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AZ-COM MARUWA Holdings Inc.

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The corporate governance of AZ-COM MARUWA Holdings Inc. (the "Company") is described below.

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

1. Basic Views

The Company's management philosophy is as follows: "With the basic spirit of customers first, we aim to become the No. 1 company in the 3PL industry and contribute to the realization of each other's happiness and an affluent society." We strive to develop alongside our stakeholders, including customers and local communities. To achieve this management philosophy, it is necessary to ensure transparency and efficiency in management for our stakeholders and to conduct business activities based on compliance management and corporate ethics. Therefore, the Company aims to establish and maintain a corporate governance system that ensures transparency and enables effective management oversight. As a basic policy, we have set forth corporate governance guidelines and strive for effective corporate governance.

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

The Company has fully implemented the principles in the Corporate Governance Code.

[Disclosure Based on Each Principle of the Corporate Governance Code] Updated

[Principle 1-4]

Policy on Cross-shareholdings

The Company acquires and holds shares deemed necessary for enhancing corporate value when it is recognized that they are essential for sustainable growth, achieving medium- to long-term business strategies, and facilitating smooth business promotion with clients. Each year, the Board of Directors reviews each stock, and aims to reduce cross-shareholdings that are deemed to have diminished significance.

Including stocks held for business strategy purposes, listed company stocks are annually reviewed by the Board of Directors to determine the significance of acquiring and holding each individual stock, the benefits and risks associated with holding them, and whether they meet the profit margins pursued by the Company (with the cost of capital as the minimum threshold). If the alliance effects or review results fall below the standard, we conduct profitability improvement negotiations with the relevant holding, and if improvement is deemed difficult, we reduce the holding of such shareholdings.

Policy and Standards for Exercising Voting Rights

The exercise of voting rights for cross-shareholdings is based on whether it would harm shareholder value and its impact on the Company, etc. Additionally, we establish "Standards for Exercising Voting Rights" based on these criteria and exercise voting rights appropriately in line with each specific proposal.

Policy for Responding When Cross-shareholders Indicate Intent to Sell, etc.

When a company holding the Company's shares as cross-shareholdings indicates an intent to sell, etc., we do not hinder such intentions, including suggesting transaction reductions, and we respond appropriately.

[Principle 1-7]

The Company requires transactions involving competition and conflict of interest with Directors to be reviewed by a special committee composed of Independent Outside Directors of the Company before the transaction and approved by the Board of Directors based on the committee's recommendations. After each transaction is completed, the Board of Directors receives a report on the transaction results. Additionally, when conducting transactions with related parties, significant transactions are treated as matters for resolution by the Board of Directors. We deliberate and decide on the necessity and appropriateness of the transactions to ensure they do not harm the interests of shareholders or the company.

[Supplementary Principle 2-4(i)]

This is detailed in this report under III. 3 "Status of Measures to Ensure Due Respect for Stakeholders."

[Principle 2-6]

The Company has established a Pension Asset Management Committee whose members consist of personnel with appropriate qualifications for managing corporate pensions. The Pension Asset Management Committee deliberates and examines matters concerning the selection of investment management companies, asset allocation, the composition of assets managed by investment companies, investment results, evaluations, and the basic policies of management.

[Principle 3-1]

(1) Management philosophy, management strategy, and management plans

The Company's management philosophy is as follows: "With the basic spirit of customers first, we aim to become the No. 1 company in the 3PL industry and contribute to the realization of each other’s happiness and an affluent society." We strive to develop alongside our stakeholders, including customers and local communities. Based on this management philosophy, we formulate management strategies, etc., and disclose them as appropriate on our website and other platforms.

(2) Basic approach and policies on corporate governance

The basic approach and policies on the Company's corporate governance are detailed in "1. Basic Views" of this report. Please refer to it.

(3) Policy and procedures for determining Director remuneration

This is detailed in this report under "II. [Director Remuneration] 1. Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods." Please refer to it.

(4) Policy and procedures for nominating Director and Audit and Supervisory Board Member candidates

When nominating Director candidates, we comprehensively consider whether the individual has extensive experience and broad knowledge related to corporate management and business promotion, can understand the essence of the challenges the Company faces, and can strengthen our management system.

When nominating Audit and Supervisory Board Member candidates, we comprehensively consider whether the individual has knowledge of finance and accounting, understands the Company's overall business, and has diverse perspectives on corporate management.

When nominating candidates for Outside Directors of the Company and Outside Audit and Supervisory Board Members, we comprehensively consider whether the individual meets the external-related requirements defined by the Companies Act and the independence standards set by the Tokyo Stock Exchange, and has extensive experience and deep insight.

Decisions will be made by the Board of Directors after consultation and recommendations from the voluntary Nomination and Remuneration Committee. If the above policies are not met or circumstances arise that render an individual unfit to execute the duties of an officer (Director or Audit and Supervisory Board Member), they will not be nominated as an officer candidate, or will be dismissed from their position.

(5) Explanation of individual appointments and nominations of Director and Audit and Supervisory Board Member candidates

The Director candidates and details of their careers, etc., are listed in the reference documents for the General Meeting of Shareholders.

[Supplementary Principle 3-1(iii)]

Our initiatives on sustainability are detailed in this report under III. 3 "Status of Measures to Ensure Due Respect for Stakeholders."

Additionally, in January 2022, the Group expressed support for the recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD). Based on the TCFD recommendations, we will actively promote the disclosure of information on four areas related to climate change: governance, strategy, risk management, and metrics and targets. The details of the Group's efforts related to the TCFD are available on the Company's website. (https://www.az-com-maruwa-hd.co.jp/sustainability/)

[Supplementary Principle 4-1(i)]

In the Board of Directors, besides matters stipulated by laws and the Articles of Incorporation, matters deemed important are also decided and resolved based on the Board of Directors' regulations. For decisions on business execution other than matters resolved by the Board of Directors, appropriate authority is delegated to the management team, such as executive officers, based on administrative authority regulations, to ensure prompt decision-making.

[Principle 4-9]

The Company requires Independent Outside Directors of the Company to do the following: meet the external-related requirements defined by the Companies Act and the independence standards set by the Tokyo Stock Exchange, be free from conflicts of interest with general shareholders, provide candid and active opinions at the Board of Directors, and contribute to the company's sustainable growth and medium- to long-term corporate value enhancement.

The Board of Directors selects Independent Outside Director of the Company candidates based on these criteria.

[Supplementary Principle 4-10(i)]

To strengthen the independence, objectivity, and accountability related to the nomination, remuneration, etc., of officers, including the succession plan, the Company has established a Nomination and Remuneration Committee as an advisory body to the Board of Directors. The Nomination and Remuneration Committee ensures independence and objectivity by having a majority of its members be Independent Outside Directors of the Company. The committee discusses and makes recommendations to the Board of Directors on the selection and dismissal of Directors and executive officers, remuneration standards and levels, and the CEO succession plan. The Board of Directors decides on the selection, dismissal, remuneration, etc., of Directors based on the recommendations of this committee.

[Supplementary Principle 4-11(i)]

To effectively achieve the Company's sustainable growth and medium- to long-term corporate value enhancement, the Board of Directors uses a skills matrix and considers an overall balanced and diverse composition in terms of expertise, experience, abilities, etc. Additionally, the number of Directors on the Board is set at a maximum of 15 according to the Articles of Incorporation. Within this limit, Director candidates are selected while considering the overall composition of the Board of Directors. The skills matrix is published in the notice for the Ordinary General Meeting of Shareholders.
(https://www.az-com-maruwa-hd.co.jp/ir/stock/meeting.html)

[Supplementary Principle 4-11(ii)]

To ensure that Directors and Audit and Supervisory Board Members can adequately fulfill their roles and responsibilities, the Company sets reasonable limits on holding concurrent positions. The status of concurrent positions held by the Company's Directors and Audit and Supervisory Board Members is disclosed annually in the Notice of the General Meeting of Shareholders.

[Supplementary Principle 4-11(iii)]

To ensure the effectiveness of the Board of Directors, the Company explains the purpose of the evaluation to all Directors and Audit and Supervisory Board Members, including outside directors. To maintain anonymity and transparency, an external agency conducts, collects, aggregates, and analyzes a web-based survey. The questions cover the composition, operation, discussion content, and monitoring of the Board of Directors; the performance of Directors; the support system for Directors and Audit and Supervisory Board Members; training; dialogue with shareholders and operation of committees. These were evaluated through ratings and free comments.

The analysis confirmed that the overall evaluation questions were appropriate, and the effectiveness of the Board of Directors was adequately ensured.

With respect to strengthening the monitoring system that supports the steady execution of the new medium-term management plan starting in fiscal year 2025 that was recognized as an issue in last fiscal year’s evaluation and to overseeing the governance status of group companies, we confirmed that a certain degree of improvement was observed in each case through measures such as continuously checking progress and enhancing information sharing at the Board of Directors.

Meanwhile, from the perspective of further improving the effectiveness of the Board of Directors, we shared awareness that operation of the Board of Directors needs to be reviewed to focus deliberations on agenda items of high management importance, and to strengthen continuous monitoring of matters that need to be followed up on with priority. Additionally, regarding significant investment projects and M&A transactions, we shared awareness that the Board of Directors needs to conduct more multifaceted and in-depth deliberations on items such as consistency with the business strategy, investment effects in light of capital costs and capital efficiency, the potential to generate synergies, and the anticipated risks.

Based on the above evaluation results, from the perspective of further improving the effectiveness of the Board of Directors, we shared awareness that the operation of the Board of Directors needs to be reviewed to focus deliberations on agenda items of high management importance, and to strengthen continuous monitoring of matters that need to be followed up on with priority.

Additionally, for investment decisions and M&A transactions, we will provide prior explanations and hold information-exchange meetings to promote understanding of the transactions, and will share with Outside Directors and Outside Audit and Supervisory Board Members in a timely and appropriate manner the matters examined and key discussion points at committees established on the executive side. This will thereby enrich discussions and enhance prior understanding regarding consistency with business strategy, investment effects in light of capital costs and capital efficiency, the potential to generate synergies, and other matters.

Through these initiatives, the Company’s Board of Directors will strive to continuously improve its effectiveness, and aim to achieve sustainable growth and enhance corporate value over the medium to long term.

[Supplementary Principle 4-14(ii)]

To ensure Directors and Audit and Supervisory Board Members continuously acquire and update the necessary knowledge for the Company's sustainable growth and medium- to long-term corporate value enhancement, the Company provides information and supports them in their duties. Additionally, to acquire the knowledge and information necessary for Directors and Audit and Supervisory Board Members to fulfill their required roles and responsibilities, we conduct regular training sessions for officers twice a year.

[Principle 5-1]

Recognizing that constructive dialogue with shareholders is essential for sustainable growth and medium- to long-term corporate value enhancement, we strive to enrich bidirectional communication.

[Status of Dialogue with Shareholders, etc.]

We publish information on our website about the status of the Company's dialogue with shareholders and investors, including key themes and points of interest.

https://www.az-com-maruwa-hd.co.jp/ir/management/conversation.html

[Supplementary Principle 5-1(i)]

For individual meetings with shareholders, the Public Relations Investor Relations Dept. (Investor Relations Contact) serves as the point of contact. Based on the shareholder's wishes and the purpose of the meeting, we have established a system where the Representative Director, other Directors, and senior management can appropriately respond within a reasonable scope.

[Supplementary Principle 5-1(ii)]

1. Director overseeing dialogue with shareholders

To promote constructive dialogue with shareholders, the Company has designated the Investor Relations Director as the officer overseeing shareholder dialogue. We primarily facilitate this dialogue through interactions led by the Representative Director and other senior management.

2. Collaboration with related internal departments

To ensure Investor Relations activities are constructive and meaningful, the Company coordinates with various departments and strives for timely and appropriate disclosure of important information. Furthermore, we actively engage in broader information disclosure through the Company's website and press releases, working with disclosures via TDnet and EDINET.

For materials used in Investor Relations activities, such as financial results briefings, we hold multiple meetings to review the content with the Representative Director and Directors responsible for each business area, aiming to provide easy-to-understand and useful materials to shareholders and investors.

3. Efforts to Enhance Means of Dialogue Other Than Individual Meetings (e.g., Investor Briefings and Investor Relations Activities)

We hold briefings following the announcement of each quarterly financial results for analysts, and institutional investors, and engage in individual meetings as required. For individual investors, we hold briefings as appropriate.

4. Measures to Provide Feedback on Shareholder Opinions and Concerns to Senior Management and the Board of Directors

We send a biannual shareholder communication, "AZ-COM Report," summarizing our performance and topics to all shareholders. Reports on shareholder opinions and concerns identified through dialogue with shareholders are regularly fed back to the Board of Directors, including Investor Relations activity status, investor concerns, and opinions.

5. Measures for Managing Insider Information During Dialogue

The Company has established the "Regulations on the Restriction of Insider Trading," and when we gain possession of insider information during meetings with shareholders and investors, we manage it appropriately in accordance with these regulations and do not disclose its contents.

Additionally, to prevent leaks of financial information (including quarterly financial results information) and ensure fairness in information disclosure, the Company observes a silent period from the day after each quarter-end (last day of June, September, December, and March) until the financial results announcement date. During this period, we refrain from answering questions or commenting on financial results and earnings forecasts. However, if there is a significant change in earnings forecasts during this period, we disclose information appropriately according to timely disclosure rules.

[Supplementary Principle 5-1(iii)]

To understand the shareholder structure, we review the shareholder register at the end of March, June, September, and December each year to monitor the shareholder structure and its changes.

[Actions to Achieve Management that Considers Capital Costs and Stock Prices]

Details	Disclosure of Initiatives (updated)
English disclosure	Yes
Update date Updated	June 25, 2026

Explanation for Applicable Items Updated

The following is an overview of specific initiatives for management that is mindful of capital costs and for enhancing corporate value.
The Company aims to enhance corporate value by allocating management resources in an appropriate manner and optimizing capital costs, by accurately identifying capital costs, presenting basic policies for earnings plans and capital policy, setting targets related to earning power and capital efficiency, and promoting initiatives such as reviewing its business portfolio to achieve those targets.

<<Current Analysis>>
In order to reinvest management resources in an optimal manner, we measure and evaluate business growth potential and investment efficiency using ROIC (Return on Invested Capital). Additionally, we set the Company’s hurdle rate at 8% with WACC (Weighted Average Cost of Capital) as a reference.

	Fiscal year ended March 2025	Fiscal year ended March 2026
ROIC (Return on Invested Capital)	7.28%	6.65%
ROE (Return on Equity)	12.90%	12.40%
PBR (Price-to-Book Ratio)	2.87x	1.91x

* In light of trends in the Company’s share price and market prices, we have determined that distortions are occurring in capital cost estimates using CAPM, so we do not state the WACC (fiscal year ended March 2025: 1.99%) that we disclosed through last year.

<<Evaluation/Improvement Process>>
For each business in the Company group, we conduct financial evaluations focused on ROIC and the average annual sales growth rate (CAGR) over the past two years, and as a supplement, market evaluations focused on the number of competing companies and the industry growth rate, and we evaluate these in a comprehensive manner.

Based on the evaluation results, we will allocate resources and continue business, for those businesses that are deemed qualified. Additionally, we will formulate a business revitalization plan and conduct a re-evaluation after two years have elapsed following implementation of the plan, for those businesses that are deemed unqualified. If it is determined that a recovery in future performance still cannot be expected, we will consider follow-up measures such as withdrawal, downsizing, or sell off.

For details, refer to "Section 2: Overview of the business," "1. Management policy, management environment, and various issues to be addressed," "(4) Operational and financial issues to be preferentially addressed," under "(xi) Realizing management that is conscious of capital costs and stock price" in the securities report.
<Japanese> https://www.az-com-maruwa-hd.co.jp/ir/library/securities.html
<English> https://www.az-com-maruwa-hd.co.jp/en/ir/library/securities.html

2. Capital Structure

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

[Status of Major Shareholders] Updated

Name or Company Name	Number of Shares Owned	Percentage (%)
TARO'S CO., LTD.	25,800,000	19.08
Masaru Wasami	24,704,680	18.27
WASAMI Co., Ltd.	20,200,000	14.94
The Master Trust Bank of Japan, Ltd. (Trust Account)	8,479,300	6.27
BBH FOR FIDELITY LOW-PRICED STOCK FUND (standing proxy: MUFG Bank, Ltd.)	3,696,428	2.73
AZ-COM MARUWA HOLDINGS Group Employee Shareholding Association	2,809,952	2.08
Custody Bank of Japan, Ltd. (Trust Account)	2,611,891	1.93
Nomura Trust and Banking Co., Ltd. (investment trust account)	2,476,800	1.83
MatsukiyoCocokara & Co.	2,400,000	1.77
Kamigumi Co., Ltd.	1,243,000	0.92

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

Supplementary Explanation Updated

1. Of the number of shares owned above, the number of shares related to the trust business is as follows.
Japan Custody Bank, Ltd. (trust account): 552,291 shares
2. The Company owns 2,748,984 shares of treasury stock, but these are excluded from the major shareholders above.
3. The shareholding ratio is calculated after deducting treasury stock.
4. In the change report pertaining to the large shareholding report made available for public inspection on November 29, 2024, an amendment report and a large shareholding report reflecting the amended details were submitted by the filer as of June 9, 2026. According to these reports, Fidelity Management & Research Company LLC, FIAM LLC, Fidelity Management Trust Company, Fidelity Institutional Asset Management Trust Company, and FMR Investment Management (UK) Limited are stated to own the following shares as joint holders as of November 29, 2024. However, as of as of March 31, 2026, since the Company cannot confirm

the actual number of shares owned, we have not included these shareholders in our list of major shareholders. Details pertaining to the large shareholding report are as follows.

[Name or Company Name]
Fidelity Management & Research Company LLC
[Address]
1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States of America
[Number of Shares Owned (thousand shares)]
2,846
[Ratio of Shares Owned to Total Shares Issued (%)]
2.06

[Name or Company Name]
FIAM LLC
[Address]
1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States of America
[Number of Shares Owned (thousand shares)]
2,650
[Ratio of Shares Owned to Total Shares Issued (%)]
1.92

[Name or Company Name]
Fidelity Management Trust Company
[Address]
155 Federal Street, Room 700, Boston, Massachusetts 02110, United States of America
[Number of Shares Owned (thousand shares)]
483
[Ratio of Shares Owned to Total Shares Issued (%)]
0.35

[Name or Company Name]
Fidelity Institutional Asset Management Trust Company
[Address]
9 Capitol Street, CT Corporation System, Concord, New Hampshire 03301, United States of America
[Number of Shares Owned (thousand shares)]
637
[Ratio of Shares Owned to Total Shares Issued (%)]
0.46

[Name or Company Name]
FMR Investment Management (UK) Limited
[Address]
25 Cannon Street, London EC4M 5SB, United Kingdom
[Number of Shares Owned (thousand shares)]
425
[Ratio of Shares Owned to Total Shares Issued (%)]
0.31

5. In the change report pertaining to the large shareholding report made available for public inspection on December 22, 2025, Mizuho Securities Co., Ltd. and Asset Management One Co., Ltd. were each recorded as jointly owning the amount of shares listed below as of December 22, 2025. However, as of March 31, 2026, since the Company has not been able to confirm the actual number of shares owned, we have not included these shareholders in our list of major shareholders. Details on the change report pertaining to the large shareholding report are as follows.
[Name or Company Name]
Mizuho Securities Co., Ltd.
[Address]
1-5-1 Otemachi, Chiyoda-ku, Tokyo
[Number of Shares Owned (thousand shares)]
8,237
[Ratio of Shares Owned to Total Shares Issued (%)]
5.53

[Name or Company Name]
Asset Management One Co., Ltd.
[Address]
1-8-2 Otemachi, Chiyoda-ku, Tokyo
[Number of Shares Owned (thousand shares)]
1,179
[Ratio of Shares Owned to Total Shares Issued (%)]
0.79

6. In the change report pertaining to the large shareholding report made available for public inspection on February 25, 2026, Nomura Securities Co., Ltd., NOMURA INTERNATIONAL PLC, and Nomura Asset Management Co., Ltd., were each recorded as jointly owning the amount of shares listed below as of January 30, 2026. However, as of March 31, 2026, since the Company has not been able to confirm the actual number of shares owned, we have not included these shareholders in our list of major shareholders. Details on the change report pertaining to the large shareholding report are as follows.
[Name or Company Name]
Nomura Securities Co., Ltd.
[Address]
1-13-1 Nihonbashi, Chuo-ku, Tokyo
[Number of shares held (thousand shares)]
2,472
[Ratio of shares held to total shares issued (%)]
1.76

[Name or Company Name]
NOMURA INTERNATIONAL PLC
[Address]
1 Angel Lane, London EC4R 3AB, United Kingdom
[Number of Shares Owned (thousand shares)]
4,480
[Ratio of Shares Owned to Total Shares Issued (%)]
3.10

[Name or Company Name]
Nomura Asset Management Co., Ltd.

[Address]
2-2-1 Toyosu, Koto-ku, Tokyo
[Number of Shares Owned (thousand shares)]
2,106
[Ratio of Shares Owned to Total Shares Issued (%)]
1.53

3. Corporate Attributes

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

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

Transactions with controlling shareholders are conducted based on laws, internal rules, and, where necessary, resolutions of the Board of Directors. The Audit and Supervisory Board and Internal Audit Office conducts audits to monitor whether transactions are carried out properly.

Additionally, if transactions are conducted between controlling shareholders, we will ensure they are on appropriate terms similar to general transactions. The appropriateness of the transaction content and conditions is deliberated by a special committee composed of Independent Outside Directors of the Company. Based on the committee's recommendations, decisions are made by the Board of Directors or other decision-making bodies to ensure proper handling and to protect minority shareholders.

5. Other Special Circumstances Which May Have a Material Impact on Corporate Governance Updated

[Approach to Group Management]

To address various environmental changes, including "the 2024 problem" in the logistics industry, the Company transitioned to a pure holding company structure in October 2022. This move aims to strengthen the function of promoting Group management strategies, clarify responsibilities and authorities, expedite decision-making, and enhance Group governance, striving to maximize the corporate value of the entire Group. As part of our governance over Group subsidiaries, important management matters need to be reported to or approved by the Company based on the "Affiliated Company Management Regulations" and "Administrative Authority Regulations," with significant matters being approved by the Company's Board of Directors. We also conduct regular internal audits to understand the overall management situation, including compliance and risk management, and provide appropriate management guidance by offering advice and support on building legal compliance systems and internal control systems for each company. For the Company's listed subsidiaries, we exclude the application of the aforementioned regulations to consider the protection of minority shareholders and the independence of the listed subsidiaries. However, we engage with these subsidiaries to a certain level based on individually concluded capital and business alliance agreements. The main points include (1) the ability to nominate the minimum number of Director candidates to achieve a majority, enhancing the supervisory function over the execution of duties by the Directors of the listed subsidiaries, (2) the appointment of Independent Outside Directors of the Company for at least one-third of the Board of

Directors to ensure the independence of the Board of Directors, and (3) prior consultation on important matters that significantly impact management.

[Significance of Having Listed Subsidiaries]

The Company's listed subsidiary, PHYZ Holdings Inc., is listed on the Tokyo Stock Exchange (Standard Market). There are five reasons for holding this company as a listed subsidiary. (1) The company is expanding the management of logistics centers nationwide in the growing e-commerce logistics business and has expertise in operations and securing the necessary human resources, which is expected to further expand business areas by effectively utilizing the Group's management resources. (2) Maintaining employee motivation and governance discipline as a listed company provides significant benefits to internal and external stakeholders. (3) It is considered important for the company's sustainable development to maintain its unique corporate culture and managerial autonomy to a certain extent, which have been cultivated over the years. (4) By establishing an independent management system as a listed company, the company can make agile management decisions in a rapidly changing business environment. (5) Listing allows the stock market's monitoring function to work, thereby maintaining a high level of management control. As a result, we proceeded with a tender offer in February 2022, through which PHYZ Holdings was made a consolidated subsidiary. Based on this approach, the Company group is working, through collaboration with PHYZ Holdings, to expand its customer base in the EC logistics domain and enhance its logistics services area, while maintaining PHYZ Holdings' independence, and also through collaboration in both business and governance aspects, to create group synergies and enhance corporate value for the group as a whole. In light of the above, we believe that continuing to maintain PHYZ Holdings' listed status is optimal for enhancing the corporate value of both PHYZ Holdings and the Group.

[Measures to Ensure the Effectiveness of the Governance System of Listed Subsidiaries]

Considering the risk of conflicts of interest between the Company and the minority shareholders of our listed subsidiaries, we establish and maintain an effective governance system by appointing multiple Independent Outside Directors of the Company at these listed subsidiaries to ensure independent decision-making by the listed subsidiaries. We will continue to work with our listed subsidiaries to further strengthen the governance system, in line with the Tokyo Stock Exchange's "Corporate Governance Code." While pursuing synergies by strengthening collaboration between the Company and listed subsidiaries, we ensure fair and appropriate transaction conditions, and consider market prices when conducting transactions with them based on economic rationality for both parties. Furthermore, regarding the determination of prices and transaction conditions for significant transactions with the Group, a special committee composed of Independent Outside Directors of the Company has been established at the listed subsidiaries. This committee deliberates and reviews whether to initiate transactions, with the aim of strengthening corporate governance, ensuring management transparency, protecting the interests of minority shareholders, and guaranteeing shareholder fairness. As a result, the rights of general shareholders are protected, and the independence of the company's management decisions is maintained.

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

1. Organizational Composition and Operation

Corporate Governance System	Company with Audit and Supervisory Board

[Directors]

Number of Directors Stipulated in Articles of Incorporation	15
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President

Number of Directors Updated	12
Election of Outside Directors	Elected
Number of Outside Directors Updated	4
Number of Independent Outside Directors Updated	4

Outside Directors' Relationship with the Company (1) Updated

Name	Attributes	Relationship with the Company *										
		a	b	c	d	e	f	g	h	i	j	k
Itsushi Tachi	From another company											
Miwako Funamoto	Lawyer											
Masahito Kamijo	From another company					△						
Hiroko Goto	Certified Public Accountant											

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

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

Outside Directors' Relationship with the Company (2) Updated

Name	Designation as Independent Audit and Supervisory Board Member	Supplementary Explanation of the Relationship	Reasons for Appointment
Itsushi Tachi	○	———	Mr. Itsushi Tachi has held important positions such as Councilor, Cabinet Secretariat and Director General for Policy Planning at the Ministry of Land, Infrastructure, Transport and Tourism, and has extensive insight into economics, finance, etc. We appointed him as an Outside

			Director of the Company, expecting him to contribute to the Group's medium- to long-term growth strategy. We determined that she is qualified as an Independent Director because there is no risk of a conflict of interest with general shareholders.
Miwako Funamoto	○	———	Ms. Miwako Funamoto has specialized knowledge as a lawyer and abundant experience in corporate law. We appointed her as an Outside Director of the Company candidate, expecting her to leverage this knowledge to oversee and advise on Directors' execution of duties to enhance the Group's corporate value. Although she has no other experience in corporate management besides being an outside director, we believe she can adequately fulfill her duties as an Outside Director of the Company for the reasons mentioned above. We determined that she is qualified as an Independent Director because there is no risk of a conflict of interest with general shareholders.
Masahito Kamijo	○	Mr. Masahito Kamijo served as Chairman of the Board of Directors of Saitama Resona Bank, Ltd., a major client of the Company, until June 2014. However, he has already retired from this position and considering the nature of the Company's transactions with the bank, we believe his independence is not affected. The proportion of borrowings from the bank to the consolidated total assets in the most recent fiscal year is less than 2%.	Mr. Masahito Kamijo has long worked in the banking industry, serving as President and Chairman, and more recently, as Chairman of the Nomination and Remuneration Committee and Outside Director of a listed company. He has extensive experience and broad insight in corporate management, corporate governance, and succession planning. Therefore, we appointed him as an Outside Director of the Company, expecting his oversight and advice on Directors' execution of duties from the perspective of sustainable corporate growth. We determined that she is qualified as an Independent Director because there is no risk of a conflict of interest with general shareholders.
Hiroko Goto	○	———	Ms. Hiroko Goto has specialized knowledge and abundant experience as a CPA. She also has experience working overseas and working as an internal auditor of a startup company in addition to other work experience. Therefore, we appointed her as an Outside Director of the Company, expecting her oversight and advice on Directors' execution of duties. Although she has no other experience in corporate management, we believe she can adequately fulfill her duties as an Outside Director of the Company for the reasons mentioned above. We determined that she is qualified as an Independent Director because there is no risk of a conflict of interest with general shareholders.

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

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

	Committee's Name	All Members	Full-time Members	Internal Directors	Outside Directors	Outside Experts	Others	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	Nomination and Remuneration Committee	6	0	2	4	0	0	Inside Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Nomination and Remuneration Committee	6	0	2	4	0	0	Inside Director

Supplementary Explanation

To strengthen the independence and objectivity of the Board of Directors, the Company has established a Nomination and Remuneration Committee under the Board of Directors. The Company's Nomination and Remuneration Committee fulfills the functions of both a nomination committee and a remuneration committee, with members selected by the Board of Directors.

[Audit and Supervisory Board Members]

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

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

We ensure cooperation among Accounting Auditors, Audit and Supervisory Board Members, and Internal Audit Departments through efforts such as regularly sharing information and exchanging opinions. Additionally, if the Accounting Auditor detects fraud and requests appropriate action or points out deficiencies or issues, the responsible Directors will investigate and correct them under the direction of the Representative Director, with the Audit and Supervisory Board, led by the full-time Audit and Supervisory Board Members, cooperating with the Internal Audit Office and related departments.

Election of Outside Audit and Supervisory Board Members	Elected
Number of Outside Audit and Supervisory Board Members	3
Number of Independent Audit and Supervisory Board Members	3

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

Name	Attributes	Relationship with the Company *											
		a	b	c	d	e	f	g	h	i	j	k	l	m
Akira Iwasaki	From another company													
Masato Monguchi	From another company										△			
Kyoko Ichikawa	Certified Public Accountant										△			

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

a Person who executes business for the Company or its subsidiary

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

c Person who executes business for or a non-executive director of the Company's parent company

d An Audit and Supervisory Board Member of a parent company of the Company

e Person who executes business for a fellow subsidiary

f Person/entity for which the Company is a major client or a person who executes business for said person/entity

g Major client of the Company or a person who executes business for said client

h Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/ Audit and Supervisory Board Member

i Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)

j Person who executes business for a client of the Company (excluding persons categorized as any of f, g, or h above) (applies to the auditor him/herself only)

k Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to the director/auditor him/herself only)

l Person who executes business for an entity receiving donations from the Company (applies to the person him/herself only)

m Other

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

Name	Designation as Independent Audit and Supervisory Board Member	Supplementary Explanation of the Relationship	Reasons for Appointment
Akira Iwasaki	○	———	Mr. Akira Iwasaki has extensive insight from conducting numerous management diagnoses and providing guidance on management strategy. As such, we appointed him as an Outside Audit and Supervisory Board Member to audit objectively with a broad and advanced perspective. We determined that he is qualified as an Independent Director because there is no risk of a conflict of interest with general shareholders.
Masato Monguchi	○	Mr. Masato Monguchi has previously served as an Executive Managing Director of Mizuho Trust & Banking Co., Ltd., a client of the Company, and as an Executive Managing Officer of Mizuho Financial Group, Inc. Although the group is a client of the Company, we believe his independence is not affected, considering the nature of transactions with the group. The proportion of transactions with the group to the consolidated transaction amount in the most recent fiscal year is less than 3%.	Through his long experience in financial institutions, Mr. Masato Monguchi is well-versed in financial and accounting operations and has extensive insight and experience in audit work. As such, we appointed him as an Outside Audit and Supervisory Board Member, believing he can adequately fulfill the duties of an Audit and Supervisory Board Member based on this experience. We determined that he is qualified as an Independent Director because there is no risk of a conflict of interest with general shareholders.
Kyoko Ichikawa	○	Ms. Kyoko Ichikawa was previously employed at Ernst & Young ShinNihon LLC, the Company's accounting auditor. However, during her tenure at Ernst & Young ShinNihon LLC, she was not involved in the auditing of the Company and has not been employed by the firm for more than ten years. Taking into consideration the nature and extent of our transactions with Ernst & Young ShinNihon LLC, we believe there are no factors that would	Ms. Kyoko Ichikawa has extensive experience in auditing and management advisory services within an audit firm, as well as serving as an Audit and Supervisory Committee member. Through these roles, she has gained broad expertise in accounting, auditing, and corporate governance. While she has not been directly involved in company management, she has been deemed capable of carrying out auditing duties related to overall corporate operations. Based on this

		impact her independence as an auditor. Furthermore, the amount paid by our Group to the audit firm during the most recent fiscal year amounted to 0.1% of the firm's operating revenue.	assessment, we appointed her as an Outside Audit and Supervisory Board Member. We determined that she is qualified as an Independent Director because there is no risk of a conflict of interest with general shareholders.

[Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members]

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

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

All outside directors who meet the qualifications for independent directors are designated as independent directors.

[Incentives]

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

Supplementary Explanation for Applicable Items

We abolished the existing retirement benefit scheme for officers and introduced a performance-linked stock remuneration scheme for Directors to share both the benefits of stock price appreciation and the risks of stock price depreciation with shareholders. This aims to enhance the motivation and morale for continuous improvement in performance and corporate value over the medium to long term.

Persons Eligible for Stock Options	

Supplementary Explanation for Applicable Items

———

[Director Remuneration]

Status of Disclosure of Individual Director's Remuneration	Not disclosed

Supplementary Explanation for Applicable Items

Policy on Determining Remuneration Amounts and Calculation Methods	Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

1. Overview of the Basic Policy

(1) Basic Policy

The Company's remuneration scheme for Directors is designed to sufficiently function as an incentive for the sustainable enhancement of corporate value, aligning with shareholder interests. When determining individual Directors' remuneration, etc., the basic policy is to set appropriate levels based on each Director's responsibilities.

(2) Composition of Remuneration, etc.

The remuneration, etc., for Executive Directors consists of basic remuneration that constitutes fixed remuneration, as well as performance-linked stock remuneration. The composition ratio of basic remuneration and performance-linked stock remuneration for Executive Directors is such that basic remuneration comprises the majority, and performance-linked stock remuneration is decided by the Board of Directors to serve as an appropriate incentive for medium- to long-term corporate value enhancement.

For Outside Directors of the Company who perform supervisory functions, remuneration consists solely of basic remuneration, considering their duties.

2. Policy for Determining Director Remuneration, etc.

(1) Basic Remuneration

The basic remuneration for the Company's Directors is fixed monthly remuneration. It is decided comprehensively after considering the performance, individual contributions, etc., within the total amount approved by the General Meeting of Shareholders.

(2) Performance-Linked Stock Remuneration

The performance-linked stock remuneration for the Company's Directors aims to enhance the awareness of contributing to corporate value growth by sharing the connection between performance improvement and stock value with shareholders from a medium- to long-term perspective. The Company provides its stock based on the degree of performance achievement within the scope approved by a resolution of the General Meeting of Shareholders. In principle, Directors will receive the Company's stock remuneration upon retirement. However, if the company determines that there were certain illegal acts, etc., during the Director's tenure, the Director will not be entitled to receive the stock remuneration.

3. Policy for Determining Individual Director Remuneration Amounts or Numbers

(1) Basic Remuneration

The amount of individual basic remuneration is decided by a resolution of the Board of Directors. When making such resolutions, the Board of Directors consults the voluntarily established Nomination and Remuneration Committee on the draft proposal to obtain their recommendations. The Board of Directors respects these recommendations and determines the amount of individual basic remuneration accordingly.

(2) Performance-Linked Stock Remuneration

The individual amount of performance-linked stock remuneration is determined in accordance with the Director Stock Remuneration Regulations resolved by the Board of Directors. The indicators are the achievement rates of consolidated and individual company ordinary profits under the Company's management accounting and the individual contribution evaluations of each Director. When determining such evaluations, the Board of Directors consults the voluntarily established Nomination and Remuneration Committee on the draft proposal to obtain their recommendations. The Board of Directors respects these recommendations and determines the individual contribution evaluations accordingly.

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

The Administrative Department for Affiliated Companies, the Secretariat, sends the notice in advance for Board of Directors meetings and, if necessary, provides prior explanations to Outside Directors of the Company and Outside Audit and Supervisory Board Members about the agenda details.

Furthermore, Outside Audit and Supervisory Board Members can always view documents and other information related to the execution of their duties. They can attend important meetings besides the Board of Directors, receive explanations about agenda items, view related materials, and express opinions as necessary to understand important decision-making processes and business execution statuses.

As the liaison for Outside Directors of the Company, a representative from the Board of Directors Secretariat is appointed to establish a support system. If Audit and Supervisory Board Members request assistance for their duties, we appoint appropriate personnel.

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

The Board of Directors consists of 12 Directors (including four Outside Directors of the Company). In addition to regular monthly Board of Directors meetings, it holds extraordinary Board of Directors meetings as needed to execute business and oversee each other's duties. To clarify Directors' accountability for management, we set the Directors' term to one year and introduced an executive officer system for prompt decision-making and business execution.

The Audit and Supervisory Board, comprising five Audit and Supervisory Board Members (including three Outside Audit and Supervisory Board Members), strengthens the audit function. We appoint highly independent Outside Audit and Supervisory Board Members to enhance the objectivity in management decisions and the supervisory function of the Board of Directors.

The Audit and Supervisory Board holds regular meetings to conduct audits, share information, and facilitate communication. Additionally, Audit and Supervisory Board Members attend important meetings, including the Board of Directors, and express opinions to enhance the effectiveness of corporate governance.

The Internal Audit Office, based on internal audit regulations, provides guidance on compliance with laws and internal rules, conducts internal audits, and offers suggestions and guidance for improving not only legal compliance but also appropriateness and efficiency.

3. Reasons for Adoption of Current Corporate Governance System

The reason for adopting the current system is to maintain both the rapid decision-making and flexibility of decision-making bodies, which are the greatest strengths of the Group's management, and the soundness of management through objective and neutral management oversight.

III Implementation of Measures for Shareholders and Other Stakeholders

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

	Supplementary Explanation
Early Posting of Notice of the General Meeting of Shareholders	For the most recent Ordinary General Meeting of Shareholders (53rd), the notice was dispatched 20 days prior to the meeting date (June 25, 2026) on June 5, 2026.
Scheduling of the General Meeting of Shareholders on a Non-Peak Day	The date of the General Meeting of Shareholders is scheduled on a non-peak day.
Electronic Exercise of Voting Rights	We have introduced internet voting to create an environment that makes it easier for shareholders to exercise their voting rights.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	We joined the electronic voting platform and strive to improve the voting environment for institutional investors to exercise their voting rights.
Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	To improve convenience for overseas investors, we provide the English version of Notice of the General Meeting of Shareholders on the Company's website and the Tokyo Stock Exchange website.
Other	To help shareholders better understand our business, we hold the General Meeting of Shareholders at the Company's head office. Additionally, the Notice of the General Meeting of Shareholders is posted on the Company's website before the dispatch date.

2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	Our disclosure policy is posted on our website (https://www.az-com-maruwa-hd.co.jp/ir/management/disclosurepolicy.html).	
Regular Investor Briefings held for Individual Investors	We plan to hold company briefings for individual investors at securities company venues in major cities nationwide.	Held
Regular Investor Briefings held for Analysts and Institutional Investors	Briefings are held after the announcement of each quarterly financial result.	Held
Regular Investor Briefings held for Overseas Investors	We conduct visits to institutional investors in Asia, Europe, and the United States at least once a year.	Held
Online Disclosure of IR Information	We have an Investor Relations information page on our website where we post securities reports, corporate governance reports, financial information, materials for financial results briefings, Notice of the General Meeting of Shareholders, various press releases, and other information, and we strive to enhance the content.	
Establishment of Department and/or Placement of a Manager in Charge of IR	The Public Relations and Investor Relations Department handles Investor Relations matters, with an appointed manager in charge of IR.	

3. Status of Measures to Ensure Due Respect for Stakeholders Updated

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	The Company's management philosophy and code of conduct stipulate respect for the position of stakeholders, including customers and employees.
Implementation of Environmental Preservation Activities and CSR Activities, etc.	To accelerate our sustainability efforts aimed at solving comprehensive issues related to the rapidly changing environment, society, and economy, we have prioritized and selected the following material issues based on stakeholders' expectations and demands, and our management challenges and significance. (1) To Aim to Become the Ideal Logistics Company - Promotion of the visualization, standardization, automation, and optimization of logistics operations through DX. This includes the DX of transport and delivery operations (Transport Management System), onsite operations (Warehouse Execution System), human resource management, and GHG management. - Verification of effectiveness and phased implementation of non-fossil fuel vehicles (BEV, FCV, PHV, etc.) through trial operations in the logistics business. (2) To Become a Company Friendly to People and the Community - Consideration of the introduction of non-fossil energy sources such as self power generation, PPA (Power Purchase Agreements), and renewable energy power plans, along with active utilization of carbon offset credits. - Evaluation and improvement of resource conservation, pollution prevention (air, water, soil), and biodiversity conservation to contribute to building a circular society.

	(3) Power to Create and Support the Next Generation - Creation of a company free from discrimination and harassment by respecting the human rights of all employees, considering diversity in both attributes and abilities. - Improvement of occupational safety and health standards to eliminate vehicle accidents and workplace hazards, and creation of a safer work environment with minimal risks. (4) Aiming for Partnerships that Support Japan - Improvement of customer resilience by providing BCP logistics services, including disaster preparedness stockpiling, emergency transport during crises, BCP (Business Continuity Plan) development, and BCM (Business Continuity Management) consulting. - Establishment of fair and equitable trading relationships with supplier companies while providing high-quality job opportunities to AZ-COM network member companies. Additionally, to achieve sustainability-driven management, we quantitatively evaluate and monitor initiatives addressing identified material issues. To ensure effective governance, we have established a framework centered on the Sustainability Committee with oversight provided by the Board of Directors. Information on the Company's sustainability efforts is posted on our website. https://www.az-com-maruwa-hd.co.jp/sustainability/management/materiality.html
Formulation of Policies, etc. on Provision of Information to Stakeholders	This is stipulated in the Company's disclosure policy posted on our website (https://www.az-com-maruwa-hd.co.jp/ir/management/disclosurepolicy.html).
Other	To respond to the rapid changes in the market environment, we have enhanced the diversity of our core personnel (management position levels) and increased organizational creativity. We will continue to actively hire and promote diverse talents, including women, foreign nationals, and mid-career hires with various work experiences. ≪Goals for Promoting Women to Management Positions≫ When hiring and assigning new graduates, we implement gender-neutral recruitment and assignments based on the overall personnel allocation situation and individual aptitudes. We will continue to increase the percentage of female employees and create an environment where women can thrive, aiming to increase the number of female employees involved in management decision-making. FY2025 FY2030 - Percentage of female employees among employees in management positions: 7.58% 10.00% or higher - Percentage of female managers among all female employees: 4.91% 5.00% or higher ≪Goals for Promoting Foreign Employees to Management Positions≫ We are promoting the hiring of personnel regardless of nationality, and foreign nationals are also gaining work experience as future executives. We will continue to actively hire foreign employees, expand the pool of talent capable of becoming management candidates, while also increasing the number of foreign managers from the current level. To advance these initiatives, we have set the following targets for the number of foreign employees. FY2025 FY2030 - Number of foreign employees: 53 80 or more ≪Goals for Promoting Mid-career Hires to Management Positions≫ We actively promote hiring talents with diverse backgrounds and expertise, and not simply new graduates. As a result, the percentage of mid-career hires among managers is 69.15%, and an organizational culture where mid-career hires play active roles as managers has taken hold. Going forward, by maintaining the current level, we will incorporate diverse experience and knowledge into management and organizational operations, to strengthen our ability to respond to the changing business environment and energize the organization,

	while also continuing to hire personnel with specialized skills and potential future executives. ≪Human Resource Development Policy and Internal Environment Improvement Policy≫ Our human resource development policy and internal environment improvement policy for ensuring diversity are described in the securities report under "Section 2: Business Status," "2. Sustainability Approach and Initiatives," "(2) Sustainability Initiatives," "(ii) Strategy," "b. Initiatives for Human Capital." (https://www.az-com-maruwa-hd.co.jp/ir/library/securities.html)

IV Matters Concerning the Internal Control System

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

(1) Systems to Ensure that Directors and Employees of the Company and its Subsidiaries Execute Their Duties in Compliance with Laws and the Articles of Incorporation

(A) As the foundation of the compliance system, the Group establishes the "AZ-COM MARUWA Group Code of Conduct" and ensures that all officers and employees adhere to the "AZ-COM MARUWA Group Rules of Conduct" as their behavior guidelines. Additionally, to develop the compliance system, we have created the AZ-COM MARUWA Group Compliance Manual, ensuring that Directors and employees act in compliance with laws and internal rules, and make sure it is thoroughly understood through training and other means.

(B) The Group has established an internal reporting system for employees to consult and report any compliance violations or suspected violations they discover within the Company, and we investigate and respond to reports as necessary.

(C) The Internal Audit Office, independent of the business execution departments, conducts internal audits on the compliance of laws and internal rules within the Group.

(D) To ensure the reliability of financial reporting, we have established the "Basic Policy on Financial Reporting" in accordance with the Financial Instruments and Exchange Act and related regulations, and we conduct appropriate operations based on this policy.

(2) Systems for Preserving and Managing Information Related to the Execution of Directors' Duties

(A) To appropriately preserve and manage information related to the execution of Directors' duties, we stipulate the methods for information preservation and management in the Board of Directors Regulations, the Ringi Regulations, and the Document Management Regulations, and ensure such information is properly stored and managed.

(B) We establish a system allowing Directors and Audit and Supervisory Board Members to always view this information.

(3) Regulations and Other Systems for Managing the Risk of Loss for the Company and its Subsidiaries

(A) The Group has established the "Risk Management Regulations" to develop a risk management system and effectively operates it to mitigate risks.

(B) To ensure compliance within the Group, we have established a "Risk Management Committee" that determines the risk management system and policies, evaluates the risk management system of each department, and makes necessary improvements.

(C) For risks related to important transactions, the "Estimate and Contract Review Committee" and the "Investment Committee" deliberate on the identification and measures of these risks.

(D) The Internal Audit Office, independent of the business execution departments, conducts internal audits on the construction and operation status of the risk management system.

(4) Systems to Ensure the Efficient Execution of Directors' Duties for the Company and its Subsidiaries

(A) To ensure the efficient execution of Directors' duties, we hold a Board of Directors meeting once a month to decide on important matters and oversee the business execution status of Directors.

(B) The Company adopts an executive officer system to separate management decision-making from business execution, facilitate prompt decision-making, and clarify authorities and responsibilities.

The President, some Directors in charge of operations, and selected department heads execute operations as Executive Officers.
(C) The Group formulates a medium-term management plan that considers the future business environment, and each department develops a budget for each fiscal year, planning and executing specific measures to achieve it. To manage performance against the budget, we hold a monthly meeting to analyze and discuss discrepancies between the budget and actual performance and countermeasures, understand the progress of management figures for each department, and decide on appropriate measures.

(5) Matters Concerning Reporting to the Company on the Execution of Duties by Subsidiaries
Important management matters at subsidiaries need to be reported to or approved by the Company based on the "Affiliated Company Management Regulations" and "Administrative Authority Regulations," with significant matters being approved by the Company's Board of Directors. Additionally, subsidiaries report records of General Meetings of Shareholders and Board of Directors meetings, monthly performance details, and other important matters to the Company.

(6) Matters Concerning Employees Who Should Assist the Audit and Supervisory Board Members in Their Duties
(A) When Audit and Supervisory Board Members request the assignment of employees to assist them in their duties, we will make such arrangements within a reasonable scope after consulting with the Audit and Supervisory Board Members. Additionally, decisions regarding the appointment, transfer, and other personnel rights of these employees require prior consent from the Audit and Supervisory Board Members to ensure independence from the Directors.
(B) Employees who assist in the duties of the Audit and Supervisory Board Members belong to the Audit and Supervisory Board, and their chain of command is directed by the Audit and Supervisory Board Members.

(7) Systems to Ensure Effective Reporting to Audit and Supervisory Board Members and Effective Auditing
(A) Officers and employees of the Group must immediately report to the Company's Audit and Supervisory Board Members if they become aware of any facts that may cause significant damage to the company, illegal acts such as violations of laws, and other similar matters. Additionally, those who receive similar reports from officers or employees of the Company's subsidiaries must immediately report to the Company's Audit and Supervisory Board Members.
(B) The Group prohibits any disadvantageous treatment of officers and employees who make the above reports due to the fact that they made such reports.

(8) Matters Concerning Policies on Procedures for Prepayment or Reimbursement of Expenses Arising from the Execution of Audit and Supervisory Board Members' Duties and the Handling of Expenses or Debts Incurred in the Execution of Those Duties
If an Audit and Supervisory Board Member requests prepayment of expenses arising from the execution of their duties, the company will promptly handle such expenses or debts unless it is proven that they are not necessary for the execution of the Audit and Supervisory Board Member's duties.

(9) Other Systems to Ensure Effective Auditing by Audit and Supervisory Board Members
(A) Audit and Supervisory Board Members will collaborate and exchange information with the Internal Audit Office as necessary in the course of their duties.
(B) To understand important decision-making processes and the status of business execution, Audit and Supervisory Board Members attend not only Board of Directors meetings but also other meetings they deem necessary, review major approval documents and other important business execution documents, and request explanations from Directors or employees as needed.
(C) Audit and Supervisory Board Members hold regular meetings with the President and the Accounting Auditors to exchange opinions on important issues.

(10) Systems to Eliminate Anti-Social Forces
The Company declares that it will have no relationship with anti-social forces or organizations that threaten the order and safety of civil society, adhering to the "AZ-COM MARUWA Group Code of Conduct" and the "AZ-COM MARUWA Group Rules of Conduct." We will respond to any unreasonable demands in an organized manner with a firm stance in cooperation with lawyers, the police, and other relevant organizations.

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

The Company adheres to the "AZ-COM MARUWA Group Code of Conduct" and the "Anti-Social Forces Response Manual" and responds firmly in an organized manner in cooperation with lawyers, the police, and other relevant organizations against anti-social forces or organizations that threaten the order and safety of civil society.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted

Supplementary Explanation for Applicable Items

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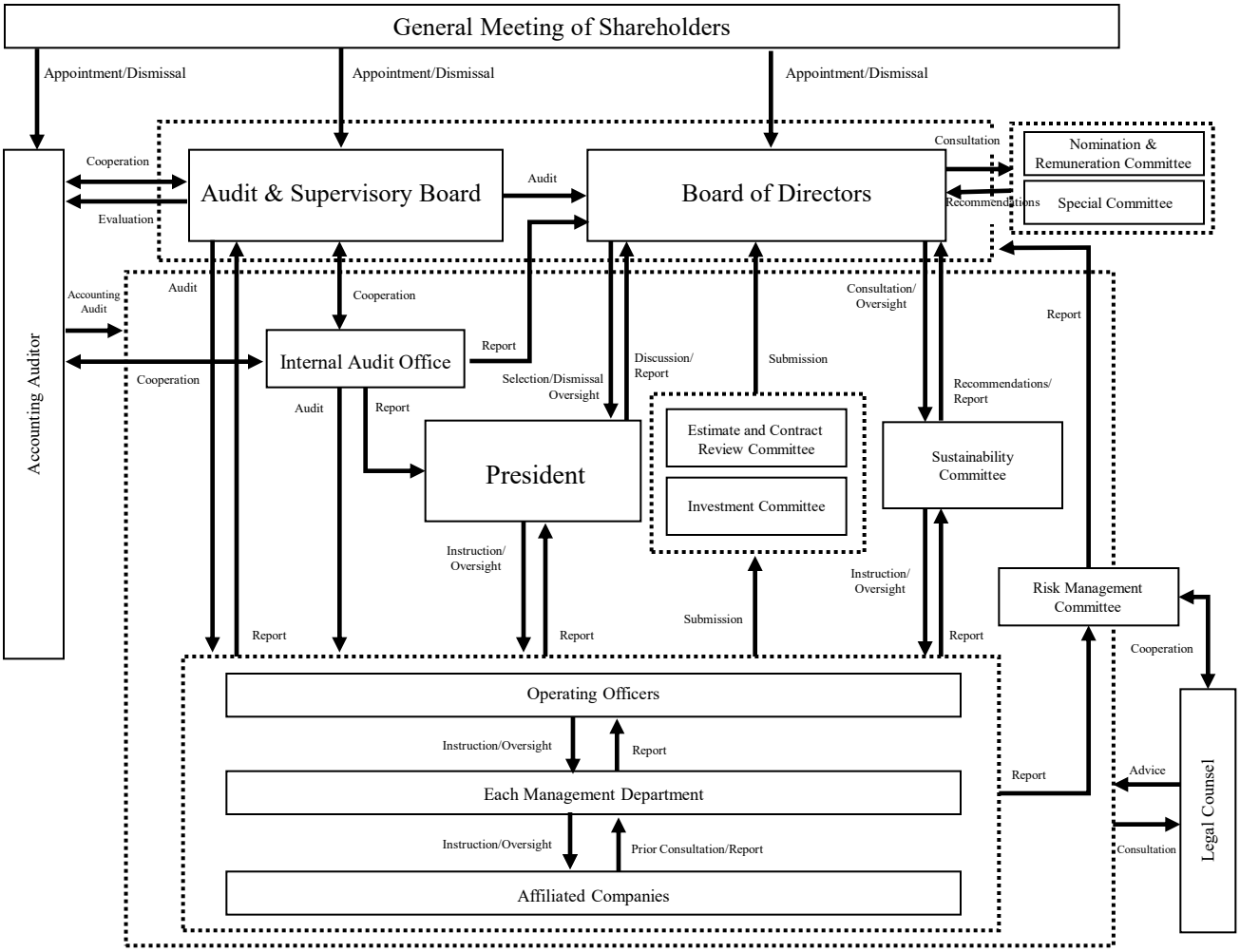
2. Other Matters Concerning the Corporate Governance System

The Company considers compliance with laws and corporate ethics as an important management issue. We have created the "Compliance Manual," which defines our control policies, systems, and codes of conduct. Based on this, we convene the Risk Management Committee, composed of members selected from each department, to discuss various compliance issues. Additionally, from the perspective of risk information collection, we have established a helpline (reporting and consultation desk) for all officers and employees based on the "Internal Reporting System Regulations" to facilitate the early detection of risk factors.

【Model Diagram (Reference Material)】

Conceptual Diagram of Corporate Governance System



[Overview of the Timely Disclosure System (Model Diagram)]

