February 25, 2026
HUMAN MADE Inc.
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The status of corporate governance in HUMAN MADE Inc. (the "Company") is as follows.

I. Basic Approach to Corporate Governance, Capital Structure, Corporate Attributes and Other Basic Information

1. Basic approach

The Company has the below MISSION/VISION/VALUE following our mission, "Born from creative inspiration, made with heart and humanity." We enrich people's hearts and minds by creating culture and delivering it to the world. At the same time, we aim to expand opportunities around the world for creators to thrive.

MISSION: "Born from creative inspiration, made with heart and humanity"

MISSION STATEMENT:

"Creativity" is a fundamental human value.

And only when our minds move beyond

calculating mere practicality and efficiency

do we land upon truly new ideas.

In this spirit,

we at HUMAN MADE Inc.

fuse the latest culture of the streets with a deep reverence of the past

to shape our global future.

VISION: "Exhilarating moments in life"

VALUE:

① SENSIBILITY

It is important to refine our senses by maintaining a strong curiosity, pursuing new life experiences, and dedicating ourselves to constant self-improvement. This develops a core set of beliefs, and when we live, in word and deed, aligned with our own principles, we can then begin to discern the true essence of the world.

② HUMANITY

Our love goes out to people who treat others with gentleness, respect, and humor. And only by demonstrating compassion to those with different perspectives and insights can we achieve the mutual understanding that builds strong and resilient teams.

③ TENACITY

Exceeding others' expectations requires pushing yourself to never be complacent in the middle of the journey, and never, ever giving up, no matter how difficult the process is. Extra effort is necessary for the skillful execution of creative ideas, and this requires a mindset that relishes the entire journey and aims to follow through to the very end.

The Company considers sustainable growth and the long-term, stable improvement of corporate value through the realization of its MISSION/VISION/VALUE as important management issues.

To this end, the Company is working to build good relationships with various stakeholders, including shareholders, business partners, local communities, and employees, and to continually strengthen its corporate governance, placing the highest priority on maintaining and enhancing customer trust, namely its brand value.

[Reasons for non-compliance with each principle of the Corporate Governance Code]

The Company complied with all the basic principles of the Corporate Governance Code.

2. Capital structure

Foreign shareholding ratio	20% to less than 30%

[Major shareholders]

Name	Number of shares held (shares)	Percentage (%)
NIGOLD Inc.	9,720,000	42.42
Pharrell Williams	4,160,000	18.16
Tomoaki Nagao	829,300	3.62
Rei Matsunuma	560,000	2.44
Junichi Yanagisawa	560,000	2.44
Rehito Hatoyama	560,000	2.44
Asset Management One Co., Ltd.	479,200	2.09

Name of controlling shareholder (excluding parent company)	—

Name of parent company	Not applicable

Supplementary explanation

1. The information on Foreign shareholding ratio and major shareholders is as of December 31, 2025. 2. NIGOLD Inc. is the asset management company of Mr. Tomoaki Nagao, the founder and the former Representative Director of the Company.

3. Corporate attributes

Listing market segment	Growth market
Fiscal year-end	January
Industry	Wholesale and retail
Number of employees (consolidated) as of the end of the previous fiscal year	100 to less than 500
Net sales (consolidated) in the previous fiscal year	10 billion yen to less than 100 billion yen
Number of consolidated subsidiaries as of the end of the previous fiscal year	Less than 10 companies

4. Guidelines on measures to protect minority shareholders in transactions with controlling shareholders

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5. Other special circumstances that may have a significant impact on corporate governance

The Company has entered into a Creative Director Agreement with Mr. Tomoaki Nagao, the founder of the Company, and Ninku Inc., an entity represented by him. Under this agreement, the Company entrusts Mr. Tomoaki Nagao to the planning, design, and promotion of HUMAN MADE brand products and stores, and he plays a vital role in the brand management. If he were to be unable to perform his duties for any reason, or if any of the terms and conditions of the agreement were to modify, the Company recognizes its business performance could be significantly impacted. To address this, the Company established the Corporate Governance Special Committee in May 2024, which consists exclusively of independent officers. The Company aims to enhance its corporate governance by consulting the Committee on these contractual terms and transaction details, and by strengthening its monitoring system. Furthermore, the Company is striving to establish an independent internal structure that does not rely on specific individuals, such as creative directors, by promoting the external recruitment of creative talent and fostering internal human resource development.

II. Corporate Management Organization and Other Corporate Governance Structures for Management Decision-making, Execution, and Supervision

1. Matters pertaining to institutional structure, organizational management, and others

Organizational form	Company with a board of corporate auditors

[Directors]

Number of directors stipulated in the Articles of Incorporation	7
Term of office of directors stipulated in the Articles of Incorporation	1 year
Chairperson of the Board of Directors	Representative Directors other than Chairperson and President
Number of directors	5
Status of appointment of External directors	Appointed
Number of External Directors	2
Number of External Directors designated as independent directors/corporate auditors	2

Relationship with the Company (1)

Name	Attribute	Relationship with the Company (*1)									
		a	b	c	d	e	f	g	h	i	j	k
Shion Okamoto	Lawyer											
David Marx	From another company											

*1 Selectable items for relationship with the Company

a. Executive of the Company or its subsidiary
b. Executive or non-executive director of the parent company of the Company
c. Executive of a fellow subsidiary of the Company
d. Person/entity whose major client is the Company, or an executive of such person/entity
e. Major client of the Company, or an executive of such client
f. Consultant, accounting professional, or legal professional who receives a large sum of cash or other assets from the Company other than director/auditor remuneration
g. Major shareholder of the Company (or an executive of such shareholder if the shareholder is a corporation)
h. Executive of a client of the Company (excluding persons categorized under any of d, e, or f above)
i. Executive of another company that holds cross-directorships/cross-auditorships with the Company
j. Executive of an entity that receives donations from the Company
k. Others

Relationship with the Company (2)

Name	Independent director/corporate auditor	Supplementary explanation for applicable item	Reasons for selection
Shion Okamoto	○	-	Shion Okamoto is qualified as an attorney in both Japan and the United States and has experience of engaging in both domestic and overseas legal matters. She has expertise in risk management as well as experience of developing new businesses, and knowledge of finance and accounting. The Company has nominated Shion Okamoto as a candidate for External Director because the Company has determined that she will be able to provide effective advice from the perspectives of ESG and diversity by leveraging her wealth of experience and broad insight and play a sufficient role in exercising highly effective supervision of all aspects of the Company's management. Since there is no special interest between Shion Okamoto and the Company, or no risk of a conflict of interest arising between her and general shareholders, the Company has designated her as an independent director/corporate auditor.
David Marx	○	-	David Marx has written a variety of articles on Japanese fashion and music as a writer, has published a series of articles in prominent magazines, and has a wealth of knowledge and experience in culture, lifestyle, and the fashion industry. The Company has nominated David Marx as a candidate for External Director because the Company has determined that he will be able to provide valuable and diverse suggestions from the perspectives of ESG and diversity, and to make appropriate comments on the Company's management from objective and global perspective by drawing on his wealth of experience and broad knowledge. Since there is no special interest between David Marx and the Company or no risk

			of a conflict of interest arising between him and general shareholders, the Company has designated him as an independent director/corporate auditor.

[Voluntary committee]

Committee equivalent to a nominating committee or remuneration committee	Established

Status of establishment, composition, and attributes of the chairperson (chair)

Voluntary Committee Equivalent to a Nomination Committee

Committee Name			Nomination and Remuneration Committee			
All members (number)	Full-time members (number)	Internal Directors (number)	External Directors (number)	Internal Expert (number)	Other (number)	Chairperson (Chairperson)
3	0	1	2	0	0	External Director

Voluntary Committee Equivalent to a Remuneration Committee

Committee Name			Nomination and Remuneration Committee			
All members (number)	Full-time members (number)	Internal Directors (number)	External Directors (number)	Internal Expert (number)	Other (number)	Chairperson (Chairperson)
3	0	1	2	0	0	External Director

Supplementary Explanation

The Company has established a Nomination and Remuneration Committee composed of all External Directors and the Representative Director to strengthen the Board of Directors' oversight function of nominations and remunerations of directors and enhance the transparency of the decision-making process. The Nomination and Remuneration Committee performs the functions of both a Nomination Committee and a Remuneration Committee. The Nomination and Remuneration Committee shall be held at least once a year in principle, and the Chairperson may convene additional meetings, as necessary.

The Nomination and Remuneration Committee deliberates on the following matters and submits recommendations to the Board of Directors.

(1) Matters related to the nomination

- Matters concerning the composition of the Board of Directors
- Matters concerning the appointment and dismissal of Directors
- Matters concerning the appointment and dismissal of the Representative Director and directors with specific titles
- Matters concerning the independence standards for external Directors
- Matters concerning the appointment and dismissal of members of the Nomination and

Remuneration Committee
- Matters concerning succession planning

(2) Matters concerning the remuneration
- Matters concerning the policies and procedures for determining remuneration of Directors
- Matters concerning the contents of remuneration for Directors

[Auditors]

Establishment of a board of corporate auditors	Established
Number of corporate auditors stipulated in the Articles of Incorporation	3
Number of corporate auditors	3

Status of cooperation among corporate auditors, accounting auditors, and internal audit department

Corporate auditors, the internal audit department, and accounting auditors thrive to improve the quality of their respective supervisory functions through the following cooperative efforts.
- The Internal Audit Office attends the Board of Corporate Auditors meetings to mutually share information on audit plans and audit results.
- Corporate auditors and the Internal Audit Office attend audit plan briefings and results briefings held by the Accounting Auditor and exchange opinions on audit plans, the status of audits, and audit results.
- The three parties also exchange information and promote cooperation as the circumstances require.
- Full-time corporate auditors and the Internal Audit Office maintain close cooperation through timely exchanges of opinions.

Appointment of external corporate auditors	Appointed
Number of external corporate auditors	3
Number of external corporate auditors designated as independent directors/corporate auditors	3

Relationship with the Company (1)

Name	Attribute	Relationship with the Company (*1)												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Mika Kawasaki	Certified public accountant													
Hiroshi Yugeta	Lawyer													
Masahito Okuma	From another company													

*1 Selectable items for relationship with the Company

a. Executive of the Company or its subsidiary

b. Non-executive director or accounting advisor of the Company or its subsidiary

c. Executive or non-executive director of the parent company of the Company

d. Auditor of a parent company of the Company

e. Executive of a fellow subsidiary of the Company

f. Person/entity whose major client is the Company, or an executive of such person/entity
g. Major client of the Company, or an executive of such client
h. Consultant, accounting professional, or legal professional who receives a large sum of cash or other assets from the Company other than director/auditor remuneration
i. Major shareholder of the Company (or an executive of such shareholder if the shareholder is a corporation)
j. Executive of a client of the Company (excluding persons categorized under any of f, g, or h above)
k. Executive of another company that holds cross-directorships/cross-auditorships with the Company
l. Executive of an entity that receives donations from the Company
m. Others

Relationship with the Company (2)

Name	Independent director/corporate auditor	Supplementary explanation for applicable item	Reasons for selection
Mika Kawasaki	○	-	As a certified public accountant, Mika Kawasaki is well-versed in corporate accounting and has ample knowledge to supervise corporate management. The Company has therefore nominated her with the expectation that she will conduct appropriate audits from the perspectives of internal control and accounting. Since there is no special interest between Mika Kawaski and the Company, or no risk of a conflict of interest arising between her and general shareholders, the Company has designated her as an independent director/corporate auditor.
Hiroshi Yugeta	○	-	Hiroshi Yugeta is an attorney and patent attorney. The Company has nominated him because he is well-versed in corporate legal affairs and trademark practice. Since there is no special interest between Hiroshi Yugeta and the Company, no risk of a conflict of interest arising between him and general shareholders, the Company has designated

			him as an independent director/corporate auditor.
Masahito Okuma	○	-	Masahito Okuma has extensive business experience in the fields of new business development and business investment. The Company has therefore nominated him with the expectation that he will supervise overall management and provide effective advice from an objective and independent perspective regarding new business development and global business operation. Since there is no special interest between Masahito Okuma and the Company, no risk of a conflict of interest arising between him and general shareholders, the Company has designated him as an independent director/corporate auditor.

[Independent directors/corporate auditors]

Number of independent directors/corporate auditors	5

Other matters pertaining to independent directors/corporate auditors

The Company has established independence standards for directors/corporate auditors by referring to the independence standards for independent directors and auditors of the Tokyo Stock Exchange. In accordance with the independence standards, the Company designates all external directors and corporate auditors who meet the independence standards as independent directors/corporate auditors.

[Incentives]

Implementation of measures to provide incentives to directors	Introduction of performance-based remuneration plan and stock option plan

Supplementary explanation for applicable items

Remuneration for full-time directors consists of fixed remuneration and performance-based remuneration, while remuneration for non-executive directors (including External Directors) consists of only base remuneration in view of their roles and independence.
Performance-based remuneration of the Company is designed to motivate directors and corporate auditors to contribute to sustained growth of the Company's performance not only in the short term but also mid and long term to enable the continuous enhancement of the Company's corporate value.
Specifically, the performance-based remuneration consists of STI (Short Term Incentive) calculated based on the Company's performance in the relevant fiscal year and paid out as an uplift to the base remuneration for the following fiscal year, and LTI (Long Term Incentive) linked to the Company's long-term corporate value to function as a sound incentive for sustainable growth.

Recipients of stock options	Employees, others

Supplementary explanation for applicable items

1. The Company grants stock options to its employees to boost their motivation and morale toward improving performance, and to contribute to the enhancement of corporate value.
2. The Company grants stock options to certain creators who sign partnership agreements with the Company.

[Director remuneration]

Disclosure	Individual remuneration is not disclosed.

Supplementary explanation for applicable items

Individual remuneration is not disclosed because there is no person who receives total remuneration of 100 million yen or more.

Existence of policies for determining the amount of remuneration or its calculation method	Yes

Disclosure of policies for determining the amount of remuneration or its calculation method

The Company has established the Policy for Determining Executive Compensation effective February 1, 2026, as follows.
The Company considers the executive remuneration system to be a vital mechanism for embedding an appropriate incentive structure within the organization to achieve our mission and vision.
The Company aims to establish the system that encourages appropriate risk-taking by management ensures corporate governance and accurately reflects management responsibility in the remuneration to realize the sustainable growth of the Company in medium-to-long term.
Furthermore, the Company established a Nomination and Remuneration Committee as a voluntary advisory committee to the Board of Directors, with a majority of its members being independent external directors on January 27, 2026.

(1) Remuneration Structure

The remuneration structure for officers (excluding external directors and corporate auditors) of the Company is as follows.

Fixed remuneration accounts for approximately 60%, while performance-based remuneration accounts for approximately 40%. The performance-based remuneration consists of approximately 20% for Short-Term Incentive (STI) and approximately 20% for Long-Term Incentive (LTI) to appropriately reflect both short-term and medium-to-long-term results.

The ratio of approximately 40% for performance-based remuneration is determined by reference to market averages and the benchmark companies of the Company.

Remuneration of external directors and corporate auditors is fixed in light of their roles The amounts of remuneration for the auditor is determined through consultation among the auditors, within the total amounts of remuneration resolved at the General Meeting of Shareholders, considering whether they are full-time or part-time and their division of responsibility.

Types of Remuneration	Ratio of Total Compensation	Payment Method	Approach
Fixed Remuneration	Approximately 60%	Cash based	Remuneration for the assumption of liability and risk associated with the mandate
STI	Approximately 20%	Cash based	Remuneration for profit generation (short-term perspective)
LTI	Approximately 20%	Stock based	Remuneration for business expansion and growth (mid-to-long-term perspective)

(2) Approach to Performance Evaluation Metrics

a. STI

STI is calculated by multiplying the STI base amount by a coefficient derived from the following indicators.

The reason both sales and operating profit target achievement rates are considered when calculating the coefficient is that the Company prioritizes balanced growth and aims to avoid measures that are overly focused on one aspect.

STI Base Amount (Fixed) × Coefficient

Coefficient = Sales Target Achievement Rate* × Operating Profit Target Achievement Rate*

*Achievement Rate = Results / Budget Sales or Operating Profit

b. LTI

As LTI is provided in the form of stock-based remuneration, the Company believes that the medium- to long-term increase in stock value will be objectively reflected in remuneration over the same period.

(3) Remuneration Levels

Remuneration levels are determined based on not only comparisons with the overall market and benchmark companies but also our competitiveness in recruitment.

(4) Remuneration Amount Decision-making Process

Remuneration for officers is calculated in accordance with the rules set forth in the Executive Remuneration Regulations and Detailed Rules. Remuneration amounts are determined by the Representative Director following deliberation by the Nomination and Remuneration Committee, its submission of a recommendation to the Board of Directors, and a resolution by the Board of Directors delegating authority to the Representative Director. However, in principle, the Representative Director's decision has no discretionary leeway. In practice, remuneration is paid based on calculations strictly following our rules, incorporating the deliberations of the Nomination and Remuneration Committee, without any adjustments.

To ensure objectivity in establishing the above remuneration structure, external consulting firms were engaged for advice, and resolution for the structure were adopted by the Board of Directors.

2. Matters pertaining to functions relating to the execution of business, auditing and supervision, appointment and decisions regarding remuneration (Outline of the current corporate governance structure)

The Company has established the Board of Directors, the Board of Corporate Auditors, the Management Committee, the Risk and Compliance Committee, the Internal Audit Office, Accounting Auditor, the Corporate Governance Special Committee, and the Nomination and Remuneration Committee as the main bodies of its corporate governance structure.

1. Board of Directors

The Board of Directors consists of three full-time directors, Representative Director CEO and COO Rei Matsunuma (chairperson), Junichi Yanagisawa, Rehito Hatoyama, and two External Directors. In principle, the Board of Directors holds a regular meeting once a month and extraordinary meetings as necessary. The Board of Directors makes important management decisions and supervises business execution in accordance with the Regulations for the Board of Directors. Specifically, the Board approves the Company’s management strategies and medium-term management policies, checks and reports on the progress and analysis of performance against these plans, and discusses internal control matters, such as the establishment and revision of rules and regulations.

In addition, all three Corporate Auditors (three external corporate auditors) attend Board of Directors meetings to monitor the status of business execution by directors.

2. Board of Corporate Auditors

The Board of Corporate Auditors consists of three Corporate Auditors (three external corporate auditors): Mika Kawasaki (full-time, chairperson), Hiroshi Yugeta (non-executive), and Masahito Okuma (non-executive).

In principle, the Board of Corporate Auditors holds a meeting once a month and extraordinary meetings as necessary. The Board of Corporate Auditors receives reports on important audit-related matters and discusses or passes resolutions thereon in accordance with the Regulations for the Board of Corporate Auditors.

Based on the audit policy and audit plan formulated by the Board of Corporate Auditors, Corporate Auditors attend Board of Directors meetings and other important meetings to audit the status of operations and assets and maintain close cooperation with the audit firm and the internal audit department by receiving reports from them to audit the execution of business by directors.

3. Management Committee

The Management Committee has been established as a consultative and decision-making body in relation to management and business execution.

The Committee consists of three directors, Representative Director CEO and COO Rei Matsunuma

(chairperson), Junichi Yanagisawa, and Rehito Hatoyama, with full-time corporate auditor Mika Kawasaki attending as an observer to express opinions.

In principle, the Management Committee meets every two weeks to ensure thorough implementation of management policies, make decisions on important matters related to business execution, and check the progress of profit plans.

4. Risk and Compliance Committee

The Risk and Compliance Committee, chaired by the Representative Director and composed of members appointed in accordance with a resolution of the Board of Directors, has been established as a body to manage company-wide risks and ensure compliance.

The Committee meets regularly once a quarter and on an as-needed basis to identify potential risks related to business activities and develop preventive measures, formulate policies to deal with incidents (e.g., compliance violations) that emerge and establish measures to prevent their recurrence, as well as to submit such policies and measures to the Board of Directors for discussion and promote approved policies and measures.

5. Internal Audit Office

The Internal Audit Office, consisting of three internal auditors, conducts operational and accounting audits based on an annual audit plan, auditing compliance with laws and regulations and the effectiveness of internal controls. Audit results are reported to the Board of Directors and the Board of Corporate Auditors, and information is exchanged as appropriate to enhance cooperation with the Board of Corporate Auditors and the audit firm.

6. Accounting Auditor

The Company has appointed Deloitte Touche Tohmatsu LLC as its accounting auditor. The Company has entered into an audit agreement with the firm and undergoes accounting audits from an independent standpoint.

7. Corporate Governance Special Committee

To ensure the fairness of transactions with controlling shareholders, the Company has established the Corporate Governance Special Committee, which consists of independent officers (two External Directors and three corporate auditors). The Board of Directors consults the Special Committee regarding transactions with controlling shareholders and makes decisions based on the Committee's recommendations.

8. Nomination and Remuneration Committee

To ensure independence, objectivity, and transparency in the decision-making process of candidates for directors and auditors, and their remuneration and hereby to enhance corporate governance, the Company established a Nomination and Remuneration Committee. The Committee consists of three or more directors selected by resolution of the Board of Directors, with a majority being independent external directors (external directors who meet our independence standards, and are registered as independent officers with the Tokyo Stock Exchange).The Committee meets at least once a year and more as needed, and deliberates on matters concerning the nomination and remuneration of directors and corporate auditors in response to requests for consultation from the Board of Directors and reports or submits recommendations to the Board of Directors.

3. Reasons for adopting the current corporate governance structure

The Company has adopted the above-mentioned corporate governance structure to enable prompt and appropriate management decision-making. Based on their professional knowledge and experience, external corporate auditors fulfill an adequate auditing function over business execution, and the Company believes that the Risk and Compliance Committee, the Internal Audit Office, the Corporate Governance Special Committee, the Nomination and Remuneration Committee contribute to further fulfilling the management oversight function.

III. Implementation of measures for shareholders and other stakeholders

1. Activities to revitalize general meetings of shareholders and facilitate the exercise of voting rights

	Supplementary explanation
Early dispatch of notices of general meetings of shareholders	To ensure that shareholders have sufficient time to consider agenda items, the Company strives to expedite the dispatch of notices of meetings.
Scheduling general meetings of shareholders to avoid peak days	The Company believes that there is no significant concentration of shareholder meetings in April, when our general meeting is held. However, the Company will continue to be mindful of avoiding peak days to ensure that as many shareholders as possible can attend.
Electronic exercise of voting rights	The Company considers this an issue for future consideration.
Participation in electronic voting platforms and other activities to improve the voting environment for institutional investors	The Company considers this an issue for future consideration.
Availability of English translation of notices of meetings (summary)	The Company considers this an issue for future consideration.
Others	-

2. IR activities

	Supplementary explanation	Explanation by representative members of the board
Preparation and public announcement of disclosure policy	Disclosure Policy of the Company is announced through its IR website.	
Periodic briefing for individual investors	The Company does not plan to hold such briefing at this time; however, the Company will consider holding such briefing in the future depending on the investor mix.	Yes
Periodic briefing for analysts and institutional investors	The Company plans to hold a periodic briefing for analysts and institutional investors. The specific format and method of holding the briefing will be internally discussed.	Yes
Periodic briefing for foreign investors	The Company plans to provide opportunities to meet with foreign investors individually.	Yes

Disclosure of IR documents on the website	The Company has launched its IR website to post information about the Company, including its IR activities and IR documents.	
IR-related department (personnel)	The Accounting and Finance Department serves as the department in charge of IR.	
Others	-	

3. Activities concerning respect for stakeholders' position

	Supplementary explanation
Establishment of provisions in the internal rules concerning respect for the position of stakeholders	In conducting business activities, the Company believes that earning the trust of its shareholders, customers, and other stakeholders is critical to the expansion of its business. The Company regards compliance initiatives as important measures and has developed an internal management structure by reviewing internal rules covering not only legal compliance but also social ethics and employee codes of conduct, as well as establishing the "Risk and Compliance Committee" as a body that reports directly to the Board of Directors.
Promotion of environmental preservation activities and CSR activities	To date, the Company has engaged in the following activities. 1. Upcycling fabric scraps from the Company's products The Company has been working to create an enriched society by using fabric scraps from the production of its products to create products that contribute to social activities and environmental preservation. 2.JAPANESE SOLIDARITY WITH BLACK LIVES MATTER. The Company supports social movements (BLACK LIVES MATTER) aimed at fighting structural racism and violence against black people, particularly police violence against black people. To raise awareness and seek donations in Japan, the Company produces and sells T-shirts in cooperation with partner brands and donates all profits from the sales to charitable organizations. 3.CHALLENGE COFFEE BARISTA Organized by the Sustainable Coffee Association of Japan, "CHALLENGE COFFEE BARISTA" is a barista competition for people with disabilities. In support of the competition, which uses coffee to promote an "inclusive society" where everyone can live freely in their own way, the Company provides a T-shirt designed by its creative director to all participants. 4.The Way I See It: Selections from the KAWS collection The Company supports "The Way I See It: Selections from the KAWS collection," an exhibition curated by KAWS, an artist with whom the Company has signed a partnership agreement. The Company produces and sells T-shirts featuring artwork displayed at the exhibition, with all proceeds donated to The Drawing Center, a non-profit organization in New York City. In the future, the Company will establish a dedicated team to promote these activities and take on the challenge of addressing social issues and the environment to realize a sustainable and prosperous society.

Establishment of policy concerning disclosure of information to stakeholders	In order to earn the trust of its stakeholders, the Company will ensure the operation of a timely disclosure system as part of its corporate governance, develop and enhance internal systems and processes, and disclose information in a timely and appropriate manner in accordance with the Financial Instruments and Exchange Act and other relevant laws and regulations, as well as the timely disclosure rules and other rules stipulated by stock exchanges. In the event of any inadequacies in the disclosure of information, the Company will review the system and other aspects as necessary.
Others	As part of its activities to promote diversity and inclusion, the Company facilitates diversity management through appointing directors and corporate auditors with consideration for diversity in terms of gender, internationality, work experience, and expertise.

IV. Matters Related to Internal Control System

1. Basic approach to internal control system and its development

In accordance with the Companies Act and the Ordinance for Enforcement of the Companies Act, the Company has determined the following basic policies regarding the establishment of an internal control system and is working to develop and maintain the framework necessary to establish such system.

a. Systems to ensure that the performance of duties by directors and employees complies with laws and regulations and the Articles of Incorporation

i. The Company shall establish its "MISSION" and "VALUE" as the basis of all activities and develop compliance-related regulations to build an organizational culture in which corporate activities are conducted with high ethical standards. Directors and employees shall comply with laws and regulations, the Articles of Incorporation, and internal rules by basing the performance of their duties thereon.

ii. The Risk and Compliance Committee shall establish compliance policies, action plans, and others, and promote compliance throughout the Company. In addition, the Legal Department, which is in charge of compliance, shall serve as the administration office to examine compliance issues and provide thorough education and training.

iii. The Board of Directors shall have directors report regularly on the status of the performance of their duties and shall ascertain the directors' status of compliance with laws and regulations, the Articles of Incorporation, and internal rules.

iv. The Company shall establish "Internal Reporting Regulations" to address reports from employees concerning violations of laws and regulations, the Articles of Incorporation, and internal rules, and shall set up internal and external reporting channels to ensure the early detection of misconduct.

v. For the performance of duties, the "Regulations on Division of Duties" and the "Regulations on Administrative Authority" shall clarify the scope of the duties and decision-making authority of each department and position to enable appropriate checks and balances and reporting to function.

vi. The Internal Audit Department shall conduct internal audits of the effectiveness of the Company's system for compliance with laws and regulations, the Articles of Incorporation, and internal rules, and report the results of internal audits to the Board of Directors and the Board of Corporate Auditors. Any department that has undergone an internal audit, and related departments, shall promptly take corrective or improvement measures when necessary.

vii. In the unlikely event of a violation of laws and regulations, the Company shall take strict disciplinary action in accordance with the "Employment Regulations" and shall also take measures to prevent recurrence in cooperation with the department in charge, the Internal Audit Department, and the Risk and Compliance Committee.

b. Systems related to the retention and management of information pertaining to the performance of duties by directors

i. Records of the performance of duties by directors, requests for approval, and other important information shall be recorded on paper or in electromagnetic media, and shall be retained and managed in accordance with laws and regulations, the "Regulations for Document Management," "Regulations for Confidential Information Management," and other related rules, for the appropriate storage periods set for each type of information.

ii. Information pertaining to the performance of duties by directors shall be always kept available for inspection in case of a request by directors or corporate auditors.

c. Rules and other systems related to management of the risk of loss

i. The Risk and Compliance Committee, chaired by the Representative Director and composed of members appointed by a resolution of the Management Committee, shall be established in accordance with the

"Regulations for Risk and Compliance." The Committee shall manage the risk of loss by comprehensively collecting, analyzing, and evaluating information on Company-wide risks that could become factors that impede the achievement of management policies or medium-term management strategies and management indicators, and by considering and overseeing measures to address such risks.

ii. The Legal Department, which is in charge of risk management, shall serve as the administration office to compile information on the status of risk management in each department and regularly report the results to the Risk and Compliance Committee. The Risk and Compliance Committee shall deliberate and decide on improvement measures based on the report and continually improve the risk management structure and its effectiveness.

iii. In the event of a major disaster or other crisis, the Risk and Compliance Committee shall establish a task force as appropriate to centrally manage information and conduct activities to prevent and minimize the spread of damage.

d. Systems to ensure that directors perform their duties efficiently

i. To ensure that directors perform their duties efficiently, the Company shall establish the "Regulations for the Board of Directors," "Regulations for Administrative Authority," and other related regulations, and shall hold a Board of Directors meeting once a month in principle, as well as extraordinary meetings as necessary.

ii. In accordance with the "Regulations for Meeting Bodies" and the "Regulations for the Management Committee," meetings of the Management Committee, attended by executive directors, and by full-time corporate auditors as observers, shall be held every other week in principle. The Committee shall be delegated by the Board of Directors with authority to make decisions on the execution of certain important business and to manage the progress of profit plans, to facilitate agile decision-making.

iii. The Board of Directors shall formulate a medium-term management plan and an annual plan, set performance targets and budgets for each department based on the annual plan, and implement general control activities, including monthly or quarterly budget and actuals management.

e. Systems to ensure reliability of financial reporting

i. The Company shall evaluate, maintain, and improve internal control over financial reporting in accordance with the Financial Instruments and Exchange Act and other applicable laws and regulations in Japan and overseas.

ii. Each department of the Company shall work to ensure the appropriateness of financial reporting by implementing checks and balances through segregation of duties and daily monitoring in the execution of their own business.

f. Matters concerning employees requested by corporate auditors to assist them with their duties, as well as matters concerning the independence of such employees from directors and the effectiveness of instructions given to such employees by corporate auditors

i. When requested by corporate auditors or the Board of Corporate Auditors, the Company shall assign an employee to assist with the duties of corporate auditors and shall respect the opinions of corporate auditors or the Board of Corporate Auditors with respect to the personnel assignment of such assistant employees.

ii. Instructions given to the assistant employees shall be given independently of directors, and such employees shall perform their duties under the instructions of corporate auditors.

g. Systems for directors and employees to report to corporate auditors, and other systems related to reporting to corporate auditors

i. Directors and employees shall promptly report to corporate auditors on any matters that may cause significant damage to the Company or any misconduct or act that may violate laws and regulations, the Articles of Incorporation, or internal rules. In the event of an internal report of significance for compliance,

the status of the report shall be promptly reported.

ii. The Company's corporate auditors shall receive quarterly reports on the operation of the internal reporting system. They may also have the relevant employee report immediately on the operational status when deemed necessary.

iii. Corporate auditors may attend meetings of the Board of Directors and other important meetings of the Company and express their opinions on matters to be deliberated when necessary or when requested.

iv. The Board of Directors and the Company shall establish a system that provides corporate auditors, as necessary, with opportunities to exchange information with the Internal Audit Department and to be briefed by, and exchange information with, the Company's accounting auditor on the details of accounting audits.

v. Directors and employees who have made a report to corporate auditors shall not be treated unfavorably on account of such reporting.

h. Other systems for ensuring that audits by corporate auditors are performed effectively

i. The Company shall promptly process any requests from corporate auditors or the Board of Corporate Auditors for reasonable expenses incurred or reimbursement in connection with the performance of their duties.

ii. Corporate auditors shall seek professional advice from legal advisory firms and others when legal judgments are required and shall cooperate with the accounting auditor by seeking its opinions on accounting audit work.

iii. When deemed necessary, corporate auditors shall have opportunities to have discussions with the Representative Director and other relevant directors regarding the establishment and operation of internal control systems, including systems to ensure the effectiveness of audits by corporate auditors.

i. Basic policy for eliminating antisocial forces and the progress of development

i. The Company has established the "Regulations for Dealing with Antisocial Forces" and has a basic policy of having no relationship, including business relationships, with antisocial forces. The Company shall establish an internal system to deal with unreasonable demands from antisocial forces, and deal with such demands in accordance with the said regulations.

ii. A section for dealing with antisocial forces shall be established within the Legal Department to provide guidance and support to each department in dealing with them. In the event of an emergency, the Company shall work to respond appropriately by cooperating with outside specialist agencies, such as by reporting to the police and consulting with legal counsel.

2. Basic policy for eliminating antisocial forces and the progress of their development

a Basic policy for eliminating antisocial forces

The "Regulations for Dealing with Antisocial Forces" stipulate that the Company shall take a firm stance against antisocial forces that threaten the order and safety of civil society and respond with a resolute attitude, without yielding, to any unreasonable demands from such groups. Regarding measures for eliminating antisocial forces, the Company has a policy of taking thorough measures by providing training for directors and corporate auditors, informing employees about antisocial forces via the intranet, and issuing notices regarding the elimination of antisocial forces. In addition, the Company will take resolute action in cooperation with external specialist agencies, such as the competent police department and legal counsel.

b Progress on development of basic policy for eliminating antisocial forces

The Company has designated the Legal & Intellectual Property Group of the Corporate Planning Department as the department responsible for dealing with antisocial forces, and the manager of the Corporate Planning Department is in charge. In the event of undue demands from antisocial forces, the Legal & Intellectual Property Group of the Corporate Planning Department will consider how to respond.

In addition, the Company has appointed the legal affairs officer in the Corporate Planning Department as the person in charge stipulated in Article 14, Paragraph 1 of the Act on Prevention of Unjust Acts by Organized Crime Group Members, and he/she shall strive to learn the necessary knowledge and response methods by attending courses to be taken by the person in charge, as needed. Further, by building a system of coordination with external specialist agencies, such as the police, legal counsel, and the Anti-Organized Crime Campaign Center, the Company has established a system to prevent the involvement of antisocial forces in management activities and also to prevent damage caused by such groups.

Furthermore, when signing contracts with business partners, the Company stipulates clauses on the elimination of antisocial forces.

V. Others

1. Adoption of policies for responding to takeovers

Adoption of policies for responding to takeovers	Not applicable

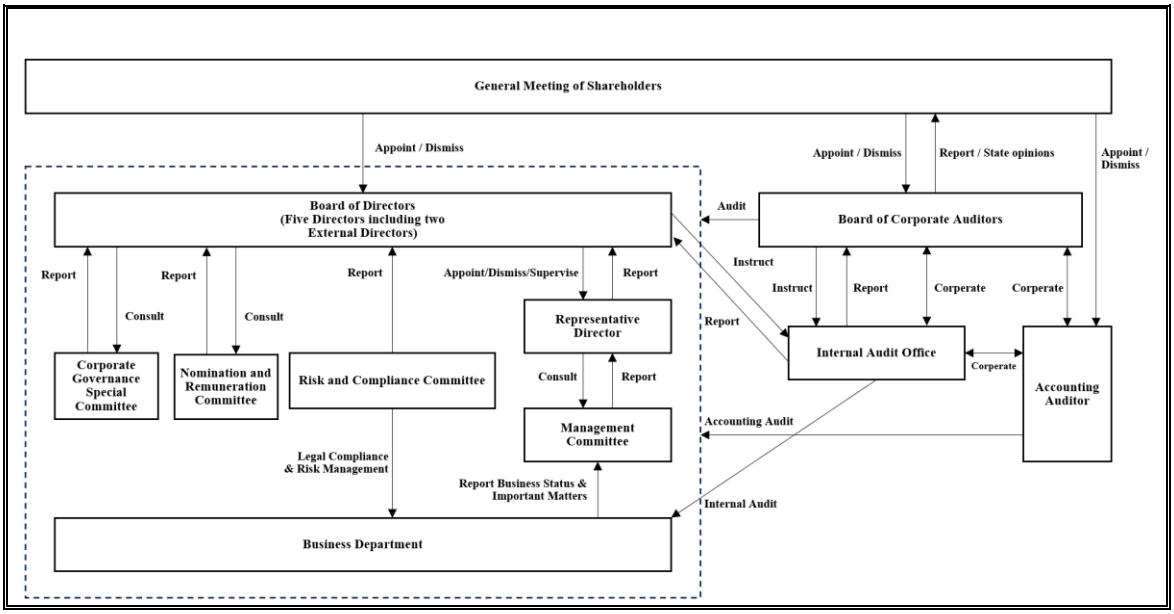
Supplementary explanation for applicable items

Although the Company currently does not have any plans to introduce anti-takeover measures, this may become an issue that requires consideration in the future.

2. Other matters pertaining to corporate governance structure

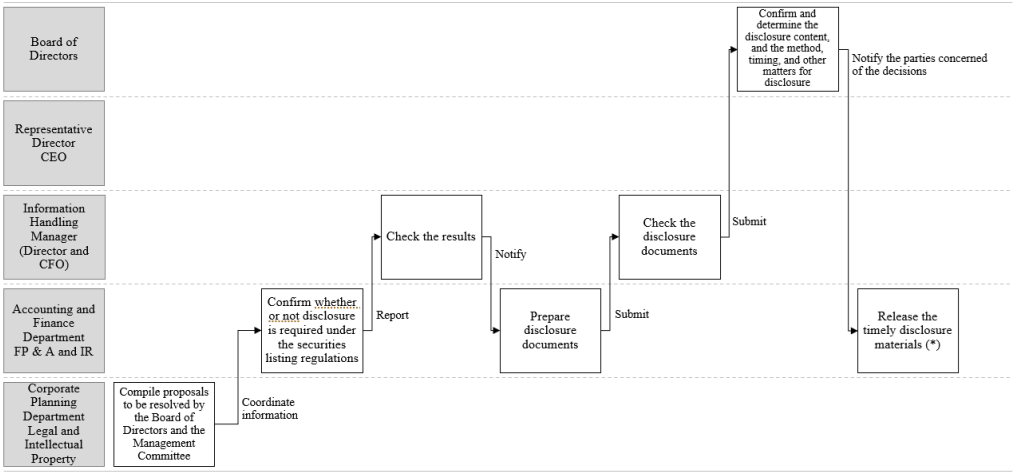
A schematic diagram of the Company's corporate governance structure and the flow of timely disclosure procedures is as below for reference.

[Schematic diagram (reference material)]



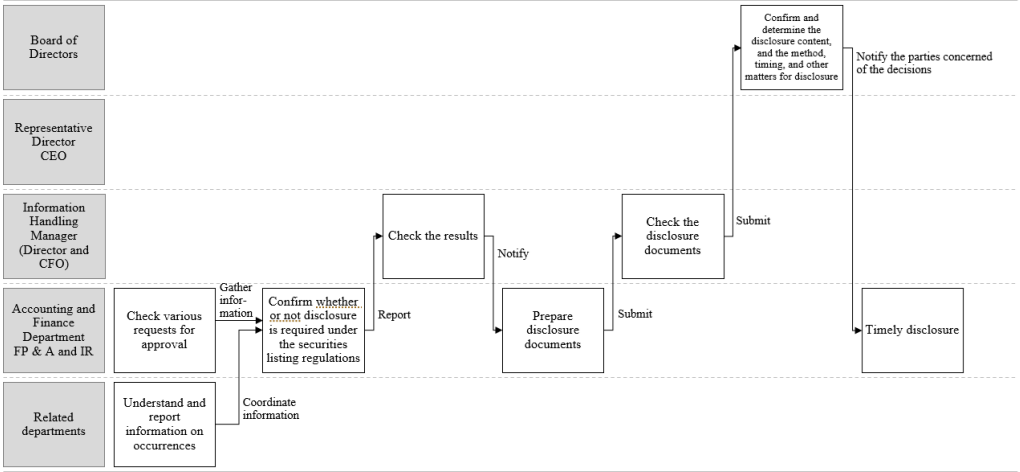
[Outline of timely disclosure system (schematic diagram)]

Decided matters, financial information, and other information pertaining to the Company

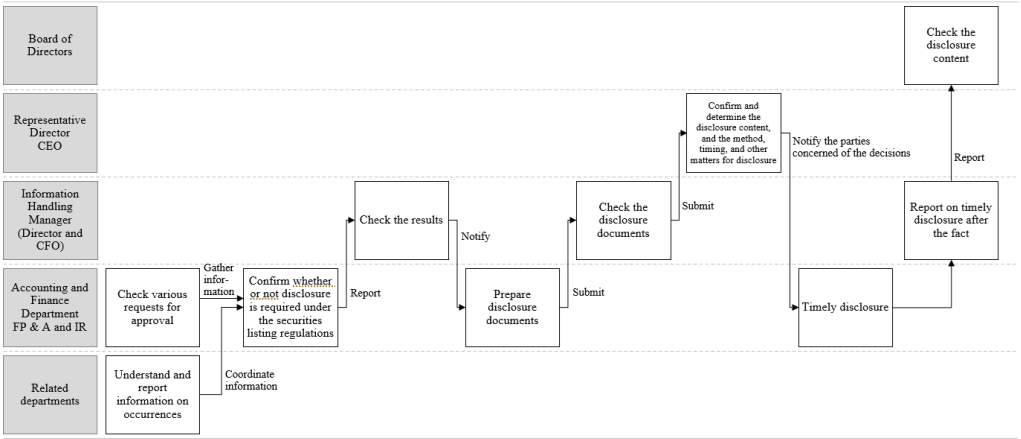


* Financial results summary and annual reports are registered on TDnet/EDINET by the accounting team.

Information on occurrences pertaining to the Company



(In case of emergency)



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