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## Corporate Governance Report

Date of Latest Update: May 24, 2024

**MEDIA DO Co., Ltd.**

Yasushi Fujita, President and CEO

Contact: Corporate Planning Department

Securities Code: 3678

<https://mediado.jp/english/>

The status of corporate governance at MEDIA DO Co., Ltd., is as follows.

### I. Basic Policy on Corporate Governance, Capital Structure, Company Details, and Other Basic Information

#### 1. Basic Policy on Corporate Governance

Along with our vision “More Content for More People!”, MEDIA DO aim to contribute to the development of culture and the creation of a prosperous society in the world, with our mission “unleashing a virtuous cycle of literary creation” to distribute copyrighted works as widely as possible under a fair usage environment and to return profits to authors. To accomplish this mission, the Company has put forth the basic management policy of improving corporate value and thereby maximizing shareholder value over the medium to long term based on an accurate understanding of the importance of its various stakeholders. The Company recognizes the following as important management issues to be addressed as its management grows increasingly more global: The expedition and streamlining of management decisions to facilitate the further broadening of its business and the heightening of corporate value, and the improvement of management health and transparency through enhanced corporate governance. Entrenching corporate ethics and awareness of these principles throughout the Company will be imperative to improving the health of management. By fostering such awareness, the Company aims to develop a corporate culture in which all internal institutions, officers, and employees make fair and accurate decisions. In addition, we also believe that prompt and proactive information disclosure is essential to enhance management transparency and build long-term relationships of trust with various stakeholders and will strive to further enhance our information disclosure system for both statutory and voluntary disclosure.

To ensure impartial and highly effective management, the Company will continue to strengthen its corporate governance systems through such means as more effectively allocating resources, expediting decisions, and entrenching compliance awareness under the guidance of the Board of Directors.

Information on MEDIA DO’s initiatives and initiative policies in relation to the principles of Japan’s Corporate Governance Code can be found below.

#### Reasons for Not Adopting the Principles of Japan’s Corporate Governance Code

This document has been prepared based on the latest version of Japan’s Corporate Governance Code following the June 2021 revision. In addition, all the requirements of the Tokyo Stock Exchange Prime Market implemented on April 4, 2022, have been met.

The Company has adopted all the principles of Japan’s Corporate Governance Code.

## Disclosure Based on the Principles of Japan's Corporate Governance Code (Updated)

### Principle 1.4 Cross-Shareholdings

MEDIA DO does not engage in cross ownership with other listed companies for the purpose of securing consistent shareholders or that present concern for potential detractors from capital efficiency. However, there are cases in which the Company engages in strategic cross-shareholdings when deemed necessary for enhancing business activities or corporate value and when the number of shares required to be held is judged to be meaningful and rational. Examples of cases in which the Company will engage in cross-shareholdings includes when business alliances or information sharing conducted in association with cross-shareholdings have the potential to generate new synergies in the Company's eBook distribution business or strategic investment businesses.

Moreover, cross-shareholdings are assessed based on Groupwide equity costs by looking at the quarterly financial, earnings, and funding information of cross-shareholding counterparties as well as whether the intended qualitative synergies are being generated to determine, among other factors, if a given holding should be maintained over the medium to long term when considering the projected risks and returns.

Assessments and evaluations based on these factors are carried out by the Company's Executive Committee and by the Board of Directors. Cross-shareholdings that are judged to lack sufficient meaningfulness and rationale will be sold as deemed appropriate based on market trends and other operating environment factors. Voting rights associated with cross-shareholdings are exercised based on comprehensive evaluation of the degree to which each individual proposal will contribute to improved corporate value for the Company and to higher medium to long term corporate value for the cross-shareholding counterparty as well as how the proposal will impact the Company.

Should a company holding shares of the Company's stock express an intention to sell said shares, the Company shall not attempt to impede such sales.

### Principle 1.7 Related Party Transactions

Related party transactions are only conducted after receiving approval based on discussions by the Board of Directors that incorporate the opinions of outside directors and Audit & Supervisory Board members. The related officers are excluded from the vote due to their conflicts of interest. Furthermore, annual surveys are administered to MEDIA DO officers to determine whether related party transactions are taking place or not.

### Supplementary Principle 2.4.1 Empowerment of Female Employees and Promotion of Internal Diversity

MEDIA DO's corporate creed contains statements such as "All people have limitless potential and can grow with time." and "MEDIA DO will continue to grow so long as its people grow." As expressed in these statements, human resources are the most important asset to the business activities advanced in pursuit of the ongoing growth of the MEDIA DO Group. In order to realize long-term and sustainable enhancement of corporate value, we have set two themes in the materiality of management issues to be addressed: "Creation of comfortable workplace environment and promotion of well-being" and "Cultivation of innovative people". We are addressing to promote diversity, improve a working environment that individual employees can put in their best efforts and find diverse employment options and human resources.

Currently, mid-career recruits represent more than 70% of the employees at the Company, making for an employee base featuring a diverse range of specialized backgrounds among management and general employees. Moreover, non-Japanese individuals represented 3% of all employees on February 28, 2022. We will continue to work on "Acquiring and developing talent who are unique to MEDIA DO" and "Creating a more rewarding and comfortable working environment at MEDIA DO" to create an organization that will last for 100 years and further business growth, regardless of age, gender, nationality, and other factors.

Although women account for roughly half of MEDIA DO's employee base, only around 30% of management positions were filled by women on February 29, 2024. We continue to believe that it is important to improve a working environment in which diverse human resources can work in their own way as their life stages change, and we will continue to actively promote the advancement of women and the employment of people with disabilities. Furthermore, MEDIA DO has defined its Basic Human Resource Policy, which contains human resource recruitment policies, human resource management policies, human resource development policies, and diversity promotion policies. This policy is available on the Company's corporate website (<https://mediado.jp/english/ir/sustainability/>).

## **Principle 2.6 Roles of Corporate Pension Funds as Asset Owners**

The Company employs a defined contribution pension plan. It is not involved in the management of this fund, including in efforts to grow the fund, as an asset owner.

However, the company plans to provide employee with education programs related to asset formation through defined contribution pension plans and the employee shareholding association.

## **Principle 3.1 Full Disclosure**

(1) Company Objectives (e.g., Business Principles), Management Strategies, and Business Plans

Information on the Company's business philosophy and management strategies can be found on the Company's corporate website (<https://mediado.jp/english/about/philosophy/>) and in its financial results briefing materials and integrated reports (<https://mediado.jp/english/ir/library/annualreport/>).

(2) Basic Corporate Governance Stance and Policies

Information on the Company's basic corporate governance stance and policies can be found on the Company's corporate website and in its corporate governance reports and annual securities reports. In addition, the Company has formulated the MEDIA DO Basic Corporate Governance Policy, which is available on its corporate website (<https://mediado.jp/english/sustainability/governance/policy/>).

(3) Board of Directors' Policies and Procedures for Determining the Compensation of Senior Management and Directors

Internal regulations have been established regarding the policies and procedures for deciding director compensation and information on these regulations can be found in the Company's corporate governance reports. For details, please refer to "Director Compensation" in "1. Organizational Structures and Operation" under "II. System of Business Management Organization for Management Decision-Making, Operational Execution, and Auditing and Other Corporate Governance Systems" below.

(4) Board of Directors' Policies and Procedures for the Appointment and Dismissal of Senior Management and the Nomination of Director and Audit & Supervisory Board Member Candidates

Decisions regarding the nomination of director candidates; the appointment of executive officers, who act as senior management; and the dismissal of directors and executive officers are made based on whether the individual in question can contribute to sustainable growth and the improvement of the corporate value of the Company, with consideration paid to gender and other diversity factors and to skills. To ensure the objectivity and transparency of decisions, the Board of Directors consults with the Nomination and Compensation Committee, and this committee reports on the consulted matter after its own discussions and examinations. Decisions are made by the Board of Directors after this process.

Candidates for positions as Audit & Supervisory Board members are selected with a focus on their ability to improve the soundness of management and to help the Company earn greater trust from society, and their capacity to conduct neutral and objective audits. Candidates for these positions are selected by the Board of Directors after discussions and consensus by the Audit & Supervisory Board.

(5) Explanations Regarding Decisions by the Board of Directors Pertaining to the Appointment and Dismissal of Senior Management and the Nomination of Director and Audit & Supervisory Board Member Candidates

The reason for the selection of candidates for positions as directors and Audit & Supervisory Board members can be found on the Company's corporate website (<https://mediado.jp/english/ir/sustainability/governance/>); in information on the career history of all candidates and the skill matrix detailing their specialties and experience; and in the Company's notices of convocation for the general meetings of shareholders ([https://ssl4.eir-parts.net/doc/3678/ir\\_material\\_for\\_fiscal\\_ym2/154511/00.pdf](https://ssl4.eir-parts.net/doc/3678/ir_material_for_fiscal_ym2/154511/00.pdf)).

## **Supplementary Principle 3.1.3 Sustainability Initiatives**

The MEDIA DO Group's mission is "unleashing a virtuous cycle of literary creation" and its vision is "More Content for More People!" These principles exemplify our commitment to building a social ecosystem founded on co-creation among the creators and publishers who produce written works, the users of these works, the eBook stores that serve as points of contacts between these two, and the Group, which functions as an intermediary between these parties.

Accordingly, sustainability for the MEDIA DO Group entails a concerted effort by all officers and employees to carry

out their business activities based on a sense of responsibility and pride toward the contributions made by the Group's businesses and services. These contributions support the development of a healthy economy and the cultural advances stimulated by written works. Based on this belief, we seek to address social and environmental issues, such as those identified by the United Nations (UN) Sustainable Development Goals (SDGs), through management practices and strategies founded on our mission and vision. In addition, we view business opportunities and risks through the lens of ESG issues as we pursue increased corporate value by helping to resolve social issues while achieving steady growth.

MEDIA DO realizes that environmental and social issues have the potential to impact its business and corporate value creation activities, and these issues are being addressed through internal action. Such action is guided by the Sustainability Committee, which was established in June 2022.

The Sustainability Committee is chaired by Vice President and CFO, and executive officers in charge of a department belonging to the Corporate Division as vice chairs. Other members include officers designated by the chairperson and by representatives from other divisions. In principle, meetings of the Sustainability Committee will be held four times a year (once every quarter). The Sustainability Committee will also submit reports to the Board of Directors at the appropriate times after meetings to facilitate the identification and investigation of climate change and other risks and opportunities with the potential to affect the sustainability of the Company, the assessment of sustainability strategies and measures, and the enhancement of oversight and monitoring functions. Moreover, the committee, through its secretariat, the Corporate Planning Department, which will function as its secretariat, to maintain an understanding of social trends and shareholder expectations to be reflected in the medium to long term mission, vision, and strategies of the Company. This information will also be utilized when identifying and revising material issues. Based on the opportunities and risks identified in the process of defining material issues, concrete sustainability strategies, risk items to be managed, and response policies will be set for divisions and Group companies, and relevant measures will be monitored regularly.

For more information on the MEDIA DO Group's sustainability initiatives, please refer to the Company's corporate website (<https://mediado.jp/english/ir/sustainability/>).

### **Investments in Human Resources and Intellectual Property**

Developing a sustainable business requires the effective allocation of management resources from a financial perspective as well as from a non-financial perspective looking at factors such as investments in human capital and research and development.

#### <Human Capital Strategies>

We have continued to grow as a company, focusing on the eBook Distribution Business to contribute to the development of Japanese culture and prosperous society in the midst of the digital shift in society. We believe that the greatest source of our added value to the industry is human resource, our employees because we stand between Publishers and eBook retailers, and we do not have manufacturing facilities like a manufacturer. Our corporate creed is "Growth and Potential," and we believe that encouraging the growth of our employees will lead to the growth of our company, and we will adapt to change and continue to contribute to society in any age.

Therefore, we aim to continuously increase the value of our human capital by "Acquiring and developing human resources that are unique to MEDIA DO" and "Improving a rewarding and comfortable working environment at MEDIA DO"

#### <Intellectual Capital Strategies>

As a company that deals with copyrights, MEDIA DO is taking steps to foster a publishing ecosystem that facilitates the protection and appropriate use of intellectual assets. The digitization trend is driving quantitative and qualitative changes to the structure of the content market along with the diversification of this market. To respond to these changes, investments are being conducted to reform foundational systems and otherwise enhance existing assets. In addition, investments and business alliances are being advanced for the purpose of acquiring intellectual properties and works that can be used to produce content. Based on this situation, business portfolio strategies are discussed by the Executive Committee and incorporated into medium-term management plans.

#### <Impact of Climate Change-Related Risks and Opportunities on Business Activities and Earnings>

The MEDIA DO Group itself has a relatively low dependency on natural capital, given the characteristics of its business. Accordingly, the risk of climate change having a direct impact on business activities or financial targets over the short to medium term has been deemed to be low. The publishing industry, however, impacts the environment

through the consumption of paper, the use of energy for distribution, and the return and disposal of written works. Given this situation, the Group's efforts to increase use of eBooks and to promote the digital transformation of the overall publishing industry, while not contributing directly to improvements in the Group's corporate value, has the potential to contribute to reduced distribution energy use for publications and the publishing industry. These reductions in energy use would also help combat climate change by lowering energy consumption and greenhouse gas emissions. MEDIA DO continuously collects and analyzes the necessary data for use in analyses of long-term climate change risk and opportunities, other detailed scenario analyses, target formulation, and management processes based on the recommendations of the Task Force on Climate-related Financial Disclosures. In addition, the Company will pursue qualitative and quantitative improvements to information disclosure based on examinations of such matters by the Sustainability Committee.

For information on the MEDIA DO Group's CO<sub>2</sub> emissions (Scope 1 and Scope 2), please refer to the ESG highlights section of the Company's sustainability website (<https://mediado.jp/english/sustainability/>).

#### **Supplementary Principle 4.1.1 Scope of Delegation of Authority to Senior Management from the Board of Directors**

The Board of Directors is responsible for decisions on matters defined in laws and regulations and in the articles of incorporation as well as for decisions on important matters described in the internal regulations for the Board of Directors. In addition, the scope of authority for discussion and approval regarding other decisions residing with the Board of Directors, the Executive Committee, the president and CEO, directors, executive officers, general managers, and other individuals is clearly defined in regulations for divisions of authority and approval procedures.

#### **Supplementary Principle 4.1.3 Succession Plan for CEO and Other Top Executives**

Candidates for director and other management positions are selected by the Board of Directors after consulting with and receiving input from the Nomination and Compensation Committee in relation to matters such as the skills required to implement the Company's management strategies. In addition, the Board of Directors makes decisions regarding the nomination of director candidates, the appointment and dismissal of directors and executive officers with additional titles, and the appointment and dismissal of executive officers as well as the delegation of authority to these officers. These decisions are made based on input from the Nomination and Compensation Committee. Audit & Supervisory Board member candidates are nominated by the Board of Directors after receiving consent from the Audit & Supervisory Board.

Succession plans for the president and CEO are formulated through ongoing discussion by the Nomination and Compensation Committee to ensure that these plans account for factors such as the Company's medium-term management policies, the progress of its strategies, and changes to its operating environment. Candidates for the position of president and CEO may be chosen from within management or from outside of the Company and should be individuals judged to possess a strong track record combined with superior management decision-making capabilities. These capabilities are to be assessed based on consideration of factors such as the strength of their leadership, the level of passion they devote to exercising MEDIA DO's corporate philosophy, their reputation inside and outside of the Company, their pursuit of innovation, and their personality and popularity. The final decision regarding the successor to the president and CEO will be made by the Board of Directors, selecting the most suited individual from among the candidates and with consideration paid to input from the Nomination and Compensation Committee.

#### **Principle 4.9 Independence Standards and Qualification for Independent Directors**

Candidates for positions as outside directors to be designated as independent directors are selected after assessing their risks of representing conflicts of interest with general shareholders based on the conditions surrounding the Company. The standards defined by the Companies Act of Japan and the Tokyo Stock Exchange form the basis for these decisions.

When appointing outside directors to be designated as independent directors, the Company selects candidates that understand its business philosophy and that are expected to be able to offer objective input on its management policies and corporate strategies based on their specialized insight and experience.

#### **Supplementary Principle 4.10.1 Nomination and Compensation Committee**

The Nomination and Compensation Committee, which is comprised of a majority of outside directors designated as independent directors, has been established as a body independent from the Board of Directors that is responsible for

examining important matters related to the nomination and compensation of directors and members of management. For details, please refer to “Has committees equivalent to nominating committee or compensation committee” under “Board of Directors” in “1. Organizational Structures and Operation” under “II. System of Business Management Organization for Management Decision-Making, Operational Execution, and Auditing and Other Corporate Governance Systems” below.

#### **Supplementary Principle 4.11.1 Policy Regarding Balance of Business Knowledge, Experience, and Skills; Diversity; and Size of the Board of Directors**

The articles of incorporation stipulate that the Board of Directors should comprise eight or less directors and that the Company should have four or less Audit & Supervisory Board members. Within this scope, the Company’s basic policy is to choose the membership of the Board of Directors that is deemed ideal while considering the balance of business knowledge, experience, and skills of members as well as their gender, nationality, age, and other diversity aspects. From the perspectives of objectivity and transparency, candidates for positions as directors are selected by the Board of Directors after consulting with the Nomination and Compensation Committee and receiving reports on the discussions and evaluations of this committee. Evaluations and decisions regarding director candidates are carried out with comprehensive consideration paid to their experience, insight, and specialties based on MEDIA DO’s business philosophy and management strategies. In selecting candidates for positions as outside directors and outside Audit & Supervisory Board members, the Company seeks individuals that fulfill the requirements for outside directors and outside auditors stipulated by the Companies Act of Japan and for independent directors and independent auditors put forth by the Tokyo Stock Exchange. Moreover, these individuals must not present the risk of conflicts of interest with general shareholders.

A skill matrix has been prepared detailing the business knowledge, experience, and skills required of directors and Audit & Supervisory Board members based on the Company’s management strategies. This matrix can be found in the notice of convocation for the General Meeting of Shareholders ([https://ssl4.eir-parts.net/doc/3678/ir\\_material\\_for\\_fiscal\\_ym2/154511/00.pdf](https://ssl4.eir-parts.net/doc/3678/ir_material_for_fiscal_ym2/154511/00.pdf)) on the Company’s corporate website (<https://mediado.jp/english/ir/sustainability/governance/>).

#### **Supplementary Principle 4.11.2 Concurrent Positions Held by Directors and Audit & Supervisory Board Members**

Some outside directors and outside Audit & Supervisory Board members hold concurrent positions at other companies. However, it has been judged that these officers are still able to devote the necessary time and effort to performing their roles and duties as outside directors and outside Audit & Supervisory Board members of the Company despite these concurrent responsibilities.

Internal directors and standing Audit & Supervisory Board members do not concurrently serve as full-time officers of other listed companies and are therefore able to dedicate their attention fully to their positions at the Company.

Information on major concurrent positions at other companies held by outside directors and outside Audit & Supervisory Board members can be found in the Company’s notices of convocation for general meetings of shareholders and in its annual securities reports.

#### **Supplementary Principle 4.11.3 Evaluation and Analysis of the Effectiveness of the Board of Directors**

Self-evaluations and analyses of the effectiveness of the Board of Directors are performed for the purpose of improving the functionality of the Board of Directors and subsequently the corporate value of the Company. Advice from third-party institutions has been received in performing the self-evaluations and analyses, which were performed through the following procedures.

In March 2023, questionnaires were issued to all directors and Audit & Supervisory Board members on the Board of Directors. Responses were submitted directly to the contracted third-party institution to maintain anonymity, and the institution submitted a report aggregating these responses. This report was analyzed, discussed, and evaluated at the regular meeting of the Board of Directors held in May 2023. The findings of this review process were as follows.

The responses to the questionnaires indicated that effective discussion is being conducted by the Board of Directors regarding the objectivity, timeliness, and transparency of procedures related to the appointment, dismissal, and non-reappointment of the president and CEO and other officers. In addition, it was determined that suitable systems have been put in place to provide the information necessary for the exercise of duties by directors and Audit & Supervisory

Board members and that a sufficient staff has been assembled to aid in these activities. It was also verified that appropriate agendas are set that are consistent with management strategy, corporate value, and stakeholder interests. These findings represented improvements in comparison to the previous evaluation of the effectiveness of the Board of Directors, and the overall evaluation was generally positive. Based on this general positive evaluation, it has been determined that the Board of Directors is effective overall. Conversely, we also shared issues to stimulate discussion at future Board of Directors, such as securing time for ongoing discussions on medium to long term management strategies and plans with conscious of profitability and capital efficiency, follow-up on the progress of management plans, and continued evaluation and response to the optimization of business portfolios.

Based on this evaluation of the effectiveness of the Board of Directors, swift action will be taken after sufficient discussion of the identified issues to continuously heighten the functionality of the Board of Directors.

#### **Supplementary Principle 4.14.2 Director and Audit & Supervisory Board Member Training Policies**

Newly appointed directors are provided with explanations on MEDIA DO's mission, vision, operating environment, businesses, and other basic and external matters pertaining to the Company, and they are encouraged to proactively take part in external seminars and join external organizations in order to acquire the knowledge necessary for carrying out their duties and to update their understanding with the latest insight and to thereby improve their overall knowledge and skills.

Audit & Supervisory Board members are encouraged to participate in seminars arranged by the Japan Audit & Supervisory Board Members Association and in other venues to receive the training necessary for performing their duties.

Outside directors and outside Audit & Supervisory Board members participate in Companywide training sessions held twice a year and are provided with other opportunities to acquire the necessary knowledge pertaining to the Company's business, organization, and finances.

#### **Principle 5.1 Policy for Constructive Dialogue with Shareholders**

MEDIA DO seeks to foster trusting relationships with shareholders and to increase the transparency of its activities through information disclosure and engagement in pursuit of ongoing growth and medium- to long-term improvements in corporate value.

The Company promotes constructive dialogue with shareholders through the following frameworks and initiatives.

1. Constructive dialogue with shareholders and other investors is spearheaded by the director responsible for investor relations activities (the director who serves as Vice President and CFO).
2. The Corporate Planning Department, Finance/IR Section is assigned responsibility for investor relations activities to serve as an internal venue for facilitating engagement. This department works closely with other relevant divisions to advance dialogues and build relationships with shareholders and other investors.
3. President and CEO, Vice President and CFO and Subsidiary Finance/IR Section will hold individual meetings with shareholders, small meetings, and conference calls with overseas investors in addition to quarterly financial results briefings. Moreover, the division will actively create opportunities for direct dialogue with shareholders through periodic domestic and overseas road shows, participation in conferences sponsored by securities firms.
4. For private investors, ongoing enhancements are made to MEDIA DO's corporate website to offer a better understanding of the Company's business activities and initiatives. Proactive information disclosure is also practiced through MEDIA DO's integrated reports, shareholder newsletters, and other publications.
5. Reports are submitted to the Board of Directors regarding the findings of surveys by external firms on the status of the Company's shareholder base and on other matters. The Board of Directors is also informed about the opinions and concerns of shareholders gathered during engagement activities.
6. Insider information is managed rigorously based on the Company's insider trading management regulations, and regular workshops are held to inform officers and employees about this subject.

Materials and videos from financial results briefings are made available on the Company's corporate website and English-language versions of these materials, financial results summaries, integrated reports, and shareholder newsletters are provided.

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

The Company will conduct analysis of the current situation, including an understanding of the cost of capital, and promote business and investor relations activities with conscious of ROE and PER. In addition to improving the profitability of both the eBook Distribution Business and the Strategic Investment Businesses, the Company will further promote the optimization of management resource allocation by tightening the management of business portfolio review. Specifically, we will raise the ROIC standard for business portfolio review from 7% to 8%, and will consider pivots, management changes, sales, or withdrawal from businesses and subsidiaries that are expected to fall below 8% ROIC. We will consider disclosing more specific plans and initiatives in the future.



## 2. Capital Structure

Ratio of shares held by foreign institutions and individuals

More than 10%, less than 20%

### Major Shareholders (Updated)

Name	Number of shares	Percentage of total shares issued (%)
Yasushi Fujita	2,468,068	16.31
FIBC Co., Ltd.	1,731,700	11.45
The Master Trust Bank of Japan, Ltd. (Trust Account)	906,800	5.99
Custody Bank of Japan, Ltd. (Trust Account)	716,600	4.74
SHOGAKUKAN Inc.	564,800	3.73
KODANSHA LTD.	544,000	3.60
TOHAN CORPORATION	489,649	3.24
Credit Saison Co., Ltd.	466,000	3.08
HIKARI TSUSHIN, INC.	446,600	2.95
Shueisha Inc.	440,000	2.93

Has controlling shareholders (excluding parent company)

No

Has parent company

No

Supplementary Information

### 3. Company Details (Updated)

Stock exchange, section	Tokyo Stock Exchange, Prime Market
Fiscal year-end	February 28/29
Industry	Information & Communication
Number of employees at end of previous fiscal year (consolidated)	More than 500, less than 1,000
Net sales in previous fiscal year (consolidated)	More than ¥10 billion, less than ¥100 billion
Number of consolidated subsidiaries at end of previous fiscal year	More than 10, less than 50

### 4. Guidelines for Measures to Protect Minority Shareholders in the Event of Transactions with Controlling Shareholders

### 5. Other Conditions That May Materially Affect Corporate Governance

N/A

## II. System of Business Management Organization for Management Decision-Making, Operational Execution, and Auditing and Other Corporate Governance Systems

### 1. Organizational Structures and Operation (Updated)

Organizational structure	Company with Board of Company Auditors
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#### Board of Directors

Number of directors pursuant to articles of incorporation	8
Term of directors pursuant to articles of incorporation	1 year
Chairman of Board of Directors	President and CEO
Number of directors	7
Has outside directors	Yes
Number of outside directors	3

Number of outside directors who are also independent directors

3

Relationship between Outside Directors and the Company (1) (Updated)

Name	Association	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Ayako Kanamaru	Lawyer								△			
Haruo Miyagi	Other											
Junko Mokuno	Comes from other company											

\* Multiple choice items regarding relationship with the Company

\* ○ indicates that the individual is now or was recently applicable under the item.

△ indicates that the individual was applicable under the item in the past.

\* ● indicates that a close relative of the individual is now or was recently applicable under the item.

▲ indicates that a close relative of the individual was applicable under the item in the past.

a. A person involved in operation of the Company, its subsidiaries, or its affiliates

b. A person involved in operation or a non-executive director of the parent company of the Company

c. A person involved in operation of a subsidiary of the parent company of the Company

d. An entity or a person involved in operation of an entity that has a significant business relationship with the Company

e. An entity or a person involved in operation of an entity with which the Company has a significant business relationship

f. A consultant, an accounting specialist, or a legal specialist receiving large amounts of monetary payments or other financial assets from the Company, its subsidiaries, or its affiliates that are separate from the compensation paid for services as a director or an Audit & Supervisory Board member

g. A major shareholder of the Company or a person involved in operation of an entity that is a major shareholder of the Company

h. A person involved in operation of an entity with which the Company has a significant business relationship who does not qualify under d., e., or f. above (only applies to individual in question)

i. A person involved in operation of an entity at which a person involved in operation of the Company, its subsidiaries, or its affiliates serves as an outside director or an Audit & Supervisory Board member (only applies to individual in question)

j. A person involved in operation of an entity that receives large amounts of donations from the Company, its subsidiaries, or its affiliates (only applies to individual in question)

k. Other

Relationship between Outside Directors and the Company (2) (Updated)

Name	Independent director	Supplementary information regarding status of independence	Reason for appointment
Ayako Kanamaru	○	<p>Ayako Kanamaru is a partner lawyer at OH-EBASHI LPC &amp; PARTNERS, with which the Company concluded a legal consultant contract over the period from January 2003 to February 2017. Currently, there is no transactional relation between the Company and OH-EBASHI LPC &amp; PARTNERS. Accordingly, it has been judged that this past association will not have an impact on decision-making at the Company and that she does not present the risk of conflicts of interest with general shareholders.</p>	<p>As a lawyer, Ayako Kanamaru has extensive experience and expert knowledge related to general corporate legal affairs encompassing international transactions, internal controls, and corporate governance. The Company anticipates that her knowledge and experience will be an asset in fields centered on risk management and governance domains. Furthermore, notification has been submitted to the Tokyo Stock Exchange designating her as an independent director. This decision was made based on the judgment that she fulfilled the criteria for designation as an independent director stipulated by the Tokyo Stock Exchange and that she does not present the risk of conflicts of interest with general shareholders.</p>
Haruo Miyagi	○	———	<p>As the representative director of an NPO tasked with cultivating future entrepreneurial leaders, Haruo Miyagi has extensive experience and insight related to supporting businesses and organizational management in a wide range of fields. The Company anticipates that his experience and insight will be an asset in bolstering its business development and organizational management functions. Furthermore, notification has been submitted to the Tokyo Stock Exchange designating him as an independent director. This decision was made based on the judgment that he fulfilled the criteria for designation as an independent director stipulated by the Tokyo Stock Exchange and that he does not present the risk of conflicts of interest with general shareholders.</p>

Junko Mokuno	○	-----	<p>Junko Mokuno has extensive experience and insight related to e-commerce and digital marketing strategy formulation and business operation at a diverse range of companies in content and other industries. The Company anticipates that her experience and insight will be an asset in advancing Group businesses and in strengthening branding and marketing activities.</p> <p>Furthermore, the Company intends to submit notification to the Tokyo Stock Exchange designating her as an independent director following the receipt of approval at the General Meeting of Shareholders scheduled to be held on May 25, 2023. This decision was made based on the judgment that she fulfilled the criteria for designation as an independent director stipulated by the Tokyo Stock Exchange and that she does not present the risk of conflicts of interest with general shareholders.</p>
Has committees equivalent to nominating committee or compensation committee			Yes

Voluntary Committees, Membership, and Chairperson (Updated)

	Name	Total members	Internal officers	Internal directors	Outside directors	External experts	Other members	Chairperson
Voluntary committee equivalent to nominating committee	Nominati on and Compensation Co mmittee	5	0	2	3	0	0	Outside director
Voluntary committee equivalent to compensation committee	Nominati on and Compensation Co mmittee	5	0	2	3	0	0	Outside director

### Supplementary Information (Updated)

On June 1, 2021, the Company established the Nomination and Compensation Committee as a voluntary advisory body to the Board of Directors for the purpose of reinforcing its corporate governance system by heightening the transparency and objectivity of decisions regarding the nomination and compensation of directors. The committee is to be comprised of three or more directors, including the representative director, appointed via resolution of the Board of Directors, a majority of which should be outside directors designated as independent directors. The chairperson of this committee shall be selected from among the members who are outside directors designated as independent directors based on a majority vote by members. As an advisory body to the Board of Directors, the Nomination and Compensation Committee reports to the Board of Directors on its examinations and deliberations pertaining to matters such as the nomination of director candidates, the appointment and dismissal of directors and executive officers, policies and procedures related to the compensation of directors and executive officers, and succession plans for the president and CEO. The committee is currently membered by five directors: Ayako Kanamaru, outside director designated as independent director and chairperson (tentative); Haruo Miyagi, outside director designated as independent director; Junko Mokuno, outside director to be designated as independent director; Yasushi Fujita, President and CEO, and Hiroshi Kanda, Vice President and CFO.

In the fiscal year ended February 28, 2024, the Nomination and Compensation Committee met three times.

### Audit & Supervisory Board (Updated)

Has Audit & Supervisory Board	Yes
Number of Audit & Supervisory Board members pursuant to articles of incorporation	4
Number of Audit & Supervisory Board members	4

### Coordination between Audit & Supervisory Board Members, Accounting Auditor, and Internal Auditing Organizations (Updated)

At the Company, the Audit & Supervisory Board, Internal Audit Office, and accounting auditor maintain independence from one another while also coordinating to improve the effectiveness and overall quality of audits.

Audit & Supervisory Board members and the accounting auditor share information regarding the results of on-site accounting audits by the accounting auditor and of business audits to increase the effectiveness and efficiency of audits.

Audit & Supervisory Board members meet with members of the Internal Audit Office when necessary to ensure effective audits.

Meetings are held between the accounting auditor and members of the Internal Audit Office as necessary to share information and opinions for the purpose of improving the overall quality of audits.

Has outside Audit & Supervisory Board members	Yes
Number of outside Audit & Supervisory Board members	3
Number of outside Audit & Supervisory Board members who are also independent auditors	3

Relationship between Outside Audit & Supervisory Board Members and the Company (1) (Updated)

Name	Association	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Toshiaki Morifuji	Certified public accountant													
Tsuyoshi Shiina	Lawyer													
Makoto Nakajima	Comes from other company													

\* Multiple choice items regarding relationship with the Company

\* ○ indicates that the individual is now or was recently applicable under the item.

△ indicates that the individual was applicable under the item in the past.

\* ● indicates that a close relative of the individual is now or was recently applicable under the item.

▲ indicates that a close relative of the individual was applicable under the item in the past.

a. A person involved in operation of the Company, its subsidiaries, or its affiliates

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

c. A person involved in operation or a non-executive director of the parent company of the Company

d. An Audit & Supervisory Board member of the parent company of the Company

e. A person involved in operation of a subsidiary of the parent company of the Company

f. An entity or a person involved in operation of an entity that has a significant business relationship with the Company

g. An entity or a person involved in operation of an entity with which the Company has a significant business relationship

h. A consultant, an accounting specialist, or a legal specialist receiving large amounts of monetary payments or other financial assets from the Company, its subsidiaries, or its affiliates that are separate from the compensation paid for services as a director or an Audit & Supervisory Board member

i. A major shareholder of the Company or a person involved in operation of an entity that is a major shareholder of the Company

j. A person involved in operation of an entity with which the Company has a significant business relationship who does not qualify under f., g., or h. above (only applies to individual in question)

k. A person involved in operation of an entity at which a person involved in operation of the Company, its subsidiaries, or its affiliates serves as an outside director or an Audit & Supervisory Board member (only applies to individual in question)

l. A person involved in operation of an entity that receives large amounts of donations from the Company, its subsidiaries, or its affiliates (only applies to individual in question)

m. Other

Relationship between Outside Audit & Supervisory Board Members and the Company (2) (Updated)

Name	Independent auditor	Supplementary information regarding status of independence	Reason for appointment
Toshiaki Morifuji	○	<p>Toshiaki Morifuji was previously employed by KPMG AZSA LLC, the Company's accounting auditor, but he resigned from this position in June 2009. Accordingly, it has been judged that this past association will not have an impact on decision-making at the Company and that he does not present the risk of conflicts of interest with general shareholders.</p>	<p>Toshiaki Morifuji possesses specialized insight as a certified public accountant. He was therefore judged capable of appropriately performing the duties of an outside Audit &amp; Supervisory Board member. He was appointed to the position of outside Audit &amp; Supervisory Board member so that his specialized insight can be utilized in strengthening the auditing system of the Company. Furthermore, notification has been submitted to the Tokyo Stock Exchange designating him as an independent auditor. This decision was made based on the judgment that he fulfilled the criteria for designation as an independent auditor stipulated by the Tokyo Stock Exchange and that he does not present the risk of conflicts of interest with general shareholders.</p>
Tsuyoshi Shiina	○	-----	<p>Tsuyoshi Shiina possesses experience as a lawyer and a tax accountant, as a member of the National Diet of Japan Fukushima Nuclear Accident Independent Investigation Commission, and as a member of the House of Representatives of Japan. He therefore has a wealth of specialized insight pertaining to corporate governance and crisis management, and he was thus judged capable of appropriately performing the duties of an outside Audit &amp; Supervisory Board member. He was appointed to the position of outside Audit &amp; Supervisory Board member so that his specialized insight can be utilized in strengthening the auditing system of the Company. Furthermore, notification has been submitted to the Tokyo Stock Exchange designating him as an independent auditor. This decision was made based on the judgment that he fulfilled the criteria for designation as an independent auditor stipulated by the Tokyo Stock Exchange and that he does not present the risk of conflicts of interest with general shareholders.</p>



Makoto Nakajima	○	-----	<p>Makoto Nakajima possesses experience as an administrative official of the Ministry of Land, Infrastructure and Transport, as a certified public accountant, and as the head of the internal auditing division of a listed company. She therefore has a wealth of specialized insight pertaining to corporate governance, risk management, and accounting, and he was thus judged capable of appropriately performing the duties of an outside Audit &amp; Supervisory Board member. She was appointed to the position of outside Audit &amp; Supervisory Board member so that his specialized insight can be utilized in strengthening the auditing system of the Company.</p> <p>Furthermore, the Company intends to submit notification to the Tokyo Stock Exchange designating her as an independent auditor following the receipt of approval at the General Meeting of Shareholders scheduled to be held on May 25, 2023. This decision was made based on the judgment that he fulfilled the criteria for designation as an independent auditor stipulated by the Tokyo Stock Exchange and that he does not present the risk of conflicts of interest with general shareholders.</p>
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#### Independent Directors and Auditors (Updated)

Number of independent directors and auditors	6
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Other Matters Regarding Independent Directors and Auditors

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## Incentive Systems (Updated)

Incentives provided to directors	Stock option system, etc.
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### Supplementary Information (Updated)

Based on a resolution approved at the 19th Annual General Meeting of Shareholders held on May 30, 2018, a restricted stock compensation system was introduced to provide incentive for achieving medium to long term improvements in corporate value and shareholder value and to better encourage directors to share the value of shareholders.

Individuals able to receive stock options	Internal directors and employees of the Company; directors and employees of subsidiaries; etc.
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### Supplementary Information

The Company's stock option systems were abolished in May 2018, but some applicable officers still hold unexercised stock options that have already been issued.

## Director Compensation

Disclosure of compensation of individual directors	Compensation of individual directors not disclosed
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### Supplementary Information

In the fiscal year ended February 28, 2021, no one individual received total compensation exceeding ¥100 million. Accordingly, individual compensation amounts are not disclosed.

Compensation amounts are disclosed in the form of totals for compensation paid to directors and to Audit & Supervisory Board members.

Has policies for deciding compensation amounts and calculation methods	Yes
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### Disclosed Policies for Deciding Compensation Amounts and Calculation Methods

Individual amounts of compensation paid to directors are decided based on the following policies:

#### 1. Basic Policies

- Compensation systems for directors should be designed to generate strong motivation to pursue ongoing improvements in corporate value.
- Compensation systems should also incorporate objective and transparent procedures founded on principles of accountability toward shareholders and other stakeholders.
- Compensation amounts should be set appropriately based on the roles and responsibility of each individual director.

#### 2. Types of Compensation

- Compensation for directors is comprised of fixed compensation and of compensation linked to the performance of the Company (performance-linked compensation).
- For executive directors, fixed compensation is comprised of monetary compensation and stock compensation while performance-linked compensation is paid in the form of monetary compensation.

- Compensation for outside directors consists of only fixed monetary compensation out of consideration for the oversight functions and independence of outside directors.

### 3. Policies for Determining Individual Amounts of Fixed Compensation (including policies regarding payment timings and conditions)

- Fixed monetary compensation shall be determined based on the roles and responsibilities of individuals (with consideration paid to the salaries of employees who are not directors). Fixed compensation for executive directors will also be influenced by comprehensive evaluations of individual performance in the preceding fiscal year as well as individual performance targets (commitments) set for the given fiscal year.
- The issuance of stock compensation as part of fixed compensation shall be conducted in accordance with 5. below.
- Fixed monetary compensation will be paid each month of an individual's tenure as a director and fixed stock compensation will be paid at a predetermined timing each year.

### 4. Policies for Determining Performance Indicators and Amounts for Performance-Linked Compensation (including policies regarding payment timings and conditions)

- The indicators used for calculating performance-linked compensation shall be consolidated net sales and operating profit in order to emphasize profitability and growth potential.
- Amounts of performance-linked compensation paid to individuals are to be determined with due consideration paid to the degree of each individual's contributions to the accomplishment of targets for the defined indicators in the given fiscal year. Performance-linked payment amounts may be subject to downward adjustments in fiscal years in which performance fails to reach the defined targets.
- Performance-linked compensation shall be paid each month of an individual's tenure as a director.

### 5. Types of Non-Monetary Compensation and Policies for Determining Amounts and Calculation Methods of Non-Monetary Compensation

- Stock compensation shall be allocated to individuals in amounts determined based on a comprehensive evaluation of each individual's contribution to the accomplishment of ESG and other qualitative goals set from the perspectives of ongoing growth and medium- to long-term improvements in corporate value.
- Stock compensation shall be issued through a restricted stock compensation system in which shares of common stock of the Company are allocated to applicable directors entirely in the form of in-kind contributions of monetary compensation claims. The allocated shares of stock will be subject to transfer restrictions imposed over a period of two to five years set by the Board of Directors.

### 6. Policies for Determining Ratios of Compensation by Type

- The ratios of compensation by type for executive directors shall be set as follows.

Fixed compensation

Monetary: Approx. 70%

Stock: Approx. 20%

Performance-linked compensation

Monetary: Approx. 10%

- Compensation for outside directors shall be comprised entirely of fixed monetary compensation.

### 7. Policies for Determining Individual Director Compensation

- The Board of Directors shall consult and receive reports from the Nomination and Compensation Committee with regard to the amounts of compensation to be paid to individual directors.
- Via resolution of the Board of Directors, the authority for determining the amounts of compensation (excluding stock compensation) to be paid to individual directors shall be delegated to the representative director. The representative director is to make decisions with due consideration paid to the advice of the Nomination and Compensation Committee.

- Amounts of stock compensation issued to individual directors are to be determined via resolution by the Board of Directors with due consideration paid to the advice of the Nomination and Compensation Committee.

#### 8. Nomination and Compensation Committee

- The Nomination and Compensation Committee shall be comprised of three or more directors, including the representative director, appointed via resolution of the Board of Directors, a majority of which should be outside directors designated as independent directors. The chairperson of this committee shall be selected from among the members who are outside directors designated as independent directors based on a majority vote by members.
- Resolutions by the Nomination and Compensation Committee shall be made based on a majority vote by members present at committee meetings attended by at least half of the members eligible to vote on the given proposal.

#### **Support Systems for Outside Directors and Outside Audit & Supervisory Board Members (Updated)**

The Corporate Planning Department serves as the venue through which outside directors and outside Audit & Supervisory Board members can receive support, and this office is thus responsible for informing these officers of meetings of the Board of Directors and providing pre-meeting briefings on items to be put to resolution. Outside directors and outside Audit & Supervisory Board members attend meetings of the Board of Directors at which documents on agenda items and other related materials are distributed. At MEDIA DO, all important matters are raised to or reported to the Board of Directors, and all outside directors and outside Audit & Supervisory Board members are informed about these items accordingly. In addition, meetings are held among these outside directors and outside Audit & Supervisory Board members as necessary to facilitate coordination with independent directors and independent auditors to promote exchanges of information and shared recognition building based on their independent and objective perspectives. Through these support systems for outside directors and outside Audit & Supervisory Board members, frameworks are prepared for communication and coordination between senior management and outside directors designated as independent directors and coordination with Audit & Supervisory Board members and the Audit & Supervisory Board.

#### **2. Matters Concerning Operational Execution, Audits, Supervision, Nomination, Compensation, and Other Functions (Overview of Current Corporate Governance System) (Updated)**

The following systems are in place to facilitate operational execution, audits, and supervision.

##### 1. Board of Directors

The Board of Directors, which comprises seven directors, three of which are outside directors, is the Company's highest management decision-making body. Based on the internal regulations for the Board of Directors, the Board of Directors makes decisions on important matters (management policies, business plans, acquisition, and disposal of important assets, etc.) and supervises the status of operational execution. Regular meetings of the Board of Directors are held once a month, in principle, and special meetings are convened as necessary.

##### 2. Audit & Supervisory Board

The Audit & Supervisory Board comprises two standing Audit & Supervisory Board members and two Audit & Supervisory Board members. These Audit & Supervisory Board members attend meetings of the Board of Directors to maintain an understanding of conditions within the Company and perform audits of operations along with accounting audits by interviewing directors and reviewing relevant documents. The standing Audit & Supervisory Board members also attend important meetings other than those of the Board of Directors to provide for sufficient oversight of the status of operational execution by directors. The Audit & Supervisory Board meets more than once a month. At meetings, the four Audit & Supervisory Board members establish audit plans and review the status of audit implementation and audit results and perform other tasks to ensure effective and efficient audits.

Moreover, information is shared between Audit & Supervisory Board members, the Internal Audit Office, and the accounting auditor to ensure efficient and synergetic audit.

##### 3. Nomination and Compensation Committee

The Nomination and Compensation Committee shall be comprised of three or more directors, including the representative director, appointed via resolution of the Board of Directors, a majority of which should be outside directors designated as independent directors. The chairperson of this committee shall be selected from among the

members who are outside directors designated as independent directors based on a majority vote by members. These measures will be taken to ensure high levels of independence and transparency. As an advisory body to the Board of Directors, the Nomination and Compensation Committee reports to the Board of Directors on its examinations and deliberations pertaining to matters such as the nomination of director candidates, the appointment and dismissal of directors and executive officers, policies and procedures related to the compensation of directors and executive officers, and succession plans for the president and CEO.

#### 4. Internal Audit Office

The Internal Audit Office is an organization under the direct jurisdiction of the Board of Directors. This organization performs internal audits in accordance with the associated plans and thereby audits the Company's business activities while supervising the actions of directors and employees from the perspective of legal compliance. The findings of such activities are reported directly to the Board of Directors and the Audit & Supervisory Board. Any requests for improvements issued as part of these audits are submitted directly to the respective divisions and Group companies via the Board of Directors to drive the necessary improvements.

#### 5. Executive Committee

The Executive Committee comprises four internal directors and two standing Audit & Supervisory Board members. This committee meets once a week, in principle, primarily to discuss matters pertaining to business operation and to facilitate efficient operational execution through the examination and decision of matters pertaining to regulations for divisions of authority and basic operational execution items related to management that are not decided by the Board of Directors.

#### 6. Sustainability Committee

The Sustainability Committee is chaired by Vice President and CFO and membered by oversight representatives that divisions have defined to clarify responsibility for managing risks and opportunities and is tasked with guiding the evolution of MEDIA DO into a more sustainable organization and company. Positioned beneath the Board of Directors, this committee reports to the Board of Directors on the findings of its discussions when appropriate. Meetings are held as necessary (once a quarter, in principle) as the committee seeks to identify, manage, and oversee business opportunities and risks based on a broad definition of risk management incorporating the perspectives of social expectations related to such matters as ESG and the UN SDGs. This approach is taken to facilitate management and strategy implementation based on MEDIA DO's mission and vision.

#### 7. Lawyers, Accounting Auditor, etc.

Lawyers and the accounting auditor are involved in the corporate governance system in so much as legal advisors are consulted regarding important legal matters while the accounting auditor is consulted regarding important accounting matters. In this manner, the Company seeks to formulate effective measures for addressing such matters.

Currently, the Company has concluded consultant contracts with Mori Hamada & Matsumoto and OMM LAW OFFICE, and it is therefore able to receive legal advice through consultations regarding legal issues.

The Company contracts accounting auditor Avantia GP to perform audits of finance and accounting activities based on Article 193-2 (1) of the Financial Instruments and Exchange Act of Japan. This provision ensures compliance regarding financial reporting by enabling the Company to receive pertinent advice in relation to important accounting issues.

### **3. Reason for Selecting Current Corporate Governance System (Updated)**

The Company has selected the Company with Board of Company Auditors structure described in the Companies Act of Japan for its organizational structure as this structure provides for two lines of checks on operational execution through supervision by the Board of Directors and audits from the perspectives of legal compliance and appropriateness by the Audit & Supervisory Board. Under the Company's current corporate governance system, all outside Audit & Supervisory Board members have been designated as independent auditors as stipulated by the Tokyo Stock Exchange, while the three outside directors are designated as independent directors.

This composition makes it possible for outside Audit & Supervisory Board members to audit the operational execution of directors with operational execution functions (executive directors) from the perspectives of legal compliance and appropriateness. Similarly, outside directors can exert influence on executive directors through the supervision of their

exercise of voting rights at meetings of the Board of Directors and the appropriateness of these decisions. With all officers performing their functions in this manner, the Company is working to protect the interests of general shareholders. Furthermore, the Nomination and Compensation Committee was voluntarily established in June 2021 to facilitate the improvement of management transparency and impartiality, to strengthen the oversight function of the Board of Directors, and to expedite the execution of decisions. In addition, the Sustainability Committee was established in June 2022 to help build upon integrated Companywide risk management activities while enhancing sustainability management initiatives. Going forward, the Company will continue working to increase corporate value through the exercise of its corporate philosophy and the improvement of the effectiveness of its corporate governance systems.

### **III. Initiatives Concerning Shareholders and Other Stakeholders**

#### **1. Measures to Ensure Interactive General Meetings of Shareholders and the Smooth Exercise of Voting Rights**

Supplementary information	
Early dispatch of notices of convocation of general meetings of shareholders	Notices of convocation of general meetings of shareholders are dispatched prior to the legally mandated date. In addition, notices of convocation of general meetings of shareholders are made available on the Company's corporate website prior to the dispatch of physical notices.
Avoidance of dates with high concentrations of shareholder meetings	The fiscal year-end of the Company is February 28/29, and its annual general meetings of shareholders are thus generally held in May. This month does not usually see high concentrations of shareholder meetings, but dates are selected to ensure that the largest number of shareholders can attend nonetheless.
Electronic methods of exercising voting rights	Electronic methods of exercising voting rights were introduced at the 17th Annual General Meeting of Shareholders held on May 25, 2016.
Participation in platforms for electronic voting rights exercise and other initiatives to enhance voting rights exercise options for institutional investors	The Company uses the platform for electronic voting rights exercise offered by ICJ, Inc.
Provision of abbreviated English-language notices of convocation of general meetings of shareholders	Beginning with the 21st Annual General Meeting of Shareholders held on May 28, 2020, the Company has been preparing English-language notices of convocation of general meetings of shareholders to facilitate more constructive dialogue with shareholders and to respond to the increased representation of overseas institutional investors among the Company's shareholder base. These English-language notices are made available on the Company's corporate website prior to the dispatch of physical notices.

Other measures	Notices of convocation of general meetings of shareholders are made available on the Company's corporate website prior to the dispatch of physical notices.
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## 2. Investor Relations Activities (Updated)

	Supplementary information	Explanations are provided directly from Company representative
Preparation and disclosure of disclosure policies	The Company has prepared a disclosure policy and made it available on its corporate website ( <a href="https://mediado.jp/english/ir/information/disclosure/">https://mediado.jp/english/ir/information/disclosure/</a> ).	
Regular explanatory forums for individual investors	Regular explanatory forums for individual investors and participation in investor relations conferences would take place under normal circumstances. However, such activities were foregone in the fiscal year ended February 28, 2023, due to the COVID-19 pandemic.	Yes
Regular explanatory forums for analysts and institutional investors	Regular explanatory forums about the Company for analysts and institutional investors on financial results are held quarterly, in principle, and briefings on performance and management strategies are also arranged.	Yes
Regular explanatory forums for overseas investors	Representatives from the Company participate in small meetings and conferences organized by securities companies, and remote meetings for overseas investors are held on a quarterly basis. The Company is also receptive to requests for individual meetings and will arrange these meetings through the most appropriate and effective venue given the specific circumstances. Such venues may include face-to-face meetings or remote meetings via telephone or the internet.	Yes
Investor relations materials provided via corporate website	An investor relations section has been established on the Company's corporate website. Financial results summaries, annual securities reports, quarterly reports, integrated reports, and other disclosure materials are posted on this section of the	

	corporate website in a timely manner (some information is available in Japanese only).	
Division (representative) responsible for investor relations	The Corporate Planning Department, Finance/IR Section is responsible for investor relations.	

### 3. Activities Concerning Respect for Stakeholders' Positions

Supplementary information	
Internal regulations regarding respect for the interests of stakeholders	MEDIA DO aspires to maintain appropriate relationships with all stakeholders, including employees, customers, business partners, creditors, and local communities, and to respect the interests of these parties while engaging in sound and ethical business activities. To guide us in this endeavor, the Company has established a set of values that serves as a code of conduct defining the principles and stances to be emphasized by everyone working within the MEDIA DO Group.
Policies regarding provision of information to stakeholders	The MEDIA DO Basic Corporate Governance Policy contains policies regarding information disclosure. Timely, appropriate, and proactive disclosure of important information on corporate activities is practiced facilitating accurate understanding and evaluation of the Company by shareholders, investors, business partners (creators, publishers, eBook distributors, etc.), officers, employees, and all other stakeholders.

## IV. Internal Control Systems (Updated)

### 1. Basic Policies for Internal Control Systems and Implementation Status

1. System for Ensuring That Directors and Employees Carry Out Their Duties in Accordance with Laws, Regulations, and the Articles of Incorporation

a. The Company has established MEDIA DO's Four Values, a set of principles and stances to be emphasized by MEDIA DO to promote healthy and ethical business activities, and 18 Stances based on those values to ensure that directors and employees of the Company, subsidiaries, and other Group companies act in accordance with laws, regulations, the articles of incorporation, and social norms. Awareness of and adherence to these guidelines is promoted among all Group directors and employees.

b. Regular meetings of the Board of Directors are held once a month, in principle, to make decisions regarding, management policies, legally required items, and other important management matters and to supervise operational execution by directors. In addition, special meetings are held in the event of the occurrence of material issues when necessary.

c. The representative director makes decisions pertaining to the operational execution matters of the Company delegated from the Board of Directors and carries out duties based on related decisions and the resolutions by the Board of Directors.

d. Director's report on the status of operational execution at the Company to the Board of Directors so that the Board of Directors can supervise this operational execution. At the same time, the directors monitor and supervise each other's operational execution.

e. Outside directors designed as independent directors are appointed to represent at least one-third of all directors to guarantee transparency in decisions by the Board of Directors.



f. Audit & Supervisory Board members audit operational execution by directors based on the audit standards and plans formulated by the Audit & Supervisory Board.

g. The Internal Audit Office is an organization under the direct jurisdiction of the Board of Directors that performs regular internal audits of the status of operational execution to ensure compliance with laws, regulations, and the articles of incorporation.

h. Internal whistleblowing systems have been established to facilitate the prevention, swift identification, and rapid and effective resolution of issues.

## 2. System for Retaining and Managing Information Pertaining to Operational Execution by Directors

a. Information pertaining to operational execution by directors is retained and managed in accordance with laws and regulations and internal document management regulations.

b. Directors and Audit & Supervisory Board members can review stored documents at any time.

## 3. Regulations for Controlling Risks of Losses and Other Systems

a. Risk management regulations have been established to define the organizations and individuals responsible for managing specific risks with the potential to impact business activities, and systems for appropriately evaluating and managing these risks are in place.

b. Meetings of the Sustainability Committee are convened as quarterly to enhance measures for preventing and mitigating business risks.

c. In the event of a major accident, natural disaster, scandal, or other management crisis, the Company will act in accordance with the Management Crisis Response Manual by assembling a response headquarters headed by President and CEO and communicating the necessary information inside and outside the Company to furnish swift and accurate responses to the crisis.

## 4. System for Ensuring Effective Operational Execution by Directors

a. The management decision-making and operation oversight functions of the Board of Directors are separated from the operational execution functions of directors and executive officers.

b. Internal regulations have been established for the Board of Directors and officers and for divisions of work responsibility and authority to clarify the duties, authority, and responsibilities of directors.

c. Regular meetings of the Board of Directors are held once a month, in principle, and special meetings are held when necessary.

## 5. System for Ensuring the Appropriateness of Operations by the Conglomerate Comprising the Company, Its Parent Company, and Its Subsidiaries

a. The Company dispatches directors and Audit & Supervisory Board members to Group companies to monitor and supervise operational execution by directors at Group companies. Moreover, the directors of Group companies regularly report to the Board of Directors on the status of operations at their company and of operational execution by directors.

b. Group companies are positioned as extensions of the Company. Accordingly, chains of command, authority, and reporting obligations are established in a manner that incorporates the organizations of Group companies, and management is practiced in a comprehensive, Groupwide manner.

c. Company directors with administrative responsibilities oversee the Groupwide management of risks with the potential to impact the corporate activities of Group companies.

d. The Internal Audit Office conducts internal audits targeting all areas of the Group to ensure appropriateness throughout Group operations.

## 6. Matters Pertaining to Employees Appointed to Assist Audit & Supervisory Board Members Based on Their Request, Their Independence from Directors, and Measures for Ensuring the Effectiveness of Instructions to These Employees

a. When Audit & Supervisory Board members request that employees be appointed to assist them in their duties, the Board of Directors will discuss this matter with the Audit & Supervisory Board members and appoint employees to offer such assistance from among the administrative and internal audit staff.

b. Authority for issuing instructions to employees assigned to assist Audit & Supervisory Board members will rest with Audit & Supervisory Board members regarding the efforts of these employees to assist in auditing duties. These employees will not be subject to instructions from directors and division managers to ensure their independence from directors.

- c. Performance evaluations of employees assigned to assist Audit & Supervisory Board members will be conducted by Audit & Supervisory Board members regarding the efforts of these employees to assist in auditing duties to ensure their independence from directors.
- d. When employees assigned to assist Audit & Supervisory Board members are given concurrent duties at other divisions, they will be expected to prioritize auditing duties.
7. Systems for Reporting to Audit & Supervisory Board Members and for Preventing Disadvantageous Treatment of Report Issuers
- a. Audit & Supervisory Board members attend meetings of the Board of Directors, the Executive Committee, and the Sustainability Committee as well as other important meetings and can request reports on the status of operational execution from directors and employees of the Company and of Group companies.
- b. Should a director or employee of the Company or of a Group company become aware of a legal violation or of an occurrence with the potential to cause severe harm to the Company, they are expected to promptly report this matter to the Audit & Supervisory Board members.
- c. Directors and employees of the Company and of Group companies are expected to promptly respond to requests for reports on the status of operational execution from Audit & Supervisory Board members.
- d. Documents regarding operational execution are made available to Audit & Supervisory Board members to be viewed upon request, and Audit & Supervisory Board members may request reports from directors and employees of the Company and of Group companies.
- e. Reports received through internal whistleblowing systems are to be promptly relayed to Audit & Supervisory Board members when requested by the report issuer or when the information reported will impact the execution of duties by Audit & Supervisory Board members.
- f. Individuals who submit reports to Audit & Supervisory Board members are not to suffer disadvantageous treatment due to their reporting. Work regulations stipulate that disciplinary measures will be enacted should a report issuer suffer disadvantageous treatment or abuse because of reporting.
8. Policy for Handling of Expenses Associated with the Execution of Duties by Audit & Supervisory Board Members
- Audit & Supervisory Board members will be reimbursed for expenses associated with the execution of their duties, except in cases when these expenses are clearly not related to their duties. Such reimbursement will be issued when a request is received from an Audit & Supervisory Board member for the prepayment of or reimbursement for expenses incurred during the execution of their duties as an Audit & Supervisor Board member or of other related duties or for the payment of debts associated with these duties.
9. Other Systems for Ensuring the Effectiveness of Audits by Audit & Supervisory Board Members
- a. In observance of laws and regulations, the Audit & Supervisory Board is to include outside Audit & Supervisory Board members and to ensure impartiality and transparency.
- b. Audit & Supervisory Board members are to regularly exchange opinions with President to build mutual understanding.
- c. Audit & Supervisory Board members are to regularly exchange opinions with Outside Director to build mutual understanding.
- d. Audit & Supervisory Board members are to regularly exchange information with Accounting Auditors and Internal Audit Office to facilitate coordination.
- e. Audit & Supervisory Board members are to regularly exchange information with the auditors of Group companies to facilitate coordination.
- f. Audit & Supervisory Board members may request opinions from lawyers, certified public accountants, and other specialists at the expense of the Company when deemed necessary to perform their auditing duties.
10. Basic Policies and Systems for Non-Association with Antisocial Forces
- a. The Company has a strict policy of non-association with antisocial forces that threaten social order and healthy corporate activities. Employees and directors are expected to reject all associations with antisocial forces and to address illegitimate demands with a resolute, organization-wide response.
- b. The divisions and individuals responsible for ensuring no connections are formed with antisocial forces have been made clear, and these forces are to be addressed through organization-wide responses via coordination with the police and lawyers.
- c. New business partners are investigated to confirm that they have no connections with antisocial forces prior to the commencement of transactions. Transactions will be immediately discontinued if a partner is found to have connections with antisocial forces.

d. Internal regulations (manuals, etc.) have been established clearly detailing measures for addressing antisocial forces, and training and education programs are implemented in this regard to ensure awareness among directors and employees.

## 2. Basic Policies for Non-Association with Antisocial Forces and Implementation Status

The Company has put forth its basic policy of non-association with antisocial forces, and internal regulations and systems are established and thoroughly entrenched to ensure non-association.

### 1. Basic Policy for Non-Association with Antisocial Forces

The Company's basic policy for non-association with antisocial forces is described as follows in its risk management regulations and manual for addressing antisocial forces.

#### Basic Policy

The Company refuses to provide profits to antisocial forces or to engage in other relationships with antisocial forces regardless of the form. Should illegitimate demands be made by antisocial forces, the Company will respond with a resolute attitude, swiftly coordinating with the police and other authorities and pursuing legal action from both civil and criminal perspectives. Moreover, all employees will be endowed with the knowledge necessary to resist antisocial forces to address these forces in an organization-wide manner.

### 2. Implementation Status of Measures for Non-Association with Antisocial Forces

#### a. Internal Regulations

The Company defines basic policies for non-association with antisocial forces in its manual for addressing antisocial forces, and all employees are made aware of the relevant internal systems and response measures.

#### b. Organizations and Individuals Responsible for Oversight

The general manager of the General Affairs Department is responsible for overseeing the Company's response to antisocial forces, and division heads are responsible for response measures in their respective divisions. The company will also facilitate with external organizations through the Sustainability Committee as necessary.

### 3. Measures for Non-Association with Antisocial Forces

#### a. New Business Partners, Shareholders, Officers, and Employees

Civil investigation systems are used to confirm that there are no connections with antisocial forces.

Contracts state that parties must guarantee they have no connections with antisocial forces and that contracts will be canceled, and restitutions will be sought if connections with antisocial forces are discovered.

#### b. Existing Business Partners, etc.

The Company is diligent in its efforts to collect information and in its caution. In addition, annual surveys are performed to confirm that partners within a certain scope have no connections with antisocial forces.

c. Transactions will be immediately discontinued if an existing business partner is suspected or found to be an antisocial force.

## V. Others

### 1. Takeover Defense Measures

Has instituted takeover defense measures	No
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Supplementary Information

N/A

## 2. Other Matters Regarding Corporate Governance Systems

N/A

