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TOKAI Holdings Corporation
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Securities code: 3167
https://www.tokaiholdings.co.jp/english/

The corporate governance of TOKAI Holdings(the "Company") is described below.

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

1. Basic Views

1. In order to practice sound management based on a high level of self-discipline and establish unwavering trust from society, the Company is committed to enhancing its corporate governance in accordance with the following basic concepts, from the perspective of achieving the Group's sustainable growth and increasing its corporate value over the medium to long term.

(1) The Company will ensure substantial equality for all shareholders and work to maintain and build an environment in which shareholders can appropriately exercise their rights.

(2) The Company is primarily engaged in providing lifestyle infrastructure services—such as energy, telecommunications, and cable television (CATV)—to individual customers, and we recognize that these businesses are supported by many stakeholders. Furthermore, in the formulation, implementation, and operation of business policies, we will engage in activities that emphasize contributing to local communities, alongside a strong perspective on compliance.

(3) In order to build a foundation for engaging in constructive dialogue with stakeholders, the Company will strive to ensure the appropriate disclosure of corporate information, including non-financial information, and to guarantee transparency in corporate management.

(4) As a holding company, the Company will work to ensure effective Board supervision of group business execution, formulate long-term strategies, and drive sustainable growth and value enhancement.

(5) The Company will actively engage in constructive, purposeful dialogue with shareholders and investors. Furthermore, by ensuring timely and appropriate explanation and disclosure of both quantitative financial and non-financial information, we will fulfill our corporate accountability and strive to meet the expectations of all stakeholders, including shareholders and investors.

2. The TOKAI Group has formulated the "TOKAI-WAY," which serves as the common philosophy for the Group. It consists of a four-tier structure comprising the "Corporate Philosophy," "Mission," "Vision," and "Values," and all Group employees share this philosophy and strive to put it into practice.

3. The TOKAI Group has formulated its common corporate message, "Through creative thinking and embracing challenges, we will bring smiles to people's lives and society," alongside its corporate slogan, "More smiles for lives and society." Working together as one, the entire Group aims to enhance corporate value and achieve sustainable growth.

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

【This report is prepared based on the Corporate Governance Code (June 2021 edition).】

The Company respects the spirit of the Corporate Governance Code and is committed to implementing all of its principles.

Disclosure Based on each Principle of the Corporate Governance Code Updated

【This report is prepared based on the Corporate Governance Code (June 2021 edition).】

1-4 Strategic Shareholdings

Regarding our "Policy on Strategic Shareholdings," please refer to Article 11 of the Corporate Governance Basic Policy.(https://www.tokaiholdings.co.jp/ir/management/pdf/cgc.pdf)

1-7 Related Party Transactions

Regarding our "Management System for Related Party Transactions," please refer to Article 10 of the Corporate Governance Basic Policy.(https://www.tokaiholdings.co.jp/ir/management/pdf/cgc.pdf)

2-4-1 Appointment of Core Human Resources, etc.

Based on "Creating the Future with Smiles and Challenges," the human resource strategy guideline of our newly formulated "Medium-Term Management Plan 2028," we position ensuring diversity as a critical issue for sustained corporate value enhancement. To drive our business strategy, the "Triple Accel Strategy," and create new value, we believe that the active participation of human resources with diverse values and expertise is indispensable. Therefore, regardless of attributes, we are promoting the appointment of core personnel according to their abilities and motivation.

＜Appointment of Women to Managerial Positions＞

Regarding the promotion of women's active participation in particular, we are not only developing an environment where everyone can work comfortably through the enhancement of various personnel systems, but are also working to enable female employees to demonstrate their abilities in various workplaces.Together with promoting further capacity development for female employees through training and seminars targeting female staff and managers, we are formulating and advancing general employer action plans based on the Act on Promotion of Women's Participation and Advancement in the Workplace through the continuous activities of the Group-wide "Diversity Promotion Project." We will continue to actively work on promoting women's active participation. The ratio of female managers in fiscal 2025 was 3.0%, and our goal is to increase this to 10% by fiscal 2030.

＜Appointment of Foreign Nationals to Managerial Positions＞

To incorporate new perspectives and diverse values into the organization, we fairly evaluate talented human resources regardless of nationality. At present, we have not set specific quantitative targets regarding the ratio of foreign national managers. However, in line with future business developments and changes in the management environment, we will continue to promote recruitment from the perspective of ensuring diversity. Currently, 28 foreign nationals are enrolled.

＜Appointment of Mid-Career Recruits to Managerial Positions＞

To create new value unrestricted by existing frameworks and to acquire from the outside the specialized expertise necessary for promoting our growth strategy, we are promoting the recruitment and appointment of mid-career recruits to managerial positions. We conduct fair evaluation and promotion without distinguishing them from new graduates. The ratio of mid-career recruits in

managerial positions is currently 36.4%, with a goal to increase this to 50% by 2030. The ratio in executive officer posts stands at 27.0%.

＜Human Resource Development Policy, Internal Environment Development Policy, and Human Resource Base Development ＞

To enable diverse human resources to maximize their abilities, we are expanding educational programs (human resource development) that support employees' autonomous career formation and skill development. In addition, we strive to develop an internal environment where everyone can feel job satisfaction, such as through the entrenchment of systems that enable flexible work styles and the promotion of diversity.

Furthermore, as a robust "development of a human resource base" that supports these policies, we are strategically promoting "health and productivity management," positioning employees' mental and physical health as an important foundation of management. Through building a vibrant work environment, strengthening mental health care, and optimizing work-life balance, we are establishing a base capable of practicing the TOKAI-WAY.

2-6 Roles of Corporate Pension Funds as Asset Owners

The Company's corporate pension fund is a contract-type defined benefit corporate pension plan. Based on our "Basic Policy on Asset Management," the asset management institutions manage and invest the pension assets with the aim of achieving the expected rate of return within their roles and the risk tolerances established through consultations.

Since the management of corporate pensions requires specialized expertise, we outsource all asset management operations, while striving to appropriately monitor the asset management institutions.

Furthermore, we have established an Asset Management Committee and assigned personnel with specialized expertise from the human resources, fund management, and corporate management departments. These committee members strive to enhance their qualifications by participating in seminars and training programs.

The Asset Management Committee consists of members selected by the employer and the labor union president representing the plan participants, and operates under a system that appropriately manages any potential conflicts of interest between the Company and the beneficiaries.

3-1 Full Disclosure

(1) The Company’s business strategies, medium-term management plans, and other relevant information are posted on the Company’s website (https://www.tokaiholdings.co.jp/ir/management/).

(2) The Corporate Governance Basic Policy is posted on the Company’s website (https://www.tokaiholdings.co.jp/ir/management/pdf/cgc.pdf).

(3) The Company's director remuneration consists of monthly remuneration, bonuses, and stock-based remuneration, establishing a remuneration system that appropriately reflects job responsibilities and contributions to performance.Regarding the procedures for determining remuneration for fiscal 2025, based on a resolution of the Board of Directors passed after the Ordinary General Meeting of Shareholders, two Representative Directors and the General Manager of the Human Resources Strategy Headquarters were delegated the authority to determine the specific details of individual remuneration amounts. The scope of this authority covered the fixed remuneration amount for each director and the evaluation and allocation of bonuses based on the results of performance evaluations for each director. To ensure that this authority was appropriately exercised by the three individuals, the

Nomination and Remuneration Committee explained the fixed remuneration and bonus amounts for each director, as well as director personnel matters, to the Independent Outside Directors. After receiving their advice, the decisions were made in accordance with the substance of such advice.For fiscal 2026, based on a resolution of the Board of Directors dated April 27, 2026, three individuals—one Representative Director, the General Manager of the Human Resource and Accounting Strategy Headquarters, and the Director in charge of the Human Resources Planning Department—have been delegated authority and will execute the substance of the aforementioned authority.

(4) Regarding the appointment and dismissal of senior management and the nomination of candidates for directors and corporate auditors, the Company comprehensively considers these matters with an emphasis on a balance of knowledge, experience, and capability, as well as diversity. As for the procedures for appointment, dismissal, and nomination, decisions are made with the approval of the Board of Directors upon receiving the recommendations of the Nomination and Remuneration Committee.

(5) The individual reasons for the appointment and dismissal of candidates for directors and corporate auditors are disclosed in the Reference Documents for the General Meeting of Shareholders.The reasons for the appointment of each director candidate for the current term (appointed at the Company's 15th General Meeting of Shareholders) are as stated in the proposal for the election of directors in the "Notice of Convocation of the 15th Ordinary General Meeting of Shareholders" disclosed on the Company’s website.

(https://contents.xj-storage.jp/xcontents/AS02376/26b36654/012b/405d/9d5a/976c36ad68d3/140120260602559659.pdf)

3-1-2 Information Disclosure in English

The Company maintains an English website to provide financial materials for international investors and discloses English-language convocation notices and related materials for the General Meeting of Shareholders on the company website, the Electronic Voting Platform, and via the Tokyo Stock Exchange.

3-1-3 Sustainability Initiatives, etc.

The Company discloses its sustainability initiatives on its website (https://www.tokaiholdings.co.jp/sustainability/) and under Supplementary Principle 2-3-1.

As for our sustainability management structure, we have established the "Sustainability Promotion Committee" (Chaired by the CEO) as an advisory body to the Board of Directors. The committee meets at least twice a year in principle to review materiality and core issues, evaluate the progress of initiatives toward achieving goals, and report its findings to the Board of Directors.

In identifying materiality, including climate-related risks, we select potential issues based primarily on sector-specific materiality maps published by various ESG rating agencies, while taking regional characteristics and industry trends into account. These issues are then evaluated from two perspectives: "impact on the Group's corporate value over the medium to long term" and "impact of the Group on society." The specific materialities are then determined by a resolution of the Board of Directors.

Furthermore, these materialities are reviewed periodically, taking into account changes in industry trends and emerging ESG issues. Regarding human resource development and the improvement of the internal environment, we have introduced and disclosed various initiatives aimed at ensuring diversity and creating a workplace where employees can work with vitality and brilliance.

Regarding investment in human capital, as disclosed in the "TOKAI Group Human Capital Management," our Group shares a

common set of values known as the "TOKAI-WAY" and promotes the development of human resources capable of practicing the TOKAI-WAY, along with creating a rewarding work environment.
In our newly formulated "Medium-Term Management Plan 2028," we have established "Creating the Future with Smiles and Challenges" as our human resource strategy guideline, aiming to realize the "Four Visions of the Company." We position investment in human capital as the most critical investment for enhancing corporate value. To develop human resources that drive our "Triple Accel Strategy," we will focus on supporting employees' autonomous skill development, promoting diversity where diverse talent can thrive, and establishing an environment that enhances engagement, thereby working to improve employee well-being.
Furthermore, to objectively measure the alignment between human capital investment and management strategy and to visualize the results, we have set "Operating Profit per Employee" as a new Key Goal Indicator (KGI). By balancing the improvement of employee well-being with increased labor productivity, we will achieve sustainable growth as a company that creates social value. We view our employees as our greatest asset and will continue to actively strive to expand our human capital.

Regarding investment in intellectual property, the TOKAI Group possesses a base of 3.47 million continuous-transaction customers across its various businesses, including energy, information and communications, CATV, Aqua (bottled water), mobile, and security. The expansion and overlap of this customer base serve as the foundation for the Group's growth. While carefully considering profitability, we actively allocate expenditures toward customer acquisition activities and promote the incorporation of continuous-transaction customers through M&A, thereby striving to expand our earnings base.
The Company recognizes the extensive data and insights acquired through transaction relationships with customers as a vital asset. Accordingly, we have constructed a data analytics platform that centrally manages the Group’s customer data, and we are proactively driving digital marketing utilizing this infrastructure. In connection with these initiatives, the Company was certified as a "Digital Transformation Certified Operator" (DX Certified Operator) by the Ministry of Economy, Trade and Industry (METI) in July 2021.
Through these proactive investments in intellectual property and related assets, we are firmly committed to realizing our business strategies.

Regarding TCFD (Task Force on Climate-related Financial Disclosures), the Group believes that identifying and addressing climate-related risks and opportunities utilizing the TCFD framework, as well as integrating these factors into our business strategies, will contribute to the Group's sustainable growth and the enhancement of corporate value. Based on this philosophy, we made our initial disclosures in line with the TCFD guidelines in fiscal 2022.
Moving forward, we will strive to strengthen the Group's resilience against climate-related issues through scenario analysis, while concurrently conducting annual reviews to enhance the quality of our disclosures, thereby contributing to the realization of a sustainable society.

4-1-1 Roles and Responsibilities of the Board of Directors
In accordance with applicable laws and regulations, the Company stipulates matters requiring a resolution of the Board of Directors and other equivalent items in the Board of Directors Rules and the Board of Directors Rules Operating Standards, and makes decisions on these matters at Board meetings. For other executive operations, the Board delegates decision-making

authority to individual Executive Directors and Executive Officers, among others, based on the division of duties established by the Board.

4-9 Independence Standards and Qualifications for Independent Outside Directors

The Company adopts independence standards equivalent to those established by the Tokyo Stock Exchange.

4-10-1 Establishment of Nomination and Remuneration Committee, etc.

When considering particularly important matters such as the nomination and remuneration of directors and executive officers, as well as succession planning, the Company discusses and reviews these matters at the Nomination and Remuneration Committee prior to approval by the Board of Directors. Through this process, we strive to enhance the independence, objectivity, and accountability of the Board's functions.

Furthermore, the committee is chaired by an Independent Outside Director, and Independent Outside Directors constitute a majority of the committee members.

4-11-1 Concept on the Capabilities and Diversity of the Board of Directors as a Whole

The Company's Articles of Incorporation stipulate that the number of directors shall be no more than ten and the number of corporate auditors shall be no more than five. Our basic policy is to configure the Board with a necessary and appropriate number of members to ensure an effective management system required for a holding company responsible for overseeing group business execution, as well as to facilitate substantive discussions at Board meetings. At the same time, we determine the composition with due consideration given to ensuring diversity and expertise within the Board. Regarding the independence criteria for Independent Outside Directors and Corporate Auditors, the Company adopts standards equivalent to those established by the Tokyo Stock Exchange.

When determining candidates for directors, the Company considers the balance of personnel who can demonstrate strengths in managing various business sectors across our broad range of business fields, as well as personnel suited for corporate management. Through this approach, we ensure that the Board as a whole possesses a balance of knowledge, experience, and capability, alongside diversity appropriate for the extensive business domains of the Group.Furthermore, in the "Notice of Convocation of the 15th Ordinary General Meeting of Shareholders" disclosed on the Company’s website, the Company presents and discloses a list of the positions, career histories, and reasons for appointment of each director, in addition to the specific skills possessed by each director and corporate auditor, utilized in the form of a skill matrix.

4-11-2 Concurrent Positions Held by Directors and Corporate Auditors

The status of concurrent positions held by the Company's Directors and Corporate Auditors as officers at other listed companies is as disclosed in the "Notice of Convocation of the 15th Ordinary General Meeting of Shareholders" posted on the Company’s website.

(https://contents.xj-storage.jp/xcontents/AS02376/26b36654/012b/405d/9d5a/976c36ad68d3/140120260602559659.pdf)

4-11-3 Analysis and Evaluation of the Effectiveness of the Board of Directors (Self-Evaluation of Board Effectiveness)

In order to analyze and evaluate the effectiveness of the Board of Directors as a whole, the Board conducts self-evaluations of

individual Directors and Corporate Auditors. Based on the results, the Board reviews its operations with the aim of further strengthening its supervisory functions.

In March 2026, the Board discussed its effectiveness based on a questionnaire conducted with the involvement and advice of a third-party organization. As a result, the Board evaluated and confirmed that the operations and effectiveness of the Board for fiscal 2025 were effective. Specifically, improvements were achieved regarding deep and thorough deliberations on concrete initiatives aimed at realizing management conscious of capital costs and stock prices, which had been identified as an issue for fiscal 2024. On the other hand, concerning the expectation for internal directors to make appropriate statements from a company-wide perspective and contribute to fostering free, open, and constructive discussions, the Board analyzed and evaluated that this remains an ongoing challenge for further improvement to stimulate even more active debate.

Furthermore, this self-evaluation identified new challenges, such as establishing systems for effective dialogue with shareholders and investors, including designating appropriate representatives and defining key dialogue topics. The Board of Directors will continue to hold extensive discussions on these issues to achieve further enhancement of its supervisory functions, thereby striving to improve its overall effectiveness.

4-14-2 Training Policy for Directors and Corporate Auditors

Regarding our "Training Policy for Directors and Corporate Auditors," please refer to Article 9 of the Corporate Governance Basic Policy.(https://www.tokaiholdings.co.jp/ir/management/pdf/cgc.pdf)

5-1 Policy for Constructive Dialogue with Shareholders

Regarding our "Policy for Constructive Dialogue with Shareholders," please refer to Chapter 4 of the Corporate Governance Basic Policy. (https://www.tokaiholdings.co.jp/ir/management/pdf/cgc.pdf)

Furthermore, to help shareholders and investors deepen their understanding of the Group's management policies and strategies, the Company proactively discloses investor relations (IR) information through our website and other platforms.

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

Content of Disclosure	Disclosure of Initiatives (Update)
Availability of English Disclosure	Available
Date of Disclosure Update Updated	November 5, 2026

Explanation of Actions Updated

To achieve sustainable growth and maximize medium- to long-term corporate value, the Group promotes management conscious of the cost of capital and stock price. Building upon the current analysis/evaluation and basic policies (business portfolio management, expansion and efficiency improvement of each business, and ESG management) set forth in the "Action Policy Toward Realizing Management Conscious of Cost of Capital and Stock Price" announced on May 23, 2024, we have updated our initiatives as follows, based on "Medium-Term Management Plan 2028" announced in May 2026 and the "M&A Action Policy in Growth Strategy Toward Achieving Medium-Term Management Plan 2028" announced in November 2026.

1. Current Analysis and Evaluation

The Group has strived to steadily accumulate profits and maintain financial soundness. For the most recent fiscal year (ended March 31, 2026), ROE reached 11.0% and ROIC reached 8.9%, securing an equity spread exceeding our recognized cost of shareholders' equity and WACC. Furthermore, while our PBR has remained above 1.0x, we recognize that achieving dramatic growth in top-line revenue and operating profit through growth investments, alongside further enhancing capital efficiency via balance sheet management, are critical challenges for elevating corporate value and increasing stock market expectations (PER).

2. Policies and Targets

Under "Medium-Term Management Plan 2028," we have adopted ROE as a key management indicator driving both business growth and shareholder value expansion, targeting an ROE of 13.0% in FY2028, the final year of the plan (alongside ROIC of 9.7%, net sales of 274.0 billion yen, operating profit of 23.5 billion yen, and net income of 13.5 billion yen), with a long-term goal of achieving an ROE of 15% in FY2030.

Additionally, while maintaining an equity ratio of 40% or higher (FY2028 target: 41.0%) as a benchmark for financial soundness, we will promote balance sheet management aimed at realizing an optimal capital structure.

3. Specific Initiatives

To achieve the policies and targets outlined above, we will steadily advance initiatives for "expanding business profits" and "enhancing shareholder returns" to maximize corporate value.

(1) Concentration of Management Resources in Growth Businesses and Promotion of the "Triple Accel Strategy"

Based on business portfolio management, we have positioned three businesses with superior growth potential and capital profitability—"Energy," "Information and Communications (Corporate)," and "CATV"—as priority growth areas, concentrating our management resources in these domains. We will promote the "Triple Accel Strategy," which simultaneously drives expansion across three axes: Area expansion, Account growth, and ARPU (Average Revenue Per User) improvement. At the same time, through the advancement of digital transformation (DX), including the establishment of a new AI strategy organization, we will improve productivity, such as increasing operating profit per employee (a 15% increase compared to FY2025).

(2) Promotion of Disciplined M&A Investments

Of the growth investment allocation under "Medium-Term Management Plan 2028" (totaling approximately 75.0 billion yen), we have earmarked approximately 20.0 billion yen (including approximately 15.0 billion yen for the Energy business) for inorganic investments centered on M&A. Under the "M&A Action Policy in Growth Strategy" announced in November 2026, we will focus on expanding our customer base by capturing industry consolidation needs in the Energy business, strengthening our cloud and system integration (SI) capabilities (such as AWS-related services) in the Corporate Information and Communications business, and expanding service areas and promoting cross-selling in the CATV business. When executing investments, we will enforce strict investment discipline and governance incorporating not only quantitative evaluations using WACC and IRR, but also qualitative evaluations including strategic fit, affinity with our human resources and technologies, various risks, and ESG perspectives, carefully selecting deals that directly contribute to improving capital profitability.

(3) Capital Allocation and Enhancement of Shareholder Returns

Funds generated over the three-year period through operating cash flow, cash on hand, and the utilization of interest-bearing debt will be optimally allocated to growth investments (approximately 75.0 billion yen) and shareholder returns (approximately 26.0 billion yen).

Regarding shareholder returns, in addition to stable and proactive dividends based on a payout ratio of 45% or higher, we plan to execute share buybacks of 10.0 billion yen or more over the three-year period from the perspective of pursuing an optimal capital structure, projecting a total payout ratio of approximately 70% during the period. We will also consider flexible and additional allocations to shareholder returns depending on the progress of growth investments and other factors.

(4) Promotion of Sustainability Management and Enhancement of Dialogue with Shareholders and Investors

Through the "Four Pillars" of our sustainability strategy—including the promotion of Green Transformation (GX)-related businesses toward our FY2030 GHG emissions reduction target (a 50% reduction compared to FY2021) and investments in human capital—we will enhance non-financial value and mitigate risks, thereby curbing the cost of capital and improving PER. Concurrently, we will continue constructive dialogue with institutional and individual investors through financial results briefings, small meetings, and individual IR meetings, feeding back the opinions and requests received to the Board of Directors to further enhance our management strategies and disclosures.

*For further details, please refer to the disclosure materials posted on our website:

May 23, 2024: "Action Policy Toward Realizing Management Conscious of Cost of Capital and Stock Price"

https://www.tokaiholdings.co.jp/ir/management/capitalmanagement.html

https://www.tokaiholdings.co.jp/english/news/assets/pdf/20240523release_e.pdf (English)

May 8, 2026: "Medium-Term Management Plan 2028"

https://www.tokaiholdings.co.jp/ir/management/pdf/pr20260508-mt.pdf

https://www.tokaiholdings.co.jp/english/ir/management/pdf/pr20260508-mt_e.pdf (English)

November 5, 2026: "M&A Action Policy in Growth Strategy Toward Achieving Medium-Term Management Plan 2028"

https://www.tokaiholdings.co.jp/ir/management/pdf/pr20261105-mapolicy.pdf

https://www.tokaiholdings.co.jp/english/ir/management/pdf/pr20261105-mapolicy_e.pdf (English)

2. Capital Structure

Foreign Shareholding Ratio	10% or more but less than 20%

Status of Major Shareholders Updated

Name or Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	11,981,100	9.37
Suzuyo Shoji Co., Ltd.	5,799,700	4.54
The Shizuoka Bank, Ltd.	4,065,527	3.18

TOKAI Group Employee Stock Ownership Plan	4,015,601	3.14
Tokio Marine & Nichido Fire Insurance Co., Ltd.	3,486,887	2.73
Hikari Tsushin KK Investment Limited Partnership	3,362,000	2.63
STATE STREET BANK AND TRUST COMPANY 505223	3,229,396	2.53
Custody Bank of Japan, Ltd. (Trust Account)	2,856,400	2.23
Astomos Energy Corporation	2,724,848	2.13
Meiji Yasuda Life Insurance Company	2,599,389	2.03

Name of Controlling Shareholder, if applicable (excluding Parent Companies)	—
Name of Parent Company, if applicable	Not applicable

Supplementary Explanation **Updated**

In addition to the above, the Company holds 10,030,395 shares of treasury stock, which are excluded from the aforementioned major shareholders and the calculation of shareholding ratios.

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Prime Market
Fiscal Year-End	March
Business Sector	Wholesale Trade
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	¥100 billion or more but less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	10 or more but fewer than 50

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 Audit Board

Directors

Number of Directors Stipulated in Articles of Incorporation	10
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	9
Election of Outside Directors	Elected
Number of Outside Directors	4
Number of Independent Directors	4

Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Nobuko Kawashima	Academic											○
Ryoko Ueda	Academic											○
Hiroshi Tsunemine	From another company					△						
Tomohisa Imada	From another company								○			

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

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

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Nobuko Kawashima	○	Not Applicable	She was re-elected as an outside director based on the judgment that she will contribute to the Company's decision-making from a fair and neutral standpoint, leveraging her specialized academic expertise and broad insights gained as a university professor, while providing appropriate advice and guidance on management. In addition, since there is no special interest between her and the Company and no risk of a conflict of interest with general shareholders, it has been determined that her independence is fully maintained.
Ryoko Ueda	○	Not Applicable	She was re-elected as an outside director based on the judgment that she will contribute to the Company's decision-making from a fair and neutral standpoint, leveraging her specialized academic expertise and broad insights gained as a university professor, while providing appropriate advice and guidance on management. In addition, since there is no special interest between her and the Company and no risk of a conflict of interest with general shareholders, it has been determined that her independence is fully maintained.
Hiroshi Tsunemine	○	Mr. Hiroshi Tsunemine served as an Executive Managing Director of The Shizuoka Bank, Ltd. until June 2017. The Company engages in transactions with the bank, including the borrowing of funds.	He was re-elected as an outside director based on the judgment that he will contribute to the Company's decision-making from a fair and neutral standpoint, leveraging his extensive experience and deep insights in corporate management, while providing appropriate advice and guidance on management.In addition, since there is no special interest between him and the Company and no risk of a conflict of interest with general shareholders, it has been determined that his independence is fully maintained.

Tomohisa Imada	○	Mr. Tomohisa Imada served as President and Representative Director of Shizutetsu Co., Ltd. until March 2021. The Company engages in housing equipment-related transactions with the said company. He currently serves as Chairman and Representative Director of Toyota United Shizuoka Co., Ltd., and the Company engages in vehicle-related transactions with the said company.	He was re-elected as an outside director based on the judgment that he will contribute to the Company's decision-making from a fair and neutral standpoint, leveraging his extensive experience and deep insights in corporate management, while providing appropriate advice and guidance on management.In addition, since there is no special interest between him and the Company and no risk of a conflict of interest with general shareholders, it has been determined that his independence is fully maintained.

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	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	Nomination and Remuneration Committee	7	7	2	4	0	1	Outside Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Nomination and Remuneration Committee	7	7	2	4	0	1	Outside Director

Supplementary Explanation

The Nomination and Remuneration Committee was established to enhance the independence, objectivity, and accountability of the Board of Directors' functions by ensuring transparency and objectivity in the evaluation and decision-making processes regarding the nomination and remuneration of directors, thereby further enriching the Company's corporate governance system. The Committee is chaired by an outside director.

The members of the Committee are appointed by a resolution of the Board of Directors. As of the submission date, the Committee consists of seven members: Hiroshi Tsunemine (Outside), Katsuo Oguri, Toshinori Nakamura, Tetsuya Numano, Nobuko Kawashima (Outside), Ryoko Ueda (Outside), and Tomohisa Imada (Outside).

In fiscal 2025, the Committee met five times. The specific matters reviewed included the promotion and remuneration of executives of the Company Group, the composition of the Company's Board of Directors, and succession planning for the Chief Executive Officer and other positions, on which views were exchanged.

Regarding attendance in fiscal 2025, among the eight members (Masahiro Sone, Hiroshi Tsunemine, Katsuo Oguri, Junichi Yamada, Toshinori Nakamura, Nobuko Kawashima, Ryoko Ueda, and Tomohisa Imada), six members (Hiroshi Tsunemine, Katsuo Oguri, Junichi Yamada, Toshinori Nakamura, Nobuko Kawashima, and Ryoko Ueda) attended all five meetings. Tomohisa Imada attended all three meetings held during his tenure, and Masahiro Sone attended both of the two meetings held during his tenure.

Audit and Supervisory Board Member*

*Referred to as "*kansayaku*" in Corporate Governance Code reference translation

Establishment of Audit and Supervisory Board	Established
Number of Audit and Supervisory Board Members Stipulated in Articles of Incorporation	5
Number of Audit and Supervisory Board Members	4

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

The Audit & Supervisory Board meets with the Accounting Auditor several times a year to exchange opinions and receive reports on audit policies, methods, and results, while striving to share information regarding operational and accounting issues.

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

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

Name	Attributes			Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k	l	m
Masayuki Atsumi	Lawyer													○
Toshiro Matsubuchi	CPA													○
Yoichi Obuchi	From other company										△			

*Categories for "Relationship with the Company".

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

a. Person who executes business for the Company or its subsidiary

b. A non-executive director or an accounting advisor of the Company or its subsidiaries

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

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

Name	Designation as Independent Audit and Supervisory Board Member	Supplementary Explanation of the Relationship	Reasons for Appointment
Masayuki Atsumi	○	Not Applicable	We have elected him as an outside audit & supervisory board member to utilize his legal knowledge and broad insight cultivated as a attorney at law. We believe he will monitor directors and provide suggestions and advice from a fair and neutral standpoint. Furthermore, as there are no special interests or potential conflicts of interest between him and the Company that could affect general shareholders, we judge that his independence is fully ensured.
Toshiro Matsubuchi	○	Not Applicable	We have elected him as an outside audit & supervisory board member to leverage his financial and accounting expertise and broad insights cultivated as a certified public accountant and certified public tax accountant. We expect him to monitor directors and provide valuable suggestions and advice from a fair and neutral standpoint.In addition, we consider his independence to be fully secured, as there are no special interests between him and the Company, nor any risk of conflicts of interest with general shareholders.
Yoichi Obuchi	○	Mr. Yoichi obuchi served as an Executive Officer of Aioi Nissay Dowa Insurance Co., Ltd. until	We have elected him as an outside audit & supervisory board member to utilize his extensive experience and high level of insight regarding

		March 2021. The Company engages in insurance-related transactions with the said company.	corporate management. We believe he will monitor directors and provide suggestions and advice from a fair and neutral standpoint.Furthermore, as there are no special interests or potential conflicts of interest between him and the Company that could affect general shareholders, we judge that his independence is fully ensured.

Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members

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

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

—

Incentives

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

Supplementary Explanation for Applicable Items

The Company has introduced a new stock-based compensation plan, "Board Benefit Trust (BBT)," and will grant stock-based compensation to its Directors, Executive Officers, and Directors/Executive Officers of certain subsidiaries (excluding Outside Directors; hereinafter referred to as "Officers"). The purpose of this plan is to more clearly link the compensation of Officers with the Company's performance and stock value. By sharing not only the benefits of stock price increases but also the risks of stock price declines with shareholders, the plan aims to enhance Officers' awareness of contributing to medium-to-long-term performance improvement and the enhancement of corporate value.

Under the "Stock Delivery Rules for Officers," Officers are granted a certain number of points, and upon their retirement, the Company’s shares, etc., will be delivered to them in accordance with the number of accumulated points.

Persons Eligible for Stock Options	Employees, Subsidiaries’ Directors, Subsidiaries’ Employees

Supplementary Explanation for Applicable Items

As part of the 10th anniversary initiatives of transitioning to a holding company structure, the TOKAI Group granted stock options in October 2021 to our employees, as well as to the directors and employees of our subsidiaries. This initiative aimed to enhance their motivation and morale toward improving the Group’s business performance and increasing corporate value.

Director Remuneration

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

Supplementary Explanation for Applicable Items

Remuneration for Directors and Corporate Auditors for Fiscal 2025

Directors (2 persons): Total remuneration of 136 million yen (Fixed remuneration: 100 million yen, Bonuses: 24 million yen, Non-monetary remuneration, etc.: 11 million yen)

Corporate Auditors (1 person): Total remuneration of 18 million yen (Fixed remuneration: 18 million yen)

Outside Officers (8 persons): Total remuneration of 52 million yen (Fixed remuneration: 52 million yen)

Notes:In addition to the above, there are four (4) Directors who serve without remuneration from the Company. These four Directors concurrently serve as officers of subsidiaries, and the total remuneration they received as officers from the subsidiaries amounted to 131 million yen.

The Company resolved to abolish the officer retirement gratuities system for Directors and Corporate Auditors upon the conclusion of the 1st Annual General Meeting of Shareholders held on June 28, 2012. For Directors and Corporate Auditors who continued to hold office after the conclusion of the said General Meeting of Shareholders, it was resolved that retirement gratuities corresponding to their tenure up to the abolition of the system would be presented to them at the time of their respective retirement.No individual received total consolidated remuneration of 100 million yen or more

Policy on Determining Remuneration Amounts and Calculation Methods	Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

a. Basic Policy on Remuneration for Directors

The basic policy of the Company is to ensure that remuneration for Directors is determined within the limit resolved at the General Meeting of Shareholders, takes into account factors such as business conditions, economic trends, individual officer evaluation results, and balance with employee salaries, and appropriately reflects their responsibilities and level of contribution to business operations. This policy was deliberated by the Nomination and Remuneration Committee on April 15, 2026, and subsequently submitted to the Board of Directors on April 27, 2026, where the decision-making policy was resolved.

b. Overview of the Decision-making Policy

Remuneration for Directors consists of fixed remuneration (monthly remuneration), bonuses, and non-monetary share-based remuneration. However, in light of their duties, Outside Directors are not eligible for bonuses or non-monetary share-based remuneration.

i. Fixed Remuneration, etc.

Based on the basic policy mentioned in "a" above, the "TOKAI Group Regulations on Officer Grading," and the "TOKAI Group Regulations on Officer Remuneration," a corporate evaluation is conducted based on year-on-year consolidated business performance (operating profit) and the degree of achievement against financial forecasts. The comprehensive evaluation is determined by combining the corporate evaluation and individual evaluation in equal proportions. For fixed remuneration, the increment of the pay grade is determined according to the comprehensive evaluation. For bonuses, the payout amount is determined by multiplying the maximum bonus limit by a payout rate corresponding to the comprehensive evaluation. Fixed remuneration is paid as monthly fixed remuneration, and bonuses, if awarded, are paid in July.

ii. Non-monetary Share-based Remuneration

The Company grants share-based remuneration to Directors to clarify the link between their remuneration, the Company’s performance, and share value. By sharing not only the benefits of rising stock prices but also the risks of falling stock prices with shareholders, this structure aims to enhance Directors' awareness of contributing to medium-to-long-term performance improvement and corporate value growth. Share-based remuneration is determined by calculating the payout amount based on points computed using the following formula stipulated in the Share Delivery Regulations for Officers:

Points = Points by Position × Performance Evaluation Coefficient

based on performance during the evaluation period

Consolidated operating profit for the relevant fiscal year is selected as the performance evaluation indicator, and the coefficient is determined by year-on-year performance and the degree of achievement against financial forecasts. The performance evaluation coefficient is set as follows:

- 1.0 if consolidated operating profit is equal to or higher than the previous fiscal year and the forecast is achieved.
- 0.9 if consolidated operating profit is equal to or higher than the previous fiscal year and 90% or more but less than 100% of the forecast is achieved.
- 0.5 if consolidated operating profit is equal to or higher than the previous fiscal year and less than 90% of the forecast is achieved.
- 0.5 if consolidated operating profit is lower than the previous fiscal year and the forecast is achieved.

・0.0 if consolidated operating profit is lower than the previous fiscal year and the forecast is not achieved.

This indicator was selected because consolidated operating profit reflects the core results of the Company's business activities and is considered the most appropriate benchmark for evaluating single-year performance.

Furthermore, to strengthen the linkage between remuneration and the enhancement of medium-to-long-term corporate value, Company shares are delivered upon retirement from office based on the total number of points granted.

For fiscal 2025, operating profit amounted to 18,699 million yen, compared with 16,841 million yen in the previous fiscal year and a forecast of 17,500 million yen, exceeding the previous year's results and achieving the forecast.

iii. Policy on Determining the Proportion of Remuneration

Regarding the proportion of fixed remuneration, etc. and non-monetary remuneration for Directors (excluding Outside Directors), the ratio for the President and Representative Director is 91% for fixed remuneration, etc. and 9% for non-monetary remuneration. For the Senior Managing Executive Officer and Representative Director, the ratio is 93% for fixed remuneration, etc. and 7% for non-monetary remuneration. These ratios represent the proportion of payout amounts when fixed remuneration, etc. is set at the median value for the respective position and non-monetary remuneration is calculated based on actual results for fiscal 2025. The actual payout amounts fluctuate in accordance with changes in the Company's business performance and stock price.

c. Reasons Why the Board of Directors Judged that Individual Remuneration, etc. for Directors for the Current Fiscal Year Aligns with the Decision-making Policy

In determining individual remuneration, etc. for Directors, the Nomination and Remuneration Committee deliberated and confirmed that individual officer evaluation results, fixed remuneration amounts, bonus amounts, and payout amounts for share-based remuneration (non-monetary remuneration) were all determined in accordance with the decision-making policy. Therefore, the Board of Directors basically respected the committee's report and judged that it aligns with the decision-making policy.

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

We provide prior briefings and distribute board materials in advance to Outside Directors and Outside Audit & Supervisory Board Members to facilitate active discussions and effective decision-making at Board of Directors meetings. In addition, we hold regular opinion exchange meetings (four times a year) between Internal Directors and Outside Officers to foster closer cooperation and align perspectives on mid- to long-term management challenges.

Status of Persons who have Retired as Representative Director and President, etc.

Information on Persons Holding Advisory Positions (*Sodanyaku*, *Komon*, etc.) after Retiring as Representative Director and President, etc.

Name	Job title/ position	Responsibilities	Terms and Conditions of Employment (Full/part time, with/without remuneration, etc.)	Date when former role as president/ CEO ended	Term
–					

Number of Persons Holding Advisory Positions (*Sodanyaku*, *Komon*, etc.) After Retiring as Representative Director and President, etc.	0

Other Related Matters

While the Company maintains a system for Senior Advisers and Advisors, no former President and Representative Directors currently hold such positions upon retirement.

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

1. Overview

We established our Corporate Governance Basic Policy in November 2015 and have since been working to enhance our corporate governance. Our goal is to achieve sustainable growth and increase mid-to-long-term corporate value for the Group, thereby practicing sound management based on high self-discipline and establishing unwavering trust from society.

Our Board of Directors consists of up to 10 directors as stipulated in the Articles of Incorporation. Currently, it comprises [number] directors, including four outside directors, and is chaired by the Representative Director and President. In principle, the Board is composed of a necessary and appropriate number of members to ensure substantial discussions and an effective management system required for a holding company responsible for the Group's business execution management functions. At the same time, we pay full attention to ensuring diversity and expertise within the Board. All four outside directors are independent officers appointed in accordance with the independence criteria set by the Tokyo Stock Exchange.

We are a company with an Audit & Supervisory Board. The Board consists of four Audit & Supervisory Board members, including three outside members, and is chaired by a full-time member. The Audit & Supervisory Board meets once a month to receive reports on important auditing matters, deliberate, and make resolutions. The members audit the execution of duties by directors through participation in key meetings such as the Board of Directors, as well as through operational and accounting audits. Furthermore, the Audit & Supervisory Board regularly invites outside directors to attend its meetings to strengthen collaboration and exchange information with them.

The Sustainability Promotion Committee evaluates and verifies the progress of initiatives aimed at achieving target milestones for materiality (key priority issues) to advance sustainability across the Group. The Investment Review Committee identifies and evaluates risks associated with significant investment projects that substantially impact the entire Group, thereby supporting

decision-making by the Representative Director and President as well as the Board of Directors.The Business Operations Committee monitors the progress of business operations at major Group companies and deliberates on challenges and solutions to achieve management goals. The Disclosure Review Committee reviews the appropriateness of information when submitting Securities Reports and Semi-annual Reports. The Litigation Review Committee reviews major lawsuits and determines whether to file legal actions to manage and control litigation risks.

Furthermore, we have established the Group Compliance and Risk Management Committee. This committee shares information regarding internal control deficiencies, major complaints, and serious accidents across Group companies to implement preventive measures. It also promotes year-round compliance training to enhance internal controls throughout the Group.

2. Audits

As a company with an Audit & Supervisory Board, we audit the execution of duties by directors as well as the status of the establishment and operation of internal control systems, in accordance with auditing policies and plans. The Audit & Supervisory Board consists of four members: one full-time member and three part-time members, all three of whom are outside members. During fiscal 2025, the Audit & Supervisory Board met 12 times. The Board passed resolutions on matters including the proposal for electing a new accounting auditor (Ernst & Young ShinNihon LLC), the preparation of audit reports, the selection of the chairperson, the selection of the full-time member, the designation of specific members, the formulation of auditing policies and plans, the remuneration of members, consent to the remuneration of the accounting auditor, and the evaluation of the appropriateness of the accounting audit. In addition, the Board exchanged opinions with the accounting auditor, outside directors, and full-time members of subsidiaries.

The activities of our full-time Audit & Supervisory Board member include gathering information through monthly meetings with the Representative Director and attending key meetings such as the Executive Committee, the Business Operations Committee, the Investment Review Committee, and the Compliance and Risk Management Committee. The full-time member also conducts interviews with directors and executive officers, holds liaison meetings with full-time members of subsidiaries, receives internal audit reports from the internal audit department, and hears details regarding internal whistleblowing from the compliance department. Through these auditing activities, the member monitors the decision-making process and the implementation status of internal controls, reporting these findings to the Audit & Supervisory Board.

Regarding internal audits for the entire Group, the Group Audit Office—an organization independent of operational departments (consisting of 25 members including the head of the office, as of the submission date)—has conducted audits of Group companies based on annual plans and policies formulated each fiscal year since the Group reorganization and transition to a holding company structure in April 2011. In fiscal 2025, the office conducted a total of 387 internal audits, comprising 15 audits covering accounting, operations, labor, and environmental matters, and 372 audits evaluating the effectiveness of internal controls. Internal audits are conducted regularly or as needed regarding the appropriateness of policies, plans, and procedures for overall business activities, the effectiveness of business execution, and compliance with laws and regulations. The office provides specific advice and recommendations for business and mindset improvements. The results of internal audits are reported to the presidents, general managers, division heads, Audit & Supervisory Board members, and internal control departments of Group companies. These results are shared within the Group as necessary, and are regularly reported to the Board of Directors and the Audit & Supervisory Board. To improve matters raised in audit findings, the Group Audit Office collaborates with the compliance department of each

company to conduct continuous follow-ups and confirm that improvements have taken root. Furthermore, the internal audit department regularly exchanges information and opinions with the Audit & Supervisory Board members, outside directors, and the accounting auditor of Group companies to ensure appropriate business execution.

3. Reasons for Adoption of Current Corporate Governance System

With the energy, broadband, and CATV (cable television) businesses as our core operations, we engage in diverse business activities serving 3.47 million consumer and corporate customers. To oversee and control these operations, we have adopted a pure holding company structure. Each Group company works to achieve target goals and implement the Group's management policies—such as expanding business operations and enhancing customer services—through close transactions directly centered around our customers.

We aim to improve corporate governance across the Group by dispatching directors to Group companies to oversee their respective boards of directors. At the same time, representatives from major Group companies concurrently serve as our part-time directors. This system ensures that opinions from individual Group companies are gathered quickly, fostering unified strategic intent across the entire Group. Furthermore, we have appointed four outside directors and three outside Audit & Supervisory Board members. The outside directors participate in decision-making and provide appropriate advice and guidance on corporate management from a fair and neutral standpoint. The outside members monitor the execution of duties by directors and offer suggestions and advice from a similarly fair and neutral standpoint. Through these measures, we believe our management oversight functions are sufficiently enhanced and strengthened.

III. Implementation of Measures for Shareholders and Other Stakeholders

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

	Supplementary Explanation
Early Posting of Notice of the General Meeting of Shareholders	We strive to dispatch the Notice of Convocation of the General Meeting of Shareholders and reference materials early to ensure that shareholders can exercise their voting rights appropriately. Furthermore, prior to the dispatch, we disclose this information electronically via TDnet and our corporate website to secure sufficient time for shareholders to review the contents.
Scheduling of the General Meeting of Shareholders on a Non-Peak Day	To enable as many shareholders as possible to attend, we hold our General Meeting of Shareholders on a date other than the peak days when many companies hold their meetings.
Electronic Exercise of Voting Rights	We have implemented this practice since our 5th Annual General Meeting of Shareholders held in 2016.
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 our 6th Annual General Meeting of Shareholders held in 2017, we have been utilizing the electronic voting platform operated by ICJ, Inc.
Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	Since our 5th Annual General Meeting of Shareholders held in 2016, we have been preparing English translations of the convocation notices and posting them on our website.

2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	To actively engage in constructive dialogue with shareholders and investors, and to describe and disclose quantitative financial and non-financial information in a timely and appropriate manner, we have established an IR Policy (Disclosure Policy) and disclosed it on our website (https://www.tokaiholdings.co.jp/ir/policy.html)	
Regular Investor Briefings held for Analysts and Institutional Investors	We hold financial results briefings semi-annually to explain financial results, mid-term management plans, future business developments, and initiatives to enhance corporate value to institutional investors and analysts. We also conduct individual meetings for institutional investors, which were held with a total of 45 companies in fiscal 2025.	Held
Regular Investor Briefings held for Overseas Investors	Our Representative Director and Directors in charge regularly pay individual visits to overseas institutional investors.	Held

Online Disclosure of IR Information	On April 1, 2011, we launched our website and arranged the "IR Library" section within "Investor Relations" to provide a consolidated view of (1) financial results (Kessan Tanshin), (2) financial results briefing materials, (3) securities reports, (4) shareholder newsletters, and (5) shareholder meeting materials (convocation notices and resolutions). We also publish an English version of our website for overseas investors. In addition, the status of our dialogue with shareholders and investors is disclosed on our website. (Japanese) https://www.tokaiholdings.co.jp/ir/management/dialogue.html (English) https://www.tokaiholdings.co.jp/english/ir/management/dialogue.html
Establishment of Department and/or Placement of a Manager in Charge of IR	The Public Relations and Investor Relations Department within the Corporate Strategy Headquarters is responsible for these activities, with the Head of the Corporate Strategy Headquarters serving as the officer in charge. In addition, the Public Relations and Investor Relations Department handles arrangements for financial results briefings and individual meetings, as well as responding to inquiries.

3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Implementation of Environmental Preservation Activities and CSR Activities, etc.	We have established the "TOKAI Group Environmental Policy," recognizing the preservation of a healthy global environment to be passed down to the next generation as a critical management priority. Our basic philosophy is to contribute to the sustainable development of society by striving to prevent global warming, form a resource-recycling society, and coexist with local communities. We have also established the following six items as our action guidelines 1.Harmony between environmental preservation and social development 2.Compliance with environmental laws, regulations, and other requirements 3.Supporting customers in reducing greenhouse gas emissions and environmental impact 4.Reducing the environmental impact of the TOKAI Group 5.Raising environmental awareness and continuously improving environmental management activities 6.Coexistence with local communities
Formulation of Policies, etc. on Provision of Information to Stakeholders	To gain further trust from our stakeholders, we strive to ensure transparent information disclosure. In addition to timely disclosure based on the Financial Instruments and Exchange Act and the Securities Listing Regulations set by the stock exchange, we actively engage in voluntary disclosure by providing PR information and other materials via our website and TDnet.
Other	1. Promotion of Diversity We promote the following initiatives to provide opportunities that foster career advancement and mind-set awareness among female employees: (1) Implementation of the "Diversity Promotion Project" – formulation of implementation plans under the Act on Promotion of Women's Participation and Advancement in the Workplace, etc. (2) Implementation of the "Female Career Advancement Promotion Educational Program" – fostering awareness toward promotion among female employees (3) Implementation of "Career Support Training" – providing training related to motivation enhancement and career development for female employees 2. Health and Productivity Management Regarding employee health as a valuable asset for the TOKAI Group and society, we announced the "TOKAI Group Health Declaration" in June 2016. In June 2018, to promote health and productivity management more actively,

	we established the "TOKAI Group Health and Productivity Management Policy," which consists of three pillars: "Health Promotion," "Safety and Health," and "Work-Style Reform." Based on this policy, we are promoting various measures. In recognition of our efforts, the Group has been selected twice in the past for the "Health & Productivity Stock Selection." Furthermore, we have received the "Certified Health & Productivity Management Outstanding Organizations Recognition (Large Enterprise Category) - White 500" for 10 consecutive years up to 2026. 3. Work-Style Reform We have introduced systems such as the flextime system, work-from-home system, and support system for balancing medical treatment and work. Through achieving work-life balance and supporting the balance between work and childcare or nursing care, we actively work to create an environment where each and every employee can work comfortably and vibrantly. Through these efforts, we aim to realize our corporate philosophy: "For our customers' lives. Along with the local community and the global environment, we will continue to grow and develop."

IV. Matters Concerning the Internal Control System

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

(1) System to ensure that the execution of duties by Directors, Executive Officers, and employees of the Group complies with laws, regulations, and the Articles of Incorporation

(a) Based on the Group-wide Corporate Code of Conduct and the TOKAI-WAY, which represents our common Group philosophy, the Company shall formulate the Group Compliance Regulations. By continuously maintaining and operating these regulations in an effective manner, the Company shall establish a corporate culture in which Directors, Executive Officers, and employees of the Group comply with laws, regulations, the Articles of Incorporation, and social norms.

(b) To ensure thorough awareness, the Group Compliance and Risk Management Committee shall cross-functionally oversee compliance initiatives across the entire Group. Under this framework, the compliance promotion organization of each Group company shall conduct compliance education and training for the Directors, Executive Officers, and employees of their own companies and their subsidiaries.

(c) The Group Audit Office shall cooperate with the Group Compliance and Risk Management Committee to audit compliance initiatives and their implementation status at each Group company, and report the audit results to the Committee.

(d) Based on the Group Internal Control Regulations, the Company shall determine policies concerning the construction, maintenance, and evaluation of internal controls for the entire Group. The internal control promotion organization of each Group company shall evaluate the status of maintenance and operation of its own internal controls based on these policies, and report the evaluation results and processes to the Compliance and Risk Management General Office. In addition, based on the Group Information Security Management System Regulations, the Company shall establish the "Group Information Security Promotion Council" aimed at protecting information assets such as personal information across the entire Group.

(e) If a Director, Executive Officer, or employee of any Group company discovers a material violation of laws and regulations or any other important fact regarding compliance in the execution of duties, they shall report it to the Compliance and Risk Management General Office or the Audit & Supervisory Board Members. The Office or the Audit & Supervisory Board Members shall conduct a factual investigation in cooperation with the Group Audit Office, and report the results to the Group Compliance and Risk Management Committee, as well as the Company’s Board of Directors and Audit & Supervisory Board Members.

(f) The Compliance and Risk Management General Office shall strive to operate an effective internal reporting system based on the regulations concerning Group internal reporting. In principle, internal reporting shall be conducted through the helpline system. The regulations clearly state that whistleblowers shall not suffer any disadvantages as a result of making a report, and this policy is made well-known to the Directors, Executive Officers, and employees of the Group. Furthermore, information regarding reports made through this system shall be shared with the Company’s Audit & Supervisory Board Members as appropriate.

(g) If an Audit & Supervisory Board Member of any Group company finds any issue in the operation of their company’s compliance system or internal reporting system, they may state their opinions and request the formulation of improvement measures.

(h) Based on the Corporate Code of Conduct, the Group shall maintain a system for organizational responses aimed at eliminating anti-social forces, and strengthen cooperation with the police and related organizations.

(2) Matters concerning the storage and management of information related to the execution of duties by Directors and Executive Officers of the Group

(a) In accordance with the Document Management Regulations and Document Handling Regulations of each company, the Group shall record and store information related to the execution of duties by Directors and Executive Officers in documents (including electromagnetic records).

(b) The Group shall specify specific methods of inspection, such as the retention period of documents, inspection locations, and times, in the Document Management Regulations and Document Handling Regulations of each company. The Group shall maintain a state where these documents are always available for inspection in preparation for inspection requests from Directors, Executive Officers, or Audit & Supervisory Board Members.

(3) Regulations and other systems concerning the management of risk of loss for the Group

(a) Based on the Group Risk Management Regulations, the Compliance and Risk Management General Office shall centrally manage risk information for the entire Group. Each Group company shall evaluate its own risk status based on its separately formulated risk management regulations, and periodically report the results to the Compliance and Risk Management General Office. The Compliance and Risk Management General Office shall periodically report the risk status of the entire Group to the Group Compliance and Risk Management Committee, the Company's Board of Directors, and the Audit & Supervisory Board. In addition, based on the recognition that protecting the information assets of individual customers, business partners, and others from all threats is an important responsibility of the Company, the Company shall establish various information security regulations, set up the "Group Information Security Promotion Council" and other bodies, and implement necessary measures.

(b) If a material risk event materializes, each Group company shall take organizational responses, such as establishing a crisis management headquarters, based on its risk management regulations or emergency response regulations. The risk management response organization of each company shall report the status of such responses to the Compliance and Risk Management General Office.

(c) The Group Audit Office shall conduct audits on the location of risks and the status of responses at each Group company, and report the audit results to the Group Compliance and Risk Management Committee.

(4) System to ensure that the execution of duties by Directors and Executive Officers of the Group is conducted efficiently and appropriately

(a) Since material matters affecting the entire Group require careful decision-making through multifaceted reviews, such matters shall be submitted to the Management Committee, Investment Review Committee, Operations Committee, etc. hosted by the Company prior to the Board of Directors meetings of each company, to ensure sufficient deliberation for efficient and appropriate business execution.

(b) Based on the Group-wide mid-term management plan and annual budget, the Company shall manage the status of business execution at each company. In addition, for material investment projects of each company, the Company shall evaluate their profitability, risks, etc., and timely and appropriately allocate necessary management resources to each company for projects deemed appropriate.

(c) Each Group company shall utilize IT systems to timely and appropriately compile the progress of its business performance and report periodically to the Company's Board of Directors. The Company's Board of Directors shall appropriately evaluate the

performance of each Group company based on the Regulations for Evaluation of Group Companies' Performance.
(d) Regarding the business management of each Group company, the Company shall ensure effectiveness by requiring reports and approvals to the Company based on the Group Business Guidelines, the Group Business Management Regulations, and the Regulations for Approval and Reporting Procedures of Group Companies. In addition, the management departments in charge at the Company shall monitor the status of business execution at each Group company as necessary.
(e) Based on the Group Internal Control Regulations, the Compliance and Risk Management General Office shall evaluate the effectiveness of internal controls across the entire Group at the end of each fiscal year to ensure the reliability of financial reporting figures for the entire Group, taking into account the results of internal control evaluation audits conducted by the Group Audit Office.

(5) Matters concerning employees in the event that an Audit & Supervisory Board Member requests the assignment of employees to assist with their duties, and matters concerning the independence of such employees from Directors
(a) To enhance the effectiveness of audits and ensure the smooth execution of audit duties, the Company shall appoint Audit & Supervisory Board Member assistants from among the Company's employees when requested by an Audit & Supervisory Board Member.
(b) The evaluation of Audit & Supervisory Board Member assistants shall be conducted by the Audit & Supervisory Board Members. Decisions on the appointment, dismissal, personnel transfer, and revision of wages of Audit & Supervisory Board Member assistants shall be made by the Board of Directors with the consent of the Audit & Supervisory Board to ensure their independence from Directors and Executive Officers. Furthermore, Audit & Supervisory Board Member assistants shall not concurrently hold positions involved in the execution of business operations.

(6) System for Directors, Executive Officers, and employees of the Group to report to Audit & Supervisory Board Members, and other systems concerning reporting to Audit & Supervisory Board Members
(a) In accordance with the "Regulations Concerning Procedures for Matters to be Reported to the Audit & Supervisory Board by Directors, Executive Officers, and Employees," Directors, Executive Officers, and employees of each Group company shall promptly report to the Audit & Supervisory Board Members of the Company and each Group company regarding material matters that affect the business or performance of each Group company. As stated in (1)(e), matters concerning compliance, etc., may be reported directly to the Audit & Supervisory Board Members of each company.
(b) Notwithstanding the provisions above, the Company’s Audit & Supervisory Board Members may request reports from Directors, Executive Officers, and employees of each Group company at any time as necessary.

(7) Other systems to ensure that audits by Audit & Supervisory Board Members are conducted effectively
(a) The Company shall timely and appropriately report the audit results of the Group Audit Office and the monitoring results of the Compliance and Risk Management General Office to the Audit & Supervisory Board to share information, thereby ensuring that audits by Audit & Supervisory Board Members are conducted effectively.
(b) When an Audit & Supervisory Board Member requests advance payment of expenses, etc., for the execution of their duties, the Company shall promptly process the request if the purpose is deemed appropriate.
*An overview of the operational status of the internal control system is available on our website in the "Matters Subject to

Electronic Provision Measures upon Convocation of the 15th Annual General Meeting of Shareholders.
(https://contents.xj-storage.jp/xcontents/AS02376/eb4853c3/e7e0/4c15/936d/22aef5329e7a/140120260602559660.pdf)

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

Based on the Corporate Code of Conduct, the Company and each Group company maintain a system for organizational responses aimed at eliminating anti-social forces, and strengthen cooperation with the police and related organizations.

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

1. Matters Concerning the Internal System for Timely Disclosure of Corporate Information

(1) Basic Policy on Timely Disclosure of Corporate InformationThe Company fully recognizes the crucial role of appropriate and timely disclosure of corporate information and strives to ensure the transparency of its corporate activities. We disclose information appropriately in compliance with applicable laws and regulations, including the Financial Instruments and Exchange Act, as well as the timely disclosure rules established by the Tokyo Stock Exchange.

(2) Internal System for Timely DisclosureUnder the leadership of the officer in charge of information disclosure, each responsible department keeps track of matters stipulated in the timely disclosure rules, and multiple departments review and verify whether such information falls under the criteria for timely disclosure. Furthermore, the Company stipulates that all matters applicable to the timely disclosure rules on a consolidated basis must be submitted to the Board of Directors. Following a resolution by the Board, we promptly execute timely disclosure procedures and actively disseminate the information by publishing it on our website and through other channels.Through our "Internal Information Management Regulations," the Company ensures strict compliance with the prohibition of insider trading and maintains appropriate information management.

2. Other Matters Concerning the Corporate Governance System, etc.

(1) Number of DirectorsThe Company's Articles of Incorporation stipulate that the number of Directors shall be no more than 10.

(2) Resolutions for the Election of DirectorsThe Company's Articles of Incorporation stipulate that resolutions for the election of Directors shall be adopted by a majority of the voting rights of shareholders present at a meeting where shareholders holding one-third or more of the voting rights of shareholders entitled to exercise their voting rights are present. Furthermore, the Articles of Incorporation stipulate that the election of Directors shall not be conducted by cumulative voting.

(3) Matters that can be Resolved by the Board of Directors Instead of the General Meeting of Shareholders

Acquisition of Own Shares (Treasury Shares)

In order to execute agile capital policies and other measures, the Company's Articles of Incorporation stipulate that, pursuant to the provisions of Article 165, Paragraph 2 of the Companies Act, the Company may acquire its own shares through market transactions, etc., by resolution of the Board of Directors.

Interim Dividends

In order to enable agile return of profits to shareholders, the Company's Articles of Incorporation stipulate that, by resolution of the Board of Directors, the Company may pay dividends of surplus (interim dividends) as stipulated in Article 454, Paragraph 5 of the Companies Act to shareholders listed or registered in the final register of shareholders as of September 30 of each year.

(4) Quorum and Requirements for Special Resolutions of the General Meeting of ShareholdersRegarding the requirements for special resolutions of the General Meeting of Shareholders stipulated in Article 309, Paragraph 2 of the Companies Act, the

Company's Articles of Incorporation stipulate that such resolutions shall be adopted by two-thirds or more of the voting rights of shareholders present at a meeting where shareholders holding one-third or more of the voting rights of shareholders entitled to exercise their voting rights are present. The purpose of this provision is to ensure the smooth operation of the General Meeting of Shareholders by relaxing the quorum required for special resolutions.

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