[Translation for Reference and Convenience Purposes Only]

IR Japan Holdings, Ltd.
CORPORATE GOVERNANCE

Please note that the following is an unofficial English translation of the Japanese original text of the Corporate Governance Report of IR Japan Holdings, Ltd., which has been reported to the Tokyo Stock Exchange. IR Japan Holdings, Ltd. provides this translation for reference and convenience purposes only and without any warranty as to its accuracy or otherwise. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

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The corporate governance of IR Japan Holdings, Ltd. (the "Company") is described below.

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

1. Basic Views

Under the motto of "Reliability, Confidence, Optimism," the Group considers it its corporate mission "to contribute to enhancement of fair capital competitiveness of the clients (the publicly traded companies, investors and market participants) and the growth of the global economy."

To this end, the Group seeks to improve its corporate value by emphasizing the establishment of good relationships with all stakeholders including shareholders, employees and business partners. To achieve that, the Group believes it is essential to reinforce and enhance its corporate governance, and is making sincere efforts to establish an optimal management and administrative structure to ensure sound, efficient and transparent management.

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

[Supplementary Principle 4.1.2 Commitment to the Mid-term Business Plan]

While the Company's Board of Directors determines the direction of management strategies and individual business plans appropriately and in a timely manner based on the constructive discussions with the outside directors, the business environment surrounding the Company changes drastically, and flexible revisions to the plans are needed in accordance with customer needs. Therefore, the Company does not formulate the mid-term business plan, due to its nature of setting numerical targets.

The Company finds it important to promptly respond to changes in the business environment, clients' needs, and competitive situation, and determine priority measures for each fiscal year, as well as set and achieve annual performance goals, and believes that ongoing implementation of such initiatives would lead to the increase of the Company's corporate value over the medium to long term and sustained growth.

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

[Principle 1.4 Cross-Shareholdings]

As a general rule, the Company does not hold shares of other listed companies as cross-shareholdings. However, the Company may acquire and hold such shares, if the holding is expected to significantly contribute to improvement of the Company's business performance. If the Company holds shares of other listed companies as cross-shareholdings, it shall periodically examine at the Board of Directors whether the purpose is appropriate and whether the benefits and risks from each holding cover the Company's cost of capital, and disclose the results of such assessment. Such shares are disposed by setting a certain holding period and in consideration of the impact of the transaction on the Company's business.

In terms of the standards of the voting rights as to their cross-shareholdings, the Company may vote against proposals for the election of representatives and directors in charge, if it cannot observe reasonable improvement due to serious misconduct.

[Principle 1.7 Related Party Transactions]

To avoid conflicts of interest with the Company and the common interests of the shareholders, the Company has stipulated related party transactions between the Company and its directors as a matter to be resolved by

the Board in its Board of Directors Regulations, in accordance with the provisions of laws, regulations and the Articles of Incorporation.

[Supplementary Principle 2.4.1 Ensuring Diversity in the Employment of Human Resources who will Play Central Roles]

<Approaches for ensuring diversity, human resource development policies and internal environment improvement policies for ensuring diversity, and their status>

Recognizing that the diversification of human resources and the development and securing of such human resources will contribute to enhancing corporate value over the medium to long term, the Group actively recruits women, foreigners and midcareer hires. Currently, midcareer hires are fully promoted to management positions on the basis of a comprehensive assessment of their skills, experience, etc. However, the Group recognizes that the promotion of women to management positions is still lagging. Therefore, to ensure sustainable corporate growth, the Group will make further efforts to develop its human resources and improve its internal environment, with the aim of raising the percentage of women in management positions, as human resources who will play central roles in the Group in the future.

<Voluntary and measurable goals for ensuring diversity and their status>

Percentage of women in management positions:
The percentage of women in management positions as of March 31, 2026 is 4.5%. The Company's goal is to increase the percentage of women in management positions by continuing its efforts to promote women's active engagement and actively promote women to management positions.

Percentage of foreigners in management positions:
The percentage of foreigners in management positions as of March 31, 2026 is 4.5%. The Company's policy is to recruit human resources regardless of nationality as long as they have the necessary skills and abilities, and the goal is to increase the percentage of foreigners in management positions through active promotion of global human resources in the future.

Percentage of midcareer hires in management positions:
The percentage of midcareer hires in management positions as of March 31, 2026 is 90.9%. Because the Company has long had a large number of midcareer hires and a high percentage of midcareer hires in management positions, no specific goal has been set for the future.

Note: Those in management positions are employees who are general managers and above who fall under the category of supervisors under the Labor Standards Act.

<Human resource development policies, internal environment improvement policies and their status>

(i) Appointment of human resources with an awareness of ensuring diversity
The Group has historically conducted its recruitment activities by emphasizing ability and performance, regardless of gender or nationality. For the recruitment of women, in accordance with the purpose of the Basic Act for Gender Equal Society, the Group actively conducts recruitment activities and strives to give priority to women in cases where evaluations related to work experience and achievements are equivalent.

(ii) Support for career development of female employees
The following action plans have been formulated and are being implemented to create a comfortable environment in which employees can demonstrate their abilities and achieve a work-life balance.

(1) Establishment of an environment where employees can easily take maternity and child-care leave, then return to work
(2) Establishment and promotion of a shortened working hour system for employees with children under elementary school age who want to use it
(3) Curbing of overtime work to protect employees' health

(iii) Improvement of work-life balance through promotion of diverse work styles
In addition to extending the eligibility for shorter working hours from employees with children under three years old to employees with children under elementary school age, the new system also allows more flexibility by subdividing the hours of use.

We have also introduced and implemented a telecommuting system that takes into account the varying home circumstances of individual employees, such as nursing care, child care and medical care.

Furthermore, we have introduced a flexible work system not only for regular employees, but also for fixed-term contract employees, which allows them to work at their most productive times and in accordance with their physical condition, and to schedule work according to workload, which contributes greatly to improving their intellectual productivity and work efficiency.

[Principle 2.6 Roles of Corporate Pension Funds as Asset Owners]

The Company has adopted the defined contribution pension system and does not manage corporate pension funds. The Company, accordingly, does not engage in any initiatives to improve human resources or operational practices in the management of such funds.

[Principle 3.1 Full Disclosure]

(i) Company objectives (e.g. business principles), business strategies and business plans

- Corporate motto: Reliability, Confidence, Optimism
- Corporate mission: To contribute to enhancement of fair capital competitiveness of the clients (the publicly traded companies, investors and market participants) and the growth of the global economy.
- Code of conduct: A group that contributes to the development of a fair capital market; a group that is constantly engaged in competition; and a group that values "courtesy (consideration)" utmost in the global capital market

The Company prescribes guidelines on daily business operations in order to put the corporate mission and code of conduct into practice. Details are posted on its website (https://www.irjapan.jp/en/group/philosophy.html).

(ii) Basic view and policy on corporate governance based on each of the principles of the Code

The Group believes that the reinforcement and improvement of corporate governance is essential to enhancement of its corporate value, and endeavors to establish an optimal management and administrative structure to ensure sound, efficient and transparent management.

(iii) Board policies and procedures in determining compensation of the senior management and directors

The Company has formulated policies and procedures for determination of compensation of directors on the Board of Directors. Details are stated in "Disclosure of policy on determining compensation amounts and calculation methods" of this Report.

(iv) Board policies and procedures in nominating director candidates

The Company has formulated the following policies and procedures in the election/dismissal of directors and the nomination of director candidates.

<Policy>

The policy of standards for the election/dismissal of directors is as follows.

(1) Standards for proposing the election of directors

In proposing the election of directors, each candidate for both internal and outside directors shall meet all the standards prescribed below.

(Internal directors)

1. Must have superior character and insight and comply with the Group's corporate mission;
2. Must fully understand the Group's history, corporate culture and attributes of the employees and have abundant experience and expertise in the Group's business;
3. Must be capable of continuously improving the Group's corporate value with an understanding of its business environment, competitive trends, management philosophy, etc., as well as proposing and executing specific management strategies and implementation plans that will contribute to the significant increase in its corporate value in the medium to long term;
4. Must make ongoing efforts to constantly examine and improve the Group's management strategies and implementation plans; and
5. Must be sensitive to market changes regarding the industry to which the Group belongs and to its value offered, and capable of constructive discussions on the direction which the Group is to take.

(Outside directors)

1. Must have superior character and insight and comply with the Group's corporate mission;
2. Must have a high level of expertise and abundant experience in any of the fields of corporate management, finance and accounting, taxation, law or other specialized field;
3. Must fully understand attributes of the Group (promptness, flexibility and effectiveness), welcome

proposals made by executive directors towards the sustained improvement of its corporate value, fulfill supervisory functions at the Board of Directors based on appropriate risk management, and be expected to contribute to constructive deliberations that will significantly increase its corporate value; and
4. Regarding independent outside directors, the independence standards, prescribed by the Group, must be met.

(2) Standards for proposing the dismissal of directors
A proposal for dismissal shall be made if a director falls under any of the standards prescribed below.

1. If a director is found to be in a socially reprehensible relationship with anti-social forces;
2. If a director violates laws, regulations, the Articles of Incorporation or any other Group Regulations, and causes the Group to incur significant losses or hinders its business;
3. If a director significantly hinders the execution of duties; or
4. If a director is clearly found not to meet each requirement of the Election Standards.

<Procedures>
Election/dismissal procedures for a director are as follows.

1. Directors (excluding directors who are audit and supervisory committee members) are subject to election at the general meeting of shareholders each year.
2. Directors who are audit and supervisory committee members are subject to election at the general meeting of shareholders every two years.
3. Upon fair, transparent and rigorous deliberations by the Nomination and Compensation Advisory Committee, and after obtaining the approval of the Audit and Supervisory Committee, all director candidates are determined by the Board of Directors.

(v) Explanations with respect to individual elections/dismissal and nominations
The reasons for election and nomination of internal directors and outside directors are posted in the convocation notice of the general meeting of shareholders. If an internal director or outside director is to be dismissed, such dismissal shall be disclosed appropriately and in a timely manner, in accordance with the policy and procedures.

[Supplementary Principle 3.1.3 Initiatives on Sustainability]

The Group considers it its corporate mission “to contribute to enhancement of fair capital competitiveness of the clients (the publicly traded companies, investors and market participants) and the growth of the global economy,” and in accordance with its code of conduct for contributing to the development of a fair capital market, the Group helps resolve global ESG issues through its business activities, aiming to realize sustainable capital markets together with its clients, shareholders, employees and all other stakeholders. The Group is also aware of the importance of ESG-related measures and presents its policy regarding ESG and the details of specific initiatives, as well as investments in human capital and intellectual property, on its website, while working to improve the disclosure of other information (https://www.irjapan.jp/en/esg/index.html). For other details, please visit the Sustainability/Social/Human Resources (https://www.irjapan.jp/en/esg/social/), the Sustainability/Social/Health and Safety (https://www.irjapan.jp/en/esg/social/health.html), and Sustainability/Social/Human Rights (https://www.irjapan.jp/en/esg/social/right.html) pages on the Company’s website.

The problem of climate change has developed into a massive trend that could bring about drastic changes to the entire financial market. Accordingly, the Group has conducted a scenario analysis in line with the TCFD recommendations and has disclosed its approach to climate change, the risks and opportunities, and the financial impact which could have on the Group’s business activities on its website. Going forward, the Group will continue to address these issues aggressively and actively.
(https://www.irjapan.jp/en/esg/environment/climate.html)

[Supplementary Principle 4.1.1 Contents of Resolution at the Board of Directors]

The Company has prescribed important matters to be determined by resolution of the Board of Directors in the laws, regulations, Articles of Incorporation and Board of Directors Regulations. The Articles of Incorporation stipulate that decisions on the execution of important business may be delegated in whole or in part to a director by resolution of the Board of Directors. Furthermore, the standards for approval of other businesses and activity policies are stipulated in the Regulations for Dividing Duties and Authority.

[Principle 4.9 Independence Standards and Qualifications for Independent Directors]

In nominating outside directors, the Company ensures independence of the candidates and determines that they do not have the possibility of conflicts of interest with general shareholders by complying with the standards prescribed by the Tokyo Stock Exchange, as well as the independence standards for outside directors prescribed by the Company.

The independence standards set by the Company are stated in “Independent Directors” of this Report.

[Supplementary Principle 4.10.1 Views, Authorities and Roles regarding the Independence of Committee Compositions]

The Company has designated four out of the six directors as independent outside directors, and the majority of the members of the Board of Directors are independent outside directors. In addition, because it is extremely important to establish independent and objective procedures when considering particularly important matters such as the nomination of and compensation for directors, the Company has established the Nomination and Compensation Advisory Committee (three of the four members of which are independent outside directors), which is chaired by an independent outside director, to serve as an advisory body to the Board of Directors. By consulting the Nomination and Compensation Advisory Committee regarding the nomination of directors and determination of compensation for directors, the Company ensures fairness and objectivity.

The Nomination and Compensation Advisory Committee, as an advisory body to the Board of Directors, deliberates on the establishment, amendment and abolition of basic policy regarding the election/dismissal of directors of the Company and its subsidiaries, as well as the establishment of the compensation scheme, including the formulation of a policy on determining the compensation for directors and important employees of the Company and its subsidiaries. The Committee also deliberates on matters regarding the election/dismissal of directors of the Company and its subsidiaries and the appropriateness of the contents of individual compensation, including the policy for individual compensation, and provides advice and recommendations to the Board of Directors.

[Supplementary Principle 4.11.1 View on the Appropriate Balance, Diversity and Size of the Board of Directors]

The Board of Directors of the Company elects persons as directors who have experience and achievements in the Group, or in the same or similar industry, persons who have experience and achievements in companies of other industries, or persons who have various expertise and abundant experience in finance and accounting or other specialized fields, as skills that they are required in light of our management strategies.

For the standards for the election/dismissal of directors prescribed by the Company, please see Principle 3.1.

Furthermore, considering the various factors including the current size of the Company, active discussions by the Board of Directors and the effective supervision of management expected from outside directors, the Company elects seven directors or less, in accordance with the Articles of Incorporation.

The skills matrix of directors is presented in the attached document.

[Supplementary Principle 4.11.2 Status of Directors who also Serve as Officers of Other Listed Companies]

Each year the Company discloses information on important positions of directors and director candidates held at other companies in the convocation notice of the general meeting of shareholders and the securities reports.

[Supplementary Principle 4.11.3 Evaluation of Effectiveness of the Board of Directors]

During the period from April 2026 to May 2026, the Group conducted an evaluation of the effectiveness of the Board of Directors by means of a written questionnaire and interviews with all relevant personnel based on the said questionnaire. To ensure anonymity, the Group requested a third-party organization to carry out the evaluation. The evaluation was conducted for all directors of the Company, all directors of IR Japan, Inc., all directors of Japan Originated Investment Bank, Inc., and all directors of IRJ Business Consulting Staff, Inc., as of the time of the evaluation, for a total of twelve directors, including those who concurrently serve as directors of the Company and each subsidiary.

The Group has received an evaluation report from the third-party organization, in which the results of the questionnaire survey from the respondents were compiled and analyzed to determine overall trends, and an evaluation was conducted based on the questionnaire responses and interviews. Questions asked in the

questionnaire and the evaluation results are as follows.

(Questions)
A total of 26 questions were asked (including open-ended questions) regarding the following major categories.

1. Composition of the Board of Directors, etc.
2. Effectiveness of the Board of Directors (Discussions at the Board of Directors)
3. Effectiveness of the system of nomination of and compensation for directors and senior management
4. Operation of the Board of Directors
5. Comments

(Evaluation results)
The Company received an evaluation that currently, initiatives to strengthen governance have steadily taken hold, and that the overall effectiveness of the Board of Directors is being sufficiently ensured. In particular, the Company was praised for fostering an environment within the Board of Directors and each committee where all directors, including outside directors, could freely express their opinions. Management's sincere consideration of the opinions of outside directors and the resulting improvements in the quality of discussions were also praised.

On the other hand, as future issues for deliberation and improvement, the report pointed out the following items: (1) a discussion on business strategies for enhancing corporate value over the medium to long term; (2) the development of successors and future executives, etc. In addition, while the steady progress made to date regarding the prevention of insider trading and compliance management was acknowledged, the importance of continuing these efforts to ensure their effectiveness was also stated.

Taking into consideration the above evaluation results, the Company will strive for the further enhancement of corporate governance by enriching discussions that contribute to enhancing corporate value over the medium to long term, strengthening the development of successors and future executives, and continuing efforts for the prevention of insider trading and compliance management, etc.

[Supplementary Principle 4.14.2 Training Policy for Directors]

The Group has formulated the following training policy for directors.

The Company conducts workshops (including those by third-party organizations) from time to time on legal, accounting and taxation matters relating to its businesses for executive directors to fully demonstrate their functions of supervision and execution of management, and encourages the directors to understand their expected roles and responsibilities.

The Company provides various opportunities for outside directors to acquire an understanding of its businesses and necessary knowledge on a regular basis, including participation of seminars for clients held several times a year and workshops, etc.

For newly-elected directors, the Company utilizes its profile videos and uses other means to encourage prompt understanding of its history, environmental surrounding and business details.

[Principle 5.1 Policy for Constructive Dialogue with Shareholders]

The Group focuses on building a strong relationship with all its stakeholders to improve the corporate value of the Group, and has formulated a policy of building a framework and initiatives to promote constructive dialogue with the shareholders.

(i) Electing a member of senior management or a director to oversee dialogue
The Representative Director, President and Chief Executive Officer oversees the department (Corporate Planning Department) which conducts dialogue with shareholders.

(ii) Measures to ensure cooperation among the internal departments to assist dialogue
Departments, led by the Corporate Planning Department, Human Resources and General Affairs Department, Accounting Department and Financial Department, cooperate to assist dialogue.

(iii) Methods of having a dialogue aside from individual meetings
The Company holds results briefings for investors four times a year, in each quarter, on the day financial results are announced.

(iv) Measures to provide feedback of shareholder views to the Board of Directors and others
The Company may provide feedback of important opinions, as necessary, to the Board and others.

(v) Measures to control insider information in having dialogue

The Company sets a silence period (from the day following the end of each fiscal period to the announcement of the financial results) in the disclosure policy, and thoroughly manages information by consulting and coordinating with the person responsible for information management.

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

Content of disclosure	Disclosure of consideration status
Availability of English disclosure	Available

Explanation

As part of the action to implement management that is conscious of the cost of capital and stock price, the Company aims to achieve capital efficiency that exceeds the cost of capital in a stable manner, based on its recognition of the cost of shareholders' equity and the weighted average cost of capital (WACC). The Company's return on invested capital (ROIC) exceeded WACC and return on equity (ROE) exceeded the cost of shareholders' equity in the fiscal year ended March 31, 2026. The Company will continue to improve capital efficiency that exceeds the cost of capital while striking a balance between maintaining financial stability and increasing profitability.

2. Capital Structure

Percentage of foreign shareholders	Less than 10%

[Status of Major Shareholders] Updated

Name/Company name	Number of shares owned (Shares)	Percentage (%)
Shirou Terashita	9,055,100	50.97
The Master Trust Bank of Japan, Ltd. (Trust account)	1,081,600	6.08
Seigo Naito	521,900	2.93
Ryota Furukawa	260,000	1.46
Hiroyoshi Niida	226,600	1.27
JAPAN SECURITIES FINANCE CO., LTD.	202,400	1.13
Etsuo Kakehi	153,000	0.86
IR Japan Employee Stock Ownership Plan	111,720	0.62
Eiji Yamaguchi	111,100	0.62
Custody Bank of Japan, Ltd. (Trust account)	92,900	0.52

Controlling shareholder (except for parent company)	Shirou Terashita
Parent company	None

Supplementary explanation Updated

Major shareholders and controlling shareholder listed above are based on information available on March 31, 2026.

3. Corporate Profile

Listed stock market and market section	Standard Market, Tokyo Stock Exchange
Fiscal year-end	March
Type of business	Services
Number of employees as of the end of the previous fiscal year (consolidated)	100 or more but less than 500
Net sales for the previous fiscal year (consolidated)	Less than ¥10 billion
Number of consolidated subsidiaries as of the end of the previous fiscal year	Less than 10

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

Shirou Terashita, Representative Director, President and Chief Executive Officer of the Company, is a shareholder holding 51.03% of the total voting rights of the Company (as of March 31, 2026) and is therefore regarded as a controlling shareholder as stipulated in the Securities Listing Regulations. To protect

minority shareholders, the Company conducts transactions with a controlling shareholder under almost the same terms and conditions as those for transactions with business partners unrelated to the Company. With regard to important transactions and actions, in which there is a conflict of interests between the controlling shareholder and minority shareholders, the Company, upon deliberation and examination by a Special Committee, the majority of which comprises independent outside directors, discusses the adequacy of the content and the terms and conditions at Board of Directors' meetings to determine the execution of the transactions, thereby preventing disadvantages to minority shareholders. The Company also engages independent outside directors who have no conflicts of interest with general shareholders. (As of March 31, 2026, the number of independent outside directors is four.)

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 in Management

1. Organizational Structure and Operation

Structure of organization	Company with an Audit and Supervisory Committee

[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	President and chief executive officer
Number of directors	6
Election of outside directors	Elected
Number of outside directors	4
Number of outside directors designated as 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
Akira Kimura	From other company											
Kimikazu Noumi	Other											
Masahiko Ichie	From other company											
Kohei Kodama	From other company											

* Categories for "Relationship with the Company"
* "○" appears when the director currently falls or has recently fallen under the category and "△" appears when the director fell under the category in the past
* "●" appears when a close relative of the director currently falls or has recently fallen under the category and "▲" appears when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiaries
b. Non-executive director or executive of a parent company of the Company
c. Executive of a fellow subsidiary company of the Company
d. A party whose major client or supplier is the Company or an executive thereof
e. Major client or supplier of the Company or an executive thereof
f. Consultant, accountant, or legal professional who receives a large amount of monetary consideration or other property from the Company other than compensation as a director
g. Major shareholder of the Company (or an executive of said major shareholder if the shareholder is a legal entity)
h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)
i. Executive of a company, between which and the Company's outside directors are mutually appointed (the director himself/herself only)
j. Executive of a company or an organization that receives a donation from the Company (the director

himself/herself only)

k. Others

Outside directors' relationship with the Company (2)

Name	Designation as audit and supervisory committee member	Designation as independent director	Supplementary explanation of the relationship	Reasons for election
Akira Kimura	○	○	—	The Company has elected Mr. Akira Kimura as an outside director who is an audit and supervisory committee member because it has determined that with his wealth of experience and insight in global companies, he is well suited to assume the role of supervising the overall management of the Group from a broad, objective and sophisticated viewpoint based on his extensive knowledge gained from his professional experience, and thus to provide a broad range of necessary and appropriate advice and recommendations regarding important managerial judgment and decision-making of anticipated risks, etc. The Company has designated Mr. Kimura as an independent officer, as it has determined that he meets the independence standards prescribed by the Tokyo Stock Exchange and the independence standards for outside directors set by the Company and there are no potential conflicts of interest with general shareholders.
Kimikazu Noumi	○	○	—	The Company has elected Mr. Kimikazu Noumi as an outside director who is an audit and supervisory committee member because it has determined that with his experience gained through his extensive activities, such as management of the financial business at financial institutions including The Norinchukin Bank, and fostering and supporting the businesses of companies through investment activities, as well as serving as an outside officer at various companies, he is well suited to provide a broad range of necessary and appropriate advice and recommendations regarding important managerial judgment and decision-making of anticipated risks, etc. The Company has designated Mr. Noumi as an independent officer, as it has determined that he meets the independence standards prescribed by the Tokyo Stock Exchange and the independence standards for outside directors set by the Company and there are no potential conflicts of interest with general shareholders.

Name	Designation as audit and supervisory committee member	Designation as independent director	Supplementary explanation of the relationship	Reasons for election
Masahiko Ichie	○	○	—	The Company has elected Mr. Masahiko Ichie as an outside director who is an audit and supervisory committee member because it has determined that with his experience of participating in various investment banking operations, such as venture capital, project financing, and financing for supporting business revitalization, and in managing business firms, he is well suited to provide a broad range of necessary and appropriate advice and recommendations regarding decision-making, etc. from an impartial and objective standpoint, independent from the management. The Company has designated Mr. Ichie as an independent officer, as it has determined that he meets the independence standards prescribed by the Tokyo Stock Exchange and the independence standards for outside directors set by the Company and there are no potential conflicts of interest with general shareholders.
Kohei Kodama	○	○	—	The Company has elected Mr. Kohei Kodama as an outside director who is an audit and supervisory committee member because it has determined that with his advanced expertise gained through his extensive experience in corporate legal matters and risk management within a global company, as well as serving as a member of the Financial System Council, which is closely tied to the Company's operations, he is well suited to strictly monitor and oversee the Company's management and provide a broad range of necessary and appropriate advice and recommendations regarding important managerial judgment and decision-making of anticipated risks, etc. The Company has designated Mr. Kodama as an independent officer, as it has determined that he meets the independence standards prescribed by the Tokyo Stock Exchange and the independence standards for outside directors set by the Company and there are no potential conflicts of interest with general shareholders.

[Audit and Supervisory Committee]

Committee's composition and attributes of chairperson

	All committee members	Full-time members	Internal directors	Outside directors	Chairperson
Audit and Supervisory Committee	4	1	0	4	Outside director

Appointment of directors and/or staff to support the Audit and Supervisory Committee	Appointed

Matters related to the independence of such directors and/or staff from executive directors

The Company has appointed one staff member in the secretariat of the Audit and Supervisory Committee to serve as an assistant to support the duties of the Audit and Supervisory Committee.

To ensure the independence of such employee, executives report in advance to the Audit and Supervisory Committee regarding the transfers, personnel evaluations and disciplinary actions of such employee, and obtain the approval of the Audit and Supervisory Committee.

Cooperation among Audit and Supervisory Committee, accounting auditor and the internal audit division

Audit and supervisory committee members, the accounting auditor and internal audit division staff have a meeting, as necessary, to report and exchange opinions concerning the status of internal controls and auditing.

[Voluntary Establishment of Nomination and/or Compensation Committee(s)]

Voluntary establishment of committee(s) corresponding to nomination committee and/or compensation committee	Established

Committee's name, composition, and attributes of chairperson

	Committee corresponding to nomination committee	Committee corresponding to compensation committee
Committee's name	Nomination and Compensation Advisory Committee	Nomination and Compensation Advisory Committee
All committee members	4	4
Full-time members	2	2
Internal directors	1	1
Outside directors	3	3
Outside experts	0	0
Other	0	0
Chairpersons	Outside director	Outside director

Supplementary explanation

The Company has established the Nomination and Compensation Advisory Committee, which is chaired by an outside director, to serve as an advisory body to the Board of Directors. The Nomination and Compensation Advisory Committee, as an advisory body to the Board of Directors, deliberates on the establishment, amendment and abolition of basic policy regarding the election/dismissal of directors of the Company and its subsidiaries, as well as the establishment of the compensation scheme, including the formulation of a policy on determining the compensation for directors and important employees of the Company and its subsidiaries. The Committee also deliberates on matters regarding the election/dismissal of directors of the Company and its subsidiaries and the appropriateness of the contents of individual compensation, and provides advice and recommendations to the Board of Directors.

[Independent Directors]

Number of independent directors	4

Matters relating to independent directors

<Independence Standards for Outside Directors>

The Company has prescribed the following independence standards for outside directors. An outside director or a candidate is deemed to be independent if he or she does not fall under any of the following items.

1. A person who has served at the Company or subsidiaries of the Company (hereinafter collectively referred to as "the Group")
2. A major shareholder of the Company, or an executive of said shareholder, if the shareholder is a legal entity (Note 1)
3. An executive of a company of which the Group holds 10% or more of shares on a voting rights basis
4. An executive of a major client of the Group (Note 2)
5. An executive of a major lender of the Group (Note 3)
6. A person who has work experience at an audit firm serving as the accounting auditor of the Group
7. A consultant, accountant, legal professional, tax accountant, etc. who receives a large amount of monetary consideration or other property from the Group (Note 4)
8. A person who receives a large amount of donation or subsidies from the Group (Note 5)
9. An executive of a company which accepts a director from the Group
10. A person who falls under any of items 2 through 8 above in the past five years
11. A close relative or other of a person who falls under any of items 1 through 10 above.

Note 1: A major shareholder refers to a shareholder who holds either directly or indirectly 10% or more of the shares on a voting rights basis, as of the end of the fiscal year of the Company.
Note 2: A major client refers to a client to whom the Group offers services and whose transaction amount with the Group in the previous fiscal year exceeds 3% of the total consolidated net sales of the Group.
Note 3: A major lender refers to a financial institution from which the Group has obtained loans and whose annual average balance in the previous fiscal year exceeds 3% of the consolidated total assets of the Company.
Note 4: A large amount of monetary consideration or other property refers to money or other financial benefits that exceed ¥10 million per year other than director compensation in the previous fiscal year. If the party that receives such property is an organization such as a legal entity or an association, then it refers to a person who belongs to such organization.
Note 5: A large amount refers to an amount that exceeds ¥10 million per year. If the party receiving the donation or subsidies is an organization such as a legal entity, then it refers to an executive who belongs to such organization.

[Incentives]

Incentive policies for directors	Performance-based compensation

Supplementary explanation

In an effort to raise more awareness of business management focused on shareholders along with the enhancement of the function of corporate governance, the Company has established a director compensation scheme with a view to increasing directors' incentive to contribute to higher-level business results and sustainable corporate value. Specifically, the compensation package of the Company's directors (excluding directors who are audit and supervisory committee members) comprises 1. monthly compensation, 2. bonuses and 3. stock compensation. Details are stated in "Disclosure of policy on determining compensation amounts and calculation methods" of this Report.

Recipients of stock options	

Supplementary explanation

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[Compensation for Directors]

Disclosure of individual directors' compensation	Selected directors

Supplementary explanation

The Company discloses the total amount by type of compensation paid to directors and directors who are audit and supervisory committee members in the Business Report for the fiscal year ended March 31, 2026. In addition to this, the Securities Report for the same fiscal year discloses compensation to individual directors who received total compensation of ¥100 million or more. The Business Report and Securities Report are posted on the Company's website.

Business Report in the notice of the Annual General Meeting of Shareholders:
https://www.irjapan.jp/ir_info/stock/general_meeting.html (Only in Japanese)

Securities Report:
https://www.irjapan.jp/ir_info/library/financial_reports.html (Only in Japanese)

Policy on determining compensation amounts and calculation methods	Established

Disclosure of policy on determining compensation amounts and calculation methods

The basic policies and the process for determining the Company's director compensation scheme are as follows.

1. Basic Policy for the Director Compensation Scheme

(1) Directors (excluding directors who are audit and supervisory committee members)

The compensation package of the Company's directors (excluding directors who are audit and supervisory committee members) comprises 1. monthly compensation, 2. bonuses and 3. stock compensation. With regard to monthly compensation, which represents basic compensation, while the Company has not established policies on determining compensation amounts for officers by position and the calculation methods thereof, this compensation is regarded to be based on the responsibilities for management decision making and supervision, according to each position, responsibilities, etc., and is determined in a flexible manner by considering each director's contribution to the business performance in the previous consolidated fiscal year, from the standpoint of emphasizing contributions to the performance of the entire Group.

Bonuses, which are performance-based compensation, are mainly based on the rate of increase in the consolidated operating profit of the previous consolidated fiscal year, which is one of the important indicators in measuring the sustained growth of the Group, and determined upon comprehensively considering factors such as past payments and contributions by officers, and upon advice received on consultation with the Nomination and Compensation Advisory Committee.

Regarding stock compensation, which is non-monetary compensation, the Company has adopted the restricted stock compensation system. While assumption of office as director for a given period is the only requirement for cancellation of the transfer restriction, the amount of the monetary compensation receivables to be paid will be determined by comprehensively considering the target achievement levels and contributions of the eligible directors in the previous consolidated fiscal year, and proportion of "cash compensation: stock compensation" and "fixed compensation: variable compensation" as well as the advice received on consultation with the Nomination and Compensation Advisory Committee each fiscal year.

With regard to the policy for determining the composition of the individual compensation to directors by type of compensation, although the Company has not established specific percentages, it upholds the basic policy of raising the percentage of performance-based compensation and stock compensation in the medium to long term, and has established a flexible compensation scheme that reflects the contribution made to the business performance in the previous consolidated fiscal year. As for the policy on determining the timing and conditions of compensation payment, the Company determines the amounts and conditions for the monthly compensation and the restricted stock compensation for the following fiscal year at the meetings of the Nomination and Compensation Advisory Committee and the Board of Directors held in February and March of each year.

Furthermore, concerning determination of the content of individual compensation to directors, given that the Nomination and Compensation Advisory Committee conducts multilateral deliberations regarding the consistency of proposals on compensation with the determination policy, the Board of Directors basically respects the recommendations of the Nomination and Compensation Advisory Committee, and has determined that they are in line with the determination policy.

(2) Directors who are audit and supervisory committee members

The compensation package of the Company's directors who are audit and supervisory committee members comprises exclusively fixed monthly monetary compensation, which represents basic compensation, and does not include elements of performance-based or stock compensation. Furthermore, this compensation is determined by deliberation of the Audit and Supervisory Committee.

2. Process of Determining Individual Compensation to Directors

The Board of Directors determines the amounts of individual compensation to directors within the limit determined by a resolution of the general meeting of shareholders, and upon consultation with and full deliberations by the Nomination and Compensation Advisory Committee, whose independence has been

ensured, from the standpoint of ensuring the appropriateness of the compensation amount as well as the transparency of the performance evaluation.

[Supporting System for Outside Directors]

The Company does not have a full-time position dedicated to assisting outside directors (including directors who are audit and supervisory committee members). However, staff members in the Human Resources and General Affairs Department, Accounting Department or Financial Department report agendas and their details to outside directors prior to the Board of Directors' meetings.

2. Functions of Business Execution, Auditing and Oversight, Nomination and Compensation Decisions (Overview of Current Corporate Governance System) Updated

Pursuant to the Companies Act, the Company has established the general meeting of shareholders, the Board of Directors, and the Audit and Supervisory Committee, and has elected directors, audit and supervisory committee members and an accounting auditor. The Company has also established, as voluntary organizations, the Nomination and Compensation Advisory Committee, Group Budget and Performance Review Meeting, Sustainability Committee, Group Risk Management Committee, Group Compliance Committee, Group Internal Audit Office, and Group Compliance Office. In the nomination of directors, the Company employs highly independent outside directors.

Board of Directors

The Board of Directors of the Company, which consists of six directors (including four outside directors), is authorized to determine the Company's business execution and supervise the directors' execution of duties. The Company attaches great importance to the presence of outside directors to enhance the shared supervisory function among directors. The members of the Board of Directors as of the date of submission of this Report are two directors (excluding those who are audit and supervisory committee members), Shirou Terashita and Yutaka Fujiwara; and four directors who are audit and supervisory committee members, Akira Kimura, Kimikazu Noumi, Masahiko Ichie, and Kohei Kodama (all four of whom are outside directors). The chairperson is Shirou Terashita, Representative Director, President and Chief Executive Officer.

The Company has a policy to convene a Board of Directors' meeting at least once every month. During the fiscal year ended March 31, 2026, a total of 17 Board of Directors' meetings were held. With the exception of one outside director who was absent from one meeting (attendance rate: 94.1%), all other directors attended all the meetings (attendance rate: 100%).

Audit and Supervisory Committee

The Company is a company with an Audit and Supervisory Committee, which comprises four outside directors who are audit and supervisory committee members. Using the internal control system, the Audit and Supervisory Committee conducts audits of the execution of duties of directors, as well as other general execution of duties relating to the Group's business management. The members of the Audit and Supervisory Committee as of the date of submission of this Report are four directors who are audit and supervisory committee members, Akira Kimura, Kimikazu Noumi, Masahiko Ichie, and Kohei Kodama, and its chairperson is Kimikazu Noumi.

The Company has a policy to convene an Audit and Supervisory Committee's meeting at least once every month. During the fiscal year ended March 31, 2026, a total of 14 Audit and Supervisory Committee's meetings were held. With the exception of one outside director who was absent from one meeting (attendance rate: 92.9%), all other members attended all the meetings (attendance rate: 100%).

Nomination and Compensation Advisory Committee

The Company has established the Nomination and Compensation Advisory Committee, which is composed of a majority of outside directors and chaired by an outside director, as an advisory body to the Board of Directors. By consulting the Nomination and Compensation Advisory Committee on the nomination of and compensation for directors, the Company ensures fairness and objectivity. The members of the Nomination and Compensation Advisory Committee as of the date of submission of this Report are three directors who are audit and supervisory committee members, Akira Kimura, Kimikazu Noumi, and Masahiko Ichie, and Shirou Terashita, Representative Director, President and Chief Executive Officer. The chairperson is Kimikazu Noumi.

The Nomination and Compensation Advisory Committee meets as needed. During the fiscal year ended March 31, 2026, a total of three Committee meetings were held, and the attendance of Nomination and Compensation Advisory Committee members was 100%.

Group Budget and Performance Review Meeting
To calculate the Group's earnings forecast and examine the disclosure thereof, the Company has established a Group Budget and Performance Review Meeting. Chaired by the general manager of the Corporate Planning Department, who is responsible for the overall management of the Group's budget, the Meeting is composed of the heads of the business divisions of each Group company and other appropriate members. By gathering and consolidating the necessary information, the Group Budget and Performance Review Meeting considers disclosure policies appropriate to the Company's business type, based on trends in the Group's performance, market conditions, and the specifics of each large-scale project for which orders either have been received or are expected. The results of the review and other matters are specifically explained by the person who is responsible for the overall management to the Board of Directors through the Representative Director, President and Chief Executive Officer using verifiable materials such as the review process and the basis for the decision.

Sustainability Committee
The Company has established a Sustainability Committee for the purpose of promoting the Group's sustainability initiatives. The Committee, chaired by the director in charge of the Administration Department, is composed of the heads of the business divisions of each Group company and other appropriate members. It meets, in principle, after the end of each quarter and on an ad hoc basis upon the initiative of the chairperson to discuss, review, propose, and monitor basic policies and specific action measures concerning sustainability. The results of the review and other matters are reported to the Board of Directors through the Representative Director, President and Chief Executive Officer.

Group Risk Management Committee
The Company has established a Risk Management Committee for the purpose of identifying and evaluating risks that may be assumed in the course of the Group's business activities and examining countermeasures. The Committee, chaired by the director in charge of the Administration Department, is composed of the heads of the business divisions of each Group company and other appropriate members. It meets, in principle, after the end of each quarter and on an ad hoc basis upon the initiative of the chairperson to confirm issues regarding Groupwide risks and monitor the progress of improvement measures. In addition, the Committee will also consider, make recommendations on, and monitor the establishment of an enterprise risk management (ERM) framework. The results of the review and other matters are reported to the Board of Directors through the Representative Director, President and Chief Executive Officer.

Group Compliance Committee
The Company has established a Group Compliance Committee. By formulating policies, systems, and operation methods of compliance, the Committee is tasked with ensuring that the entire Group has deep awareness of the corporate social responsibility, observes relevant laws and regulations in daily business operations, and performs behavior that conforms to social ethics. The Committee is chaired by the director in charge of the Administration Department and consists of the general manager of the Group Compliance Office, the general manager of the Internal Audit Office and the senior general manager of the Administration Department of each Group company, and other appropriate members. In order to accurately grasp the status of Group compliance, prevent violations, and respond to occurrences of violations, the Committee meets, in principle, after the end of each quarter and on an ad hoc basis upon the initiative of the chairperson. The results of the review and other matters are reported to the Board of Directors through the Representative Director, President and Chief Executive Officer.

Group Internal Audit Office
The Company has established the Group Internal Audit Office. The Group's internal audits are conducted by two Group internal auditors who are dedicated to auditing work. As a general rule, the Group Internal Audit Office conducts audits of the Company and Group companies once every year with a view toward improving business efficiency, complying with regulations, the growing importance of compliance and a shared supervisory function based on the authorization of duties. Audit results are promptly reported to the Representative Director, President and Chief Executive Officer, while the results and issues for improvement are referred to the Company and Group companies. To increase audit effectiveness, projected plans for remedial actions on those issues must be submitted to the Representative Director, President and Chief Executive Officer, who is responsible for audits. In addition, the Group Internal Audit Office reports directly to the Representative Director as well as to the outside directors who are audit and supervisory committee members, on the audit results and projected plans for remedial actions on issues for improvement. This strengthens its monitoring function toward management while ensuring the effectiveness of internal audits.

Group Compliance Office
The Company is deeply aware of the Group's social responsibility, observes relevant laws and regulations as well as internal regulations in daily business operations, and implements a code of conduct that conforms to high corporate ethics. To accurately grasp whether these are functioning properly, the Company has established a Group Compliance Office. Under the supervision of the director in charge of the Administration Department, the Office, which consists of one full-time member and two members with concurrent roles, is tasked with accurately grasping the compliance status of the entire Group in the course of business operations and working to prevent violations. The Office pays particular attention to the prevention of insider trading, compliance with the Unfair Competition Prevention Act, and the protection of personal information.

The Group Compliance Office also serves as the secretariat of the Compliance Committee, monitoring compliance across the entire Group and strengthening systems in order to build a system that allows for swift decision making.

Accounting Auditor
The Company has concluded an auditing agreement with PricewaterhouseCoopers Japan LLC.

3. Reasons for Adoption of Current Corporate Governance System

The Company has adopted the current corporate governance system because it believes the system ensures sound, efficient and transparent management through the oversight functions of such outside directors and Audit and Supervisory Committee stated in Paragraph 2 above and collaboration among the above-mentioned organs.

III Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Revitalize the General Meeting of Shareholders and Facilitate the Smooth Exercise of Voting Rights

	Supplementary explanation
Early notification of general meeting of shareholders	For the 12th Annual General Meeting of Shareholders, the start date of measures for provision in electronic format was May 26, 2026, and the convocation notice was distributed on May 29, 2026, both methods having been implemented three weeks before the Annual General Meeting of Shareholders.
Scheduling annual general meeting of shareholders to avoid the peak time	Hold the general meeting of shareholders at times other than peak dates when many companies hold their meetings. The 12th Annual General Meeting of Shareholders was held on June 19, 2026.
Allowing the electronic exercise of voting rights	Allow shareholders to exercise their voting right in advance over the Internet, using personal computers, tablet PCs or smartphones. In addition, from 2021 (7th Annual General Meeting of Shareholders), the Company has adopted a system that enables the exercise of voting rights via the Internet on the day of the meeting.
Efforts to encourage participation in the Electronic Voting Platform and enhance other environments for the exercise of voting rights by institutional investors	Participate in the Electronic Voting Platform for Institutional Investors, and undertake actions to encourage the exercise of voting rights of overseas and domestic institutional investors (substantial shareholders). In addition, through the Engagement Platform operated by the Company's subsidiary, the notice of the general meeting of shareholders is provided to institutional investors on the date when the printed notice is sent.
Providing convocation notice in English	Prepare English-version notice of the general meeting of shareholders, which are posted on the Company's website.
Other	・Post the notice of the general meeting of shareholders, business reports and the reference documents for the general meeting of shareholders, etc., on the Company's website. ・To enable more shareholders to participate, the Company has made efforts to improve the environment by providing online streaming of the general meeting of shareholders and introducing an online question-and-answer session starting in 2021 (7th Annual General Meeting of Shareholders). This year (12th Annual General Meeting of Shareholders), to improve convenience for shareholders and further

	revitalize dialogue, the meeting was held exclusively online as a "general meeting of shareholders without a designated location (Virtual-Only General Meeting of Shareholders)."

2. IR Activities

	Supplementary explanation	Explanation by representative
Participation and publication of disclosure policy	The Company's disclosure policy is presented on its website. https://www.irjapan.jp/en/ir_info/release/policy.html	
Regular investor briefings for analysts and institutional investors	Hold a results briefing in Tokyo after each quarterly release of financial results (first quarter, second quarter, third quarter and year-end). The Company uploads the materials for these meetings on its website.	Yes
Posting of IR materials on website	Prepare an IR site for shareholders and investors to post financial results, materials for results briefings, securities reports, notices of the general meeting of shareholders, notices of resolutions at the general meeting of shareholders, reports for shareholders and press releases, etc., on the Company's website.	
Establishment of department and/or appointment of manager in charge of IR	Designated persons in the Corporate Planning Department to be in charge of investor relations.	

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary explanation
Stipulation of internal rules for respecting the position of all stakeholders	The Company's disclosure policy is presented on its website. https://www.irjapan.jp/en/ir_info/release/policy.html
Other	The Company engages not only in leading-edge IR activities but also in aggressive IR activities to help investors better understand the Company's corporate value. Specifically, we hold quarterly financial results briefings and IR explanatory meetings that disclose information on the Company's website in a well-organized manner. We also visit institutional investors to engage in one-on-one meetings, as well as release information pursuant to related laws and regulations in a timely and appropriate manner.

IV Matters Related to the Internal Control System

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

The Company formulated the Basic Policy Concerning the Establishment of the Internal Control System at a Board of Directors' meeting. Pursuant to this Basic Policy, we reinforce and manage the structure to ensure the appropriateness of operations (internal control system).

The outline of the Company's internal control system is as follows.

(1) System to ensure compliance of execution of duties by directors with laws, regulations and the Articles of Incorporation

1. The Company has formulated the Board of Directors Regulations for the Board of Directors. Pursuant to the standards of the Regulations, the Company determines the execution of important operations.
2. At regular meetings of the Board of Directors that are held, in principle, once a month and extraordinary meetings of the Board of Directors that are held when necessary, each director (excluding directors who are audit and supervisory committee members) reports the status of business execution, while mutually monitoring and supervising the execution of duties of other directors (excluding directors who are audit and supervisory committee members).
3. Each director who is an audit and supervisory committee member audits the status of the execution of duties of directors (excluding directors who are audit and supervisory committee members) by attending meetings of the Board of Directors and expressing opinions when necessary.

4. As a basis of the Company's compliance structure, the Company has formulated and disseminated the Compliance Management Regulations of the Group to stipulate the codes of conduct that directors (excluding directors who are audit and supervisory committee members) and employees should comply with.
5. The Company has established a Group Compliance Hotline System (internal reporting (whistleblowing) system) pursuant to the Compliance Management Regulations of the Group to prevent violations of laws and regulations, as well as the Articles of Incorporation. Furthermore, the Company allows reports to be made anonymously under this System and ensures that persons who have made such reports will not be treated disadvantageously.

(2) System for the storage and management of information related to execution of duties by directors

Based on the Document Management Regulations, the Company stores and manages the following documents (including electromagnetic records; the same applies hereafter) along with related documents, in appropriate ways that are easily accessible.

- Minutes of general meetings of shareholders
- Minutes of Board of Directors' meetings
- Minutes of Audit and Supervisory Committee meetings
- Minutes of Nomination and Compensation Advisory Committee meetings
- Minutes of Group Budget and Performance Review Meetings
- Minutes of Sustainability Committee meetings
- Minutes of Group Risk Management Committee meetings
- Minutes of Group Compliance Committee meetings
- *Ringi* (draft plans circulated to obtain approval)
- Contracts
- Accounting books and financial statements
- Business reports
- Copies of documents submitted to authorities, including tax offices, government agencies and stock exchanges

(3) Regulations concerning the management of the risk of loss and other relevant risk management system

1. The Company recognizes and understands the following risks and has prepared an appropriate risk management structure.
   - Credit risk
   - Internal control risk
   - Legal violation risk
   - Information leak risk
   - Disasters and accidents
   - Other going-concern risks
2. The Company has formulated the Group Risk Management Regulations as a basis for the Company's risk control structure. The Group Risk Management Committee is operated for the purpose of identifying and evaluating risks that may be assumed in the course of the Group's business activities and examining countermeasures. The Group Risk Management Committee identifies risks each fiscal year, compiles the risks of the Group, evaluates each risk, and designates a person responsible for responding to the risks that need to be addressed to have him or her implement necessary measures.

(4) Systems to ensure efficient execution of duties by directors

1. The Board of Directors delegates significant authority to the directors (excluding directors who are audit and supervisory committee members) for swift decision making within company management, and elects independent outside directors as audit and supervisory committee members to supervise and monitor other directors (excluding directors who are audit and supervisory committee members).
2. In addition to the regular Board of Directors' meetings that are held, in principle, once a month, the Company holds extraordinary Board of Directors' meetings as needed for flexible decision making.
3. For efficient execution of duties of directors, the Company has clarified the process of execution and where responsibilities lie in the *Ringi* Regulations, the Regulations for Dividing Roles and Responsibilities, and the Regulations for Dividing Duties and Authority.
4. Directors (excluding directors who are audit and supervisory committee members) report on the status of their execution of duties to the Board of Directors in a consistent and timely manner.

(5) Systems to ensure compliance of execution of duties by employees with laws, regulations and the Articles of Incorporation

1. The Company has formulated the Compliance Management Regulations of the Group as a basis for its

compliance structure.

2. The Company has established a Group Compliance Hotline System (internal reporting (whistleblowing) system) pursuant to the Compliance Management Regulations of the Group to prevent violations of laws and regulations, as well as the Articles of Incorporation, and address various consultations from employees.
3. The Company has established the Group's Internal Audit Office, which is an internal audit division independent of business operations, based on the Internal Audit Regulations of the Group.
4. The Company strives to enhance information security by reinforcing the basic policy for information security and the internal rules for information security.

(6) Systems to ensure the appropriateness of business operations in the corporate group comprising the Company and its subsidiaries

1. System for reporting matters relating to the execution of duties by directors of the subsidiaries to the Company

   The Company has formulated the Group Company Management Regulations to specify procedures and management systems concerning Group companies. The Corporate Planning Department is responsible for the management of Group companies and ensures the appropriateness of business operations by granting prior approval of the Company's body for important matters of Group companies including the subsidiaries and receiving reports.
2. Regulations concerning the management of the risk of loss and other relevant risks management system of the subsidiaries
   (i) The subsidiaries recognize and understand the following risks and have prepared an appropriate risk management structure.
   - Credit risk
   - Internal control risk
   - Legal violation risk
   - Information leak risk
   - Disasters and accidents
   - Other going-concern risks

   (ii) In accordance with the Group Risk Management Regulations established by the Company, subsidiaries operate the Group Risk Management Committee jointly with Group companies for the purpose of identifying and evaluating risks that may be assumed in the course of the Group's business activities and examining countermeasures. The Group Risk Management Committee identifies risks each fiscal year, compiles the risks of the Group, evaluates each risk, and designates a person responsible for responding to the risks that need to be addressed to have him or her implement necessary measures.
3. System to ensure efficient execution of duties by directors of the subsidiaries
   (i) The Boards of Directors of the subsidiaries delegate significant authority to the directors (excluding directors who are audit and supervisory committee members) for swift decision making within company management, and elect outside directors, who are independent from the Group, as audit and supervisory committee members to supervise and monitor other directors (excluding directors who are audit and supervisory committee members).

   (ii) In addition to the regular Board of Directors' meetings that are held, in principle, once a month, the subsidiaries hold extraordinary Board of Directors' meetings as needed for flexible decision making.

   (iii) For efficient execution of duties of the directors, the subsidiaries have clarified the process of execution and where responsibilities lie in the *Ringi* Regulations, the Regulations for Dividing Roles and Responsibilities and the Regulations for Dividing Duties and Authority.

   (iv) Directors of the subsidiaries (excluding directors who are audit and supervisory committee members) report on the status of their execution of duties in a consistent and timely manner at the Board of Directors' meetings of the subsidiaries that the directors who are audit and supervisory committee members of the Company, the parent, attend as observers.
4. System to ensure compliance of execution of duties by directors, etc. and employees of the subsidiaries with laws, regulations and the Articles of Incorporation
   (i) In accordance with Compliance Management Regulations of the Group established by the Company, the subsidiaries have established a Group Compliance Hotline System (internal reporting (whistleblowing) system) jointly with Group companies to prevent violations of laws and regulations and the Articles of Incorporation, and address various consultations from employees. Furthermore, the subsidiaries report the fact that a report has been made and the contents of the report to the directors who are audit and supervisory committee members of the subsidiaries, as well as to the directors who are audit and supervisory committee members of the Company, the parent.

   (ii) The subsidiaries have established an Internal Audit Office, which is an internal audit division independent of business operations, based on the Internal Audit Regulations, and strive to share information with the Audit and Supervisory Committee, which comprises independent outside directors,

etc.

(iii) The subsidiaries strive to enhance information security by reinforcing the basic policy for information security and the internal rules for information security.

(7) Matters concerning employees who support the Audit and Supervisory Committee and independence of such employees from the directors (excluding directors who are audit and supervisory committee members), as well as matters related to ensuring the effectiveness of instructions given by the audit and supervisory committee members to directors (excluding directors who are audit and supervisory committee members) and employees

1. Directors who are audit and supervisory committee members may utilize employees who support the execution of their duties (hereinafter referred to as "supporting employees"), pursuant to the Audit and Supervisory Committee Regulations.
2. The Company ensures that when supporting employees assist the execution of duties of directors who are audit and supervisory committee members, they exclusively follow the instructions and orders given by such directors rather than the instructions and orders given by directors (excluding directors who are audit and supervisory committee members) or employees.

(8) System to help directors (excluding directors who are audit and supervisory committee members) and employees report to the Audit and Supervisory Committee, system to ensure that persons who have made such reports will not be treated disadvantageously and system to ensure effective audits by the Audit and Supervisory Committee

1. Should directors (excluding directors who are audit and supervisory committee members) or employees discover a serious violation of laws and regulations or such other important facts related to compliance in the Company's operations, they must immediately report to the directors who are audit and supervisory committee members, as well as immediately convene the Compliance Committee and deal with the compliance violation, pursuant to the Compliance Management Regulations of the Group, and also take appropriate actions to call for attention and prevent the recurrence of such an incident where necessary.
2. The Company has stipulated matters that directors (excluding directors who are audit and supervisory committee members) and employees must report to the directors who are audit and supervisory committee members and the time frame within which such reporting should be made in the Audit and Supervisory Committee Regulations, which also require directors (excluding directors who are audit and supervisory committee members) and employees to report material matters that affects the Company's operations and performance every time they occur. It has also stipulated that the directors who are audit and supervisory committee members can demand directors (excluding directors who are audit and supervisory committee members) and employees to report anytime, as necessary.
3. Upon recognition of an issue in the Group's legal compliance structure, the directors who are audit and supervisory committee members shall express opinions at a Board of Directors' meeting and demand that improvement measures be formulated and taken.
4. Directors (excluding directors who are audit and supervisory committee members) and employees shall respond quickly and appropriately, when requested by the directors who are audit and supervisory committee members for a report on business operations, or when the directors who are audit and supervisory committee members investigate the business operations and property.
5. Directors (excluding directors who are audit and supervisory committee members) and employees may report directly to directors who are audit and supervisory committee members. The Company prohibits the unfair treatment of individuals for having made such reports in the internal rules and regulations.

(9) Matters relating to advance payment or reimbursement of expenses incurred by audit and supervisory members in executing their duties (limited to those related to the execution of duties by the Audit and Supervisory Committee) and any other policy for processing the expenses or obligations incurred in the execution of such duties and systems to ensure effective audits by the Audit and Supervisory Committee

1. If directors who are audit and supervisory committee members request the Company to carry out advance payment of expenses concerning the execution of their duties pursuant to Article 399-2, Paragraph 4, of the Companies Act, the Company shall promptly process such expenses or obligations, unless such expenses and obligations are deemed unnecessary for the directors who are audit and supervisory committee members to execute their duties.
2. If directors who are audit and supervisory committee members request the independent use of an external expert for the purpose of executing their duties, the Company shall bear the related expenses.

2. Basic Views on Excluding Anti-social Forces

(1) Basic views on excluding anti-social forces

The Company avoids all anti-social forces and groups that pose a threat to civil society's order and safety, firmly refuses any demands from such groups and does not conduct any transactions with corporations, groups or individuals related to such groups. The Company as a whole maintains a steadfast attitude against anti-social forces in alliance with competent police forces, corporate lawyers and other external professional organizations.

(2) Status of internal rules

The Company stipulates in its "Basic Policy against Anti-social Forces" that its directors (including directors who are audit and supervisory committee members) and employees shall not respond to any inappropriate demands from anti-social forces, and shall take legislative responses in a steadfast manner.

(3) Status of the internal system

1. Current management departments to deal with anti-social forces and persons responsible for the prevention of inappropriate demands

The Company assigns multiple persons responsible for the prevention of inappropriate demands in the Administration Department, and establishes a system to collect and comprehensively manage information regarding anti-social forces.

2. Alliance with external professional organizations

The Company, even in normal times, promotes alliances with external professional organizations, such as the Tokyo Center for Removal of Criminal Organizations and the Special Violence Prevention Measures Association (Tokubouren) under the control of the Tokyo Metropolitan Police Department, in addition to competent police forces and corporate lawyers.

3. Collection and management of information relating to anti-social forces

The Company regularly collects information concerning anti-social forces provided by external professional organizations at the Administration Department, which manages the information and circulates it across the Company, ensuring every member is informed.

V Other

1. Adoption of Anti-takeover Measures

Adoption of anti-takeover measures	Not adopted

Supplementary explanation

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2. Other Matters Concerning Corporate Governance System

<Overview of System for Timely Disclosure>

(1) Management stance, policy, etc.

Due in part to the fact that its subsidiary, IR Japan, Inc. principally engages in services to support listed companies' IR and SR activities, the Company recognizes that timely and appropriate disclosure of information is an essential management duty in pursuit of forging good relationships with all stakeholders. The Company considers it of paramount importance that it properly continues to retain a system for timely disclosure, so that its stakeholders, particularly the shareholders, can precisely and timely understand the actual state of the Company. For this reason, the Company believes that it should assign the highest priority to timely and appropriate disclosure of information, in accordance with relevant laws and regulations such as the Financial Instruments and Exchange Act and regulations for timely disclosure.

(2) Recognition and analysis of features and risks associated with the Company's timely disclosures

The Company is concerned that inappropriate disclosure of information may have a negative impact on investors and undermine its social evaluation. Therefore, the Administration Department, the Corporate Planning Department and other relevant departments work closely to exchange information and check on information disclosure.

(3) Preparation of the organization in charge of disclosure

The actual operation relating to timely disclosure is conducted by the Corporate Planning Department. Following due discussions about the necessity for disclosure with the senior general manager of the

Administration Department responsible for information management, and the completion of required procedures, the general manager of the Corporate Planning Department responsible for information handling discloses information.

The Company has prepared the Corporate Information Management Regulations, Regulations for the Handling of Insider Information and Regulations for Preventing Insider Trading, requiring its officers and employees to comply with them. Together with this, the Company makes efforts to make known and raise awareness of knowledge of information management and disclosure by providing periodical training programs for every employee of the Company.

(4) Preparation of timely disclosure procedures

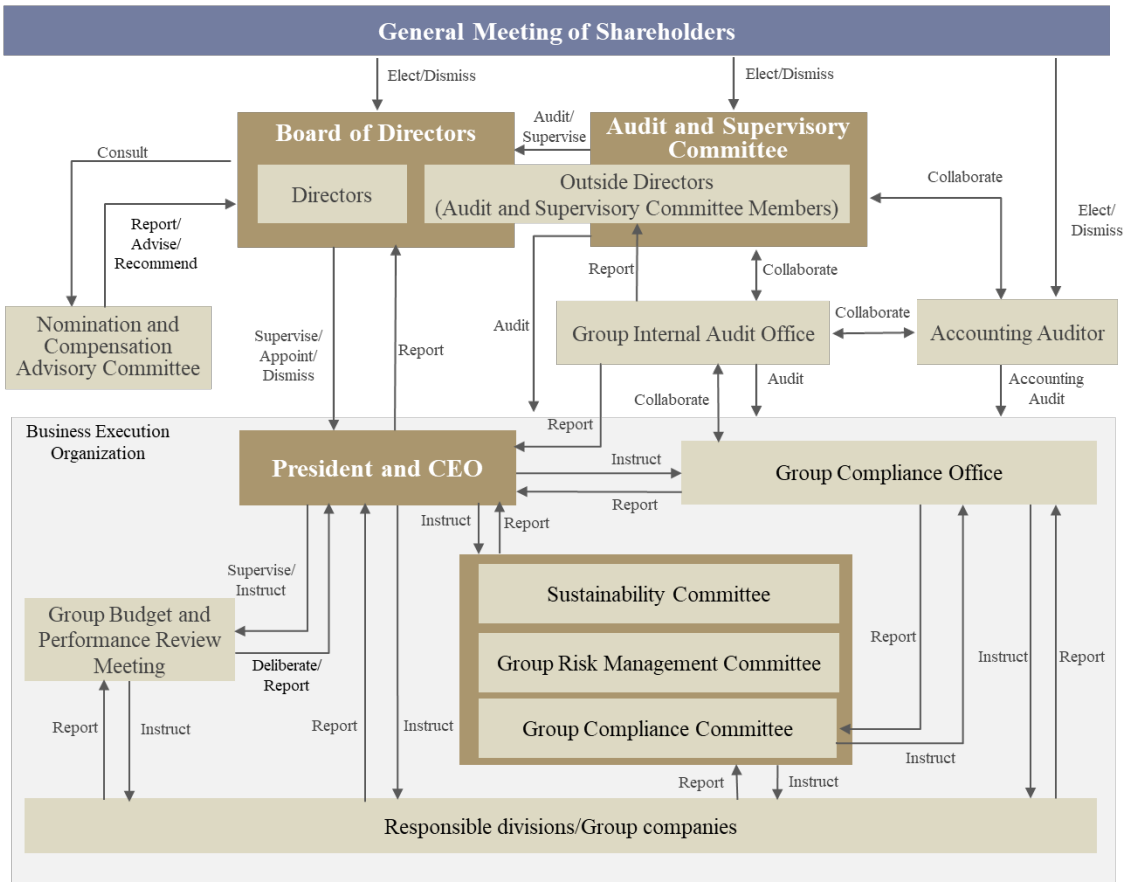
Overviews of the Company's system for timely disclosure and procedures for disclosing information are presented in the attached document.

1. When officers and employees obtain important information about the Company or other potentially relevant information, they immediately report it to the senior general manager of the Administration Department responsible for managing information. The general manager shall report the information to the general manager of the Corporate Planning Department that manages the actual operation relating to the disclosure of information.
2. To support the above action, the senior general manager of the Administration Department and the general manager of the Corporate Planning Department attend the Board of Directors' meetings to obtain important information about the Company.
3. The Company has established a Group Budget and Performance Review Meeting, which calculates the Group's earnings forecast and examines the disclosure thereof. By gathering and consolidating the necessary information, the Group Budget and Performance Review Meeting considers disclosure policies appropriate to the Company's business type, based on trends in the Group's performance, market conditions, and the specifics of each large-scale project for which orders either have been received or are expected.
4. The senior general manager of the Administration Department and the general manager of the Corporate Planning Department collect comprehensive information on disclosure (important decisions, significant events, financial results and others), and disclose the information following the resolution of the disclosure by the Board of Directors, in accordance with the internal Regulations for the Dividing Duties and Authority. However, information in need of urgent disclosure, such as the occurrence of a significant event, will be announced upon the approval of the president and chief executive officer.
5. Pursuant to the internal Corporate Information Management Regulations, Regulations for the Handling of Insider Information and Regulations for Preventing Insider Trading, the Company strives to formulate stringent controls of important company information and prevent insider trading.

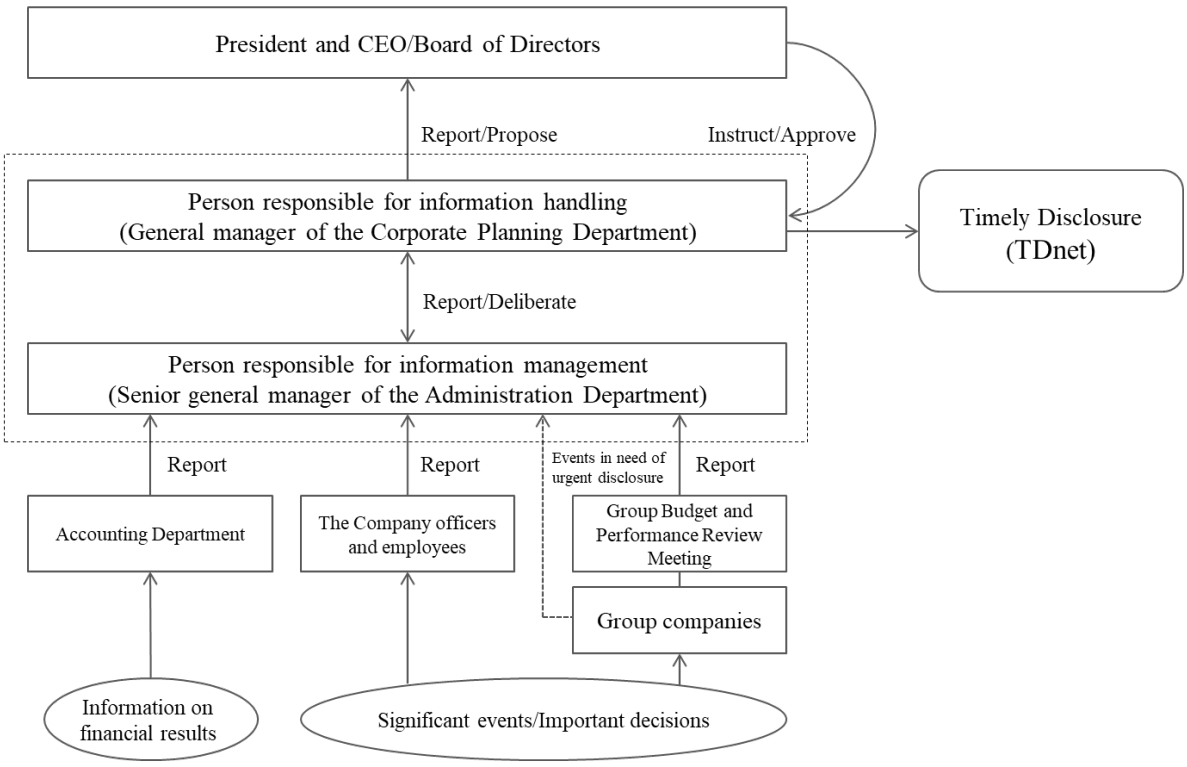
(5) Preparation of monitoring of the system for timely disclosure

Audit and supervisory committee members, who are independent of the Company management, examine the appropriate executions of duties of directors (excluding directors who are audit and supervisory committee members) by attending the Board of Directors' meetings and other meetings, as well as interviewing individual directors (excluding directors who are audit and supervisory committee members) when needed. Preparation and operational status of the system for timely disclosure is also monitored through these examinations.

[Chart of Corporate Governance Structure]



[Chart of System for Timely Disclosure]



[Skills Matrix]

	Management and corporate strategy	Business strategy	Marketing	ESG management	Banking and Finance	Global	Legal and risk management	Auditing and internal control
Shirou Terashita	○	○	○	○		○	○	
Yutaka Fujiwara	○			○			○	○
Akira Kimura	○			○		○	○	○
Kimikazu Noumi	○	○	○		○	○	○	○
Masahiko Ichie	○	○			○			
Kohei Kodama	○					○	○	○