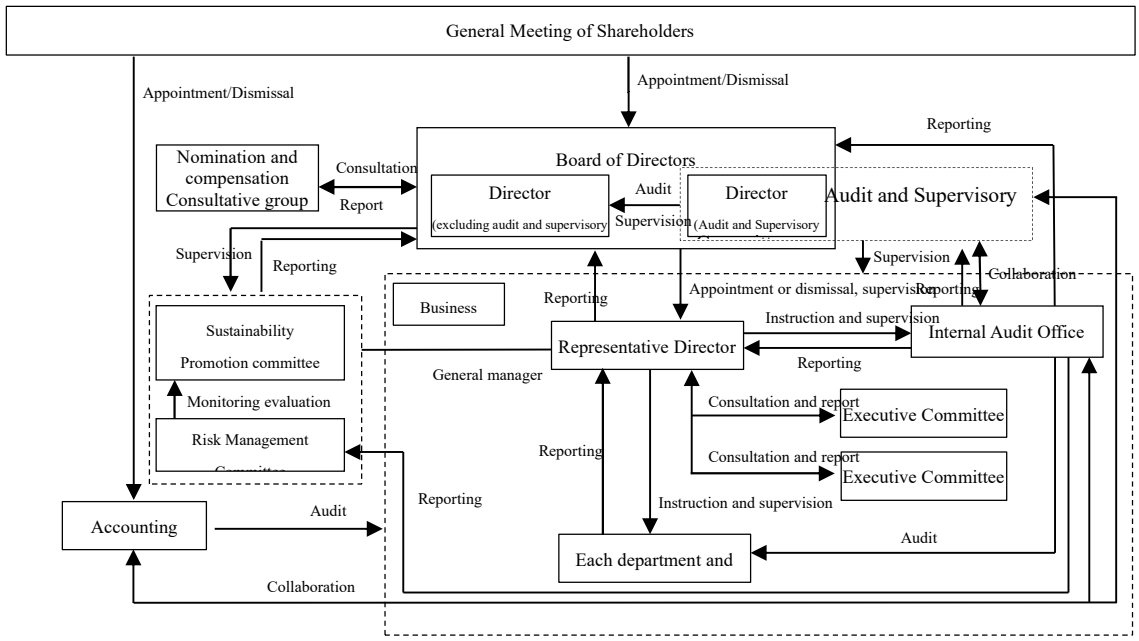
Supplementary Explanation

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2.Other corporate governance related matters

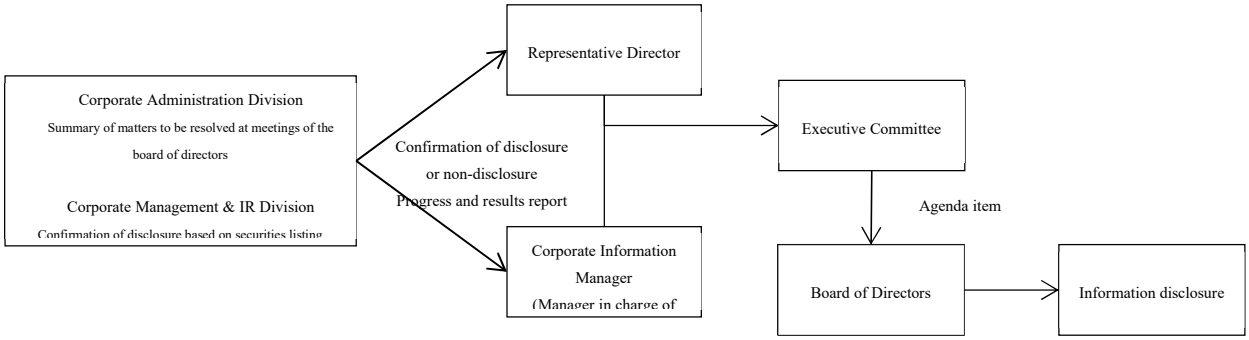
A schematic diagram of our corporate governance system and the flow of timely disclosure procedures is attached for reference.

[schematic diagram (reference data)]



[Overview of Timely Disclosure System (Diagram)]

<Information on decisions and settlement of accounts>



<Information on the fact of occurrence, etc.>

