Last Update: June 29, 2026
UT Group Co., Ltd.
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https://www.ut-g.co.jp/english

Corporate governance of UT Group Co., Ltd.

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

1. Basic Views

UT Group Co., Ltd. (“UT Group” or “the Company”) has redefined its corporate philosophy to make its aim and values more easily understood by people who newly join the Company. Consistent with this, corporate governance has been identified as one of the most important aspects of management. In order to continuously strengthen governance in response to the Corporate Governance Code, the Basic Policy on Corporate Governance has been adopted by a resolution of the Board of Directors in its meeting, and has been published on the Company website. To assure the effectiveness of corporate governance based on this policy, Basic Policy on Sustainability, Basic Policy on Compliance, Basic Policy on Risk Management, and Basic Policy on Information Security have been adopted.

The content of the Basic Policy on Corporate Governance is summarized as follows:

- Shareholders’ rights

UT Group respects the rights of its shareholders and strives to ensure equality of shareholders, and to create an environment in which shareholders can exercise their rights appropriately.

- Collaboration with stakeholders

UT Group strives to promote sustainable corporate value by working properly with its employees, clients, business partners and all other stakeholders.

- Proper disclosure of information and ensuring transparency

In order to gain the trust of its shareholders and other stakeholders, UT Group actively discloses information with high transparency and strives to disclose information in an integrated manner so as to clearly communicate its vision and its management strategy intended to contribute to realization of the vision.

- Responsibilities of the Board of Directors, etc.

In order to achieve sustained improvement of corporate value which has high growth potential, consistent with the mission "Create vigorous workplaces empowering workers," UT Group’s Board of Directors delegates its executive authority to executive officers, who are instructed to make speedy decisions, in a fair manner and in the best possible way, while providing effective oversight functions as its major role in management supervision.
The composition of the Board of Directors is not limited to the internal structure of the organization. Half of the Directors are Outside Directors and more than one-third of Directors are independent, their number and share of Board positions intended to assure that the Board performs effective supervisory functions, while also making it possible for the Board to discuss various matters from a wide range of perspectives with the benefit of the effects of diversity in terms of knowledge of related fields, capability, industry experience, age, and gender.
In order to make decisions in appointing directors as well as executive officers who are responsible for business execution, and to determine their remuneration, reliance is made on an advisory committee of which a majority of its members are outside experts (including Outside Directors) so as to ensure transparency. In addition, UT Group has developed a remuneration system that reflects an arrangement that is balanced from the perspectives of short- and medium-to-long-term, an arrangement that is believed to support risk-taking for growth. The Company has also established a system to manage risk. The system and its operation are consistently supervised.

- Dialogue with shareholders

As an important aspect of its relation with shareholders UT Group strives to disclose management direction and strategy for improving medium- to long-term corporate value, and to engage in constructive dialogue with shareholders. The Company seeks to establish a proper structure to enable it and to get a good picture of the shareholder structure.

- Ethical standards and corporate culture

UT Group provides intangible social infrastructure that supports employment and production activities and, based on its awareness of social responsibility as expressed by being engaged with each worker, the Company strives to foster a corporate culture that contributes to a sustainable society by adhering to local laws and regulations, as well as international norms, including norms on human rights.

[Reasons for not implementing the Principles of the Corporate Governance Code] Updated

UT Group has implemented all the Principles of the Corporate Governance Code published on June 11, 2021.

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

【Principle 1-4 Cross-shareholdings】

UT Group has a policy of not holding shares of individual companies for the purpose of cross shareholdings.

【Principle 1-7 Related Party Transactions】

UT Group has stipulated rules concerning transaction between the Company and Directors or major shareholders in order to prevent the transactions from harming the shared interests of the Company and its shareholders. Such transactions including competing transactions and conflict-of-interest transactions with its Directors, or transactions with other companies, are explicitly stated as matters to be resolved by the Board of Directors, in accordance with the “Rules on Transaction Control of Related Insiders” and the “Rules for the Board of Directors”. The relevant Director(s) in such a case shall be excluded as a related party of special interest from a quorum of the decision-making persons dealing with the matter. Based on the “Rules on Transaction Control of Related Insiders,” the Board of Directors monitors these transactions through reports on individual transactions, and the Audit & Supervisory Committee conducts audits in accordance with the “Auditing Standards of the Audit & Supervisory Committee.”

In addition, UT Group has established a system to confirm and investigate the existence of related party transactions once a year.

【Supplementary Principle 2-4-1 Ensuring Diversity on Promotion of Core Personnel】

Based on our mission to “Create vigorous workplaces empowering workers,” UT Group has been promoting an environment in which diverse personnel work vigorously, regardless of their nationality, academic background or age. The ratio of women in managerial positions currently stands at 15.3%. In the Diversity Promotion Activities, the Company will promote workstyle reform and institutional and culture reforms, particularly in business divisions where the ratio of women is low. During the period of the medium-term business plan (from the fiscal year ended March 31, 2026 to the fiscal year ending March 31, 2029), the Company aims to maintain the ratio of women in managerial positions at a level of 15% or more. .

【Principle 2-6 Roles as Asset Owners of the Corporate Pension Plan】

Although UT Group has not introduced the fund-type and contract-type fixed benefit pension and welfare pension funds as a system, the Company has introduced a corporate-type defined contribution pension fund, and has been providing educational opportunities to employees through training and e-learning to promote stable asset formation for employees.

【Principle 3-1 Full Disclosure】

(i) The Company’s Mission, Vision, Values, and Medium-Term Business Plan are disclosed on its website.

(ii) The Basic Views on Corporate Governance are published in the Company’s website, Corporate Governance Report, and Securities Report.

(iii) Remuneration for Directors is published in the Securities Report.

(iv) Based on the policy of choosing as Directors those who are anticipated to contribute to the Group’s sustainable growth and enhancement of medium- to long-term corporate value, director candidates are selected by the Nomination and Remuneration Committee, an advisory body attached to the Board of Directors, with consideration given to ensuring balance in ability and knowledge of the overall Board, and are appointed by the Board. Concerning candidates for Audit & Supervisory Committee Members, the Nomination and Remuneration Committee selects candidates who can contribute to maintenance and enhancement of the Company’s sound management and social credibility and can do neutral, objective auditing, and upon agreement by the Audit & Supervisory Committee, the Board of Directors decides who shall be Audit & Supervisory Committee Members. Concerning Outside Directors, using the Tokyo Stock Exchange’s standards related to independence for reference, candidates who are believed to ensure sufficient independence are elected, with consideration given to their experience and relationship with the Company. Concerning dismissal of Directors and Audit & Supervisory Committee members, procedures for dismissal shall be begun for those whose misconduct or material facts in violation of laws and regulations or the Articles of Incorporation have been detected; those who are recognized as falling far short of the selection standards; those who have significantly damaged corporate value by neglect of duties; and those who are deemed to be difficult to appropriately carry out duties. Procedures for dismissal of Directors and Audit & Supervisory Committee Members shall be resolved by the Board of Directors, upon fair, rigorous discussions by the Nomination and Remuneration Committee, and be decided at the General Meeting of Shareholders.

(v) Reasons for election of Director candidates and Audit & Supervisory Committee member candidates are disclosed in the Notice of the General Meeting of Shareholders. Dismissal of Directors and Audit & Supervisory Committee Members shall also be disclosed in the Notice of the General Meeting of Shareholders or other documents, as needed.

【Supplementary Principle 3-1-3 Efforts on Sustainability】

UT Group is working on sustainability issues based on the Basic Policy on Sustainability, recognizing “Workers’ potential to be broadened, ” “Continued strengthening of business base,” “Fair and transparent organizational controls” and “Appropriate environmental considerations” as important issues. In addition, regarding investment in human capital and intellectual property, the Company has established the UT Group Basic Policy on Human Resources Development based on the belief that workers are the most important asset of a company, and are working to educate and develop human resources. Specifically, promoting education through e-learning and enriching educational programs for each job type. By promoting such initiatives, it is working to create an environment in which more people can expand their potential. In response to climate change, it has established a Basic Policy on Environmental based on the Basic Policy on Sustainability and are building an environmental management system. UT Group will continue to disclose items in accordance with the framework proposed by the TCFD in its Annual Securities Report and Integrated Report.
Please refer to UT Group’s website for its thoughts, policies and initiatives regarding sustainability.

(https://www.ut-g.co.jp/english/sustainability/)

【Supplementary Principle 4-1-1 Outline of the Scope of Delegation to the Management】

UT Group has separated the decision-making and overseeing function of management and the execution of operations by establishing both the Board of Directors as a decision-making and overseeing body of management and the Management Committee as a system for execution of operations based on the Board's decision-making. The Board of Directors discusses and makes decisions on matters stipulated in laws and the Articles of Incorporation and significant matters related to the Company and its subsidiaries. In addition, the Company has adopted an Executive Officer System whereby Executive Officers carry out business execution according to the Rules on Authority of Duties on significant matters of business execution resolved by the Board of Directors. In the Management Committee, the status of execution and issues involving important matters concerning execution of duties are reported, and specific execution methods are resolved with regard to policies concerning matters discussed at the Board of Directors and basic management policies resolved at the Board of Directors. The Rules on Authority of Duties clearly specify the authority of the Board of Directors, Representative Directors, Management Committee, and other bodies.

【Principle 4-9 Independence Standards and Qualification of Independent Outside Directors】

UT Group does not specifically set forth independence standards and policies for Outside Directors.However, independent directors are selected based on the standards provided by the Tokyo Stock Exchange. Individuals who can serve in roles and execute duties of contributing to the Company's sustainable growth and enhancement of its medium- to long-term corporate value, who have professional knowledge needed in corporate management, who can be expected to make candid, active, and constructive contributions to discussions by the Board of Directors, and who are fully qualified, are selected as candidates for independent outsidedirector posts.

【Supplementary Principle 4-10-1 Authority and Roles of the Nomination and Remuneration Committee】

UT Group is a company with the Audit & Supervisory Committee, and the Board of Directors consists of five members including three Outside Directors (all three Outside Directors being Independent Outside Directors). All Outside Directors, including Independent Outside Directors, are Audit & Supervisory Committee Members, and they use their high expertise and rich experience to express their opinions on important matters through deliberations by the Board of Directors and provide advice where necessary.

In order to ensure the objectivity and transparency of the procedures for nominating candidates for directors and determining remuneration, and to strengthen the accountability of the Board of Directors, the Company has established the Nomination and Remuneration Committee with five members, with three Outside Directors (all three being Independent Outside Directors) making up the majority, as an advisory body of the Board of Directors, to obtain appropriate involvement and advice from Outside Directors including Independent Outside Directors.

【Supplementary Principle 4-11-1 Basic Views on the Overall balance of knowledge, experience and skills and the diversity and scope of the Board of Directors】

In order to realize the Fifth Medium-Term Business Plan, UT Group has identified the skills and other attributed to be held as a whole by the Board of Directors and has developed a skills matrix that shows the key skills, careers, and expertise of each director. The Nomination and Remuneration Committee selects candidates for directors in consideration of the number of directors and skills of each director, depending on the Company's status and business environment. Please refer to the Company's website for the skills matrix.

(https://www.ut-g.co.jp/english/ir/management/governance/)

Refer to "Principle 3-1 (iii) to (v)" concerning UT Group's views on the balance of knowledge, experience, and skills of the Board as a whole, and diversity, as well as policies and procedures for selection of directors.

【Supplementary Principle 4-11-2 Concurrent Positions of Directors and Audit & Supervisory Committee Members】

The status of concurrent positions held by Directors and Audit & Supervisory Committee Members is disclosed in the Securities Report and the Notice of the General Meeting of Shareholders every year.

At present, three Outside Directors concurrently hold a position of director of other listed companies. All three Outside Directors concurrently holds a position of director of another listed company.

The number of companies where the Directors hold concurrent position is considered reasonable and the Directors are believed to have sufficient time and energy to appropriately carry out expected roles and duties.

【Supplementary Principle 4-11-3 Overall Analysis and Evaluation of the Effectiveness of the Board of Directors】

UT Group conducts analysis and evaluation of the effectiveness of the Board of Directors to strengthen the function of the Board of Directors. For the fiscal year ended March 31, 2026, questionnaire concerning "Organization and management of the Board of Directors", "Management strategy and business strategy", "Corporate ethics and risk management", "Performance monitoring, and evaluation and compensation of management" and "Dialogue with shareholders, etc." was implemented to all Directors. (Answers were given directly to the external organization, maintaining anonymity)
The evaluation was summarized and analyzed based on the advice of the said external organization.

As a summary of the results of the analysis and evaluation, we confirmed that effectiveness of the Board is ensured. Going forward, the Board of Directors will focus on addressing the issues identified in the questionnaire results, continuously strive to ensure the effectiveness of the Board of Directors, and aim to further enhance corporate governance and continuously raise corporate value.

The results of the evaluation of the effectiveness is disclosed on the Company's website. (https://ut-g.co.jp/news/)

【Supplementary Principle 4-14-2 Policy on Directors and Directors who are Audit & Supervisory Committee Members Training】

UT Group's Directors and Audit & Supervisory Committee Members constantly and actively acquire and learn information concerning the Company's financial conditions, compliance with laws and regulations, corporate governance, and other matters. The Company appoints Outside Directors who have expert knowledge in legal affairs and risk management, human resources and talent development, M&As, corporate management, etc. They share their knowledge on laws and regulations, and other relevant matters at the Board of Directors meetings and other occasions, when appropriate.

【Principle 5-1 Policy on Constructive Dialogues with Shareholders】

UT Group's IR activities are mainly performed by the unit in charge of IR. Every quarter a video of the financial result presentation by President & Representative Director is uploaded on the website. The Company also holds meetings of outside directors and institutional investors, participates in conferences hosted by securities companies and welcomes one-on-one meetings. Information on business plans and operating conditions is proactively disclosed on the Company's website.

The division in charge of IR reports details of dialogues with shareholders and investors to the Board of Directors, when appropriate, in order for the information to be available for use in operations and management. The IR Policy, with its basic policy being to provide prompt information disclosure with transparency, fairness, and consistency, has been officially determined and is disclosed on the corporate website. The status of dialog with shareholders is disclosed in the Integrated Report posted on the Company's website. (https://www.ut-g.co.jp/ir/)

[Actions to Implement Management that is Conscious of Cost of Capital and Stock Price]

Contents Updated	Activity disclosure (Update)
Disclosure in English	Yes
Date of update Updated	June 29, 2026

Explanation of applicable items Updated

UT Group has established a leading position in the Japanese manufacturing dispatch market and has a strong client base. The Company therefore believes that it has built a revenue base that generates stable sales and profits, which are relatively resilient to the economy, thanks to the emerging and ongoing demand.
ROE has been in excess of 20% since the fiscal year ended March 31, 2024, and was 26.1% for the fiscal year ended March 31, 2026. The Company aims to maintain and improve ROE of 20% during the Medium-term Business Plan period (the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2029). The Company also aims to achieve, and will strive to sustainably increase corporate value by achieving both stable profit growth and financial soundness, setting a net D/E ratio of 0.5 times or less as a target.
In addition, the Company has strengthened the distribution of profits to shareholders, mainly through dividends, and has set a dividend payout ratio of 100% as a target of the Medium-term Business Plan. At the same time, the Company is committed to paying the minimum annual dividend of 10 yen per share (after taking into account the impact of the a 15-to-1 stock split effective January 1, 2026) even if performance falls short of the plan and strives to reduce the cost of capital.
Please see details of the Medium-term Business Plan on the following website.
https://www.ut-g.co.jp/english/ir/management/strategy/

2. Capital Structure

Foreign Shareholding Ratio Updated	10% or more and less than 20%

[Status of Major Shareholders] Updated

Name / Company Name	Number of Shares Owned	Percentage (%)
Yoichi Wakayama	135,467,670	22.71
The Master Trust Bank of Japan, Ltd. (Trust Account)	81,168,900	13.61
Custody Bank of Japan, Ltd. (Trust Account)	42,797,300	7.17
Custody Bank of Japan, Ltd. (Trust E Account)	32,406,900	5.43
Lei Hau' oli Co., Ltd.	27,258,000	4.57
STATE STREET BANK AND TRUST COMPANY 505103 (standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	8,209,335	1.38
UT Group Employee Stock Ownership Association	7,334,277	1.23
STATE STREET BANK AND TRUST COMPANY 505001 (standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	5,760,605	0.97
JP MORGAN CHASE BANK 385781 (standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	5,672,605	0.95
BNYM AS AGT/CLTS NON TREATY JASDEC (standing proxy: MUFG Bank, Ltd.)	4,318,600	0.72

Controlling Shareholder (except for Parent Company)	――
Parent Company	N/A

Supplementary Explanation Updated

1. [Status of Major Shareholders] is based on the current shareholder registry of March 31, 2026.

2. The ratio of the number of shares held is calculated after deducting treasury stock of 4,700,825 shares. The treasury shares do not include 26,451,100 shares held by the Custody Bank of Japan, Ltd. (Trust Account) as the trust assets of the "Share Granting Trust for employees".

3. Mizuho Trust & Banking Co., Ltd. and its joint holder Asset Management One Co., Ltd. filed a Change Report pertaining to the Large Shareholdings Report on February 6, 2026. However, their shareholdings are not included because UT Group has not been able to confirm the actual number of shares held as of March 31, 2026. So these companies are not included in the above Status of Major Shareholders. The status of shareholdings as of January 30, 2026 based on the Change Report pertaining to the Large Shareholdings Report is as follows.
[Name / Address / Number of shares held / Ratio of shares held]
Mizuho Trust & Banking Co., Ltd. / 1-3-3 Marunouchi, Chiyoda-ku, Tokyo / 32,422,500 shares / 5.41%
Asset Management One Co., Ltd. / 1-8-2 Marunouchi, Chiyoda-ku, Tokyo / 8,701,100 shares / 1.45%

3. Corporate Attributes

Listed Stock Market and Market Section	Prime Market of Tokyo Stock Exchange
Fiscal Year-End	March
Type of Business	Service
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1,000
Sales (consolidated) as of the End of the Previous Fiscal Year	From 100 billion yen to less than 1 trillion yen
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year Updated	Less than 10

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

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

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

1. Organizational Composition and Operation

Organization Form	Company with Audit & Supervisory Committee

[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	10
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board of Directors	President & Representative Director

Number of Directors	5
Appointment of Outside Directors	Yes
Number of Outside Directors	3
Number of Independent Outside Directors Updated	3

Relationship with the Company (1) Updated

Name	Attribute	Relationship with the Company (●)										
		a	b	c	d	e	f	g	h	i	j	k
Taisuke Igaki	From another company											
Takako Hayashi	From another company								○			
Ryuichi Ishii	From another company											

Categories for "Relationship with the Company"

- "○" when the director presently is in or recently became associated with the category;
  "△" when the director was in the category in the past
- "●" when a close relative of the director presently is in or recently became associated with the category;
  "▲" when a close relative of the director was in the category in the past

a. Executive of the Company or one of its subsidiaries
b. Executive or non-executive director of the parent company of the Company
c. Executive of another subsidiary company of the Company
d. A party whose major client or supplier is the Company or an executive thereof
e. Major client or supplier of the listed company or an executive thereof
f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides remuneration as a director/auditor
g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)
i. Executive of a company, between which and the Company outsidedirectors/auditors are mutually appointed (the director himself/herself only)
j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
k. Other

Relationship with the Company (2) Updated

Name	Audit & Supervisory Committee Member	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Taisuke Igaki	○	○	Mr. Taisuke Igaki is an Outside Director who is an Audit & Supervisory Committee Member of en Inc., Ltd. While UT Group has paid the company advertising posting fees related to job offers, the percentage of transactions for the fiscal year under review is less than 1% of the total consolidated cost of sales and SG&A expenses of UT Group.	UT Group has elected Mr. Taisuke Igaki as an Outside Director who is an Audit & Supervisory Committee Member and expects that he appropriately performs his duties because he provides advice and recommendations from the perspectives of compliance and corporate governance, utilizing his extensive experience and expertise as a specialist in corporate legal affairs and he makes appropriate and useful comments from an objective and neutral standpoint, when attending the Audit & Supervisory Committee and the Governance Review Committee and as a member of the Nomination and Remuneration Committee. While UT Group has transactions with en Inc., where he concurrently serves, as stated on the left, there are no special conflicts of interest between the company and UT Group. Mr. Igaki satisfies the requirements for independence stipulated

				by the Tokyo Stock Exchange, and UT Group has designated him as an independent officer because there is no risk of conflicts of interest with general shareholders.
Takako Hayashi	○	○	Ms. Takako Hayashi is an Executive Officer of Sumitomo Mitsui Financial Group, Inc. While UT Group has transactions of fund borrowing with Sumitomo Mitsui Banking Corporation, a subsidiary of Sumitomo Mitsui Financial Group, the amount of borrowings from the bank in the fiscal year under review accounted for less than 5% of the Company's consolidated total assets. The bank is one of the lenders and is not a lender that UT Group relies to the extent there is no alternative. Ms. Takako Hayashi is also Managing Executive Officer of Sumitomo Mitsui Card Company, Limited. While UT Group pays credit card usage fees to Sumitomo Mitsui Card, the transaction amount in the fiscal year under review accounted for less than 1% of the combined amount of consolidated cost of sales and SG&A expenses. In addition, Ms. Takako Hayashi is an Outside Director of Komori Corporation. Although UT Group has a track record of business transactions with Komori, the amount of transactions in the fiscal year under review accounted for less than 1% of consolidated net sales.	UT Group has elected Ms. Takako Hayashi as an Outside Director who is an Audit & Supervisory Committee Member and expects that she appropriately performs her duties because she provides advice and recommendations to UT Group's business based on her extensive experience and knowledge in the human resources field, including personnel system reform, workstyle reform, and diversity promotion and she makes objective, neutral, appropriate and useful comments when attending the Audit & Supervisory Committee and the Governance Review Committee and as a member of the Nomination and Remuneration Committee. While UT Group has transactions with a subsidiary of Sumitomo Mitsui Financial Group Inc. (Sumitomo Mitsui Banking Corporation), Sumitomo Mitsui Card Co., Ltd., and Komori Corporation, where Ms. Takako Hayashi concurrently serves, as stated on the left, there are no special conflicts of interest between the companies and UT Group. Ms. Hayashi satisfies the requirements for independence stipulated by the Tokyo Stock Exchange, and UT Group has designated her as an independent officer because there is no risk of conflicts of interest with general shareholders.
Ryuichi Ishii	○	○	Mr. Ryuichi Ishii is an Outside Director who is an Audit & Supervisory Committee Member of Net Protections Holdings, Inc. UT Group pays fees for the payment services provided by Net Protections, but the ratio of the transaction amount in the fiscal year under review is less than 1% of the total amount of consolidated cost of sales and SG&A expenses.	UT Group has elected Mr. Ryuichi Ishii as an Outside Director who is an Audit & Supervisory Committee Member and expects that his deep knowledge and experience in implementing AI and digital technologies will contribute to the enhancement of high-added-value of UT Group's dispatch services and of its corporate value over the medium to long term, based on his extensive track record of leading the IT digital business, in addition to his global management experience. While UT Group has transactions with Net Protections Holdings, Inc., where he concurrently serves, as stated on the left, there are no special conflicts of interest between the company and UT Group. Mr. Ishii satisfies the requirements for independence stipulated by the Tokyo Stock Exchange, and UT Group has designated him as an independent officer because there is no risk of conflicts of interest with general shareholders.

[Audit & Supervisory Committee]

Composition and Attributes of Chairperson

	All Committee Members	Full-time Members	Internal Directors	Outside Directors	Chair-person
Audit & Supervisory Committee	3	0	0	3	Outside Directors

Director and employee who assist duties of Audit & Supervisory Committee	N/A

Reasons for Adoption of the Current System

When requested by the Audit & Supervisory Committee, an employee who performs assistance to duties of the Committee will be selected and be dedicated to performing assistance to the Audit & Supervisory Committee. With regard to nomination of personnel, Directors (excluding those who are Audit & Supervisory Committee Members) exchange opinions with the Audit & Supervisory Committee and obtain its agreement.

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

Audit & Supervisory Committee regularly exchanges information and collaborates with the Accounting Auditors and the Internal Audit Division, and has meetings with the President & Representative Director as appropriate.

[Voluntary Establishment of Committee(s)]

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

Voluntary Establishment of Committee(s), Composition, and Attributes of Chairperson

	Committee's Name	All Committee Members	Full-time Members	Internal Directors	Outside Directors	External Experts	Others	Chair-person
Committee Corresponding to Nomination Committee	Nomination and Remuneration Committee	5	0	2	3	0	0	Outside Directors
Committee Corresponding to Remuneration Committee	Nomination and Remuneration Committee	5	0	2	3	0	0	Outside Directors

Supplementary Explanation

Although the Company is not a company with a nomination committee and other committee's system prescribed in the Corporate Law, it has established a voluntary Nomination and Remuneration Committee as an advisory body of the Board of Directors. The Committee aims to ensure the transparency and objectivity of the procedures for nomination of candidates for Directors and Audit and Supervisory Committee Members and their remuneration, and to strengthen the accountability of the Board of Directors.

[Independent Directors]

Number of Independent Directors Updated	3

Matters relating to Independent Directors

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[Incentives]

Implementation Status of Measures Involving the Provision of Incentives to Directors	Introduction of Performance-based Remuneration and the Stock Option Program

Supplementary Explanation Updated

[Overview of the Performance-based Remuneration System]
UT Group has introduced a performance-based remuneration system, which is described later in this report in the "Director Remuneration" section, "Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods."

[Outline of the stock option system]
At the meeting of the Board of Directors held on May 20, 2020, the Board of Directors resolved to issue stock acquisition rights for a fee to directors, executive officers and employees of the Company and its subsidiaries.
As of May 31, 2026, the number of stock acquisition rights is 72,232 and the class, content and number of shares to be issued upon exercise of stock acquisition rights are 108,348,000 common shares. The amount to be paid upon exercise of the stock acquisition rights is 124 yen per share, and the period to exercise stock acquisition rights is from May 1, 2021 to April 30, 2028.
The issue price of the shares shall be 124 yen upon exercise of the stock acquisition rights.
Please refer to the Securities Report for details. The conditions for the exercise of stock acquisition rights are as follows:

1. Stock Acquisition Rights holders may exercise the Stock Acquisition Rights in each fiscal year between the fiscal year ended March 31, 2021 and the fiscal year ending March 31, 2027, provided they meet one of the conditions listed in each of the following items:
(1) If the EBITDA is 15 billion yen or higher in any fiscal year between the fiscal year ended March 31, 2021 and the fiscal year ending March 31, 2024
(2) If the EBITDA is 20 billion yen or higher in any fiscal year between the fiscal year ended March 31, 2021 and the fiscal year ending March 31, 2025
(3) If the EBITDA is 30 billion yen or higher in any fiscal year between the fiscal year ended March 31, 2021 and the fiscal year ending March 31, 2027

EBITDA as stated above is the sum of the operating profit of the Company's consolidated income statement, which has been audited, as stated in the Securities Report submitted by the Company and the depreciation costs (including goodwill amortization costs) stated in the consolidated cash flow statement of the Report. In determining the amount of EBITDA, the amount of operating profit in the consolidated statements (or profit/loss statements if the consolidated financial statements have not been prepared) stated in the Company's Securities Report plus depreciation costs (including goodwill amortization costs) on the Company's consolidated cash flow statements shall be used for reference. If stock remuneration expenses which are related to the stock acquisition rights are generated, it shall be excluded from the calculation of EBITDA. The amount of EBITDA that is applicable from the time the relevant Securities Report is submitted shall be applied. In addition, in the event that there is a significant change in the concept of numerical values to be referenced due to the application of international financial reporting standards, etc., the Company shall, to a reasonable extent, establish indicators to be referenced separately by the Board of Directors.

2. The stock acquisition rights holders shall, even at the time of the exercise of the stock acquisition rights, are required to be directors, corporate auditors, executive officers or employees of the Company or its affiliates (which refer to related companies as stipulated in the rules of the terms, style, and preparation method of the Company’s financial statements and other documents). However, this shall not apply if the Company's Board of Directors has approved the holders who retire due to expiration of their term of office or reaching mandatory retirement age or other legitimate reasons.

3. If the stock acquisition rights holder has died (only if the holder meets the requirements set forth in (2) above), only one of the heirs of the holder (hereinafter referred to as the "successor of the rights") may exercise all succeeded stock acquisition rights in a lump during the exercise period of the stock acquisition rights. In the event that the successor of the rights has died, the successor of the successor may not further succeed to acquisition of the stock acquisition rights. The requirements set forth in (2) above do not apply to successors of rights.

4. If the total number of issued shares of the Company exceeds the number of authorized shares at that time by exercising the Stock Acquisition Rights, the exercise of such Stock Acquisition Rights may not be performed.

5. No less than one (1) exercise of each Stock Acquisition right is permitted.

Recipients of Stock Options	Internal directors, Employees, Directors of subsidiaries, Employees of subsidiaries, and Others

Supplementary Explanation Updated

In pursuit of expanding the Company’s long-term corporate value and with the objective of strongly elevating motivation and morale of directors and employees of the Company and its subsidiaries and strengthen their commitment to growth in business performance, the Company has issued stock acquisition rights to directors, executive officers, and employeesof the Company and its subsidiaries in exchange for cash consideration. The number of recipients of Stock Options was 36 as of May 31, 2026

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[Director Remuneration]

Disclosure of Individual Directors' Remuneration	Individual Directors' Remuneration are not disclosed.

Supplementary Explanation Updated

The amount of remuneration in total and by type, and the number of recipients

Category	Total remuneration (million yen)	Basic remuneration (million yen)	Performance-based remuneration	Non-monetary remuneration	Number of recipients
Directors (excl. Audit and Supervisory Committee Members) (of Outside Directors)	60 -	60 -	-	-	2 0
Directors (Audit and Supervisory Committee Members) (of Outside Directors)	25 25	25 25	-	-	3 3
Total (of Outside Officers)	85 25	85 25	-	-	5 3

1. At the 15th Annual General Meeting of Shareholders, held on June 25, 2022, the maximum amount of remuneration for directors (excluding directors who are Audit and Supervisory Committee members) was resolved to be within 500 million yen per year. (for two directors (excluding directors who are Audit and Supervisory Committee members) after the Annual General Meeting of Shareholders. However, employee salaries are not included.)

2. At the 15th Annual General Meeting of Shareholders, held on June 25, 2022, the maximum amount of remuneration for directors who are Audit and Supervisory Committee members was resolved to be within 100 million yen per year (for four directors who are Audit and Supervisory Committee members after the Annual General Meeting of Shareholders).

Reason why the Board of Directors has determined that the individual remuneration and other remuneration for directors for the fiscal year ended March 31, 2025 was in line with the policy:

The Board of Directors has determined that the individual remuneration and other remuneration for directors (excluding directors who are Audit and Supervisory Committee Members) for the fiscal year under review was in line with the policy as the Board of Directors had confirmed that the calculation methods of remuneration amounts and the remuneration amounts were consistent with the policy which had been resolved in the Board of Directors' meeting as well as the report from Nomination and Remuneration Committee was esteemed. In addition, the Audit and Supervisory Committee has expressed its opinion that the procedures for determining remuneration for directors in the fiscal year under review are appropriate, and that the details of remuneration, etc. are appropriate based on the remuneration system and the calculation method of remuneration, etc.

Policy on Determining Remuneration Amounts and Calculation Methods Updated	Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

UT Group's Board of Directors resolved at the meeting to adopt a policy regarding the amount of remuneration, etc. of Directors (excluding Directors who are Audit and Supervisory Committee Members. Same in 1. to 6 below.), and the method of calculation, as follows.

1. Basic Policy

The remuneration for directors and executive directors of the Company shall consist of basic, performance-based, and non-monetary remuneration based on the rating table set forth in the rule, in accordance with the Rules of Remuneration for Directors and Audit and Supervisory Committee Members. The monetary remuneration for executive directors consists of basic remuneration as fixed remuneration and performance-related remuneration. The monetary remuneration for outside directors who are Audit and Supervisory Committee members shall be only basic remuneration from the viewpoint of maintaining independence and objectivity. Non-monetary remuneration shall be paid as appropriate based on the resolution of the General Meeting of Shareholders.

2. Policy concerning the determination of the amount and timing or conditions of the granting of the basic remuneration for individual director

The basic remuneration shall be a fixed monetary remuneration subject to the execution of the business. The amount of basic remuneration shall be determined within the scope of the resolution of the general meeting of shareholders, based on the resolution of the Board of Directors.

3. Policy concerning the performance indicators relating to performance-based remuneration, the amount or calculation method of performance-based remuneration, and the determination of the timing or conditions of granting remuneration

Performance-based remuneration is a cash remuneration based on an indicator of the status of the profits set forth in Article 34, Paragraph 1, Item 3 of Japan's Corporation Tax Act. Provided that the internal goals set forth at the beginning of the fiscal year are achieved, the amount is determined according to the following method and paid in June each year.

(1) The maximum amount of performance-based remuneration is 3% (omitting fractions of less than one yen) of "net profit attributable to owners of the parent" for the consolidated fiscal year (hereinafter referred to as "consolidated net profit").

(2) From the total amount calculated by (1), the allocation method will be determined according to the individual achievement of the performance of the executive directors.

(3) Performance-based remuneration shall not be paid when the externally-announced budget is not met or when the consolidated net profit does not meet the level specified at the beginning of the fiscal year. In the event that a scandal by an officer subject to remuneration is discovered, the performance-based remuneration for the period during which the conduct occurred shall be refunded. If a scandal is discovered prior to the payment, the performance-based remuneration shall not be paid for the period during which the conduct occurred.

4. Policy regarding the determination of non-monetary remuneration and the method for calculating the amount or number of non-monetary remuneration

Non-monetary remuneration shall be determined by a resolution of a general meeting of shareholders, and, if necessary, the Board of Directors shall resolve adoption of a policy concerning the decision on the contents of individual remuneration, etc. of the Directors based on the said policy, and shall be paid in accordance with the necessary procedures.

5. Policy concerning the determination of the ratios of basic remuneration, performance-based remuneration, and non-monetary remuneration in relation to the individual remuneration for directors

The ratios of remuneration by type shall be determined by taking into account the position and responsibilities of the individuals, trends of other companies of similar business size as the Company, and the monetary amount of each type of remuneration.

6. Matters relating to decisions concerning the individual remuneration, etc. of Directors

Concerning the amount of remuneration for individual directors shall be determined, based on the resolution of the Board of Directors.

[Supporting System for Outside Directors]

Concerning important meetings such as of the Board of Directors and of the Audit and Supervisory Committee, relevant documents are sent in advance to Outside Directors in order to enable them to fully deliberate on important matters at the meetings.
There is no dedicated staff who support Outside Directors but those in relevant departments support them whenever necessary.

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

1. Board of Directors

The Company appoints external directors who shall contribute to the Group's achievement of sustainable growth and medium- to long-term increase in corporate value and have no vested interest in the Company. The Board of Directors is comprised of five Directors, including two Directors (excluding those who are Audit and Supervisory Committee Members) and three Directors who are Audit & Supervisory Committee Members. The Board of Directors is chaired by Representative Director and has the authority to decide execution of operation of the Company and its Group, and to supervise execution of duties by directors. With the aim of clarifying the responsibilities of directors and establishing a structure with an agile board of directors, the term of office for directors has been set as one year (the term of office for those who are Audit & Supervisory Committee Members has been set as two years). The Board of Directors oversees the Company's management by holding a regular meeting once a month as well as extraordinary meetings on an as-needed basis.
In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, UT Group has entered into an agreement with Outside Directors to limit their liability for damages set forth in Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability for damages based on such agreements is within the limits stipulated by laws and regulations. Such limitation of liability is permitted only when the Outside Director performs his/her duties in good faith and without gross negligence.

2. Audit and Supervisory Committee

The Company became a company with an Audit and Supervisory Committee to further strengthen the supervisory function of the Board of Directors, enhance the corporate governance system, and increase corporate value. Audit and Supervisory Committee, comprised of three Audit and Supervisory Committee Members who are Outside Directors, holds monthly meeting and objectivity and neutrality for business supervisory functions are ensured.
Audit and Supervisory Committee performs effective audits in consideration of the environment such as company size, industry, management risks and other company-specific audits based on "the Audit Standards of Audit and Supervisory Committee" and "the Implementation Standards of Audit and Supervisory Committee Audit on Internal Control System". In addition, the Company has established the system that maintains close cooperation with Internal Audit Division and other departments in charge of monitoring function in internal control system.

3. Nomination and Remuneration Committee

The Company has established a Nomination and Remuneration Committee as a voluntary advisory entity serving the Board of Directors, with the aim of ensuring transparency and objectivity in the procedure to designate candidates for positions of Director, Audit and Supervisory Committee member, Executive officer and Executive officer of important subsidiary as well

as remuneration for Directors, and of enhancing accountability of the Board of Directors for selection and dismissal process of Chief Executive Officer and other officers and succession planning and supervision of Chief Executive Officer and other officers. The Nomination and Remuneration Committee, chaired by an Outside Director,designates persons who shall contribute to the Group's sustainable growth and medium- to long-term increase in corporate value and refers the candidates to the Board of Directors.

4. Compliance Risk Management Conference

The UT Group Compliance Risk Management Conference, chaired by the lead person in charge of the compliance division and with participation by an outside lawyer among others, is held once a month as an advisory entity serving the Board of Directors. The Conference discusses compliance policy and action plans of the Company and its Group, studies requirements for ensuring legal compliance and fair execution of duties, does research on violation of laws, regulations, and internal rules, and establishes recurrence prevention measures. In addition, the Conference identifies types of risks of the Company and its Group to be controlled, controls and evaluates these risks, calls for measures to prevent risk emergence, and, in the event of risk emergence, to minimize loss and establish recurrence prevention measures.

5. IT Investment Committee

The Company has established an IT Investment Committee as an advisory entity serving the Board of Directors, with the two aims of determining and discussing rationality of IT investments of the Company and its group companies from an immediate- and medium-term operational perspective, and of making of decisions on them. The IT Investment Committee, chaired by the lead person of division in charge of finance and accounting, is comprised of outside IT experts and Full-time Directors. Discussions include studying of IT system solutions for management issues, appropriateness of investment decisions, and post-investment checking of effects.

6. Management Committee

The Management Committee, which is chaired by the President and Representative Director and is comprised of Full-time Directors and Executive Officers, is held based on an annual schedule. In the Committee, the status of execution and issues of importance concerning execution of duties by Executive Officers are reported, and specific execution methods are resolved regarding policies for matters discussed by the Board of Directors and basic management policies resolved at the Board of Directors meetings. The Company's subsidiaries are managed and controlled by concurrently assigning the Company's Executive Officers as Directors of the Company's Group Companies and by making the subsidiaries' important matters, including business strategy and business plans, which are based on the Company Group Policy, require prior approval of the Company at the Management Committee and other places.

7. Governance Council

The Company holds a Governance Council meeting, in principle semiannually, with the aim of comprehensively checking and improving supervision by the Board of Directors, auditing by Audit and Supervisory Committee, internal audits, etc., and enhancing governance. The Governance Council is comprised of four Outside Directors who are Audit & Supervisory Committee Members, who share information concerning corporate governance, exchange opinions, and submit proposals to the Board of Directors, as advisable or needed.

8. Internal Audit Division

The Internal Audit Division, which is positioned under the direct control of the Representative Directors, examines and evaluates compliance and efficiency of the status of corporate organization establishment and business management of the entire Group, based on the internal control plan, and reports the results to the Representative Directors, Board of Directors, and Audit & Supervisory Committee. The Internal Audit Division also cooperates with Audit & Supervisory Committee to audit effectiveness of governance and the internal control system of the entire Group.

9. Executive Officer System

The Company has adopted an Executive Officer System in order to separate business supervisory functions and business execution functions. The Company enhances business supervisory functions by granting a part of the Board of Directors' decision-making authority of business execution to Executive Officers. In order to promote agile business execution by Executive Officers, put the authority system and decision-making rules in proper place, and establish internal check functions, the division of duties and divided matters of the organization are regularly reviewed, clarifying the authority and responsible person of each unit.

10. Accounting Audit

The Company has concluded an accounting audit agreement with GYOSEI & CO.
The names of certified public accountants who performed the accounting audit duties, and the breakdown of assistance for the audit duties are as follows:

(1) Name of certified public accountants who performed the duties
Designated Limited Liability Partner & Engagement Partner: Satoshi Ogawa
Designated Limited Liability Partner & Engagement Partner: Takahiro Miki
(2) Assistants for the audit duties of the Company comprise seven certified public accountants and six assistants who passed the CPA examination.

3. Reasons for Adoption of the Current Corporate Governance System Updated

The Company became a company with an Audit & Supervisory Committee to further strengthen the supervisory function of the Board of Directors, enhance the corporate governance system, and increase corporate value. Audit & Supervisory Committee, comprised of three Outside Directors with professional advanced knowledge, ensures objectivity and neutrality for business supervisory functions and is therefore deemed to contribute to enhancing the corporate governance system.

In addition, the Company has adopted a system of two representative directors, striving to speed up decision-making and strengthen business execution functions. By realizing independent management in each business, the Company is

promoting transformation into an organization that maximizes the value provided. Through these efforts, the Company will fundamentally review the "one-time relationship with employees, from joining the Company to leaving it," aim to build a foundation for sustainable business growth through human capital investment, and realize the Fifth Medium-Term Business Plan.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights Updated

	Supplementary Explanation
Early Notification of General Shareholder Meeting	The notice is dispatched prior to the day of the Annual General Meeting of Shareholders to ensure sufficient time for shareholders to review the matters.
Scheduling the Annual General Meeting of Shareholders to Avoid the Peak Day	The Meeting is held on a Saturday, avoiding the peak day and facilitating attendance by many shareholders.
Allowing Electronic Exercise of Voting Rights	The Company has adopted a system for exercising voting rights via the Internet.
Measures to Improve the Voting Environment of Institutional Investors Such as Participation in Electronic Voting Platform	The Company has been utilizing the electronic voting platform for institutional investors operated by Investors Communications Japan, Inc.(ICJ).
Providing Convocation Notice (Summary) in English	The convocation notice in English is posted on the Company's website and on the website of the Tokyo Stock Exchange.

2. IR Activities Updated

	Supplementary Explanation	Presentation made by the representative
Preparation and Publication of Disclosure Policy	The Company has established its IR Policy and has posted it on the website. The Company is pledged to provide information to shareholders in a timely manner, based on transparency, fairness, and consistency. It also aggressively and fairly discloses information which is considered useful for shareholders, investors, and other stakeholders in understanding the Company.	
Regular Investor Briefings for Individual Investors	Financial Results Briefing Videos for investors including individual investors have been posted quarterly on the website. In addition, after the general meeting of shareholders held in June, briefings for shareholders are held.	Yes
Regular Investor Briefings for Analysts and Institutional Investors	In principle, at the time of interim and year-end financial account settlements, the Company holds financial results briefings for analysts and institutional investors, and the President & Representative Director explains business strategies in addition to financial results. In case of other quarterly financial results, a video of the financial result presentation by the President & Representative Director is uploaded on the website. A briefing is also conducted as needed when the Company announces a medium-term business plan or other new business plans.	Yes
Regular Investor Briefings for Overseas Investors	The Company participates in small meetings hosted by securities companies and the President & Representative Director attends and makes presentations on business strategy. The Company also receives one-on-one visits by overseas investors.	Yes
Posting of IR Materials on Website	The IR information, including the Summary of Financial Statements, Financial Results Briefing Material, Securities Report, and Reports to Shareholders, are posted on the Company's website.	

Establishment of Department (staff) in Charge of IR	The Corporate Communication Function, headed by the Executive Officer in charge, has been set up, and dedicated staff in charge have been assigned.

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Stipulation of Internal Rules for Respecting the Position of Stakeholders	The Company has established the UT Group Compliance Code of Conduct to ensure due respect for stakeholders. It strives to realize sound, transparent corporate management.
Implementation of Environmental Activities, CSR Activities etc.	With the aim of realizing the Company's mission, "Create vigorous workplaces empowering workers," the Company has established its "Basic Sustainability Policy" and strives to help create a sustainable society. The Company also established the Basic Environmental Policy and intends to be engaged in business activities in consideration of the environment.
Development of Policies on Information Provision to Stakeholders	Based on the belief that obtaining trust from stakeholders and society is essential for the continuation and expansion of its business, the Company's "Basic Policy on Corporate Governance" stipulates that it discloses highly transparent information and communicates appropriately. In addition, the Company has established the "Basic Policy on Stakeholder Engagement" and is working on communication activities and appropriate collaboration with stakeholders.

IV. Matters Related to the Internal Control System

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

1. Basic Views on Internal Control System and the Progress of System Development
The Company considers strengthening Internal Control System as an important management issue and, under the "Basic Policy on Internal Control System," strives to ensure the compliance with laws and regulations, effectiveness and efficiency of business operation and transparency of management by maintain appropriate business processes of the entire Company's group.

Details of the "Basic Policy on Internal Control System" are as follows:

1. System to ensure execution of duties by Directors and employees of the Company in conformity with laws and regulations and the Articles of Incorporation of the Company

(1) Important matters concerning execution of business that may affect the Company and its entire Group are identified and discussed at the Board of Directors meeting. The President & Representative Director reports the status of business execution of the Company and matters deemed important to the Board of Directors. In addition, Outside Directors are selected to maintain and enhance supervisory functions concerning execution of duties by Directors.

(2) The UT Group Compliance Risk Management Conference, chaired by the lead person of division in charge of the compliance division and with participation by an outside lawyer among others, has been established as an advisory entity serving the Board of Directors. The Conference discusses compliance policy and action plans of the Company and its Group, studies matters needed to ensure legal compliance and fair execution of duties, does research on violation of laws, regulations, and internal rules, and establishes recurrence prevention measures.

(3) The "Code of Conduct" and the "UT Group Compliance Code of Conduct" stipulate appropriate actions to comply with laws and regulations, social norms, internal rules and other rules to be taken. The Company strives to make officers and employees of the Group to be well aware of this and comply with it.

(4) Concerning promotion of compliance, the Company has established the UT Group Compliance Manual. Officers and employees of the Company and its Group Companies attend seminars and other events and are instructed to perform duties and management by taking compliance as one of their own issues in their respective position.

(5) A whistle-blower system has been established to enable consulting on possible or actual organizational or individual legal violations or fraudulent acts and to appropriately handle the information. By making use of the system, the Company endeavors to prevent scandals caused by fraudulent and other acts, detect problems early, and become more agile in improving its ability to govern itself.

(6) The Internal Audit Division has been established to examine, evaluate, and report the status of corporate organization establishment and compliance, effectiveness and efficiency of business management to maintain and improve internal control.

2. System to ensure the preservation and management of information related to execution of duties by Directors

(1) The minutes of the Board of Directors meetings and related materials are properly preserved and managed in accordance with laws and regulations as well as the Company's Document Management Regulations and Board of Directors Regulations.

(2) Concerning information management and periods of retention, the Information Security Management Regulations and the UT Group Compliance Manual have been established to put in place a system to retain and manage information.

3. Regulations and other organizational structures to manage risk of losses

(1) The UT Group Compliance Risk Management Conference determines the types of risks of the Company and its

Group to be managed, controls and evaluates these risks, takes steps to prevent risk emergence, and, in the event of risk emergence, minimizes loss and establishes recurrence prevention measures.

(2) In case of an emergency, the Company takes prompt, appropriate action in accordance with the Rules Concerning Emergency Response, which aims at minimizing damage. An emergency headquarters, led by the President & Representative Director, will be in charge of crisis management.

4. System to ensure efficient execution of duties by Directors of the Company

(1) A regular Board of Directors meeting is held once a month and an extraordinary Board of Directors meeting is held as needed; all are to decide on important matters and supervise the execution of duties by Directors among other activities.

(2) The Company has defined resolution matters and reporting matters of the Board of Directors meeting in the Board of Directors Regulations, and responsibility and authority of each organization and each job position concerning execution of duties in the Job Position Authority Regulations.

(3) The Company has also adopted an Executive Officer System to separate business supervisory functions and business execution functions and improve effectiveness of the Board of Directors by granting a part of the Board of Directors' decision-making authority of business execution to Executive Officers.

(4) In the Management Committee, which is chaired by the President & Representative Director and is comprised of Full-time Directors and Executive Officers, important matters concerning execution are discussed.

5. System to ensure appropriate operations of a corporate group that consists of the Company and its subsidiaries

(1) As a holding company that controls the business of its Group, the Company appropriately exercises rights of shareholders to its subsidiaries from the perspective of maximizing corporate value of its Group. The Company also regularly receives reporting from its subsidiaries on their status of management, execution of duties, and financial position, in accordance with the "Management Regulations of Subsidiaries and Affiliates," and the Management Committee confirms whether Directors of Group Companies efficiently execute their duties.

(2) With regard to management of the Company's subsidiaries, Directors of the Company's Group Companies who concurrently serve as the Company's Executive Officers, or Directors of the Company's Group Companies who are elected by the Company ensure that the Company's prior approval is required for the subsidiaries' important matters, including business strategy and business plans, which is based on the Company Group Policy. In principle, a subsidiary of the Company's subsidiary is managed and controlled through the subsidiary.

(3) The UT Group Compliance Risk Management Conference is in charge of and promotes compliance of the entire Company Group, and the Company's Internal Audit Division audits its subsidiaries in accordance with the Management Regulations of Subsidiaries and Affiliates and the Internal Audit Regulations and from the perspective of matching with laws and regulations, the Articles of Incorporation, internal rules, and other rules.

(4) The Code of Conduct, UT Group Compliance Code of Conduct, and UT Group Compliance Manual have been adopted by the entire Company Group. The Company strives to make Directors and employees of the Group Companies to be well aware of taking appropriate actions in compliance with laws and regulations, social norms, internal rules and other rules.

6. Matters concerning the Director and employee who assist duties of the Audit & Supervisory Committee; matters concerning independence of the Director and employee from Directors (excluding those who are Audit & Supervisory Committee Members); and matters concerning securing effectiveness of instructions to the employee

(1) When requested by the Audit & Supervisory Committee, an employee who performs assistance to duties of the Committee will be selected and be dedicated to performing assistance to the Audit & Supervisory Committee. With regard to nomination of personnel, Directors (excluding those who are Audit & Supervisory Committee Members) exchange opinions with the Audit & Supervisory Committee and obtain its agreement.

(2) Directors (excluding those who Audit & Supervisory Committee Members) do not have the authority to issue orders to the employee who performs assistance. The employee follows orders from the Audit & Supervisory Committee.

(3) Disciplinary action to the employee who performs assistance needs to be agreed by the Audit & Supervisory Committee.

7. System for Directors and employees of the Company to report to the Audit & Supervisory Committee and systems for others to report to Audit & Supervisory Committee

(1) In order to understand important decision-making processes and the status of execution of duties, Audit & Supervisory Committee Members attend the Board of Directors meetings and other important meetings, inspect major requests for approval and other important documents concerning execution of duties, and request explanation to Directors and employees as needed.

(2) The Audit & Supervisory Committee collaborates with the Accounting Auditors by receiving briefings on accounting audit details and exchanging information.

(3) The Audit & Supervisory Committee can request reporting on execution of duties to Directors and employees of the Company's subsidiaries, who in turn shall promptly respond to the request. The Company makes Directors and employees of the Company's subsidiaries to be well aware of this point. In case they detect a violation to laws and regulations or its possibility, they promptly report it to the Audit & Supervisory Committee.

(4) Concerning information on the whistle-blower system common to the Company and its Group Companies, departments in charge regularly report to the Audit & Supervisory Committee.

(5) The Company prohibits any party from treating the whistle blower to the Audit & Supervisory Committee in any manner disadvantageous on the grounds of the whistle-blowing disclosure and seeks that Directors and employees be well aware of this point.

8. Matters concerning policy on procedures for expenses arising from performance of duties of the Company's Audit & Supervisory Committee Members

Directors (excluding those who are Audit & Supervisory Committee Members) cooperate with audit by Audit & Supervisory Committee Members and budget a certain amount for the payment of expenses and other costs arising from the auditing to secure its effectiveness.

9. Other arrangements to ensure that audits by the Audit & Supervisory Committee is conducted effectively

(1) Audit & Supervisory Committee Members audit execution of duties by Directors and Executive Officers based on the Audit & Supervisory Committee's Auditing Standards and according to the audit plan.
(2) Audit & Supervisory Committee Members attend the Board of Directors meetings and other important meetings, and provide their opinions as needed.
(3) Audit & Supervisory Committee Members regularly exchange information and collaborate with the Accounting Auditors and the Internal Audit Division, and have meetings with the President & Representative Director as appropriate.

10. System to ensure credibility in financial reporting
(1) In order to ensure appropriate accounting treatment and improve credibility in financial reporting, the Company has adopted diverse types of regulations concerning accounting operations, has assigned an Officer in charge concerning information disclosure, and strives to put in place an internal control system concerning financial reporting and to enhance its effectiveness.
(2) The Audit & Supervisory Committee conducts audits concerning internal control related to financial reporting, in accordance with the Audit & Supervisory Committee's Audit Performance Standard Concerning Internal Control System.
(3) In case that the Audit & Supervisory Committee determines that the internal control related to financial reporting does not address significant risks, the Committee points it out to Officers in charge of finance in a timely and appropriate manner, and ask for improvement as is deemed necessary.

2. Basic Views on Eliminating Anti-Social Forces and arrangements

As a part of systems to ensure appropriateness of operation, the Company's basic views on eliminating anti-social forces are clearly stated as follows and the systems are established.

1. Basic views on eliminating anti-social forces

As a basic policy, the Company Group is determined to stand against anti-social forces that threaten civil society and eliminate any relationship with them. The Group prohibits all Directors and employees to use anti-social forces and any individual or group that is related to them, and to be related with them in any way, including provision of money and cooperation.

2. Arrangements for eliminating anti-social forces

(1) The Company has adopted the UT Group Compliance Manual, which calls for elimination of any relationship with anti-social forces and strives to make Directors and employees of the Group to be well aware of and comply with it.

(2) The Company and its Group Companies have stipulated in the Standard on Eliminating Anti-Social Forces and the Detailed Rules on Investigating and Eliminating Anti-Social Forces measures needed to eliminate anti-social forces from all activities including contracts exchanged by the Company and its Group Companies.

(3) In case that the Company is contacted by anti-social forces, the Company's department in charge is prepared to deal with it in cooperation with police and lawyers.

V. Other

1. Adoption of Anti-Takeover Measures (takeover defense measures)

Adoption of Anti-Takeover Measures (takeover defense measures)	Not adopted

Supplementary Explanation

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2. Other Matters Concerning Corporate Governance System

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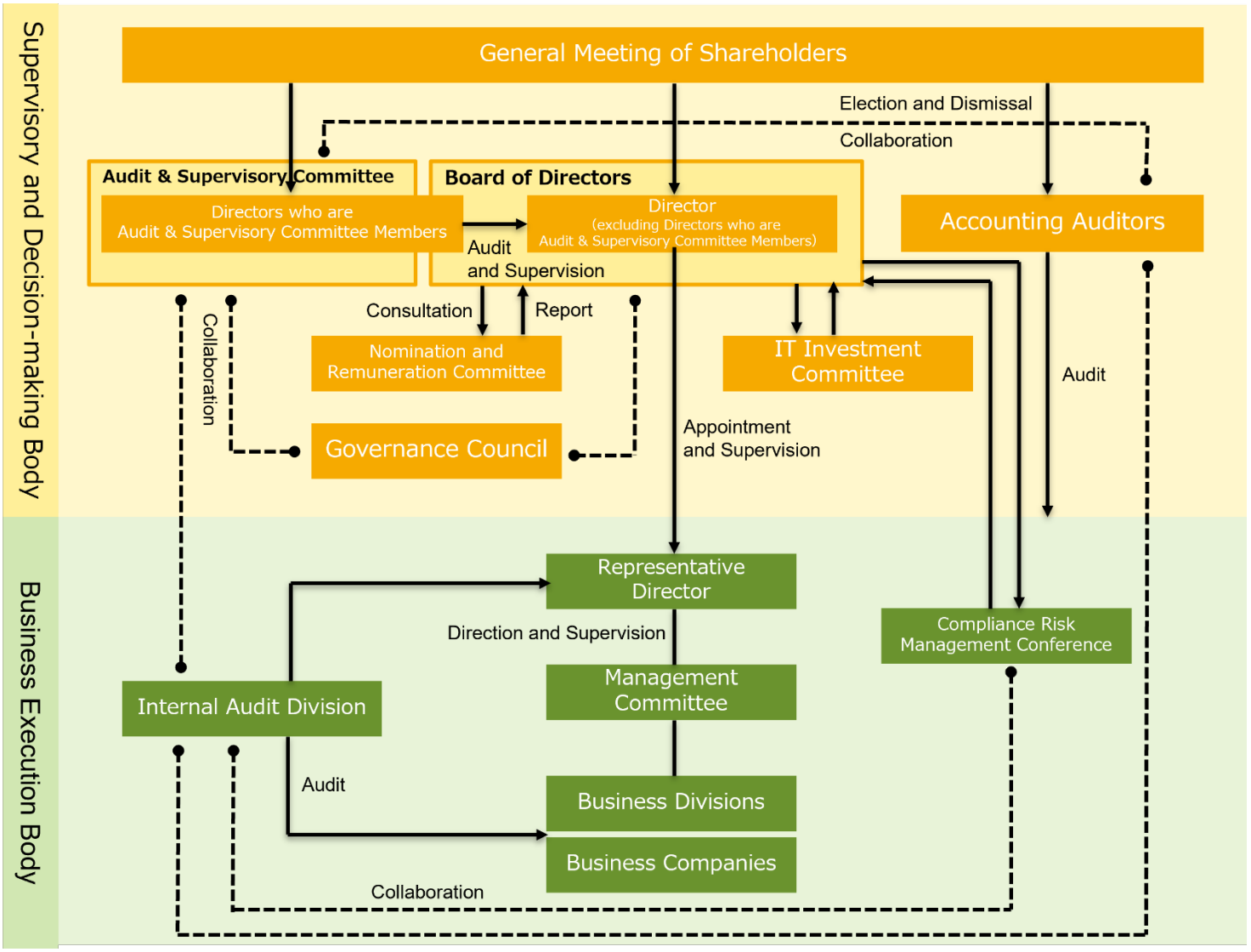
Corporate Governance System


Supervisory and Decision-making Body
Business Execution Body
General Meeting of Shareholders
Election and Dismissal
Collaboration
Audit & Supervisory Committee
Directors who are Audit & Supervisory Committee Members
Board of Directors
Director (excluding Directors who are Audit & Supervisory Committee Members)
Accounting Auditors
Audit and Supervision
Consultation
Report
Collaboration
Nomination and Remuneration Committee
IT Investment Committee
Audit
Governance Council
Appointment and Supervision
Representative Director
Direction and Supervision
Compliance Risk Management Conference
Management Committee
Internal Audit Division
Audit
Business Divisions
Business Companies
Collaboration

Outline of the Timely Disclosure Structure

