

Corporate Governance

Last Update: March 28, 2024

TRYT Inc.

Hidetaka Sasai, President and Representative Director, CEO

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Securities Code: 9164

The corporate governance of TRYT Inc. (the “Company”) is described below.

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

1. Basic Views

For our services, it is important to be widely recognized as reliable and convenient by both corporate clients and healthcare professionals. Maintaining and improving the Company’s reliability is one of our most important priorities. In addition, the medical and welfare industries in which we operate our businesses are undergoing significant structural changes, and ensuring management objectivity and maneuverability is essential. We consider the enhancement of corporate governance to be one of our top priorities.

Reasons for non-compliance with the principles of the Corporate Governance Code

The Company adheres to all five basic principles of the Corporate Governance Code.

2. Capital Structure

Foreign shareholding ratio	30% or more
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Status of major shareholders

Name or company name	Number of shares held (shares)	Shareholding ratio (%)
LIFE SCIENCE & DIGITAL HEALTH CO. LIMITED	60,000,000	60.00
Custody Bank of Japan, Ltd. (Trust Account)	4,218,700	4.21
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	1,769,814	1.76
Morgan Stanley MUFG Securities Co., Ltd.	1,506,680	1.50
GOLDMAN SACHS INTERNATIONAL	1,240,765	1.24
MSIP CLIENT SECURITIES	1,045,504	1.04
NOMURA PB NOMINEES LIMITED OMNIBUS-MARGIN (CASHPB)	1,032,400	1.03
SBI SECURITIES Co., Ltd.	1,013,200	1.01
GOVERNMENT OF NORWAY	969,900	0.96

Corporate Governance

Nomura Securities Co., Ltd.	962,300	0.96
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Name of controlling shareholder (excluding the parent company)	LIFE SCIENCE & DIGITAL HEALTH CO. LIMITED
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Name of parent company	Not applicable
Listed exchange of parent company	Not applicable

Supplementary explanation

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3. Company Attributes

Classification of the market and the exchange on which the Company is listed	Tokyo Growth
End of fiscal year	December
Business sector	Services
Number of employees as of the end of the immediately preceding fiscal year (consolidated)	1,000 or more
Sales as of the end of the immediately preceding fiscal year (consolidated)	10 billion yen or more but less than 100 billion yen
Number of consolidated subsidiaries as of the end of the immediately preceding fiscal year	Less than 10

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

<p>In principle, the Company and its subsidiaries (the “Group”) do not engage in transactions with controlling shareholders. As of March 28, 2024, the Group had not engaged in any such transactions.</p> <p>If a transaction with a controlling shareholder is deemed necessary for business purposes, it must be approved by the Board of Directors, with particular attention to whether an alternative transaction would not be feasible, whether it is financially rational, whether the terms of the transaction are appropriate compared to other outside transactions, and whether there is any evidence of payoffs.</p>

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

Corporate Governance

II. Business Management Organization and Other Corporate Governance Systems Regarding Management Decision-Making, Execution and Supervision, and Other Matters

1. Organizational Composition and Operation

Organization form	Company with Audit & Supervisory Board
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Directors

Number of Directors under the Articles of Incorporation	8 persons
Term of office of Directors under the Articles of Incorporation	1 year
Chairperson of the Board of Directors	Chairperson (excluding a Director concurrently serving as President)
Number of Directors	5 persons
Appointment of Outside Directors	Appointed
Number of Outside Directors	3 persons
Number of Outside Directors designated as Independent Officers	3 persons

Relationship with the Company (1)

Full name	Attribute	Relationship with the Company (*1)												
		a	b	c	d	e	f	g	h	i	j	k		
Hiroyuki Izutsu	From another company													
Goro Nishimoto	From another company													
Maiko Ono	From another company													

*1 Selected items regarding the individual's relationship with the Company

- a. An executive of the listed company or its subsidiary
- b. An executive or non-executive director of the parent company of the listed company
- c. An executive of a fellow subsidiary of the listed company
- d. A person for whom the listed company is a main business partner or an executive thereof
- e. A major business partner of the listed company or an executive thereof
- f. A consultant, accounting expert, or legal expert who receives a large amount of money or financial assets from the listed company other than executive compensation
- g. A major shareholder of the listed company (if that major shareholder is a corporation, an executive thereof)
- h. An executive (the person himself/herself) of a business partner of the listed company (not falling under d, e, or f)
- i. An executive (the person himself/herself) of an entity that mutually appoints outside officers
- j. An executive (the person himself/herself) of an entity to which the listed company has donated
- k. Other

Relationship with the Company (2)

Full name	Independent Officer	Supplementary explanation of the relationship	Reasons for appointment
Hiroyuki Izutsu	○	Not applicable	He has extensive experience in management and industry, including serving as a representative director of a major human resource services company, and he is expected to actively express his opinions from an independent standpoint and fulfill the responsibilities of his position. This is why he has been appointed as an Outside Director of the Company. The Company has designated him as an Independent Officer because he is considered suitable as an Outside Director of the Company who meets the requirements of an Independent Officer, and there is no risk of a conflict of interest between him and general shareholders.
Goro Nishimoto	○	Not applicable	He has extensive knowledge of management as a management consultant, and he is expected to actively express his opinions from an independent standpoint and fulfill the responsibilities of his position. This is why he has been appointed as an Outside Director of the Company. The Company has designated him as an Independent Officer because he is considered suitable as an Outside Director of the Company who meets the requirements of an Independent Officer, and there is no risk of a conflict of interest between him and general shareholders.
Maiko Ono	○	Not applicable	She has extensive knowledge of financial and capital markets from many years of experience in investment banking, and she is expected to actively express her opinions

Corporate Governance

			<p>from an independent standpoint and fulfill the responsibilities of her position. This is why she has been appointed as an Outside Director of the Company. The Company has designated her as an Independent Officer because she is considered suitable as an Outside Director of the Company who meets the requirements of an Independent Officer, and there is no risk of a conflict of interest between her and general shareholders.</p>
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Voluntary committees

Voluntary establishment of committee(s) corresponding to Nomination Committee or Compensation Committee	Established
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Status of voluntarily established committee, attributes of members constituting the committee and the committee chairperson

Voluntarily established committee corresponding to Nominating Committee

Committee's name			Nomination and Compensation Committee			
All members of the committee (persons)	Full-time committee members (persons)	Inside Directors (persons)	Outside Directors (persons)	In-house experts (persons)	Other (persons)	Committee chairperson (Chair)
3	0	1	2	0	0	Outside Director

Voluntarily established committee corresponding to Compensation Committee

Committee's name			Nomination and Compensation Committee			
All members of the committee (persons)	Full-time committee members (persons)	Inside Directors (persons)	Outside Directors (persons)	In-house experts (persons)	Other (persons)	Committee Chairperson (Chair)
3	0	1	2	0	0	Outside Director

Corporate Governance

Supplementary explanation

The Nomination and Compensation Committee has been established as a body to deliberate on the nomination and compensation of Directors and Executive Officers of the Company and its subsidiaries, TRYT Career Inc. and TRYT Engineering Inc., and to submit opinions and reports to the Board of Directors. The Nomination and Compensation Committee is chaired by Hiroyuki Izutsu, an independent outside director, and consists of two independent outside directors and one non-executive director to ensure the independence of the committee, and meets as required.

Audit & Supervisory Board member

Establishment of Audit & Supervisory Board	Established
Number of Audit & Supervisory Board members under the Articles of Incorporation	5 persons
Number of Audit & Supervisory Board members	3 persons

Cooperation among Audit & Supervisory Board members, Independent Auditor, and Internal Audit Department

We collaborate with Audit & Supervisory Board members and Independent Auditor, mainly on the following items to enhance the quality of audits:

- Sharing and discussing audit plans and providing explanations/reports through the three-pillar audit system meeting
- Sharing information of unique issues related to the Company's auditing conditions through regular interviews
- Ensuring compliance with internal controls under the Companies Act and the Financial Instruments and Exchange Act

We also collaborate with Audit & Supervisory Board members and Internal Audit Department to mainly work on the following items to improve audit quality:

- Exchanging audit plans and providing explanations/reports through the three-pillar audit system meeting
- Enhancing the efficiency of operations including the appropriateness of financial reporting
- Complying with internal controls under the Companies Act and the Financial Instruments and Exchange Act
- Attending audits of business offices

In addition, we collaborate with Independent Auditor and Internal Audit Department to mainly focus on the following items to improve the quality of audits:

- Exchanging audit plans and providing explanations/reports through the three-pillar audit system meeting
- Sharing information of unique issues related to the Company's auditing conditions through regular interviews

Corporate Governance

· Ensuring compliance with internal controls under the Companies Act and the Financial Instruments and Exchange Act

Appointment of Outside Audit & Supervisory Board members	Appointed
Number of Outside Audit & Supervisory Board members	3 persons
Number of Outside Audit & Supervisory Board members designated as Independent Officers	3 persons

Relationship with the Company (1)

Full name	Attribute	Relationship with the Company (*1)												
		a	b	c	d	E	f	g	h	i	j	k	l	m
Yuri Izumo	Certified public accountant													
Masato Ukaji	Certified public accountant													
Hidetaka Sakamoto	Lawyer													

*1 Selected items regarding the individual's relationship with the Company

- a. An executive of the listed company or its subsidiary
- b. A non-executive director or accounting advisor of the listed company or its subsidiary
- c. An executive or non-executive director of the parent company of the listed company
- d. An auditor of the parent company of the listed company
- e. An executive of a fellow subsidiary of the listed company
- f. A person for whom the listed company is a main business partner or an executive thereof
- g. A major business partner of the listed company or an executive thereof
- h. A consultant, accounting expert, or legal expert who receives a large amount of money or financial assets from the listed company other than executive compensation
- i. A major shareholder of the listed company (if that major shareholder is a corporation, an executive thereof)
- j. An executive (the person himself/herself) of a business partner of the listed company (not falling under f, g, or h)
- k. An executive (the person himself/herself) of an entity that mutually appoints outside officers
- l. An executive (the person himself/herself) of an entity to which the listed company has donated
- m. Other

Corporate Governance

Relationship with the Company (2)

Full name	Independent Officer	Supplementary explanation of the relationship	Reasons for appointment
Yuri Izumo	<input type="radio"/>	Not applicable.	<p>In addition to her expertise as a certified public accountant, she has extensive knowledge in areas such as financial accounting, auditing in general, and corporate governance through her experience in accounting and finance operations, internal control systems establishment and support operations, and auditing operations. She is expected to provide supervision, auditing, and advice from an objective standpoint. This is why she has been appointed as an Outside Audit & Supervisory Board member.</p> <p>The Company has designated her as an Independent Officer because she is considered suitable as an Outside Audit & Supervisory Board member of the Company who meets the requirements of an Independent Officer, and there is no risk of a conflict of interest between her and general shareholders.</p>

Corporate Governance

Full name	Independent Officer	Supplementary explanation of the relationship	Reasons for appointment
Masato Ukaji	○	Not applicable.	<p>In addition to his advanced expertise as a Japanese and US certified public accountant, and as a tax accountant, he has extensive knowledge in areas such as financial accounting, auditing in general, and corporate governance through his experience serving as a Chief Financial Officer, outside corporate auditor and outside director (audit & supervisory board member) for several companies. He is expected to provide supervision, auditing, and advice from an objective standpoint. This is why he has been appointed as an Outside Audit & Supervisory Board member. The Company has designated him as an Independent Officer because he is considered suitable as an Outside Audit & Supervisory Board member of the Company who meets the requirements of an Independent Officer, and there is no risk of a conflict of interest between him and general shareholders.</p>

Corporate Governance

Full name	Independent Officer	Supplementary explanation of the relationship	Reasons for appointment
Hidetaka Sakamoto	○	Not applicable.	He has extensive experience and expertise as a lawyer focused on the areas of corporate acquisitions, corporate restructuring, equity practice, corporate law, and securities trading law. In addition, he has extensive knowledge in general corporate activities with a focus on legal affairs, having served as an outside corporate auditor and outside director (audit & supervisory board member) for several companies. He is expected to provide supervision, auditing, and advice from an objective standpoint. This is why he has been appointed as an Outside Audit & Supervisory Board member. The Company has designated him as an Independent Officer because he is considered suitable as an Outside Audit & Supervisory Board member of the Company who meets the requirements of an Independent Officer, and there is no risk of a conflict of interest between him and general shareholders.

Independent Officers

Number of Independent Officers	6 persons
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Other matters concerning Independent Officers

When appointing Outside Directors or Outside Audit & Supervisory Board members, the Company refers to the criteria for independent directors/auditors set forth by the Tokyo Stock Exchange, as well as the independence standards set forth by institutional investors and proxy advisors. All Outside Directors and Outside Audit &

Corporate Governance

Supervisory Board members are considered to have sufficient independence, which is why they have been designated as independent directors/auditors as stipulated in Rule 436-2 of Tokyo Stock Exchange's Securities Listing Regulations.

Incentives

Implementation status of measures related to incentives granted to Directors	Introduction of performance-linked compensation system and stock option plan
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Supplementary explanation of applicable items

At the extraordinary general meeting of shareholders held on March 18, 2022, the Company resolved to introduce an incentive plan utilizing a market value-issued stock acquisition rights trust as a system similar to a stock option plan. In addition, performance-linked compensation has been introduced to appropriately reflect performance during each fiscal year in the amount of compensation.

Persons eligible for stock options	Inside Directors, Outside Directors, employees, subsidiaries' Directors, subsidiaries' Audit & Supervisory Board members, subsidiaries' employees, other
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Supplementary explanation of applicable items

The purpose is to increase the retention of the Company and its subsidiaries' executives and employees and to foster a strong commitment to increasing the Company's corporate value over the medium- to long-term.

Compensation for Directors

Individual compensation for Directors - status of disclosure	No disclosure for any Directors
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Supplementary explanation of applicable items

Individual compensation is not disclosed because no one's total compensation exceeds 100 million yen. The total compensation paid to Officers is disclosed by category, i.e., for Directors and for Audit & Supervisory Board members.

Policy on determining compensation amounts and calculation methods	Established
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Disclosure of policy on determining compensation amounts and calculation methods

The Company's policy for determining the compensation for Directors and other matters is as follows.

- Compensation for the Company's Directors shall be based on a compensation system that fully functions as an incentive to continuously increase corporate value, and the amount of compensation for each individual Director shall be determined in consideration of his/her position and responsibilities.
- In order to appropriately reflect the results for each fiscal year in determining compensation amounts, performance-linked compensation shall be paid at a certain time of each fiscal year to each individual Director in an amount calculated in accordance with the extent of the individual's contribution to the achievement of targets and results, after taking into consideration the achievement of targets for performance indicators for each fiscal year. The ratio of the amount of fixed compensation or performance-linked compensation to the amount of compensation for each individual Director shall be appropriately determined based on their responsibilities and that it fully functions as an incentive to continuously increase corporate value.
- The maximum amount of compensation for all Directors shall be resolved at the general meeting of shareholders, and the amount of compensation for each individual Director shall be determined by the Board of Directors based on a report from the Nomination and Compensation Committee. The Nomination and Compensation Committee shall consist of at least three members appointed from among Non-Executive Directors, experts with independence equivalent to that of independent outside directors, and other persons with the same level of independence as aforementioned personnel to ensure the independence of the committee. The Committee has been established as a body to advise the Board of Directors regarding compensation for Directors and other matters.

In accordance with the above policy on determining compensation, the maximum amounts of compensation for all Directors and all Audit & Supervisory Board members, respectively, are resolved at the general meeting of shareholders. The amount of compensation for each Director is determined by resolution of the Board of Directors based on the report of the Nomination and Compensation Committee, and the amount of compensation for each Audit & Supervisory Board members is determined through deliberations among the Audit & Supervisory Board members. The Nomination and Compensation Committee shall consist of at least three members appointed from among Non-Executive Directors, experts with independence equivalent to that of independent outside directors, and other persons with the same level of independence as aforementioned personnel to ensure the independence of the committee. The Committee has been established as a body to advise the Board of Directors.

The compensation system for the Company's Directors consists of fixed compensation and performance-linked compensation. In order to motivate Directors to achieve their targets and to appropriately reflect the results for each fiscal year, performance-linked compensation shall be paid at a certain time of each fiscal year to each individual Director in an amount calculated on an individual basis in accordance with the achievement of targets and results, taking into consideration EBITDA for each fiscal year as a performance indicator. The compensation for the Company's Audit & Supervisory Board members is fixed compensation only.

With regard to fixed compensation, the extraordinary general meeting of shareholders held on November 29, 2021 resolved that the total amount of compensation for the Company's Directors shall be limited to 150 million yen per year, and the extraordinary general meeting of shareholders held on March 22, 2022 resolved that the total amount of compensation for the Company's Audit & Supervisory Board members shall be limited to 30 million yen per year. At the extraordinary general meeting of shareholders that was held on March 18, 2022, the Company resolved to introduce an incentive plan utilizing a market value-issued stock acquisition rights trust as a system similar to a stock option plan. The incentive plan allows the Company to determine the amount of incentive to be distributed to the Group's executives, employees and others at a future point in time based on evaluation of their future performance, thereby further rewarding their individual efforts.

Support system for Outside Directors (Outside Audit & Supervisory Board members)

No dedicated support staff are assigned for Outside Directors, but the Administration Department shall provide timely and appropriate information to Outside Directors, including sending materials in advance regarding the date and time of board meetings and matters to be resolved. In addition, the Audit & Supervisory Board's Office shall provide support to the Outside Audit & Supervisory Board members as needed.

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

(i) Directors and the Board of Directors

The Company's Board of Directors shall consist of five members (including three Outside Directors). To facilitate quick decision making, in addition to regular monthly Board of Directors meetings held in accordance with the Regulations on the Board of Directors, extraordinary meetings shall be held as necessary to conduct operations and for Directors to mutually supervise the performance of their duties. In addition, three Outside Audit & Supervisory Board members shall attend the Board of Directors meetings and express their opinions as necessary.

(ii) Audit & Supervisory Board members and the Audit & Supervisory Board

The Company's Audit & Supervisory Board shall consist of three Outside Audit & Supervisory Board members (including one full-time Audit & Supervisory Board member). It shall meet once a month in accordance with the Regulations on the Audit & Supervisory Board and hold extraordinary meetings as necessary. The Audit & Supervisory Board shall exchange opinions on the status of the Company's operations and discuss and resolve important matters related to auditing policies, audit plans, and audits. In addition, the Audit & Supervisory Board members shall attend Board of Directors meetings and other important meetings to audit the Directors' performance of their duties.

(iii) Independent Auditor

The Company has an audit contract with Grant Thornton Taiyo LLC, and timely and appropriate audits are conducted. There are no special interests between the Company and the aforementioned audit firm or the

designated limited liability partners and engagement partners of the aforementioned audit firm engaged in the audit of the Company.

(iv) Nomination and Compensation Committee

The Nomination and Compensation Committee has been established as a body to deliberate on the nomination and compensation of Directors and Executive Officers of the Company and its subsidiaries, TRYT Career Inc. and TRYT Engineering Inc., and to submit opinions and reports to the Board of Directors. The Nomination and Compensation Committee is chaired by Hiroyuki Izutsu, an independent outside director, and consists of two independent outside directors and one non-executive director to ensure the independence of the committee and meets as required.

(v) Management Committee

The Company's Management Committee shall serve mainly to discuss policies on the conduct of the Group's operations, to share information on the status of operations, and to hold preliminary discussions on matters to be resolved by the Board of Directors when necessary. The Management Committee shall consist of Executive Directors, Executive Officers, and the Head of the Legal Department, with the Corporate Management Department serving as the secretariat, in line with the Management Committee Rules, and in principle, it shall meet twice a month. In addition, a full-time Audit & Supervisory Board member shall attend Management Committee meetings and express his/her opinions as necessary.

(vi) Internal Audit Department

The Company has established an Internal Audit Department directly under the control of the President and Representative Director, CEO. The Internal Audit Department consists of two members: the Head of Internal Audit Department and one staff member. It shall conduct regular monthly internal audits and report the results to the President and Representative Director, CEO and the Audit & Supervisory Board. Upon receiving the results of an audit, the President and Representative Director, CEO shall notify the audited department of the audit's results and items to correct and require the department to submit a report on the status of corrections. Internal Audit Department shall coordinate the status of internal audits and other matters with Audit & Supervisory Board members and Independent Auditor.

(vii) Risk Management Committee and Compliance Committee

The Company has established cross-functional Risk Management and Compliance Committees, headed by the President and Representative Director, CEO, to ensure compliance with laws and regulations and strict adherence to corporate ethics, to practice fair corporate activities, and to implement priority countermeasures against major risks. In principle, these committees shall meet once a month. The Risk Management and Compliance Committees are composed of the General Managers, the managers of other core departments engaged in risk and compliance management (general affairs, legal affairs, and information systems), and committee members designated by the President and Representative Director, CEO depending on the agenda. The Committees are positioned as fora for reporting and reviewing company-wide and comprehensive risk and compliance management and their countermeasures, related to the operations. In addition, a full-time Audit &

Supervisory Board member and the Head of Internal Audit Department shall attend the Risk Management Committee and Compliance Committee meetings and express their opinions as necessary.

(viii) Sustainability Committee

The Company has established the Sustainability Committee, headed by the President and Representative Director, CEO, and chaired by the General Manager of Public Relations, External Affairs, and Sustainability Division, to promote sustainability activities throughout the Group based on the Company's purpose. In principle, the committee shall meet once quarterly. The Sustainability Committee monitors progress in promoting sustainability activities, identifies issues, and discusses and reports on sustainability disclosure items. In addition, a full-time Audit & Supervisory Board member and the Head of Internal Audit Department shall attend Sustainability Committee meetings and express their opinions as necessary.

3. Reasons for Adoption of Current Corporate Governance System

The Group recognizes that enhancing the efficiency, soundness, and transparency of management and consistently increasing shareholder value on a medium- to long-term basis are the fundamentals of corporate governance. To that end, we will enhance corporate governance by fostering corporate ethics, complying with laws and ordinances, and creating a system for management decision-making that can respond quickly, appropriately, and efficiently to changes in business conditions. We also believe that earning the trust of every stakeholder is essential, and we will transparently and soundly manage the Company through the timely disclosure of information.

As a company with an Audit & Supervisory Board, an organ as defined in the Companies Act, the Company has established a general meeting of shareholders, a Board of Directors, an Audit & Supervisory Board, and an accounting auditor, as well as a Management Committee, a conference body to deliberate on management and business execution. The Board of Directors, led by Directors who are well versed in the business, decides basic management policies and the execution of important operations on its own, while the Audit & Supervisory Board members, who have strong legal authority, audit the Directors' performance of their duties from an independent standpoint. The Internal Audit Department has been established to audit the day-to-day operations of the Company, and the Company considers that the mutual cooperation among each of these bodies, important meetings, and the Internal Audit Department is effective in ensuring the soundness and efficiency of the Company's management.

III. Implementation of Measures for Shareholders and Other Stakeholders

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

	Supplementary explanation
Early posting of notice of the general meeting of shareholders	We will strive to promptly send out the notice of convocation of general meeting of shareholders.
Scheduling of the general meeting of shareholders on a non-peak day	In order to enhance constructive dialogue with shareholders and to enable more shareholders to attend the general meeting of shareholders, we will strive to take comprehensive actions such as avoiding days when multiple general meetings are held and selecting an appropriate venue for the meeting.
Electronic exercise of voting rights	Electronic exercise of voting rights has been permitted since the 6th Ordinary General Meeting of Shareholders held on March 28, 2024.
Participation in a platform for the electronic exercise of voting rights and other initiatives to enhance environment for institutional investors to exercise voting rights	This is not done currently but plans are to consider doing so in the future depending on circumstances.
Provision of (or summary of notice) of general meeting of shareholders in English	This is not done currently but plans are to consider doing so in the future depending on circumstances.

Corporate Governance

2. Status of IR-related Activities

	Supplementary explanation	Explanation by a representative director or a representative executive officer
Formulation and publication of disclosure policies	The Company has established an IR Policy and published it on the IR section of our website. https://tryt-group.co.jp/en/ir/policy/	
Regular investor briefings held for analysts and institutional investors	Briefings are held on a quarterly basis. In addition, we actively hold small meetings for direct interviews and individual visits at the request of institutional investors and analysts.	Held
Regular investor briefings held for overseas investors	We actively hold individual meetings at overseas road shows and conferences.	Held
Online disclosure of IR information	Financial results, financial results briefing materials, annual securities reports and quarterly securities reports, medium-term management plans, and other disclosures are posted on the IR section of the Company's website.	
Establishment of department and/or placement of a manager in charge of IR	The Corporate Planning Department has been in charge of IR.	

3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary explanation
Establishment of internal rules stipulating respect for the position of stakeholders	We believe that earning the trust of our various stakeholders, including shareholders, investors, and customers, is important, and will provide timely, appropriate, and fair information to our stakeholders in accordance with our Rules on Information Disclosure.

Corporate Governance

	Supplementary explanation
Implementation of environmental preservation activities, CSR activities, etc.	<p>Based on our purpose, we have established four key themes for the realization of a sustainable society. In collaboration with diverse stakeholders, we aim to contribute to the development of the medical and welfare industries through eliminating labor shortages faced by essential industries, resolving social issues such as reducing the burden on the frontlines and improving labor productivity, and promoting and supporting the creation of a comfortable work environment.</p> <p>Key themes</p> <ol style="list-style-type: none"> 1. Promoting the retention of human resources in the medical and welfare as well as the construction industries and creating diverse job opportunities 2. Supporting the creation of a comfortable work environment for workers in the medical and welfare industry 3. Fostering a corporate culture that achieves employee growth and job satisfaction 4. Establishing and operating a management infrastructure that supports sustained business growth
Formulation of policies, etc. on provision of information to stakeholders	<p>Our policy is to actively disclose information to stakeholders through our website, financial results briefings, etc.</p>

IV. Matters Concerning the Internal Control Systems

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

The Company has established a Basic Policy on Internal Control Systems by resolution of the Board of Directors. Based on the aforementioned policy, the Company ensures that its internal control system functions effectively, by putting in place various internal rules, etc. and thoroughly enforcing compliance with those rules, as described below.

The following is a summary of decisions made regarding systems to ensure that the execution of duties by Directors complies with laws and ordinances and the Articles of Incorporation as well as other systems to ensure the appropriateness of the Company's operations.

- a. A system to ensure that the performance of duties by Directors and employees complies with laws and ordinances and the Articles of Incorporation
- (a) We have a clear corporate philosophy and we have devised various internal rules and regulations as a code of conduct to ensure that our Directors and employees act in compliance with laws and ordinances, the Articles of Incorporation, and social norms.
 - (b) The Board of Directors shall decide important matters and supervise the conduct of operations in accordance with the Regulations on the Board of Directors.
 - (c) Based on the Regulations on the Management of Regulations to manage internal regulations in accordance with laws and ordinances and the Articles of Incorporation, each department head shall be responsible for the proper implementation of internal regulations.
 - (d) The Company shall ensure that employees have a means of directly reporting any questionable conduct within the Company in terms of compliance with laws and ordinances. Whenever necessary, the Company shall disclose important information to its Directors and employees to ensure that they are fully aware of it and the status of the Company's response to that information and the results.
- b. A system for the storage and management of information related to the performance of duties by Directors
- (a) The Company shall ensure that information and documents (including electromagnetic records) related to the performance of duties by Directors are prepared in accordance with laws, ordinances, and internal rules, and they are stored and managed appropriately, and the Company shall ensure that it has a system to provide the respective information and documents to Directors and Audit & Supervisory Board members.
 - (b) We have created and implemented a Basic Policy on Information Security, a Policy on Protection of Personal Information, and other necessary internal rules and systems, and we shall ensure appropriate management of confidential information, information security, and personal information.
- c. Regulations and other systems to manage the risk of loss
- (a) The Board of Directors is the highest organ responsible for monitoring risk management efforts. In order to prevent and minimize risks, the Board of Directors shall ascertain information in a timely and appropriate manner and deliberate as necessary.
 - (b) We have established Regulations on the Board of Directors, the Regulation on Administrative Authority, and other necessary internal regulations regarding management of the risk of loss, and we strive to continuously improve risk management efforts.

d. Systems to ensure efficient performance of duties by Directors

The Board of Directors shall decide important management-related matters in accordance with the Regulations on the Board of Directors in conformity with laws and ordinances and the Articles of Incorporation, delegate authority to Directors, employees, and other personnel in charge of operations in accordance with the prescribed rules for decision-making authority. A Management Committee consisting of management personnel such as the President and Representative Director, CEO shall deliberate and decide on important matters.

e. A system to ensure the appropriateness of operations of the Group consisting of the Company, its parent company, and subsidiaries

- (a) We regularly receive reports on the conduct of operations and important themes from the Directors of our Group companies. We strive to ascertain the status of each company and take actions as necessary.
- (b) In accordance with the Regulations on the Board of Directors and the Regulation on Administrative Authority, the Board of Directors of the Company shall deliberate and decide on the conduct of important operations by the Company's subsidiaries and the exercise of voting rights at general meetings of shareholders.

f. Matters related to the system concerning employees who are needed to assist Audit & Supervisory Board members in their duties (assisting employees) and the independence of such employees from Directors

- (a) Audit & Supervisory Board's Office has been established to ensure Audit & Supervisory Board members to conduct their audits in a thorough manner, and employees have been assigned to assist them.
- (b) Personnel changes and evaluations of assisting employees shall be discussed in advance with Audit & Supervisory Board members.
- (c) When the assisting employees are ordered by Audit & Supervisory Board members to perform duties required for auditing, they are not subject to the direction or orders of Directors.

g. System for Directors and employees to report to Audit & Supervisory Board members and other systems related to reporting to Audit & Supervisory Board members

(a) Directors and employees of the Company, as well as Directors, Audit & Supervisory Board members, and employees of subsidiaries, are required to report to the Company's Audit & Supervisory Board members as soon as they discover any of the following circumstances, in addition to legally mandated items.

1. Circumstances that have caused or that may cause a significant deterioration of the Group's credibility

2. Circumstances that have or that may significantly impact the Group's business performance

3. Other serious violations of laws and ordinances, the Articles of Incorporation, or internal regulations

(b) The department in charge of the whistle-blowing system is to regularly report on the status of whistle-blowing in the Group to Audit & Supervisory Board members.

(c) The Company guarantees that a person who reports to Audit & Supervisory Board members will not be penalized for that report.

h. Other systems to ensure that audits by Audit & Supervisory Board members are conducted effectively

When conducting audits, we shall collaborate with outside experts such as lawyers and certified public accountants when deemed necessary by Audit & Supervisory Board members, and ensure that they have the opportunity to receive advice on auditing.

i. Policy on the treatment of expenses incurred in connection with the performance of duties by Audit & Supervisory Board members

The Company shall process prepayment, reimbursement, and other expenses incurred in connection with the performance of such duties in a timely and appropriate manner, in accordance with invoices from auditors.

j. A system to ensure the reliability of financial reporting

(a) We shall create a system to implement and operate internal controls over financial reporting in order to prepare reliable financial reports.

(b) We shall continuously evaluate the proper functioning of that system and take necessary corrective actions if any deficiencies are found.

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

In light of the possibility that the Group may be unintentionally involved with anti-social forces or provision of funds through transactions, we believe that it is essential for the Group to clarify the measures to avoid any involvement with anti-social forces. The Group has drafted a Manual for Dealing with Anti-social Forces and devised the following basic policy.

1) Organizational response

The entire organization, from top management on down, shall respond to anti-social forces so as not to leave the response to the person or department in charge. The organization will also ensure the safety of responding employees.

2) Cooperation with specialized outside institutions

To prepare for improper demands from anti-social forces, the Company shall routinely establish close cooperation with the police, the National Center for Removal of Criminal Organizations, lawyers, etc.

3) Severing all ties, including transactions

We shall have no ties whatsoever, including business relationships, to anti-social forces. In addition, we shall refuse improper demands from anti-social forces.

4) Civil and criminal responses to an emergency

We shall take a firm stand against improper demands from anti-social forces, and we shall not hesitate to take legal action, both civil and criminal.

5) Prohibition of backroom deals and funding

We shall never engage in backroom deals to cover up an incident, even if the improper demands from anti-social forces are due to misconduct in our business activities or misconduct by our employees. In addition, we shall never fund anti-social forces.

Specific preparations are as follows.

(a) The department in charge of responding and the person responsible for responding to improper demands

The Company has designated the Operation Administration Department as the division responsible for our response to anti-social forces, and the Head of the Operation Administration Department is the person in charge of that response. In addition, a system is in place to immediately report and consult with the Head of the Administration Department in accordance with the Manual for Dealing with Anti-social Forces in response to any information concerning anti-social forces or any improper demands.

(b) Investigation of business partners

At the start of a new transaction, the Company shall investigate a new business partner. In specific terms, Nikkei Telecom, Nikkei Risk & Compliance, etc. shall be used to investigate whether the business partner has any relationship with anti-social forces. We shall not engage in transactions with the business partner if the results of our investigation indicate the clear involvement of anti-social forces. If information is suspicious but the involvement of anti-social forces is unclear, we shall not, in principle, engage in the transaction unless a further investigation is conducted and it rules out the involvement of anti-social forces.

In addition, existing business partners will, in principle, be investigated at least once a year. When concluding a contract with a business partner, the Company shall, in principle, include provisions on the exclusion of anti-social forces in the contract. In the event of a transaction without a contract, the Company shall, in principle, exchange a "memorandum of understanding" on the exclusion of anti-social forces.

Corporate Governance

(c) Investigation of shareholders, officers, employees, etc.

When the Board of Directors approves a share transfer to a new shareholder or a proposal to the general meeting of shareholders for a capital increase through a third-party allocation of shares, we shall investigate whether there is any connection between the shareholders in question and anti-social forces, as is done for business partners.

When new officers are approved for appointment at a general meeting of shareholders, the Company shall investigate the new officers and their family members. Employees shall be similarly investigated during hiring.

(d) Status of cooperation with specialized outside institutions

The Company has joined the National Center for Removal of Criminal Organizations and created a system for collaboration with the police in this jurisdiction and lawyers, and we have created a system to prevent the involvement of anti-social forces in management activities and damage caused by such forces.

(e) Status of collection and management of information on anti-social forces

The Company shall consolidate information on anti-social forces in the Operation Administration Department and centralizes the collection and management of that information.

V. Other

1. Adoption of Anti-takeover Measures

Adoption of anti-takeover measures	Not adopted
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Supplementary explanation of applicable items

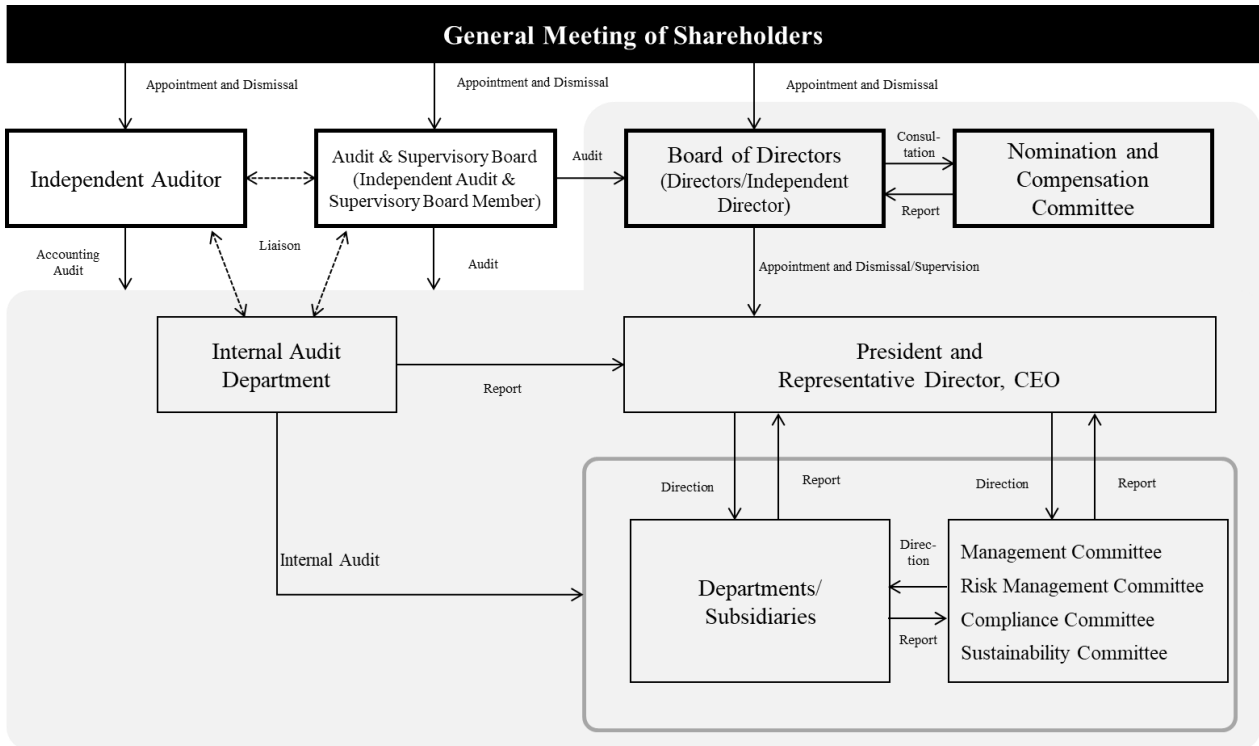
Not applicable

2. Other Matters Concerning the Corporate Governance System

Not applicable

Corporate Governance

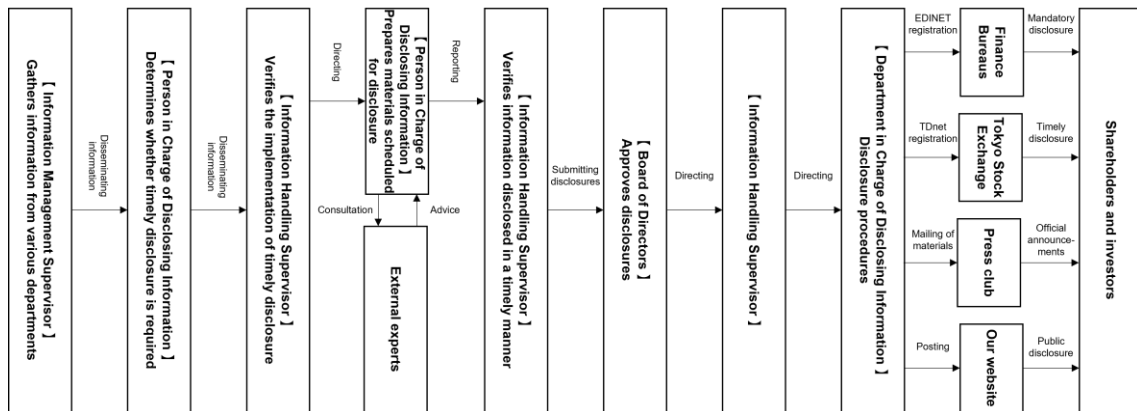
Corporate Governance Structure



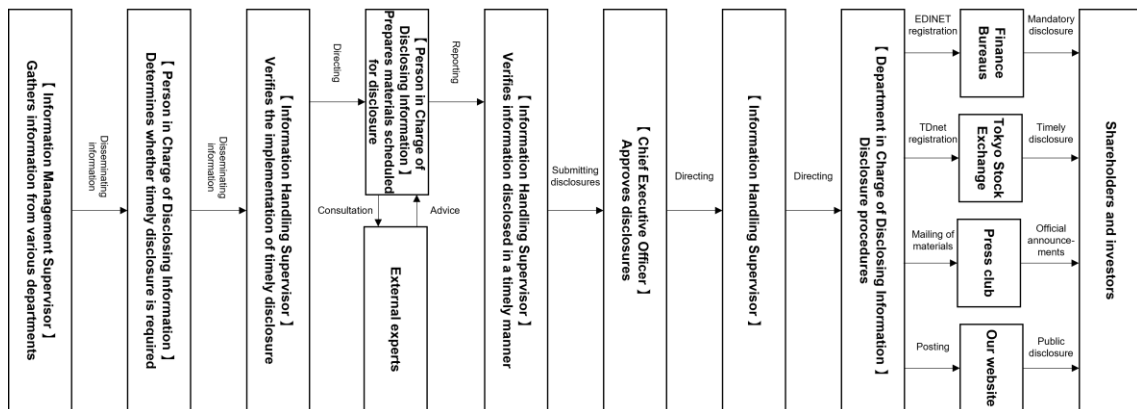
Corporate Governance

Outline of the System for Timely Disclosures (Schematic diagram)

Information on Determinations Made by the Group



Information on Incidents at the Group



Information on Financial Results and Accounting of the Group

