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WILL GROUP, INC.

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Stock code: 6089 <https://willgroup.co.jp/en/>

The corporate governance of WILL GROUP, INC. (“WILL GROUP,” or the “Company”) is described below.

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

1. Basic Views

In order to ensure management transparency and compliance, the Company will build a system that can respond quickly and flexibly to changes in the business environment of the entire Group while enhancing corporate governance. In addition, the Company develops company-wide activities through various measures in order to permeate corporate ethics and corporate philosophy throughout the entire Group.

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

The Company is in compliance with all principles of the Corporate Governance Code.

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

[Principle 1.4 Cross-shareholdings]

(i) Policies for strategic shareholdings

The Company does not hold listed shares as cross-shareholdings. It is its policy not to hold listed shares as cross-shareholdings in the future either, unless the Company judges that it will contribute to the enhancement of the corporate value over the medium to long term, taking into consideration the creation of business opportunities and the establishment, maintenance, and strengthening of business and cooperative relationships.

When WILL GROUP holds cross-shareholdings, its policy is to reduce these shares as quickly as possible when the significance of holding these shares is believed to have declined based on the above policy.

(ii) Verifications related to cross-shareholdings

For shares held as cross-shareholdings, the Board of Directors periodically evaluates the merits, risks, economic rationale such as return on investment against the cost of capital, and future prospects of holding the shares, and decides whether or not to retain these investments.

(iii) Standards for voting rights in cross-shareholdings

When exercising its voting rights, WILL GROUP will evaluate each proposal to decide whether to approve or disapprove, rather than making a uniform decision. Each proposal will be considered from the perspective of improving corporate value and shareholder returns over the medium to long term, while fully respecting the management policies and strategies of the investee company.

[Principle 1.7 Related Party Transactions]

When there are transactions between related parties, in accordance with the Company rules, the Representative director deliberates the transaction and for significant transactions, the Company will obtain approval from the Board of Directors. The Company regularly checks and monitors the officers of our group companies regarding related party transactions.

The conditions and policies for transactions are disclosed with the convocation notices for general meetings of shareholders (electronically provided items excluded from paper-based documents), the securities report, and other channels.

(Securities report: https://willgroup.co.jp/ir/library/annual_security_report/) (in Japanese)

(Electronically provided items excluded from paper-based documents:
https://willgroup.co.jp/ir/stock_info/general_meeting/) (in Japanese)

[Supplementary Principle 2.4 1) Workforce Diversity, Including Initiatives for Empowering Women]

As the business climate changes rapidly and with the difficulty to predict the future, WILL GROUP must continue to create business opportunities that are not restricted to current business domains. Accomplishing this will require the Group to operate with a diverse range of perspectives and values. WILL GROUP and its subsidiaries (the “Group”) will continue to recruit and promote a diversified workforce regardless of gender and nationality and including mid-career employees with various work experience. Activities will also include improving workplace environments where people can maximize their attributes and capabilities, and to provide training and development programs to managers. The Group will continue to take initiatives with the goal of having the management personnel ratio of women, non-Japanese and people hired with previous work experience to be the same as the ratio of each of these categories of employees to all employees by 2030.

(i) Appointment of women to key positions

The Group has been actively promoting initiatives to support the advancement of women. Initiatives include career development seminars for young women and classes for enabling women to advance to management positions. Currently, 46.3% of the Group’s full-time employees are women, but only 30.0% of managerial positions are held by women. The Group’s goal is to have 40% of managerial positions filled by women by 2030. The Group will continue to improve workplace environments, encourage women to establish career goals and introduce other initiatives to reach this goal, which will result in more women being involved in management decision making processes.

(ii) Appointment of non-Japanese employees to key positions

Apart from having 35 consolidated subsidiaries outside of Japan, the Group has a substantial number of foreign employees in Japan as the Group provides human resource services to foreigners in Japan. The ratio of foreign employees has been high. Currently, 30.7% of the Group’s full-time employees are foreigners and 40.2% of managerial positions are held by foreigners. The Group will continue to actively recruit and promote foreign employees in and outside of Japan.

(iii) Hiring of mid-career employees with job experience for key positions (applicable to companies in Japan)

The Group hires a substantial number of employees with job experience covering many fields and promotes these employees to management positions. Currently 70.5% of all full-time employees have worked for at least one other company and these employees account for 69.0% of all employees in managerial positions, which is about the same as the full-time employee ratio. The Group will promote to hire employees, whether hired as a new graduate or from another company, provide training for all employees, and assign employees to positions where they can fully utilize their skills.

[Principle 2.6 Roles of Corporate Pension Fund as Asset Owner]

The Company is not an asset owner as it has not introduced a fund-type or contract-type defined benefit pension plan or welfare pension fund, as envisioned by the Corporate Governance Code.

[Principle 3.1 Full Disclosure]

- (a) The Company discloses its corporate philosophy, management strategies and medium-term management plan on its website.

(Corporate philosophy: <https://willgroup.co.jp/en/policy/>)

(Medium-term management plan: <https://willgroup.co.jp/en/ir/management/strategy/>)

- (b) This is as written in Section I-1 titled “Basic Views” of this document. For the detailed policies and initiatives, please refer to the respective sections of this document.
- (c) The policy for determining the remunerations of directors is written in Section II-1 “Organizational Composition and Operation, Director Remuneration” of this document.
- (d) When appointing executives and nominating candidates for directors, the Company comprehensively considers the right person for the right position, taking into consideration the balance between accurate and prompt decision-making, appropriate risk management, oversight of business execution, and the ability to cover the various functions of the Company and the various business divisions of group companies, in accordance with internal rules. When nominating candidates for Audit & Supervisory Board members, the Company comprehensively considers the right person for the right position, while ensuring the balance between the knowledge of finance and accounting, the familiarity with the company’s business field, and diverse perspectives regarding business management.

Based on these policies, Nomination Committee, which includes independent outside directors, discusses selections in advance for final decisions by resolutions of the Board of Directors.

The Nomination Committee, which includes independent outside directors, also discusses the

dismissal of executives in advance in accordance with internal rules, and final decisions are made by

a resolution of the Board of Directors

- (e) The Candidates for directors and Audit & Supervisory Board members, the reasons for their election, as well as their career summaries, are provided in the reference materials for the general meeting of shareholders, which are described in the convocation notice for a general meeting of shareholders in the Company's website. In the event of dismissal, appropriate disclosure will be made in accordance with the Company's policies and procedures.

(Convocation notice for a general meeting of shareholders:

https://willgroup.co.jp/en/ir/stock_info/general_meeting/)

[Supplementary Principle 3.1 3) Sustainability Initiatives]

- (i) Sustainability policy

With the mission of becoming a "change agent group" that brings positive change to individuals and organizations, the Group has achieved sustainable growth by aiming to positively change as many individuals and as many organizations as possible. In order to create positive change in society and continue to achieve sustainable growth, we will continue to accurately understand changes in society and contribute to the realization of a sustainable society for the future together with our stakeholders.

- (ii) Sustainability initiatives

The Group's response to a range of sustainability issues including environmental, social, and governance issues is an important management theme that connects to risk reduction and earnings opportunities. Based on this awareness, the Company's Board of Directors has established important issues and advances initiatives to address them through our corporate activities based on our corporate philosophy. To further strengthen these activities, we have established materiality issues and will contribute to solving social issues through our business activities based on a solid management foundation.

Details of our sustainability initiatives are disclosed in the Integrated Report and on the Company's website.

(Sustainability initiatives: <https://willgroup.co.jp/en/sustainability/>)

- (iii) Climate change initiatives

The Group has established a target to "reduce total CO2 emissions by 20% by the fiscal year ending March 31, 2031, compared with the fiscal year ended March 31, 2020," and is working to contribute to the realization of a decarbonized society. In addition, the Company has endorsed its support for the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and joined the TCFD consortium in January 2023 to disclose relevant information in accordance with the framework.

Details of our initiatives for addressing climate change are disclosed on the Company's website. Going forward, we plan to disclose information step-by-step and improve the quality and quantity of our overall information disclosure.

(Initiatives for the environment: <https://willgroup.co.jp/en/sustainability/environment/>)

- (iv) Sustainability promotion structure

The Company has established a Sustainability Committee, which is chaired by the President and Representative Director. The committee consists of inside directors of the Company and directors of major domestic subsidiaries. The committee discusses, examines, and formulates sustainability-related activity policies and action plans, monitors and reviews the KPI status of promotion of materiality issues, and deliberates the details, etc. discussed by the committee at meetings of the Board of Directors.

(Corporate Governance Structure: <https://willgroup.co.jp/en/sustainability/governance/governance/>)

- (v) Strategies, indicators and objectives for human capital

(Human Resource Development Policy)

We have identified "strengthening human capital" as a materiality issue to be addressed by the Group. We view every person working for the Group as a source of value creation, and we believe that the growth of each individual employee leads to the growth of the Group.

Providing more than simple assistance for one's skill enhancement through support for obtaining qualifications and provision of opportunities for self-learning, we also encourage growth by fostering the ability to confront one's own career and ability to change oneself, thereby helping each individual employee to develop an autonomous career.

(Internal Environment Improvement Policy)

One of the materiality issues to be addressed by the Group is the "improvement of well-being." We believe that each individual employee's well-being, that is, his or her continued good physical, mental, and social condition, leads to better daily activities and has a significant impact on the individual's performance.

In addition, by respecting diversity, reforming work styles, and practicing health management, we will create an environment where each individual employee can work energetically by creating a comfortable and rewarding work environment.

(Indicators and objectives)

Based on the above policy, the Sustainability Committee has been leading discussions. Going forward, we will continue to enhance disclosure information on human capital with the aim of achieving sustainable enhancement of corporate value.

(Initiatives for human resources: <https://willgroup.co.jp/en/sustainability/social/humanresources/>)

(Integrated Report: <https://willgroup.co.jp/en/sustainability/report/>)

(Securities report: https://willgroup.co.jp/ir/library/annual_securities_report/) (in Japanese)

[Supplementary Principle 4.1 1) Summary of Scope of Matters Delegated by the Board of Directors to the Management]

The Company's Board of Directors regulations specify the items to be discussed and decided by the Board of Directors in accordance with laws and regulations. In addition, the regulations for delegation of authority specify the scope of management's authority.

[Principle 4.9 Independence Criteria and Qualification for Independent Directors]

The Company has established the following "Criteria for Independence of the Company" for the purpose of clarifying the criteria for designating the Company's outside directors/Audit & Supervisory Board members (hereinafter "Outside Officers") as independent officers of the Company.

In selecting outside directors/Audit & Supervisory Board members (hereinafter "Outside Officers") or candidates for Outside Officers, the Company ensures that they satisfy the requirements for independence set forth by the Tokyo Stock Exchange, as well as the Company's "Criteria for Independence" as described below.

Criteria for Outside Directors/Audit & Supervisory Board Members (hereinafter "Outside Officers"):

The Company judges Outside Officers or candidates for Outside Officers as independent if, as a result of the investigation conducted by the Company as far as reasonably possible, they do not fall under any of the following items:

- 1) An executive ^{Note 1} of the Company and its affiliates;
- 2) A party that regards the Group as major client ^{Note 2}, or an executive thereof;
- 3) A major client of the Group ^{Note 3}, or an executive thereof;
- 4) A major shareholder of the Company (holding directly or indirectly 10% or more of total voting rights) or an executive thereof;
- 5) A party of which the Group directly or indirectly holds 10% or more of the total voting rights or an executive thereof;
- 6) A person who belongs or belonged to an audit firm appointed as Accounting Auditor of the Group, and has engaged in legal audits of the Group;
- 7) An attorney, certified public accountant, licensed tax accountant, consultant and the like who receives a large amount ^{Note 4} of monetary or other property benefits other than officers' remuneration from the Group;
- 8) A person who belongs to corporations, cooperatives, and the like including law firms, auditing firms, tax accountant corporations, and consulting firms, which receive a large amount ^{Note 4} of monetary or other property benefits from the Group;
- 9) A person, or a council member or other executive of a corporation or cooperative, which receives a large amount ^{Note 4} of donations or assistance from the Group;
- 10) A person who serves as executive director, executive officer (shikko-yaku), executive officer (shikko-yakuin), manager or other important employee of such company in cases where executive directors, or full-time Audit & Supervisory Board members concurrently serve as outside directors or outside Audit & Supervisory Board members of other companies;
- 11) A person who falls under the definition of the above (2) through (5) and (7) through (10) in the last ten years; and for the past one year for (6) above; and
- 12) In cases where a person falling under the definition of the above (1) to (10) is an important person ^{Note 5}, their spouse or relative within the second degree of kinship.

Notes:

1. An "executive" refers to an executive director, executive officer (shikko-yaku), executive officer (shikko-yakuin), employee with executive powers, council member, or party or employee equivalent thereto of corporations and other bodies, as well as a party who belonged to the Group in the past even once.
2. A "party regarding the Group as major client" refers to a party who has received from the Company the payment of

- 2% or more of their consolidated annual sales in the most recent fiscal year.
3. A “major client of the Group” refers to a party who pays the Company 2% or more of its consolidated annual sales in the most recent fiscal year, or who loaned the Company 2% or more of its consolidated total assets at the end of the most recent fiscal year.
 4. A “large amount” refers to, in terms of the average for the past three fiscal years, 10 million yen or more for individuals, or for entities including corporations and cooperatives, more than 2% of the consolidated sales or total revenues.
 5. An “important person” refers to a director (excluding outside director), audit & supervisory board member (excluding outside audit & supervisory board member), executive officer (shikko-yakuin) and an employee who is senior manager in the position of general manager or higher.

[Supplementary Principle 4.10 1) Use of Optional Approaches]

WILL GROUP has a Nomination Committee and a Remuneration Committee for the purpose of increasing the transparency and objectivity of the examination process for the appointment of director candidates and the remuneration of directors. The Company’s Board of Directors is composed of two inside directors and three independent outside directors. In addition to independent outside directors constituting a majority, each committee is composed of independent outside directors and independent outside Audit & Supervisory Board members from the standpoint of the independence and objectivity of the functions of the Board of Directors. The details of the composition of each committee are provided in Section I-2. of this report, “Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System).”

[Supplementary Principle 4.11 1) Preconditions for Board and Audit & Supervisory Board Effectiveness]

The Board of Directors has two inside directors who have a thorough knowledge of the Group’s business operations and three independent outside directors and four outside Audit & Supervisory Board members. These Outside Officers have considerable experience and knowledge that encompasses corporate management, finance and accounting, global business operations, IT/DX, and other areas of expertise. This composition of the board allows the directors to perform their functions effectively and efficiently as well as to effectively oversee business execution.

The Board of Directors determines candidates for directors based on the discussions held by the Nomination Committee. During this process, necessary skills to accomplish the goals of the medium-term management plan are identified. The selection process takes place with the goal of achieving diversity of the board in order to have a proper balance of knowledge, experience and skills.

A skill matrix for knowledge, experience, skills and other characteristics of all directors is on the WILL GROUP website.

(Skill matrix: <https://willgroup.co.jp/en/sustainability/governance/governance/>)

[Supplementary Principle 4.11 2) Preconditions for Board and Audit & Supervisory Board Effectiveness]

In the business report and reference materials for the general meeting of shareholders, the status of concurrent positions held by each director and Audit & Supervisory Board member, including those at other listed companies, is disclosed.

(Convocation notice for a general meeting of shareholders:

https://willgroup.co.jp/en/ir/stock_info/general_meeting/)

[Supplementary Principle 4.11 3) Preconditions for Board and Audit & Supervisory Board Effectiveness]

To improve the functions of the Board of Directors and enhance corporate value, the Company evaluates and analyzes the effectiveness of the Board of Directors.

The evaluations and analysis are conducted as follows while receiving advice from an external organization.

(i) Evaluation method

- From December 2023 through January 2024, surveys were conducted of all five directors (including three outside directors) that make up the Board of Directors and the three Audit & Supervisory Board members (three outside Audit & Supervisory Board members).

- Anonymity was ensured in the response method.

- Analysis, discussion, and evaluation were performed at a regular meeting of the Board of Directors.

(ii) Results of evaluation

The results of the tabulation of the survey responses produced a mostly positive evaluation on the composition, operating conditions, and contents of discussions of the Board of Directors. It was also confirmed that the effectiveness of the overall Board of Directors is being ensured. The main

improvements from the previous evaluation are as follows.

- Regularly sharing with the Board of Directors issues that shareholders and investors consider, based on IR/SR activities
- Earlier provision of materials for Board deliberations and sufficient time for preliminary review, although there is still room for further improvement

(iii) Future issues

At the same time, mainly the following issues were recognized. We will continue our efforts to improve the effectiveness of the Board of Directors by fully examining these issues in light of this effectiveness evaluation.

- Consider the structure of the Board of Directors in light of future aspirations for the Company's Board of Directors
- Conducting allocation of discussion time and efficient operation of the Board of Directors
- Conducting discussions on human capital, sustainability, etc.

[Supplementary Principle 4.14 2) Training Policy for Directors and Audit & Supervisory Board Members]
Directors and Audit & Supervisory Board members are selected from those who possess broad knowledge of business, financial affairs, laws and regulations, organizations, etc., and trained if necessary, when they are appointed. The Company continues to provide training for appointed directors and Audit & Supervisory Board members, such as by providing opportunities to participate in seminars and exchange meetings by external experts with content related to the Companies Act and business trends.

[Principle 5.1 Policy for Constructive Dialogue with Shareholders]

The Company has formulated the disclosure policy consisting of "Basic Policy on Information Disclosure," "Criteria for Information Disclosure," "Methods for Information Disclosure," "Future Outlook," and "Quiet Period," which is disclosed on its website.

(Disclosure policy: <https://willgroup.co.jp/en/ir/disclosure/>)

Moreover, the Company has the following policies to encourage constructive dialogue with shareholders.

- (i) In the investor relations activities, the Representative Director and the Executive Officer in charge of the Management Department will hold a proactive dialogue to facilitate good two-way communication about corporate strategies, business strategies, financing information, etc. while developing investor relations activities that emphasize fairness, accuracy and continuity.
- (ii) Under the leadership of the Management Department, the heads of the management planning, general affairs, financial affairs, accounting and legal affairs sections cooperate with one another in a coordinated manner, to disclose information timely, fairly, and properly.
- (iii) For facilitating communication, the Company holds corporate briefings for individuals and financial results briefings for institutional investors. In addition, the Company will continue to enhance its investor relations activities by posting videos of the briefings and the content of the question-and-answer sessions on its website.
- (iv) The Company accepts requests from shareholders, submitted to the IR Group of the Company Secretary Office, for individual meetings with senior executives, outside and other directors or Audit & Supervisory Board members as much as reasonably possible. Approvals of requests for these meetings are based on the purpose and other reasons for requesting the meeting.
- (v) The opinions or concerns of shareholders ascertained during the dialogue will be appropriately and effectively fed back to the Company's various committees on a quarterly basis through the Representative Director or the Executive Officer in charge of the Management Department.
- (vi) In addition to setting quiet periods in accordance with the Disclosure Policy, the Company will operate and thoroughly enforce regulations regarding the management of insider information.

* The above disclosure documents are available at the Company's website:

<https://willgroup.co.jp/en/ir/news/>

[Principle 5.2 Formulation and Publication of Management Strategies and Plans]

(Action to Implement Management that is Conscious of Cost of Capital and Stock Price)

The Medium-term Management Plan "WILL-being 2026" (hereinafter the "Medium-term Plan") was announced on May 11, 2023.

(Medium-Term Management Plan: <https://willgroup.co.jp/en/ir/management/strategy/>)

We revised the Medium-term Plan in the fiscal year ended March 31, 2024 because conditions have deviated

from those assumed when formulating the Medium-term Plan, with factors such as a stagnant overseas personnel market, and sales of shares of our listed subsidiaries due to the review of our business portfolio. The Company considers cash allocation as needed as follows in the current Medium-term Plan.

- Prioritize organic growth investment and investment into M&A.
- Where there is a surplus, consider treasury share acquisitions, repayments of borrowings and other measures as needed based on progress in financial results as subsequent investments that exceed WACC.

We have changed our shareholder return policy for the period of the current Medium-term Plan to “progressive dividends and a total payout ratio of 30% or higher.”

The Company’s cost of capital is recognized as having a WACC (Weighted Average Cost of Capital) of approximately 9%. ROIC for the fiscal year ended March 31, 2024 is 13.4%, which is a higher level than our WACC, and we will continue to improve ROIC in the future.

1. Basic Policies

In order to realize sustainable growth of the Group, it is important to achieve the renewed growth of the stagnant Domestic Working Business. Therefore, we have set the basic policy for resumption of growth in the Domestic Working Business to aggressively make upfront investments for resumption of growth, with the aim of conversion to an earnings structure, while establishing a foundation that will enable us to realize dramatic growth in the future.

2. Key strategies

The following three strategies (Strategies I and II are for the Domestic Working Business, and Strategy III is for the Overseas Working Business) are the key strategies for achieving the management targets of the Medium-term Plan.

Strategy I: Realizing further growth and monetization in the construction management engineer domain

Although we will revise the target numbers of hires in the construction management engineer domain so that the figures will be reasonable given the recent challenging recruiting environment, we aim to make this domain profitable in the fiscal year ending March 31, 2025 and set it as one of the pillars of our businesses in the fiscal year ending March 31, 2026 by improving productivity.

Strategy II: Renewed growth in Domestic Working Business (excluding the construction management engineer domain)

We will work to expand foreign talent management service and assignment for permanent employee staffing. For the expansion of foreign talent management service, we will strengthen the acquisition of new orders by increasing the number of sales personnel, and for local hiring, we will strengthen alliances with local corporations, schools, etc. For expansion of assignment for permanent employee staffing, we will extend the recruiting know-how cultivated in the construction management engineer domain and sales outsourcing domain to the factory outsourcing domain. In addition, in anticipation of a tougher hiring environment in the future, we will implement brand promotions to strengthen our own brand.

Strategy III: Stable growth in Overseas Working Business

The future of the permanent placement market is uncertain in both Singapore and Australia, with reduced hiring by major clients becoming prolonged after the post-COVID-19 surge in placement demand has run its course. In this situation, the Company will work to expand permanent placement sales once demand recovers while securing talented consultants. In order to reduce downside risk and improve business stability, the Company will also work to increase temporary staffing sales in stable areas such as government while also exercising cost control and strengthening governance.

2. Capital Structure

Foreign Shareholding Ratio	From 10% to less than 20%
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[Status of Major Shareholders] Updated

Name / Company Name	Number of Shares Owned	Percentage (%)
Ryosuke Ikeda	4,204,100	18.28
Ikeda Planning Office Co., Ltd.	2,007,500	8.73
Shigeru Ohara	1,694,210	7.37
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,506,000	6.55
BBH FOR FIDELITY LOW-PRICED STOCK	1,095,229	4.76

FUND (PRINCIPAL ALL SECTOR SUBPORTFOLIO)		
Custody Bank of Japan, Ltd. (Trust Account)	682,955	2.97
WILL GROUP Employee Stock Ownership Plan	506,396	2.20
GOLDMAN, SACHS & Co. REG	484,700	2.11
STATE STREET BANK AND TRUST CLIENT OMNIBUS ACCOUNT OM02 505002	420,900	1.83
Shingo Watanabe	400,000	1.74

Controlling Shareholder (except for Parent Company)	-
Parent Company	None

Supplementary Explanation

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3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange Prime Market
Fiscal Year-End	March
Type of Business	Services
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	1000 or more
Sales (consolidated) for the Previous Fiscal Year	From ¥100 billion to less than ¥1,000 billion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 10 to less than 50

4. Policy on Measures to Protect Non-controlling Shareholders in Conducting Transactions with Controlling Shareholder

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

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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 Composition and Operation

Organization Form	Company with the Audit & Supervisory Board
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[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	9
Term of Office of Directors Stipulated in Articles of Incorporation	One year
Chairperson of the Board	President
Number of Directors	5
Election of Outside Directors	Yes
Number of Outside Directors	3
Number of Independent Outside Directors	3

Outside Directors' Relationship with the Company (1) **Updated**

Name	Attribute	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	
Kunihiro Koshizuka	From other company												
Masato Takahashi	From other company												
Yuko Ichikawa	From other company												

* Categories for "Relationship with the Company"

* "○" 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; "▲" when a close relative of the director fell under the category in the past

a. Executive (a person who executes business; hereinafter the same) of the Company or its subsidiaries

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

c. Executive of a fellow subsidiary of the Company

d. A party whose major business partner is the Company or an executive thereof

e. Major business partner of the Company or their executive

f. Consultant, accountant or legal professionals who receive a large amount of money or other financial benefits from the Company other than compensation for their services as officers

g. Major shareholders of the Company (or their executive if the shareholder is a legal entity)

h. Executive of a business partner of the Company (which do not correspond to any of d, e, or f) (the director himself/herself only)

i. Executive of a company, between which and the Company outside officers are mutually appointed (the director himself/herself only)

j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)

k. Others

Outside Directors' Relationship with the Company (2) **Updated**

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Kunihiro Koshizuka	○	-	<p>Kunihiro Koshizuka has extensive experience as a manager, specialist knowledge related to digital and information technology, as well as wide-ranging insights into such areas as formulation of technology strategy, global businesses, M&A, and new business creation. Because he has a perspective that is independent from the Company and is expected to work diligently toward the Group's sustainable growth, the enhancement of corporate value, and especially to promote the digital shift and to strengthen management supervisory functions, as well as to further enhance the Company's corporate governance, he has been appointed as an outside director. In addition, he satisfies the "Criteria for Independence" independently established by the Tokyo Stock Exchange and the Company, and there is no concern that may cause conflicts of interest with general shareholders.</p>
Masato Takahashi	○	-	<p>Masato Takahashi has a track record and extensive experience in corporate management, as well as knowledge and experience of a wide range of other fields, such as developing new services that make innovative use of data. Because he has a perspective that is independent from the Company and is expected to work diligently toward the Group's sustainable growth, the enhancement of corporate value, and especially to provide advice on developing new businesses for the Group, as well as to further enhance the Company's corporate governance, he has been appointed as an outside director. In addition, he satisfies the "Criteria for Independence" independently established by the Tokyo Stock Exchange and the Company, and there is no concern that may cause conflicts of interest with general shareholders.</p>

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Yuko Ichikawa	○	-	Yuko Ichikawa has a wealth of knowledge related to IR and governance based on her experience as the person in charge of financial strategy and IR at a major IT company, as an outside director at other companies, and as a planning committee member of the Corporate Reporting Lab of the Ministry of Economy, Trade and Industry and a member of the Study Group on Long-term Investment (ESG and Intangible Asset Investment) toward Sustainable Growth (Ito Report 2.0). She has a perspective that is independent from the Company. She is expected to contribute to the Group's sustainable growth, the enhancement of corporate value, and especially to further enhance the Company's corporate governance from her objective and professional perspective on the Company's management. Accordingly, the Company has appointed her as an outside director. In addition, she satisfies the "Criteria for Independence" independently established by the Tokyo Stock Exchange and the Company, and there is no concern that may cause conflicts of interest with general shareholders.

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established
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Committee's Name, Composition, and Attributes of Chairperson **Updated**

	Committee Corresponding to Nomination Committee	Committee Corresponding to Remuneration Committee
Committee's Name	Nomination Committee	Remuneration Committee
All Committee Members	8	3
Full-time Members	0	0
Inside Directors	2	0
Outside Directors	3	3
External Experts	0	0
Other	4	0
Chairperson	Outside director	Outside director

Supplementary Explanations **Updated**

The "Other" for the Nomination Committee refers to four outside Audit & Supervisory Board members.

[Audit & Supervisory Board Members]

Establishment of Audit & Supervisory Board	Established
Maximum Number of Audit & Supervisory Board Members Stipulated in Articles of Incorporation	4
Number of Audit & Supervisory Board Members Updated	4

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

The internal auditors, Audit & Supervisory Board members, and accounting auditors exchange opinions when formulating the annual internal audit plan, and work to ensure that internal audits are conducted in a coordinated manner. In addition, the results of internal audits are reported to the full-time Audit & Supervisory Board members in a timely manner, and the Audit & Supervisory Board members receive direct reports on the audit reports from the accounting auditors, in order to ensure cooperation among the three parties for more efficient audits.

Appointment of Outside Audit & Supervisory Board Members	Appointed
Number of Outside Audit & Supervisory Board Members Updated	4
Number of Independent Outside Audit & Supervisory Board Members Updated	4

Outside Audit & Supervisory Board Members' Relationship with the Company (1) **Updated**

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Shizuka Sawada	Certified public accountant													
Sachie Ikeda	Certified public accountant													
Kenji Omukai	Certified public accountant													
Katsumi Nakamura	Attorney													

* Categories for "Relationship with the Company"

- * "○" when the Audit & Supervisory Board member presently falls or has recently fallen under the category;
- * "△" when the Audit & Supervisory Board member fell under the category in the past
- * "●" when a close relative of the Audit & Supervisory Board member presently falls or has recently fallen under the category;
- * "▲" when a close relative of the Audit & Supervisory Board member fell under the category in the past

- a. Executive of the Company or its subsidiaries
- b. Non-executive director or accounting advisor of the Company or its subsidiaries
- c. Executive or non-executive director of the parent company of the Company
- d. Audit & Supervisory Board member of the parent company of the Company
- e. Executive of a fellow subsidiary of the Company
- f. Persons who have the Company as a major business partner or their executive
- g. Major business partners of the Company or their executive
- h. Consultant, accountant or legal professionals who receive a large amount of money or other financial benefits from the Company other than compensation for their services as officers
- i. Major shareholders of the Company (or their executive if the shareholder is a legal entity)
- j. Executive of a major business partner of the Company (which do not correspond to any of f, g, or h) (the Audit & Supervisory Board member himself/herself only)
- k. Executive of a company, between which and the Company outside officers are mutually appointed (the Audit & Supervisory Board member himself/herself only)
- l. Executive of a company or organization that receives a donation from the Company (the Audit & Supervisory Board member himself/herself only)
- m. Others

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

Name	Designation as Independent Audit & Supervisory Board Member	Supplementary Explanation of the Relationship	Reasons of Appointment
Shizuka Sawada	○	-	Shizuka Sawada has extensive knowledge and experiences as a certified public accountant and has been appointed as an outside Audit & Supervisory Board member in the expectation that she will monitor and provide advice on corporate management, particularly from the financial and accounting perspectives. In addition, she satisfies the "Criteria for Independence" independently established by the Tokyo Stock Exchange and the Company, and there is no concern that may cause conflicts of interest with general shareholders.
Sachie Ikeda	○	-	Sachie Ikeda possesses specialist knowledge as a certified public accountant and has experience of being engaged in the auditing of listed companies at an audit firm. She is expected to contribute to enhancement of the audit system based on her wealth of experience and advanced expertise in accounting audits. Accordingly, the Company has appointed her as an outside Audit & Supervisory Board Member. In addition, she satisfies the "Criteria for Independence" independently established by the Tokyo Stock Exchange and the Company, and there is no concern that may cause conflicts of interest with general shareholders.
Kenji Omukai	○	-	Kenji Omukai has high expertise as a certified public accountant, as well as extensive experiences and knowledge in global group management. To strengthen the Company's auditing system in order to reinforce the management advisory functions, and to build a better corporate governance system, the Company has appointed him as an Outside Audit & Supervisory Board Member. In addition, he satisfies the "Criteria for Independence" independently established by the Tokyo Stock Exchange and the Company, and there is no concern that may cause conflicts of interest with general shareholders.
Katsumi Nakamura	○	-	Katsumi Nakamura has high expertise as an attorney, as well as extensive experiences and advanced knowledge in global corporate management that can effectively respond to changes in the business environment, and risk management. To strengthen the Company's auditing system in order to reinforce the management advisory functions, and to build a better corporate governance system, the Company has appointed him as an Outside Audit & Supervisory Board Member. In addition, he satisfies the "Criteria for Independence" independently established by the Tokyo Stock Exchange and the Company, and there is no concern that may cause conflicts of interest with general shareholders.

[Independent Officers]

Number of Officers Updated	7
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Matters relating to Independent Officers

All outside directors and outside Audit & Supervisory Board members who qualify as independent officers are designated as such.

[Incentives]

Incentive Policies for Directors	Performance-linked stock compensation plan and stock options
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Supplementary Explanation

The Company has introduced a stock option plan, which is conditional on the achievement of performance targets. In addition, the Company has introduced a performance-linked stock compensation plan with the aim of raising awareness among directors to contribute to the improvement of medium- to long-term business performance and the enhancement of corporate value by having a clearer linkage between the remuneration of directors and the Company’s performance and share value, and sharing the benefits and risks of share price fluctuations with shareholders.

Recipients of Stock Options	Inside directors, outside directors, employees, and directors and employees of subsidiaries
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Supplementary Explanation

Stock options
The Company grants stock options to directors and employees of the Company and its subsidiaries for the purpose of further improving their motivation and morale and further enhancing the unity of the Company as it aims to expand its business performance and increase its corporate value over the medium to long term.

Performance-linked stock compensation plan
The Company has introduced a performance-linked stock compensation plan, for directors (excluding outside directors and directors serving without remuneration; the same applies hereinafter), in addition to the fixed remuneration.
This plan consists of performance-linked stock-based compensation and position-linked stock-based compensation, and has been introduced with the aim of sharing interests with shareholders by raising awareness of the need to contribute not only to improving business performance but also to enhancing corporate value. The performance indicators for the performance-linked stock-based compensation are based on the points set for each grade rank which is set based on the job grade system stipulated in the share delivery regulations. The reason for selecting these indices is that the Company’s medium-term management plan sets forth a basic policy of creating a highly profitable structure and that the mission of each director is to fulfill the responsibilities expected by shareholders. In addition, the calculation method is to distribute stock-based compensation by granting points based on the position and each director’s performance contribution in accordance with the stock delivery regulations.
The position-linked stock-based compensation is as described in “Non-monetary compensation, etc.” under the “Supplemental Explanation” in “Director Remuneration” below. At a meeting of the Company’s Board of Directors held on May 11, 2023, it was decided to continue the performance-linked stock compensation plan for the three years from the fiscal year ending March 31, 2024 to the fiscal year ending March 31, 2026. In addition, performance-linked compensation was waived in its entirety by eligible directors in light of the achievement status of the Medium-term Management Plan.

[Director Remuneration]

Disclosure of Individual Directors' Remuneration
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Individual remuneration is not disclosed.

Supplementary Explanation Updated
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Remuneration for directors and the Audit & Supervisory Board members for the fiscal year ended March 31, 2024 is as follows.

Total amount of remuneration paid to directors: 118 million yen (of which, 27 million yen paid to three outside directors)

Breakdown of total amount of remuneration: Fixed remuneration 106 million yen (of which, 27 million yen paid to three outside directors), Performance-linked stock compensation, etc. 12 million yen, (of which, Non-monetary compensation, etc. 17 million yen)

Total amount of remuneration paid to Audit & Supervisory Board members: 21 million yen (of which, 21 million yen paid to three outside Audit & Supervisory Board members)

Policy for Determining Remuneration Amounts and Calculation Methods

Established

Disclosure of Policy for Determining Remuneration Amounts and Calculation Methods

Policy for determining remuneration amounts and calculation methods

The Company has adopted a resolution on the policy for determining the details of remuneration for each individual director.

The Board of Directors has confirmed that the method of determining the details of remuneration and the details of remuneration determined for each individual director for the current fiscal year are consistent with the decision-making policy resolved by the Board of Directors, and that the report from the Remuneration Committee, which consists of independent outside directors, has been taken into consideration, and the Board of Directors has determined that the remuneration is in line with the decision-making policy.

The details of the policy for determining the details of remuneration for each individual director are as follows.

1. Basic policy

The Company's basic policy is to link the remuneration of directors to shareholder interests so that it will fully function as an incentive for the sustainable enhancement of corporate value, and to determine the remuneration of individual directors at an appropriate level based on their respective responsibilities. Specifically, the remuneration for executive directors consists of fixed remuneration and the performance-linked stock compensation plan. The latter plan aims to raise awareness among directors to contribute to the improvement of medium- to long-term business performance and the increase of corporate value by having a clearer linkage between the remuneration of directors and the Company's performance and share value, and sharing the benefits and risks of share price fluctuations with shareholders. Outside directors, who are responsible for supervisory functions, are only paid in the form of basic remuneration in consideration of their duties.

2. Policy for determining the amount of remuneration by individual for this remuneration

The basic remuneration for directors (excluding outside directors and directors serving without remuneration; the same applies hereinafter) of the Company shall be a fixed monthly remuneration. The amount of remuneration is considered based on the basic remuneration predetermined according to their position as a basis, and the Company takes into consideration the organization under their control, responsibilities, and performance evaluation of the previous fiscal year to determine the amount of remuneration. Remuneration for outside directors is determined by comprehensively by taking into consideration factors such as their duties, contribution to society and the reasons for appointment.

3. Policy for determining the details of non-monetary remuneration and the method for calculating the amount or number of such remuneration

The performance-linked stock compensation plan for medium- to long-term incentives is a stock compensation plan in which a trust established and funded by the Company (hereinafter the "Trust") will acquire the Company's shares, and points will be granted to each director in accordance with his or her position and the degree of achievement of performance targets, based on the share delivery regulations established by the Board of Directors of the Company. The points will determine the number of shares to be granted. In principle, the timing of delivery of the Company's shares to the directors for the

“performance-linked stock-based compensation,” which the Company’s shares are granted based on the degree of achievement of performance targets, is at a certain time during their term of office (at the end of the applicable period). For “position-linked stock-based compensation” which is linked to the directors’ respective positions, the directors shall, in principle, receive the Company’s shares linked to the “position-linked stock-based compensation” at the time of retirement of directors.

4. Policy for determining the ratio of the amount of monetary remuneration and the amount of performance-linked remuneration or the amount of non-monetary remuneration for individual remuneration of directors

The Company places importance on the level of basic remuneration according to the responsibilities of the directors, with the aim of raising awareness among directors to contribute to the improvement of medium- to long-term business performance and the increase of corporate value by sharing the benefits and risks of share price fluctuations with shareholders. While this is the basic principle, the Company also considers the composition ratio of basic remuneration and stock-based remuneration, taking into account the pursuit of shareholder interests. The ratio of stock-based remuneration to the basic remuneration for directors is designed to be a maximum of 20%.

5. Matters concerning the determination of the details of individual remuneration of directors

The amount of individual remuneration of directors is decided by a resolution by the Board of Directors within the scope of the total amount of remuneration resolved prior by the general meeting of shareholders. When deciding individual remuneration at meetings of the Board of Directors, from the standpoint of objectivity, fairness, and transparency, evaluations and remuneration of inside directors are deliberated and confirmed at the Remuneration Committee composed of independent outside directors, and the Board of Directors makes decisions according to the details of the Remuneration Committee’s reports. For performance-linked stock-based compensation, points will be granted in accordance with the share delivery regulations established by the Board of Directors of the Company.

Note: The maximum amount of monetary remuneration for directors is 300 million yen per year (as resolved at the Ordinary General Meeting of Shareholders held on June 27, 2008).

In addition to monetary remuneration, the amount of non-monetary remuneration was resolved at the 14th Ordinary General Meeting of Shareholders held on June 23, 2020 to be no more than 210 million yen in total as stock-based remuneration from the fiscal year ended March 31, 2021 to the fiscal year ending March 31, 2023, and the maximum number of points to be granted is 80,000 points per fiscal year (excluding outside directors and directors serving without remuneration). At a meeting of the Company’s Board of Directors held on May 11, 2023, it was decided to continue the performance-linked stock compensation plan for the three years from the fiscal year ending March 31, 2024 to the fiscal year ending March 31, 2026. Furthermore, the maximum amount of monetary remuneration for Audit & Supervisory Board members is 40 million yen per year (as resolved at the Ordinary General Meeting of Shareholders held on June 27, 2008).

[Supporting System for Outside Directors and/or Audit & Supervisory Board Members]

There is no full-time staff to assist the duties of outside directors and outside Audit & Supervisory Board members, but personnel of the Company Secretary Office of the Management Department concurrently perform these support duties. The Company Secretary Office of the Management Department distributes materials on matters to be resolved and reported in advance of regular and extraordinary meetings of the Board of Directors, and has a system in place to promptly respond to inquiries from outside directors and outside Audit & Supervisory Board members.

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

Board of Directors

The Company's Board of Directors consists of five directors, namely Chairman and Director Ryosuke Ikeda, President and Representative Director Yuichi Sumi, Kunihiro Koshizuka, Masato Takahashi and Yuko Ichikawa (Kunihiro Koshizuka, Masato Takahashi and Yuko Ichikawa are outside directors), and in addition to the regular monthly meetings, extraordinary meetings of the Board of Directors are held as necessary. The Board of Directors, as a management decision-making body, resolves important matters in accordance with the Board of Directors regulations and supervises the status of business execution by the directors. The Board of Directors is attended by four auditors (including four outside Audit & Supervisory Board members) to ensure that important decisions are always audited.

Audit & Supervisory Board

The Company is a company with an Audit & Supervisory Board. The Company's Audit & Supervisory Board consists of four outside Audit & Supervisory Board members, namely, Shizuka Sawada, Sachie Ikeda, Kenji Omukai and Katsumi Nakamura.

Each Audit & Supervisory Board member audits the execution of duties by directors by attending meetings of the Board of Directors and other important meetings in accordance with the audit plan formulated by the Audit & Supervisory Board. The Audit & Supervisory Board, which meets regularly once a month and as necessary, determines audit policies and plans, and exchanges opinions on compliance issues. In addition, they receive quarterly explanations and reports on financial results from the accounting auditor, and exchanges information and opinions with the accounting auditor as necessary.

Audit & Supervisory Board members Shizuka Sawada, Sachie Ikeda and Kenji Omukai are certified public accountants, and Katsumi Nakamura is a lawyer.

Advisory Committees on Nomination and Remuneration

To increase the transparency and objectivity of the examination process for the appointment of director candidates and the remuneration of directors, discussions and confirmations are performed in advance regarding matters on nomination and remuneration by the Nomination Committee and Remuneration Committee. The results of these discussions are then submitted to the Board of Directors, which makes final decisions.

- Nomination Committee

The Company's Nomination Committee consists of two inside directors, three outside directors and four outside Audit & Supervisory Board members. Its chairperson is chosen from among outside directors.

It deliberates on matters related to the training and development of successors as part of the succession planning for the CEO, and matters related to the appointment and dismissal of directors.

The members of the Nomination Committee are as follows.

- Inside directors

Ryosuke Ikeda (Chairman and Director), Yuichi Sumi (President and Representative Director)

- Outside directors

Kunihiro Koshizuka (Chairperson), Masato Takahashi and Yuko Ichikawa

- Outside Audit & Supervisory Board members

Shizuka Sawada, Sachie Ikeda, Kenji Omukai and Katsumi Nakamura

- Remuneration Committee

The Remuneration Committee consists of three outside directors. Delegated by the Board of Directors, the Remuneration Committee deliberates and confirms the amounts and evaluations of individual remuneration of directors within the scope of the remuneration system and maximum amount of remuneration decided by the general meeting of shareholders and the Board of Directors.

The member of the Remuneration Committee are as follows.

- Outside directors

Kunihiro Koshizuka (Chairperson), Masato Takahashi and Yuko Ichikawa

Compliance Committee

The Compliance Committee, chaired by the President and Representative Director and consisting of the

Group's directors and employees selected from within the Company, ensures that the Company is in compliance with the laws and regulations. Each director or executive officer works to raise awareness of compliance by ensuring that all departments under their control are thoroughly aware of compliance.

Sustainability Committee

In April 2022, the Company established the Sustainability Committee chaired by President and Representative Director as the deliberating body for sustainability. The Sustainability Committee is composed of the Company's inside directors and the directors of its main domestic subsidiaries as committee members. The Sustainability Committee discusses, evaluates, and formulates activity policies and action plans relating to sustainability and monitors the promotion of KPI for materiality issues.

Internal Audit Office

The Internal Audit Office of the Company consists of three members. In accordance with the internal audit regulations, the Internal Audit Office provides guidance on compliance with laws, regulations and internal rules, and audits the entire Group on a regular and ad-hoc basis. Not only from the perspective of legality, the office also points out and provides guidance on improving the suitability and efficiency of business operations.

Group Management Committee

The Group Management Committee, led by the directors and executive officers of the Group, discusses important matters such as analysis of the recent business environment and performance trends, and medium- to long-term business strategies.

3. Reasons for Adoption of Current Corporate Governance System

As mentioned above, the execution of duties by directors is thoroughly supervised by outside directors and outside Audit & Supervisory Board members.

In addition, in order to enhance the effectiveness of the supervisory function, the Company appoints outside directors with sufficient management experience and insight.

Moreover, all of the four Audit & Supervisory Board members are outside members, and their expertise enables them to verify compliance with laws and regulations and the Articles of Incorporation from an objective perspective.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights Updated

	Supplementary Explanations
Early Notification of General Shareholder Meeting	The convocation notice for the June 2024 Annual General Meeting of Shareholders was sent two days ahead of the statutory deadline. In addition, the information to be included in the convocation notice is published in electronic format on TDnet and the Company's website between the Board of Directors' meeting to convene the general meeting of shareholders and the dispatch of the convocation notice. The disclosure on the website was made three weeks prior to the day of the general meeting of shareholders.
Scheduling General Shareholder Meeting Avoiding the Peak Day	The Company's fiscal year ends in March, which is a month for which general meetings of shareholders are concentrated, but the Company will endeavor to avoid as much as possible the days on which general meetings of shareholders are expected to be concentrated, so that as many shareholders as possible can attend the meetings.
Allowing Electronic Exercise of Voting Rights	The Company has established an environment where shareholders can exercise their voting rights from a personal computer or smartphone via the voting website of the administrator of the shareholder registry designated by the Company.
Participation in Electronic Voting Platform and Other Measures for Greater Ease of Voting by Institutional Investors	The Electronic Voting Platform operated by ICJ, Inc. is used.
Providing Convocation Notice in English	The convocation notice in English is posted on the Company's website and the platform for electronic exercise of voting rights.
Other	The convocation notice is disclosed on the Company's website and TDnet, the website of the Tokyo Stock Exchange, and measures are being implemented to facilitate the exercise of voting rights. In addition, the Company endeavors to make the general meeting of shareholders easy for shareholders to understand, for example, by making the Business Report more visual, and has adopted a system that allows more shareholders to view the meeting via a live webcast over the Internet.

2. IR Activities

	Supplementary Explanations	Presentation by President
Preparation and Announcement of Disclosure Policy	Disclosure Policy is posted on the Company's website.	
Regular Investor Briefings for Individual Investors	The Company regularly holds briefings for individual investors, and post videos of the briefings for individual investors on its website.	Yes
Regular Investor Briefings for Analysts and Institutional Investors	The Company holds financial results briefings twice a year (in May and November) for the second quarter and the full year, and posts the videos of the briefings and the questions and answers from the briefings on its website. The Company also visits institutional investors and holds meetings with securities analysts as appropriate.	Yes
Regular Investor Briefings for Overseas Investors	Meetings and other events are held as necessary, although not on a regular basis.	Yes
Posting of IR Materials on Website	The Company posts financial results, supplementary materials, Japanese and English versions of financial results briefing materials, securities reports or quarterly reports, and other timely disclosure materials on its website.	
Establishment of Department and/or Manager in Charge of IR	The Executive Officer in charge of the Management Department has been appointed as the officer in charge of investor relations, and the IR Group of the Company Secretary Office has been established as the department in charge of investor relations.	

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	The Company has established the "WILL WAY" action guidelines and the Code of Conduct and communicate them through various methods to ensure that they are widely disseminated to the front lines of our business
Implementation of Environmental Activities, CSR Activities etc.	Immediately after the Great East Japan Earthquake, the Company has been involved in a variety of initiatives, such as supporting an "after-school classroom" run by an NPO, and supporting extracurricular activities and education to create opportunities for children to be excited about their future.
Development of Policies on Information Provision to Stakeholders	This is as written in Section I-1 "Disclosure Based on the Principles of the Corporate Governance Code, Principle 5.1" of this document.

IV. Matters Related to the Internal Control System

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

- (i) System for ensuring that directors and employees perform their duties in compliance with laws and regulations and the Articles of Incorporation
- a) To ensure that all officers and employees, including those of group companies, comply with laws, regulations, the Articles of Incorporation, and other social norms, the Company has established compliance regulations and strives to practice highly ethical and compliance-conscious behavior. The Company establishes the Compliance Committee, chaired by the representative director, and provides all officers and employees with education regarding actions that comply with laws and regulations as well as social ethics.
 - b) In the event that a director foresees an act by another director that may violate laws, regulations, or the Articles of Incorporation, he or she will immediately report it to the Audit & Supervisory Board and the Board of Directors, and strengthen the governance system to prevent such act from occurring in the future.
 - c) As an internal whistleblowing system to strengthen compliance management, the Company has established the Compliance Hotline Regulations, which provide a contact point for reporting to outside attorneys and a Compliance Committee member as a direct recipient of information, and operate the system in accordance with these regulations.
 - d) The Internal Audit Office, which is independent of the business execution divisions, has been established to provide a constant and professional monitoring system for business operations.
 - e) The Compliance Committee periodically investigates and examines the company-wide compliance system and the existence of compliance problems, and reports to directors.
- (2) System for the storage and management of information about the performance of directors' duties
Information related to the execution of duties by directors shall be appropriately stored and managed in accordance with the document management regulations. In addition, directors and Audit & Supervisory Board members shall have access to these documents at all times.
- (3) Regulations and other systems for the risk management of losses
In the Company, the representative director oversees risk control for the entire company. The representative director shall assume and classify specific risks in advance, establish a prompt and appropriate information communication and emergency system, and evaluate and monitor the daily risk management status of each department in cooperation with the Compliance Committee.
In the event of unforeseen circumstances, the Company will establish a countermeasure committee led by the representative director, and act swiftly to minimize losses in cooperation with Audit & Supervisory Board members, legal counsel and other external advisors.
- (4) System for ensuring that directors perform their duties efficiently
- a) In principle, a regular meeting of the Board of Directors shall be held once a month, and other meetings shall be held as necessary to make decisions on important matters and to supervise the execution of duties by directors.
 - b) The Company has introduced an executive officer system. By separating management decision-making and supervisory functions from business operation functions, and by promoting the delegation of authority for business execution, the Company will clarify where responsibility lies for business execution and build a flexible management system that can respond appropriately and quickly to rapid changes in the business environment.
 - c) With respect to the execution of operations based on the decisions of the Board of Directors, the Company shall ensure a system to execute operations in an appropriate and efficient manner by stipulating the responsible persons and their responsibilities, as well as the details of execution procedures, in internal rules such as organizational regulations and regulations on division of duties.

(5) System for ensuring the suitability of business operations of the corporate group consisting of the Company and its subsidiaries

The execution of operations by each group company shall be managed and guided in accordance with social norms such as laws and regulations, as well as in accordance with internal rules such as the regulations on management of affiliated companies. In addition, each division of the Company, which has a strong relationship with each other, will manage, provide guidance and advice on individual matters, and dispatches officers and employees as necessary to ensure the appropriateness of operations.

(6) Matters concerning requests by Audit & Supervisory Board members for employees to assist with their duties and independence of these employees from directors

In the event that an Audit & Supervisory Board member requests the assignment of an employee to assist in the performance of his/her duties, such employee shall be assigned, and the specific details of the assignment (appointment, transfer, personnel evaluation, award and punishment, etc.) shall be made after respecting the opinion of the Audit & Supervisory Board member, and the independence of such employee from directors shall be ensured.

(7) System for reporting from directors or employees to Audit & Supervisory Board members and for other reporting to Audit & Supervisory Board members

Directors and employees shall report on matters such as the status of business and internal controls in response to requests from Audit & Supervisory Board members, and the Internal Audit Office shall report on the results of internal audits and related matters. In addition, directors and employees shall promptly report to Audit & Supervisory Board members when they become aware of facts of serious violations of laws, regulations, or the Articles of Incorporation, or of wrongful acts, or of facts that may cause significant damage to the Company.

(8) Other systems for ensuring that audits by the Audit & Supervisory Board members are performed effectively

The Audit & Supervisory Board members will strengthen its cooperation with the accounting auditor and the Internal Audit Office, and hold meetings to exchange opinions as necessary.

(9) Systems for the effective and efficient maintenance, operation and evaluation of internal control over financial reporting

In order to ensure the reliability of financial reporting, the Group will establish an internal control system to ensure the effective and appropriate submission of internal control reports in accordance with the Financial Instruments and Exchange Act. The Group will continuously evaluate and take necessary corrective actions to ensure that the system functions properly.

2. Basic Views on Eliminating Anti-Social Forces

(1) Basic stance for eliminating anti-social forces

The Group shall take decisive action against anti-social forces and groups that threaten social order and safety, and shall sever all relationships with these forces.

(2) Status of measures to eliminate anti-social forces

The Group has designated the General Affairs Department as the department in charge of responding to unreasonable demands and established rules and regulations for reporting and responding to such demands when they occur. The Group will respond to such demands resolutely in cooperation with the police and other relevant organizations.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
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Supplementary Explanation

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2. Other Matters Concerning Corporate Governance System Updated

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