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Last Update: July 2, 2026
LIFEDRINK COMPANY, INC.
Kuniaki Okano, President & Representative Director
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I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Key Information

1. Basic Views

Our company values the corporate philosophy of Center of Deliciousness, Foremost Reassurance. Based on this philosophy, we respect all stakeholders and are committed to enhancing long-term and sustainable corporate value. Going forward, to continue earning the trust of all our stakeholders, we will work to strengthen corporate governance by ensuring corporate soundness and transparency, and by establishing an internal system that enables prompt, rational decision-making and efficient business execution.

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

【Principle 2-4① Ensuring Diversity in the Promotion of Core Human Resources】

＜Thoughts on Ensuring Diversity＞

We believe that the active participation of diverse talents—regardless of nationality, gender, or mid-career hiring—is essential for sustainable growth and long-term enhancement of corporate value. In recruiting core personnel, we assess candidates based on their capabilities relevant to the expected roles.

＜Voluntary and Measurable Goals for Ensuring Diversity＞

In line with the above approach, we will promote the creation of a workplace environment where diverse talents can thrive. However, at this point, we have not set measurable goals.

＜Current Status of Diversity＞

As of the end of March 2026, women hold 19% of management positions, the percentage of mid-career hires is 100%, and the percentage of foreign nationals is 1%.

【Supplementary Principle 4-1③ Succession Planning for the CEO and Other Key Executives】

Currently, our company does not have a specific plan for the succession of the CEO. However, we recognize that establishing a succession plan is a critical issue for achieving long-term and sustainable enhancement of corporate value, and discussions have commenced within the Nomination and Compensation Committee. While assessing the rapidly changing social and economic conditions, we will recommend the most suitable candidates for addressing current management challenges to the Board of Directors. The final decision will be made by the Board of Directors after deliberation by the Audit and Supervisory Committee and recommendations from the Nomination and Compensation Committee.

Disclosure Based on each Principle of the Corporate Governance Code 【Update】

【Principle 1-4 Policy on Holding Shares】

Our company defines policy investment shares as those that contribute to enhancing our corporate value, based on the necessity of our business strategy and the maintenance and strengthening of business relationships. We do not hold any shares outside of this definition. We will verify the rationality of our shareholdings, including the types of shares, number of shares, and holding ratios, annually and report to the Board of Directors. Regarding the exercise of voting rights for policy investment shares, we will comprehensively judge whether the proposals contribute to the mid- to long-term enhancement of corporate value and sustainable growth by carefully examining the contents of the proposals and will exercise our voting rights appropriately.

【Principle 1-7 Transactions with Related Parties】

To avoid harming the joint interests of the company and shareholders in transactions with directors and major shareholders, we will discuss the rationality and appropriateness of such transactions with the Board of Directors and obtain approval. For ongoing transactions, we will monitor the rationale for their continuation (business necessity) and the appropriateness of the transaction terms.

【Principle 2-6 Functioning as an Asset Owner of Corporate Pensions】

As part of employee welfare, our company introduced a defined contribution pension plan in July 2023. While we are not involved in the management of corporate pension reserves as an asset owner, we provide employees with education and training on asset management.

【Principle 3-1 Enhancement of Information Disclosure】

(i) Information regarding our corporate philosophy and business strategy is disclosed on our website, in earnings presentation materials, and in annual securities report.
(ii) Our fundamental approach to corporate governance and basic policy are outlined in this report under "I.1. Basic Views" and on our company website.
(iii) Information on the compensation of directors is provided in this report under "II.1. [Director Compensation] Disclosure of the Amount and Determination Policy of Compensation."
(iv) When selecting directors and Audit and Supervisory Committee members, we aim to propose individuals with excellent character, insight, capabilities, and rich experience, alongside a strong ethical standard, who will actively contribute to the sustainable growth and long-term enhancement of corporate value. The selection process is determined by a resolution of the Board of Directors following consultation and recommendations from the Nomination and Compensation Committee. Furthermore, if a director or Audit and Supervisory Committee member engages in acts that violate laws or articles of incorporation, or actions that significantly damage the company's corporate values, the Board will deliberate on their dismissal and may propose it at the shareholders' meeting if necessary.
(v) The reasons for the appointment and dismissal of executive directors, as well as individual reasons for selecting directors (including Audit and Supervisory Committee members), are disclosed in reference materials for the notice of the shareholders' meeting. In the event of the dismissal of a director (including Audit and Supervisory Committee members), we will provide an explanation in the notice of the shareholders' meeting.

【Supplementary Principle 4-1① Overview of the Scope of Delegation to Management】

We have established "Board of Director Regulations" that specify matters to be deliberated by the Board in accordance with laws and regulations. Additionally, the "Authority Regulations" and "Organizational and Business Assignment Regulations" outline the decision-making authority that the Board of Directors and decision-makers can exercise for each business item, thereby defining the scope of delegation for business execution.

【Principle 4-9 Independence Criteria and Qualities of Independent Outside Directors】

When appointing independent outside directors, we select individuals who have not been executive officers of our company in the past ten years and are likely to maintain their independence in the future, based on the criteria set forth by the Companies Act and the Tokyo Stock Exchange.

【Supplementary Principle 4-10① Utilization of Optional Mechanisms such as the Nomination and Compensation Committee】

The Company's Board of Directors consists of five Directors who are not Audit and Supervisory Committee Members (including two Independent Outside Directors) and three Directors who are Audit and Supervisory Committee Members (all of whom are Independent Outside Directors), with Independent Outside Directors constituting a majority. The operation of the Board of Directors is supported by the involvement and advice of Independent Outside Directors. In addition, the Company has established the Nomination and Compensation Committee composed of Independent Outside Directors, which is chaired by an Independent Outside Director. The powers and roles of the Nomination and Compensation Committee are detailed in this report under "II. 2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination and Compensation Decisions (Overview of Current Corporate Governance System)".

【Supplementary Principle 4-11① Considerations for the Balance, Diversity, and Size of Knowledge, Experience, and Abilities of the Entire Board】

Our Board of Directors, based on the articles of incorporation, is composed of up to five directors (excluding Audit and Supervisory Committee members) and up to three Audit and Supervisory Committee members. Currently, there are five directors (excluding Audit and Supervisory Committee members) and three Audit and Supervisory Committee members. When appointing directors, we comprehensively evaluate individuals who can act fairly and sincerely for the enhancement of our corporate value, taking into consideration their rich experience, high levels of insight, and advanced expertise aligned with our corporate philosophy and business strategy. The skills matrix for our directors is included in the notice of the 2026 regular shareholders' meeting.

【Supplementary Principle 4-11② Status of Concurrent Positions Held by Directors】

We disclose the status of significant concurrent positions held by directors (excluding Audit and Supervisory Committee members) and Audit and Supervisory Committee members in the notice of the shareholders' meeting and Annual Securities

Report. Currently, the concurrent positions of directors (excluding Audit and Supervisory Committee members) and Audit and Supervisory Committee members in other listed companies are as follows:

Position	Independent Outside Director
Name	Naoko Suzuki
Concurrent position status	Outside Director, BASE, Inc.

Position	Independent Outside Director (Audit and Supervisory Committee Member)
Name	Yuka Hada
Concurrent position status	Outside Director (Audit and Supervisory Committee Member), Hanshin Diesel Works, Ltd.

Position	Independent Outside Director (Audit and Supervisory Committee Member)
Name	Chieko Inoue
Concurrent position status	Outside Corporate Auditor, Ubiteq, Inc.

【Supplementary Principle 4-11③ Analysis and Evaluation of the Effectiveness of the Board of Directors】

Our Board of Directors recognizes that each director fully leverages their experience and expertise to engage in active discussions and deliberations, leading to important decision-making and demonstrating effectiveness. Furthermore, we believe that the effectiveness of the Board is adequately secured through the audits and supervision of the Audit and Supervisory Committee. In the fiscal year ended March 31,2026, we conducted a survey on the effectiveness of the Board among all directors, and the Board secretariat compiled the results and reported them to the Board. The survey confirmed that the Board was functioning effectively during the fiscal year ended March 31,2026. On the other hand, we shared opinions on future challenges, such as strengthening diversity within the company, and discussed further improvements to the Board's functions and the revitalization of discussions. Going forward, our Board will continue to address challenges swiftly based on this effectiveness evaluation and enhance the functions of the Board.

【Supplementary Principle 4-14② Training Policy for Directors】

Directors (excluding Audit and Supervisory Committee members) and Audit and Supervisory Committee members are encouraged to participate in training and external seminars to acquire and enhance the knowledge necessary for their roles and responsibilities. Additionally, to deepen the understanding of our group's business among outside directors, we continuously provide information related to our business.

【Principle 5-1 Policy for Constructive Dialogue with Shareholders】

(i) In dialogues with shareholders and investors, the President, the Head of the Business Management Division, and personnel from the Corporate Planning Department will respond appropriately.
(ii) The Corporate Planning Department, which serves as the department in charge of IR, maintains close coordination on a daily basis.
(iii) The Corporate Planning Department actively receives inquiries for IR interviews, such as phone interviews and small meetings. They also hold earnings presentations as needed. During these, the President, the Head of the Business Management Division, and personnel from the Corporate Planning Department provide explanations.
(iv) Feedback on the content of dialogues with shareholders is provided to the Board of Directors as necessary.
(v) In dialogues with shareholders, we strictly prevent the leakage of insider information and ensure fairness by establishing a silent period until the earnings announcement date, during which we refrain from responding to inquiries about performance.

Action to Implement Management That Is Conscious of Cost of Capital and Stock Price

Content of Disclosure 【Update】	Disclosure of Initiatives (Update)
Availability of English Disclosure 【Update】	Available
Date of Disclosure Update 【Update】	July 2, 2026

Explanation of Actions

Our Group has positioned the "evolution and deepening" of "Max Production and Max Sales" defined as full-capacity production aimed at minimizing per-bottle costs at our own beverage factories (= Max Production) and securing sales destinations to match Max Production (= Max Sales)—as our core management policy. To this end, we have pursued various initiatives, such as expanding production capacity at existing factories, launching the new Gotemba Factory, and acquiring production capacity through M&As. As a result, for the fiscal year ended March 31, 2026, PBR stood at 3.9x, PER at 19x, and ROE at 22.6%.

The Group will continue to promote management conscious of the cost of capital and stock price. Specifically, in addition to expanding production capacity by upgrading and improving equipment at our Group's beverage factories and achieving full-capacity production through personnel expansion, we will work on adding production lines at existing factories, constructing new factories,

and acquiring production capacity through M&As. At the same time, we will strive to improve logistics efficiency by constructing labor-saving warehouses within factories and establishing multiple hubs for E-commerce logistics. Furthermore, we will work to reduce costs through investments in the in-house production of PET bottles and enhance productivity by upgrading manufacturing equipment.

Furthermore, by further enhancing proactive dialogue with shareholders and investors through financial results briefings and individual meetings both in Japan and overseas, we will strive to ensure that our growth potential is appropriately evaluated by the stock market.

2. Capital Structure

Foreign Shareholding Ratio	30% or more

Status of Major Shareholders 【Update】

Name or Company Name	Number of Shares Owned	Percentage (%)
IRIS OHYAMA Inc.	5,261,300	10.14
The Master Trust Bank of Japan, Ltd. (Trust account)	4,748,600	9.15
CEPLUX-THE INDEPENDENT UCITS PLATFORM 2	3,963,500	7.63
Masao Tanaka	2,730,000	5.26
Custody Bank of Japan, Ltd. (Trust account)	2,317,200	4.46
THE CHASE MANHATTAN BANK, N. A. LONDONSECS LENDING OMNIBUS ACCOUNT	1,692,500	3.26
Toshiko Tanaka	1,523,300	2.93
Yorinari Tanaka	1,290,000	2.48
JPMorgan Securities Japan Co., Ltd.	1,219,802	2.35
Yorihiro Tanaka	1,177,400	2.26

Name of Controlling Shareholder, if applicable (excluding Parent Companies)	―――
Name of Parent Company, if applicable	None

Supplementary Explanation

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3. Corporate Attributes

Listed Stock Exchange and Market Segment	Tokyo Stock Exchange, Prime Market
Fiscal Year-End	March
Business Sector	Foods
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	500 or more but fewer than 1,000
Net Sales (Consolidated) for the Previous Fiscal Year	10 billion yen or more but less than 100 billion yen
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	Fewer than 10

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

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

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

1. Organizational Composition and Operation

Corporate Governance System	Company with an Audit and Supervisory Committee

Directors

Number of Directors Stipulated in Articles of Incorporation	8
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors 【Update】	8
Election of Outside Directors	Elected
Number of Outside Directors 【Update】	5
Number of Independent Directors 【Update】	5

Outside Directors' Relationship with the Company (1) 【Update】

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Jun Yamamoto	Individuals with backgrounds in other companies											
Naoko Suzuki	Individuals with backgrounds in other companies											
Hirohide Omi	Certified Public Accountant											
Yuka Hada	Lawyer											
Chieko Inoue	Certified Public Accountant											

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

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

Outside Directors' Relationship with the Company (2) 【Update】

Name	Membership of Audit and Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Jun Yamamoto		○	———	Mr. Jun Yamamoto has been appointed as an outside director because, in addition to his abundant knowledge as a management consultant and a certified public accountant (CPA), he possesses extensive experience and broad insight in overall corporate management, including serving as a representative director. The Company has judged that he will be able to appropriately fulfill the duties of an outside director from an outside perspective independent from the Company. Furthermore, he satisfies the "Independence Standards for Outside Officers" stipulated by Tokyo Stock Exchange, Inc. and has not been a person executing business of the Company within the past 10 years. Since his independence is highly likely to be secured in the future as well, the Company has determined that there is no risk of a conflict of interest with general shareholders and has designated him as an independent officer.
Naoko Suzuki		○	———	Ms. Naoko Suzuki has been appointed as an outside director because, in addition to her abundant knowledge of human resources and organizational development, she possesses extensive experience and broad insight in overall corporate management, including serving as a representative director. The Company has judged that she will be able to appropriately fulfill the duties of an outside director from an outside perspective independent from the Company. Furthermore, she satisfies the "Independence Standards for Outside Officers" stipulated by Tokyo Stock Exchange, Inc. and has not been a person executing business of the Company within the past 10 years. Since her independence is highly likely to be secured in the future as well, the Company has determined that there is no risk of a conflict of interest with general shareholders and has designated her as an independent officer.
Hirohide Omi			———	Mr. Hirohide Omi has been appointed as an outside director because he possesses expertise as a certified

	○	○		public accountant (CPA) and broad insight. The Company has judged that he will be able to appropriately fulfill the duties of an outside director from an outside perspective independent from the Company. Furthermore, he satisfies the "Independence Standards for Outside Officers" stipulated by Tokyo Stock Exchange, Inc. and has not been a person executing business of the Company within the past 10 years. Since his independence is highly likely to be secured in the future as well, the Company has determined that there is no risk of a conflict of interest with general shareholders and has designated him as an independent officer.
Yuka Hada	○	○	———	Ms. Yuka Hada has been appointed as an outside director because she possesses expertise as an attorney and broad insight and is also well-versed in corporate legal affairs. The Company has judged that she will be able to appropriately fulfill the duties of an outside director from an outside perspective independent from the Company. Furthermore, she satisfies the "Independence Standards for Outside Officers" stipulated by Tokyo Stock Exchange, Inc. and has not been a person executing business of the Company within the past 10 years. Since her independence is highly likely to be secured in the future as well, the Company has determined that there is no risk of a conflict of interest with general shareholders and has designated her as an independent officer.
Chieko Inoue	○	○	———	Ms. Chieko Inoue has been appointed as an outside director because she possesses expertise as a certified public accountant (CPA) and certified public tax accountant, as well as broad insight. The Company has judged that she will be able to appropriately fulfill the duties of an outside director from an outside perspective independent from the Company. Furthermore, she satisfies the "Independence Standards for Outside Officers" stipulated by Tokyo Stock Exchange, Inc. and has not been a person executing business of the Company within the past 10 years. Since her independence is highly likely to be secured in the future as well, the Company has determined

				that there is no risk of a conflict of interest with general shareholders and has designated her as an independent officer.

Audit and Supervisory Committee

Composition of Audit and Supervisory Committee and Attributes of the Chairperson

	All Committee Members	Full-time Members	Internal Directors	External Directors	Committee Chair
Audit and Supervisory Committee	3	0	0	3	Outside Director

Appointment of Directors and/or Staff to Support the Audit and Supervisory Committee	Appointed

Matters Concerning Independence of Said Directors and/or Staff from Executive Officers/Reasons for Adopting Current System

The secretariat of the Audit and Supervisory Committee does not have dedicated staff; however, personnel from the Internal Audit Office handle the administrative tasks related to convening the Audit and Supervisory Committee, preparing minutes, and assisting the Audit and Supervisory Committee members in their duties. Employees who receive orders necessary for audit operations from the Audit and Supervisory Committee are not subject to the directions of the company's board of directors regarding those orders, thereby ensuring the independence of the directors and the effectiveness of instructions to those employees.

Cooperation among the Audit and Supervisory Committee, Accounting Auditors and Internal Audit Office

Our company's audit system is fundamentally based on three components: audits by the Audit and Supervisory Committee, audits by the Internal Audit Office, and financial audits conducted by external auditors.
The Audit and Supervisory Committee and external auditors hold regular meetings to exchange views and provide explanations and reports on audit results, aiming to enhance the quality of the audits.
The Audit and Supervisory Committee and the Internal Audit Office maintain close cooperation with the Internal Audit Office reporting audit plans and results to the Audit and Supervisory Committee and, when necessary, conducting joint field audits.
Additionally, the Internal Audit Office and external auditors share information regarding audit plans and results as appropriate.
Through this ongoing exchange of opinions and information, we strive to improve the effectiveness and efficiency of our audits.

Voluntary Established Committee(s)

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

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

	Committee's Name	All Members	Full-time Members	Internal Directors	Outside directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	Nomination and Compensation Committee	3	0	0	3	0	0	Outside Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Nomination and Compensation Committee	3	0	0	3	0	0	Outside Director

Supplementary Explanation

To enhance the independence, objectivity, and accountability of the board of directors concerning the Nomination and Compensation of directors, our company has established a Nomination and Compensation Committee as a voluntary advisory body to the board. The committee is composed of three independent outside directors, who review the appropriateness and fairness of the nomination of directors, the compensation system, and the amount of compensation in advance, and then provide recommendations to the board of directors.

Matters Concerning Independent Directors

Number of Independent Directors 【Update】	5

Other Matters Concerning Independent Directors

Our company designates all outside directors who meet the qualifications of independent directors as independent officers.

Incentives

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

Supplementary Explanation for Applicable Items

Our company has implemented a stock option system aimed at enhancing motivation and morale for improving our performance and corporate value. Additionally, at the 50th Ordinary General Meeting of Shareholders held on June 28, 2022, it was resolved to introduce a restricted stock compensation system for directors (including those who are Audit and Supervisory Committee members).

For further details, please refer to the section on "Director Compensation" (disclosure regarding the amount of compensation or the policy for determining the calculation method).

Persons Eligible for Stock Options 【Update】	Internal Directors / Employees /Employees of subsidiaries

Supplementary Explanation for Applicable Items 【Update】

As of the end of May 2026, the status of stock option grants is as follows:

1st Stock Option
Date of Issuance: August 1, 2019
Number of Holders and Number of Stock Acquisition Rights: 13 employees, 23 rights
Type of Shares and Number of Shares: 27,600 shares

3rd Stock Option
Date of Issuance: August 28, 2020
Number of Holders and Number of Stock Acquisition Rights: 1 employee, 1 right
Type of Shares and Number of Shares: 1,200 shares

4th Stock Option
Date of Issuance: July 30, 2025
Number of Holders and Stock Acquisition Rights:
40 employees (internal directors and employees of the Company, and employees of the Company’s subsidiaries), 15,671 rights
Type of Shares and Number of Shares: 1,567,100 shares

*Note: As a 4-for-1 stock split of common stock was conducted effective October 1, 2024, the number of shares adjusted for the said stock split is stated for the 1st and 3rd Series of Stock Acquisition Rights.

Director Remuneration

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

Supplementary Explanation for Applicable Items

Policy on Determining Remuneration Amounts and Calculation Methods 【Update】	Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

Regarding monetary compensation, etc. for the Company's officers, the Ordinary General Meeting of Shareholders held on June 25, 2026, resolved that the amount for Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be within 200 million yen per year (of which the amount for Outside Directors shall be within 20 million yen per year). In addition, the Ordinary General Meeting of Shareholders held on June 29, 2021, resolved that the amount for Directors who are Audit and Supervisory Committee Members shall be within 50 million yen per year.

Furthermore, regarding the amount of compensation, etc. related to the restricted stock compensation plan, separate from the monetary compensation limit, the Ordinary General Meeting of Shareholders held on June 25, 2026, resolved that the amount for Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be within 40 million yen per year, with the upper limit on the number of shares being 160,000 shares per year (of which the amount for Outside Directors shall be within 5 million yen and 8,000 shares per year). At the Ordinary General Meeting of Shareholders held on June 28, 2022, it was resolved that the amount for Directors who are Audit and Supervisory Committee Members shall be within 10 million yen per year, with the upper limit on the number of shares being 40,000 shares per year (changed from 10,000 shares to 40,000 shares due to a 4-for-1 stock split of common stock effective October 1, 2024).

The individual compensation amounts for Directors (excluding Directors who are Audit and Supervisory Committee Members) are within the scope of the compensation limits resolved at the General Meeting of Shareholders. At its meeting held on June 25, 2026, the Board of Directors resolved to delegate the authority to determine these amounts to Kuniaki Okano, Representative Director and President, based on the policy on determining the method of calculating officer compensation, etc., and following a report from the Nomination and Compensation Committee, while taking into account economic conditions, the environment surrounding the Company, and the details of the duties of each Director. At the meeting, Kuniaki Okano, Representative Director and President, explained the reasons for the proposal, and the matter was deliberated and determined with all officers in attendance.

The compensation for Directors who are Audit and Supervisory Committee Members was determined within the scope of the compensation limits resolved at the General Meeting of Shareholders through discussions among all Audit and Supervisory Committee Members at the Audit and Supervisory Committee meeting held on June 25, 2026.

The outline of the decision policy regarding individual compensation for our directors (excluding Audit and Supervisory Committee members) is as follows:

a. Basic Policy
The compensation for our directors (excluding Audit and Supervisory Committee members) is designed to function effectively as an incentive for the sustainable improvement of corporate value, linked to shareholder interests. The basic policy is to set an appropriate level of compensation based on the responsibilities of each director. Specifically, it will consist of a fixed basic salary, performance-based compensation, and non-monetary compensation (stock compensation).

b. Basic Compensation (Monetary Compensation)
The basic compensation for our directors will be a monthly fixed salary, determined comprehensively while considering industry standards, the company's performance, and employee salary levels, based on role, responsibilities, and years of service.

c. Performance-Based Compensation Calculation Policy
Performance-based compensation will be cash compensation reflecting performance indicators (KPIs) to enhance awareness of performance improvement for each fiscal year, calculated based on the achievement of target EBITDA (Operating Profit + Depreciation + Amortization of Goodwill) for each fiscal year. The target performance indicators and their value will be set in line with the medium-term management plan and will be reviewed as necessary in response to changes in the environment, based on recommendations from the Nomination and Compensation Committee.

d. Non-Monetary Compensation (Stock Compensation) Policy
Non-monetary compensation (stock compensation) is aimed at promoting the sustainable improvement of our corporate value and enhancing value sharing between directors and shareholders. This will be awarded annually at a designated time, as compensation for granting restricted stock, with amounts deemed appropriate, separate from the basic salary, and will not be transferable until the director resigns or retires from their position as determined by the Board of Directors.

e. Policy for Determining Compensation Ratios
Regarding the ratio of remuneration by type for Directors (excluding Directors who are Audit and Supervisory Committee Members), the Nomination and Compensation Committee deliberates on this matter for each fiscal year, taking into account

remuneration levels benchmarked against companies of a similar business scale or operating in related industries and business categories, so as to serve as an incentive that contributes to sustainable, medium- to long-term performance improvement.

The Board of Directors (or the President and Representative Director delegated as described in (f) below) shall respect the recommendations of the Nomination and Compensation Committee and determine the details of individual remuneration, etc. for Directors within the range of the ratio of remuneration by type presented in said recommendations.

f. Decision Policy Regarding Individual Compensation for Directors (excluding Audit and Supervisory Committee members)
Regarding the amount of individual remuneration, based on a resolution of the Board of Directors, the President and Representative Director shall be delegated the authority to determine the specific details. The scope of this authority shall cover the amount of base remuneration for each Director (excluding Directors who are Audit and Supervisory Committee Members) and the evaluation and allocation of bonuses based on the performance of the businesses overseen by each Director (excluding Directors who are Audit and Supervisory Committee Members).

To ensure that this authority is appropriately exercised by the President and Representative Director, the Board of Directors shall consult with and obtain a report on the draft proposal from the Nomination and Compensation Committee, a majority of whose members are Independent Outside Directors. The President and Representative Director, having received the delegation, must make the determination in accordance with the contents of said report.
② For the fiscal year ended March 31,2026, please refer to the attached Table 1 for details on the total compensation by executive category, total compensation by type, and the number of eligible executives.

Support System for Outside directors

Our outside directors (all of whom are Audit and Supervisory Committee members) are provided with opportunities for information exchange and discussions with the President and senior management as needed. They also receive reports from business unit managers as appropriate. When requested by the Audit and Supervisory Committee members, the Internal Audit Office and other relevant departments provide information, conduct investigations, and offer practical support.

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

1. Basic Philosophy on Corporate Governance

Our company respects all stakeholders and is committed to enhancing the soundness and transparency of the organization. We aim to improve long-term and sustainable corporate value by establishing a prompt and rational decision-making system and an internal structure that enables efficient business execution. We are dedicated to strengthening corporate governance.

2. Overview of the Corporate Governance Structure

The various bodies and organizations related to our corporate governance system are outlined in the accompanying diagram (reference material).

(Board of Directors)

The Company's Board of Directors consists of eight Directors (including five Outside Directors) and is chaired by Kuniaki Okano, Representative Director and President. The other members are Yasutake Komatsu, Director; Hiroyuki Jinno, Director; Jun Yamamoto, Outside Director; Naoko Suzuki, Outside Director; Hirohide Omi, Outside Director (Audit and Supervisory Committee Member); Yuka Hada, Outside Director (Audit and Supervisory Committee Member); and Chieko Inoue, Outside Director (Audit and Supervisory Committee Member).

In principle, the Board of Directors holds a regular meeting once a month, and also holds extraordinary meetings as necessary, establishing a system that enables agile management decision-making. In addition to matters stipulated by laws and regulations and the Articles of Incorporation, the Board of Directors resolves important matters based on the Regulations of the Board of Directors and the Regulations on Administrative Authority, and supervises the status of business execution by Directors.

In the fiscal year ended March 31,2026, our Board of Directors held 24 meetings, and the attendance of individual directors is as follows:

Category	Name	Attendance
President	Kuniaki Okano	24 out of 24 (100%)
Director	Ryoichiro Minagawa*	23 out of 24 (95%)
Outside Director (Audit and Supervisory Committee)	Hirohide Omi	24 out of 24 (100%)
Outside Director (Audit and Supervisory Committee)	Jun Yamamoto	23 out of 24 (95%)
Outside Director (Audit and Supervisory Committee)	Yuka Hada	24 out of 24 (100%)

*Note: Ryoichiro Minagawa, who served as a director during the fiscal year ended March 31,2026, resigned at the conclusion of the Ordinary General Meeting of Shareholders held on June 25, 2026.

In the fiscal year ended March 31,2026, the specific deliberations of our Board of Directors included, in addition to matters stipulated by law and the Articles of Incorporation, discussions based on the Board Regulations and Authority Regulations regarding the overall management strategy, management plans, and other important management matters for our company and the entire group, as well as reports on business execution status.

(Audit and Supervisory Committee)

The Company’s Audit and Supervisory Committee consists of three members (all of whom are Outside Directors): Hirohide Omi, Outside Director (Audit and Supervisory Committee Member), who serves as the chairperson; Yuka Hada, Outside Director (Audit and Supervisory Committee Member); and Chieko Inoue, Outside Director (Audit and Supervisory Committee Member). In principle, the Committee meets once a month. It audits the status of compliance with laws, regulations, and the Articles of Incorporation, as well as the execution of duties by the Representative Director and Executive Directors, and strives to ensure that operational and accounting audits are conducted effectively. During the fiscal year ended March 31, 2026, the Company held 13 meetings of the Audit and Supervisory Committee.

The attendance status of individual Directors who are Audit and Supervisory Committee Members is as follows:

Category	Name	Attendance
Outside Director (Audit and Supervisory Committee)	Hirohide Omi	13 out of 13 (100%)
Outside Director (Audit and Supervisory Committee)	Jun Yamamoto*	12 out of 13 (92%)
Outside Director (Audit and Supervisory Committee)	Yuka Hada	13 out of 13 (100%)

* Of the Outside Directors (Audit and Supervisory Committee Members) for the fiscal year ended March 2026, Jun Yamamoto retired as a Director who was an Audit and Supervisory Committee Member upon the conclusion of the Ordinary General Meeting of Shareholders held on June 25, 2026, and is newly elected as an Outside Director (not an Audit and Supervisory Committee Member). The specific matters reviewed by the Company’s Audit and Supervisory Committee during the fiscal year ended March 31, 2026 included the audit plan, the evaluation and reappointment of the Accounting Auditor, the agreement to the compensation of the Accounting Auditor, the agreement to proposals for the election of Directors that had been deliberated by the Nomination and Compensation Committee, and the submission of audit reports.

(Nomination and Compensation Committee)
To enhance the fairness, transparency, and objectivity of procedures for determining the Nomination and Compensation, etc. of Directors, the Company has established the Nomination and Compensation Committee as a voluntary advisory body to the Board of Directors. The Nomination and Compensation Committee consists of three Outside Directors who are independent from management. It is chaired by Naoko Suzuki, and its members include Jun Yamamoto, Outside Director, and Hirohide Omi, Outside Director (Audit and Supervisory Committee Member). The Committee deliberates on matters referred to it by the Board of Directors and reports the results of its deliberations to the Board of Directors.

In the fiscal year ended March 31,2026, the Nomination and Compensation Committee held 6 meetings, and the attendance of individual members is as follows:

Category	Name	Attendance
Chair of Nomination and Compensation Committee	Hirohide Omi	6 out of 6 (100%)
Nomination and Compensation Committee Member	Jun Yamamoto	6 out of 6 (100%)
Nomination and Compensation Committee Member	Yuka Hada	6 out of 6 (100%)

* Ms. Yuka Hada resigned as a member of the Nomination and Compensation Committee as of June 25, 2026.
The specific matters reviewed by the Company's Nomination and Compensation Committee during the fiscal year ended March 31, 2026 included the Nomination and Compensation, etc. of Directors.

(Management Committee)
The Management Committee, chaired by President Kuniaki Okano, is composed of executive officers and other individuals designated by the chair and meets at least once a month. The committee serves as a forum for discussing the company's business execution policies, sharing information on business execution status, and pre-discussing matters requiring Board resolutions, thereby aiming to enhance the efficiency of management activities.

(Internal Audit Office)
The Internal Audit Office is composed of two members and conducts audits of operational conditions, effectiveness, and accuracy of business activities in accordance with the internal audit regulations. Progress and results of internal audits are reported to the President and the Audit and Supervisory Committee as necessary, and the office collaborates with both the Audit and Supervisory Committee and the accounting auditors.

(Collaboration Among the Audit and Supervisory Committee, Internal Audit Office, and Accounting Auditors)
Our audit system is based on three pillars: audits by the Audit and Supervisory Committee, audits by the Internal Audit Office, and accounting audits by the accounting auditors. The Audit and Supervisory Committee and accounting auditors hold regular meetings to exchange opinions and provide explanations and reports on audit results, aiming to improve audit quality.

The Audit and Supervisory Committee and the Internal Audit Office maintain collaboration by having the Internal Audit Office report audit plans and results to the Audit and Supervisory Committee and, as necessary, conducting joint audits. Additionally, the Internal Audit Office and the accounting auditors share relevant information on audit plans and results.

Through ongoing exchanges of opinions and information, we strive to enhance the effectiveness and efficiency of our audits.

3. Reasons for Adoption of Current Corporate Governance System

The Company has adopted a corporate management structure as a Company with a Board of Directors, which consists of Directors well-versed in our business. Furthermore, the Company is a Company with an Audit and Supervisory Committee, which consists of Directors who are Audit and Supervisory Committee Members and supervises the execution of duties by Directors (excluding Directors who are Audit and Supervisory Committee Members) from an independent standpoint. We believe that this structure enables appropriate and efficient management oversight.

Under this management framework, we will strive to enhance the integrity and transparency of our operations while ensuring the appropriateness and efficiency of our business execution, all while considering the surrounding environment in which we operate.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Revitalize the General Meeting of Shareholders and Facilitate Exercise of Voting Rights 【Update】

	Supplementary Explanation
Early Posting of Notice of the General Meeting of Shareholders	To ensure that shareholders have sufficient opportunity to review the proposals for the Ordinary General Meeting, we make every effort to send the notice of the meeting as early as possible, ahead of the legal deadline. For the 54th Ordinary General Meeting, we dispatched the access notice five days prior to the legal deadline for sending.

Scheduling of the General Meeting of Shareholders on a Non-Peak Day	The 54th Ordinary General Meeting was held the day before the peak day (for shareholders' meetings).
Electronic Exercise of Voting Rights	To encourage more shareholders to exercise their voting rights, we have enabled the use of smartphones and computers for voting.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	Since the Ordinary General Meeting held in June 2023, we have been using an electronic voting platform for institutional investors.
Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	We provided an English summary of the convocation notice for the Ordinary General Meeting of Shareholders, starting from the one to be held in June 2025.

2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	Regarding disclosure, we have established timely disclosure regulations and maintain an internal framework to ensure that accurate company information is disclosed in a timely and appropriate manner as our fundamental policy.	
Regular Investor Briefings held for Individual Investors	We regularly participate in individual company briefings hosted by securities companies.	Held
Regular Investor Briefings held for Analysts and Institutional Investors	We hold earnings briefing sessions after the interim and annual financial results. Additionally, we regularly conduct individual meetings between the President, relevant executives, and analysts or institutional investors.	Held
Regular Investor Briefings held for Overseas Investors	We will consider this while considering the shareholder composition and investor trends.	Not Held
Online Disclosure of IR Information	We have published the statutory disclosure documents and timely disclosure materials on our company website.	
Establishment of Department and/or Placement of a Manager in Charge of IR	The Corporate Planning Department serves as the IR contact point, assisting the President and the Head of the Business Management Division.	

3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	Our company has established a "Code of Corporate Conduct," and we strive to earn trust by respecting the positions of our stakeholders while conducting our business operations.
Implementation of Environmental Preservation Activities and CSR Activities, etc.	We are committed to reducing environmental impact through our business activities, while also promoting collaborative efforts with our customers, fulfilling our responsibilities as a corporate citizen.
Formulation of Policies, etc. on Provision of Information to Stakeholders	Through publication on our company website and timely disclosures, we provide prompt, accurate, and equitable information to all stakeholders.

IV. Matters Concerning the Internal Control System

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

To ensure the appropriateness of our business operations, we established the "Basic Policy for the Development of Internal Control Systems" at the Board of Directors meeting held on June 29, 2020. We are currently operating the internal control system based on this policy. Below is an overview of the key elements:

1. System to Ensure Compliance with Laws and Articles of Incorporation for Directors and Employees

(1) We have established regulations related to our corporate philosophy, behavioral guidelines, and corporate code of conduct to serve as a code of conduct for our directors and employees to act in compliance with laws, articles of incorporation, and social norms.

(2) The General Affairs Department oversees compliance across the organization and is responsible for the education and awareness of directors and employees.

(3) We have set up an internal reporting system available to all officers and employees of the group to report any violations of laws or compliance-related issues.

2. System for Storing and Managing Information Related to the Execution of Directors' Duties
(1) Information and documents related to the execution of directors' duties (including electronic records) are stored and managed according to the Board of Directors regulations, information management regulations, and document management regulations, ensuring that directors and Audit and Supervisory Committee members have access to this information.
(2) The document management regulations define the types of information to be stored, retention periods, and responsible departments.

3. System for Managing Risks of Loss
(1) We have established risk management regulations that outline the basic aspects of the risk management system. Additionally, the Management Committee discusses risk-related matters as necessary.
(2) In the event of significant risks materializing, we will swiftly implement initial responses by preparing a Business Continuity Plan (BCP) and various manuals.
(3) To enhance risk management awareness among directors and employees, we conduct regular study sessions and training. Internal audits are also performed as needed to ensure effective daily risk management.

4. System to Ensure Efficient Execution of Directors' Duties
(1) To secure the efficient execution of directors' duties, we hold regular Board of Directors meetings once a month, which include several outside directors, and conduct extraordinary meetings as necessary.
(2) Important matters concerning management policy and strategy are discussed in advance at Management Committee meetings chaired by the representative director before execution decisions are made.
(3) We ensure efficiency in executing duties through clear roles, job responsibilities, and command relationships among directors and employees.
(4) Regulations regarding job responsibilities and authority will be reviewed as necessary in light of changes in laws or the need for efficiency.

5. System to Ensure the Appropriateness of Operations within the Group
(1) Our risk management and compliance systems are applied throughout the group to ensure the appropriateness of operations, with guidance and support provided as needed.

6. System Related to Personnel Supporting the Audit and Supervisory Committee and Their Independence
(1) We will appoint personnel to support the Audit and Supervisory Committee based on their recommendations, ensuring their independence in decision-making.
(2) To maintain the independence of these personnel, we will consider the Audit and Supervisory Committee's opinions regarding human resource matters (such as transfers and evaluations).
(3) These personnel will follow the directions of the Audit and Supervisory Committee, prioritizing their commands over other duties if they hold multiple roles, while the company will consider their workload.

7. System for Reporting to the Audit and Supervisory Committee by Directors and Employees
(1) Directors (excluding Audit and Supervisory Committee directors) and employees must report any facts that may cause significant damage or disadvantage to the company to the Audit and Supervisory Committee promptly, in addition to legally required matters.
(2) They must also report any potential or actual significant misconduct or violations of laws or articles of incorporation related to the execution of duties to the Audit and Supervisory Committee swiftly.
(3) The Audit and Supervisory Committee can request reports from directors (excluding Audit and Supervisory Committee directors) and employees as necessary.
(4) We ensure an appropriate reporting system to the Audit and Supervisory Committee for cases related to legal violations or compliance, based on internal reporting regulations.
(5) Individuals reporting under (1) and (2) will not face any disadvantages as a result of their reports, as this will be formally regulated and appropriately implemented.

8. Other Systems to Ensure Effective Audits by the Audit and Supervisory Committee
(1) The Audit and Supervisory Committee may collaborate with external experts such as lawyers and certified public accountants to receive advice regarding audit activities as deemed necessary.
(2) Regular opinion exchange meetings between the Audit and Supervisory Committee and the representative director will be established.

9. Policy on Handling Expenses Arising from the Duties of Audit and Supervisory Committee Members
(1) Procedures for the advance payment or reimbursement of expenses incurred by Audit and Supervisory Committee members will be processed promptly based on their requests.

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

Our group respects and operates in accordance with the fundamental principles outlined in the "Charter of Corporate Behavior: Implementation Guide (9th Edition)" published by the Japan Business Federation (Keidanren) in December 2022, as well as the "Guidelines for Preventing Damage from Antisocial Forces" established by the Council of Ministers for Crime Prevention in June 2007.

Our policies and standards within the group are defined in the "Corporate Code of Conduct" and "Supplier Investigation Regulations." In these documents, we clearly state our firm stance against antisocial forces that threaten social order and healthy business activities. Specifically, we commit to not engaging in any illegal or antisocial activities and to refraining from providing any economic benefits or other advantages to antisocial forces, regardless of the circumstances.

In terms of business transactions, when entering into new agreements, we have established a verification system based on these regulations. This includes conducting searches utilizing screening tools, requesting investigations from organizations such as the Violence Prevention Movement Promotion Center if necessary, consulting with lawyers, or reaching out to the police. Transactions are only permitted with counterparties that have been verified as not being associated with antisocial forces. Additionally, we will conduct regular checks on existing partners to ensure ongoing compliance.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted

Supplementary Explanation for Applicable Items

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2. Other Matters Concerning the Corporate Governance System

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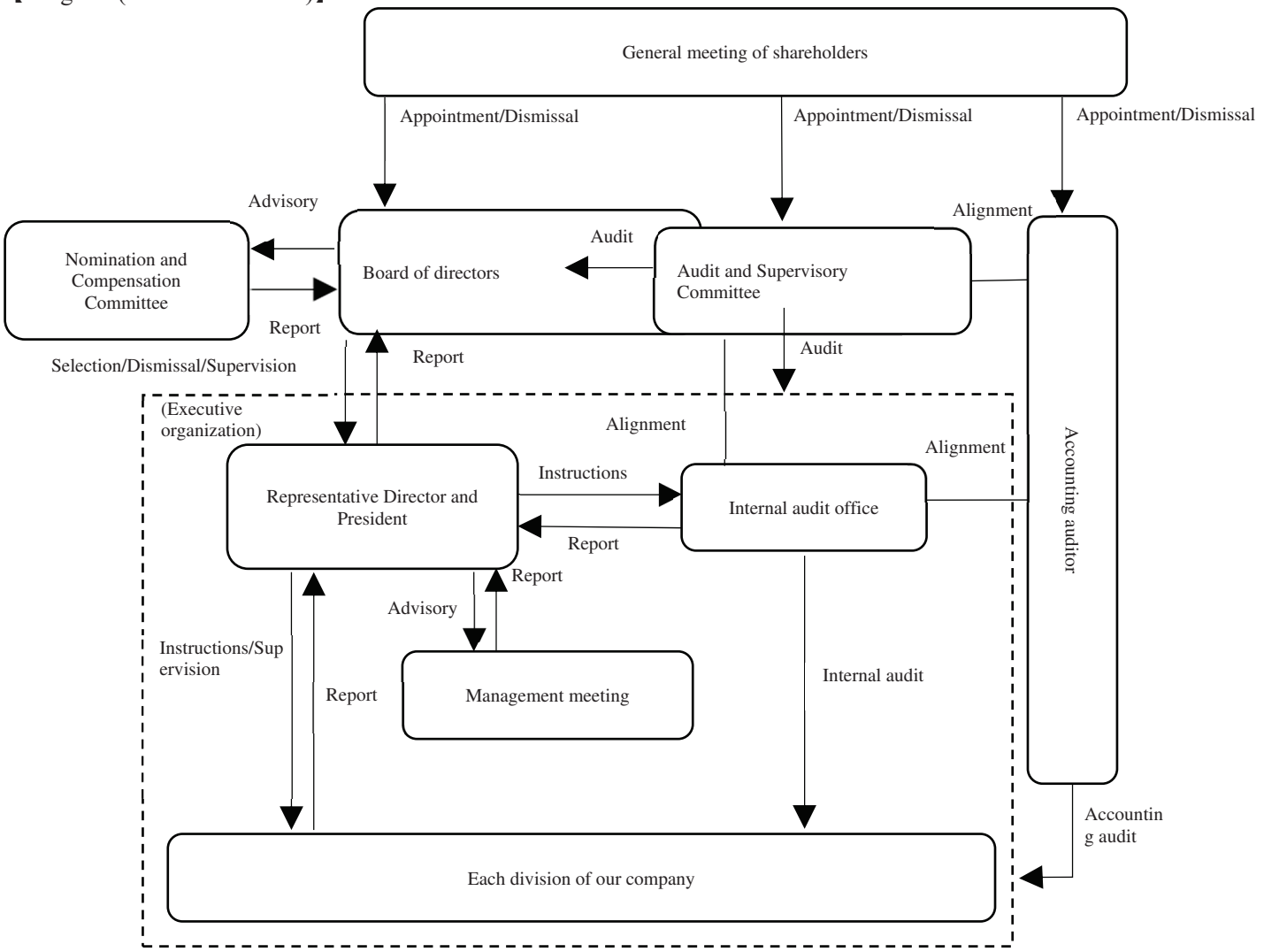
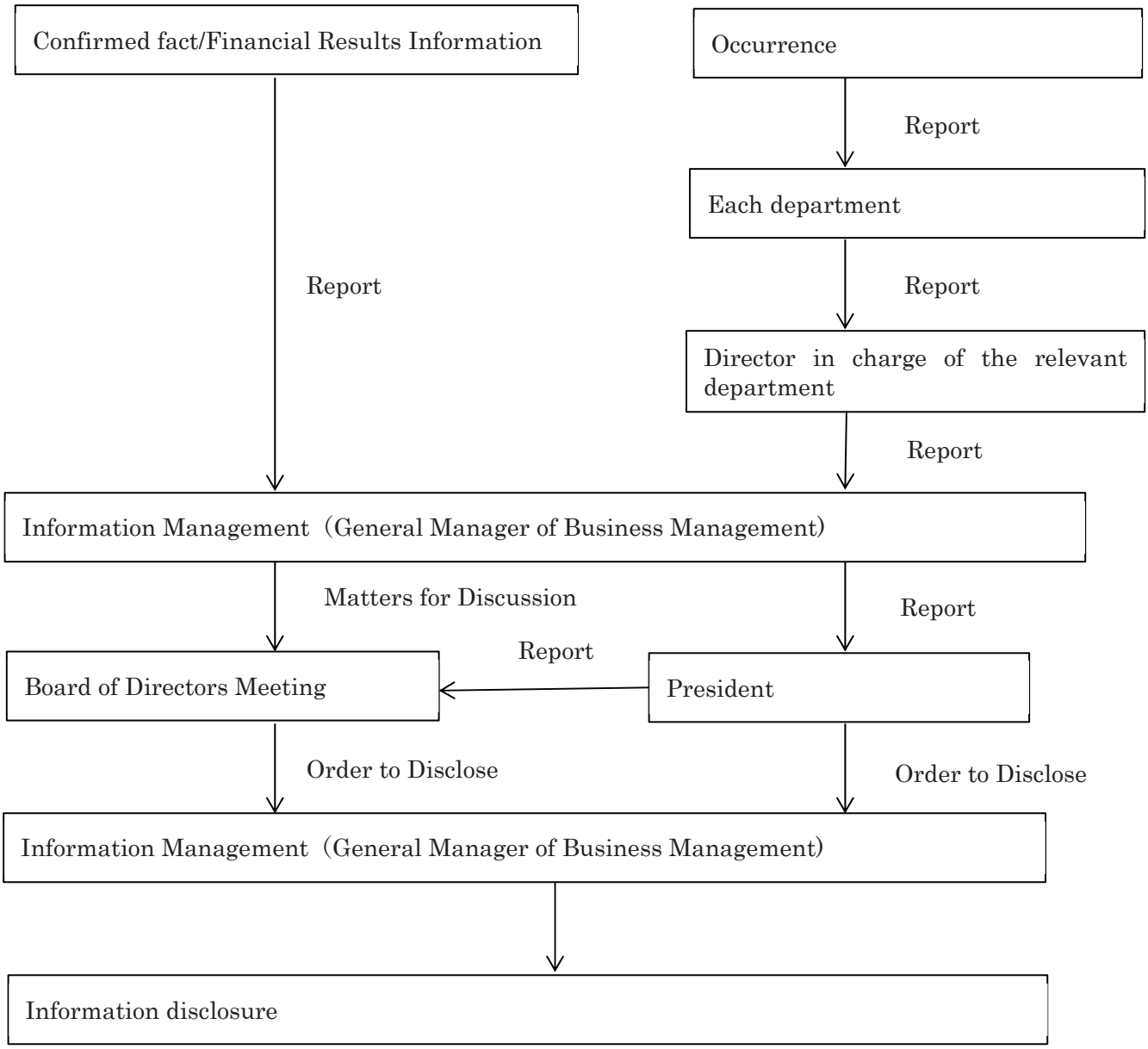
END

【Diagram (reference material)】



【Outline of the Timely Disclosure】



【Table 1】

Category	Total amount of Remuneration, etc. (million yen)	Total amount of compensation by type (million yen)			Subject to Number of officers
		Basic remuneration	Performance-linked Remuneration etc.	Non-monetary Remuneration etc.	
Directors (excluding Audit and Supervisory Committee members) (outside directors)	71 (-)	34 (-)	- (-)	37 (-)	1 (-)
Director (Audit and Supervisory Committee Member) (outside directors)	27 (27)	23 (23)	- (-)	3 (3)	3 (3)
Total (outside directors)	99 (27)	57 (23)	- (-)	41 (3)	4 (3)