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Corporate Governance

CORPORATE GOVERNANCE

ITOKI CORPORATION

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ITOKI CORPORATION

President and Representative Director: Koji Minato

Contact Information: Corporate Communication Division (TEL: 03-6910-3910)

Securities Code: 7972

<https://www.itoki.jp/en/>

The corporate governance of ITOKI CORPORATION (hereinafter referred to as “our company”) is described below.

[/ Basic Views on Corporate Governance and Basic Information on Capital Structure, Corporate Profile and Others](#)

1. Basic Views

Our corporate group is making efforts to build a corporate governance framework that is aimed at enhancing our company’s corporate value by thoroughly complying with relevant laws and regulations, increasing business transparency and fairness, and gaining greater trust through proactive information disclosure in accordance with our corporate ethics and spirit of legal compliance.

Our company has formulated a “basic policy on corporate governance” with the aim of realizing effective corporate governance pursuant to the principles of the Corporate Governance Code.

The following are the six items of our company’s corporate philosophy all of our executives and employees share with one another:

[Corporate Philosophy]

1. To maintain the vigorous pioneering spirit of our founder
2. To create new value through creativity and ingenuity in everything we do
3. To stick to right business practices and spare no pains to be diligent and hardworking
4. To work together to overcome hardships and bring prosperity
5. To always aim to be No. 1 in the industry
6. To realize our own potential and live our lives without regrets

[\[Reasons for Non-compliance with the Principles of the Corporate Governance Code\]](#)

The Company implements all the principles of the Corporate Governance Code.

[\[Disclosure Based on Principles of the Corporate Governance Code\]](#)

Details of the items to be disclosed based on the principles of the Corporate Governance Code are as follows:

Principle 1-4 Policy on strategically-held shares

In principle, our company strategically holds shares in our partner companies only when we consider that doing so would contribute to our corporate group's economic growth and medium- to long-term enhancement of our corporate value from the perspective of maintaining and strengthening our relationship with the partner companies, as a basic policy of holding shares for strategic shareholding purposes.

Every year, the Board of Directors examines whether it is rational to continue to strategically hold shares, including whether benefits of strategically holding shares are worth the capital cost. We will sell strategically-held shares that are deemed to have limited significance based on the results of the Board's review. We sold strategically-held shares in one issue in the fiscal year 2025.

The number of strategically-held shares sold and the trend in their ratio to consolidated net assets are as follows:

	2021	2022	2023	2024	2025
No. of strategically-held shares sold (number of shares)	14	3	5	2	1
Ratio to consolidated net assets (%)	4.1	3.5	3.8	5.4	5.6

We, in principle, exercise the voting rights of strategically-held shares on the basis that we do not unconditionally approve proposals put forward by the companies whose shares are held by us strategically, but instead make decisions on a case-by-case basis from the perspective of whether such holdings contribute to the enhancement of our corporate value.

Principle 1-7 Framework for ensuring appropriateness of transactions with related parties

When conducting transactions with the directors and conflict-of-interest transactions, our company shall seek opinions of Outside Directors and Auditors, have deliberations, and obtain approval at meetings of the Board of Directors in accordance with relevant laws and regulations and our company's regulations of the Board of Directors. Furthermore, we report important facts regarding such transactions to the Board of Directors after the transactions are carried out, and whether or not transactions have been made between any of the directors of our company or a first- or second-degree relative of any of our directors and our company or any of our consolidated subsidiaries is confirmed annually with each director and each Auditors, and we disclose details of transactions that need to be disclosed, if any, via securities reports and notices of convocation of general meetings of shareholders.

Principle 2-4 (1) Ensuring diversity in the promotion of core human resources

① Our view on ensuring diversity

Based on the top commitment, our company considers our employees with diverse backgrounds, such as gender, age, nationality, disabilities, employment status and working styles, customs, and values, as "diverse human capital" and endeavors to allow each of them to take advantage of their unique characteristics vigorously and get the best from

themselves. In addition, we do not discriminate against anyone because of gender, career, or nationality and are also promoting the recruitment of human resources with diverse values.

■ Itoki Corporation's diversity vision (three objectives)

1. Invigoration of the organization

To motivate employees and create an energetic organization by enabling them to demonstrate their individual abilities.

2. Creation of new value

The knowledge, experience, and values of diverse human resources are combined to create new ideas.

3. Increase in productivity and job satisfaction

All employees can work with high productivity and a sense of fulfillment through flexible work styles.

② Voluntary and measurable goals for ensuring diversity and the progress toward them

■ Variation in the ratio of female employees occupying managerial positions, and target ratios

<Results> 2021: 9.2%、2022: 10.7%、2023: 10.3%、2024: 10.7%、2025: 14.3%

<Targets> End of 2026: 13.0%、2030: 30.0%

■ Progress in ensuring diversity

Ratio of female employees recruited 2021: 40.8%、2022: 41.6%、2023: 40.4%、2024: 38.6%、2025: 44.7%

Ratio of mid-career hires recruited 2021: 30.6%、2022: 65.0%、2023: 67.4%、2024: 72.9%、2025: 63.8%

③ Policy on human resources development and the policy on internal environment establishment, and the progress with them

Details on creation of an environment that allows our employees to grow and demonstrate their abilities and our initiatives for supporting diverse work styles of each of our employees are disclosed via our company's website.

Our initiatives for creation of a working environment that allows every employee to work vigorously

<https://www.itoki.jp/en/sustainability/>

As a company with a mission statement, "We Design Tomorrow. We Design Work-style," our company is developing a workplace (an organization, systems, and corporate culture) that allows every employee to work vigorously with a sense of purpose and perform at their full potential and an environment in which our employees can work safely with peace of mind.

■ Strategies

Itoki Corporation believes that in order to attain the objectives of our business strategies, it is essential to implement human capital strategies that are linked to the business strategies. Based on this belief, we have established a manpower plan that includes recruitment activities with the business strategies being kept in mind, ideal candidate profiles, educational programs that support growth of each employee according to their respective careers, and a personnel system that takes growth and job satisfaction improvement of our employees into consideration. Considering human resources not as “people for whom we pay costs,” but as “people in which we should invest,” we will enhance our business value through investment in human capital. Furthermore, we will strive to meet the objectives of our business strategies by pursuing the human capital strategies, including development of human capital with diversity being kept in mind and adopting a personnel system that is suitable for the work style in the post-pandemic world as swiftly as possible.

*Details are disclosed in 06 under “7 Flags” presented in the medium-term management plan released on February 13, 2024.

[Policy on human capital development/examples]

Itoki Corporation offers a variety of curricula centering on an educational system that supports the growth of each employee according to his or her career based on the ideal candidate profiles. We provide online and face-to-face individual interviews and educational and training sessions depending on the content and endeavor to improve the overall quality.

Examples: Selection-based training, business fundamentals training, e-learning, management training, evaluator training, and department-specific training, etc.

*Details are disclosed in [Views and initiatives on sustainability] of the securities report for fiscal year ended December 2025.

[Recruitment policy/examples]

The business of Itoki Corporation requires the employees to interact with various people and carry out projects in teams. We are making efforts to recruit human capital capable of thinking about what are expected of each of them and how they each can contribute to our clients, the society, and Itoki Corporation, and responsibly carrying through what they each have decided on while involving people around them and not being afraid of making mistakes.

Example: Our company enhances recruitment of workers from around the world and experienced workers, in addition to recruitment of new graduates including referral-based recruiting.

*Details are disclosed in [Views and initiatives on sustainability] of the securities report for fiscal year ended December 2025.

[Diversity Equity & Inclusion (DE&I) policy/examples]

Based on the top commitment, Itoki Corporation considers our employees with diverse backgrounds, such as gender, sexual orientation, gender identity, age, nationality, disabilities, employment status and working styles, customs, and values, as “diverse human capital” and endeavors to allow each of them to take advantage of their unique characteristics vigorously and get the best from themselves.

Examples: D&I AWARD Prize in D&I Award 2025, D&I AWARD BEST WORKPLACE for Diversity & Inclusion, which is the greatest prize, for four consecutive years (2025), the gold rank in PRIDE INDEX 2025 and Rainbow certification, establishment of a partnership with Hanoi University of Science and Technology in Viet Nam (2023), adoption of the subsidy program for helping employees return to work after childcare leave (2023), adoption of a partnership program (2023), DE&I × WORKPLACE seminars, seminars for helping employees find a right balance between work and nursing care, LGBTQ ally lunch meetings, alliance with local facilities employing people with disabilities.

*Details are disclosed in [Views and initiatives on sustainability] of the securities report for fiscal year ended December 2025.

[SPLi , a community for promotion of women’s active engagement in professional life]

In order to bring about significant innovation and growth through fusion and exertion of diverse characteristics, Itoki Corporation is taking numerous initiatives while considering creation of an environment that allows human capital with diverse backgrounds to play a wider range of roles and development of female workers capable of demonstrating leadership as the priority policies for our business.

SPLi is a community that supports continuous career development by offering environments and plans which enable female workers to show leadership while taking advantage of their personalities and unique characteristics. In the community, about 150 members, including people from our group companies, gather on their own initiative and engage in a multitude of activities.

[API , a community for encouraging workers to work globally]

Our company has launched the Itoki Global Initiative “API,” a platform designed for the members of the Itoki Corporation Group in Japan and overseas for "self-directed, mutual learning, and developing human resources who can play an active role globally” by breaking all kinds of barriers, such as differences in language, ways of thinking, and customs. We strive to gain better understanding, views, and awareness of diversity and true “globalism” by deeply understanding the essence of differences in such matters as culture, religion, and customs by country. Approximately **130** members, including people from our group companies, join this community.

[Initiatives for increasing engagement]

Itoki Corporation has performed engagement surveys in order to grasp our employees’ motivational states and factors affecting their motivation since 2016. We utilized survey results as one of the important business metrics that will lead to initiatives for increasing engagement in our organization with the aim of transforming our company into a vibrant and enriched company where each employee can shine. We are striving to improve engagement at each department with the management playing a central role while defining the rate of an affirmative response to a question, “Is Itoki a company that you feel proud to work for?”, as one of the business objectives as we regard it as the most important metric among a number of metrics. In 2025, we undertook initiatives with a focus on further “qualitative improvement” of engagement, and as a result, we were able to maintain a high score level in the 80% range, following the previous year. In 2026, as the final year of the medium-term management plan, we have set a goal of maintaining a high level of the affirmative response rate for this indicator and continue our efforts.

■ Metrics and targets

Important metrics scores of employee engagement

<Results>2021 : 56.2%,2022 : 63.6%, 2023 : 74.7%, 2024 : 82.5%, 2025 : 81.9%

<Targets> 2026 : 85% or higher

In addition, as a company that spearheads development of a working environment, Itoki Corporation understands that creation of an employee-friendly environment, which means facility investment, is an important matter companies should work on through human capital management and is putting it into practice at our company. We believe that continuous investment in development of highly productive, safe, and secure offices will contribute to human capital management.

*Details are disclosed in Return of office investment (human capital investment) on page 35 of the medium-term management plan released on February 13, 2024.

■ No. of facility investments made at our company

<Results in 2025> Renovations and relocations were carried out at a total of six office locations, including the Tokyo Headquarters.

Principle 2-6 Roles of Corporate Pension Funds as Asset Owners

The corporate pension funds of our company are managed by an asset management committee composed of the directors in charge of accounting and personnel affairs and employee representatives. We appoint staff with appropriate qualities to serve as members of the asset management committee and dispatch the persons in charge to outside seminars and other related sessions in order to improve their qualities. At our company, the asset management committee discusses and determines policies on asset management and the strategic asset structure.

The financial standing of our company's corporate pension funds is sound, and we manage our corporate pension funds while avoiding excessive risks and attaching weight to downside risk control when managing assets. The strategic asset structure is reviewed and revised appropriately when necessary.

Management of all of the accumulated pension reserves of our company is outsourced because it requires expertise. We entrust the outsourcee for management of our pension reserves with selection of companies to invest in and deciding whether to exercise the voting rights within the range of our company's policy on management of the corporate pension funds, and endeavor to maximize interests of employees and appropriately control the conflict of interest with the employees by monitoring said outsourcee.

Principle 3-1(i) Corporate philosophy, business strategies, management plans, etc.

Details on the corporate philosophy, medium-term management plan, and business strategies are disclosed via such media as our company's website, materials for financial results briefing, and notices of convocation of general meetings of shareholders.

Corporate Philosophy	https://www.itoki.jp/en/company/about/concept/
Medium-term management plan	https://www.itoki.jp/en/ir/policy/management-plan.html
Materials for financial results briefing	https://www.itoki.jp/en/ir/accounts/closing.html
Notices of convocation of general meetings of shareholders	https://www.itoki.jp/en/ir/stockholder/notification.html

Principle 3-1(ii) Basic Views and Guidelines on Corporate Governance

The basic views and guidelines on corporate governance are provided via our company's website and corporate governance reports.

1. Basic Views

Our corporate group is making efforts to build a corporate governance framework that is aimed at enhancing our company's corporate value by thoroughly complying with relevant laws and regulations, increasing business transparency and fairness, and gaining greater trust for our company through proactive information disclosure in accordance with our corporate ethics and spirit of legal compliance.

2. Basic Policy

The basic policy is disclosed on our company's website.

<https://www.itoki.jp/en/ir/policy/governance.html>

Principle 3-1(iii) Policies and procedures in determining the remuneration of the senior management and directors
Remuneration and other rewards of the senior management consist of fixed remuneration, variable remuneration whose amount is determined according to business performance, and stock-based compensation with restrictions on transfer. Our company gives each director fixed monetary remuneration every month in accordance with the table of the amount of monthly remuneration by job position approved by the Board of Directors within the total amount of remuneration on which a resolution was passed at a general meeting of shareholders. Variable remuneration is determined by the Board of Directors while taking into account such matters as our company's performance level and performance of each executive within the amount of the total remuneration on which a resolution was passed at a general meeting of shareholders and given to each of the management after the end of each fiscal year. Performance of each executive is evaluated according to the evaluation criteria established for each business and function in his/her field. As a means of motivating executives to produce strong performance, stock-based compensation with restrictions on transfer is determined by the Board of Directors with the business situation and the ratio of remuneration paid by cash and remuneration provided by shares being taken into consideration and given every fiscal year on the premise that the person receiving the stock-based compensation serves as an executive as a medium-term management plan begins. The remuneration for each executive officer is calculated and determined in accordance with the internal regulations approved by the Board of Directors. The Company established the Compensation Committee as a voluntary advisory body to the Board of Directors on February 13, 2026. The Compensation Committee is chaired by an independent Outside Director, and all independent Outside Directors serve as members, constituting a majority of the committee.

Principle 3-1(iv) Policies and procedures in the appointment and dismissal of the senior management and the nomination of Directors and Auditors

In nominating candidates for directors and Auditors, the Company takes into consideration the diversity, balance, and appropriate size of the Board of Directors and the Board of Auditors as a whole. The Representative Director selects candidates who are expected to contribute to the Company's sustainable growth and further enhancement of corporate

value, and who are capable of fulfilling their respective responsibilities, based on their abilities, experience, and personal qualities. Such candidates are then deliberated upon thoroughly by the Board of Directors and formally determined by the Board of Directors. If we have decided that a director or an Auditor has not executed their duties appropriately enough, whether or not to dismiss the director or the Auditor shall be determined after thorough discussion by the Board of Directors and brought up for discussion at a general meeting of shareholders. Furthermore, we elect executive officers while bearing in mind such matters as the knowledge, experience, abilities, and business performance of each candidate after in-depth discussion by the Board of Directors. The Company established the Nomination Committee as a voluntary advisory body to the Board of Directors on February 13, 2026. The Nomination Committee is chaired by an independent Outside Director, and all independent Outside Directors serve as members, constituting a majority of the committee.

Principle 3-1(v) Explanations with respect to the individual appointments and dismissals of the senior management and the nominations of directors and Auditors

Each of the senior management is elected by the Board of Directors based on their respective abilities, experience, and personal profiles. If it is considered that a director or an Auditor has not executed their respective duties appropriately enough, whether or not to dismiss the director or the Auditor will be determined after full discussion by the Board of Directors. Regarding candidates for directors and Auditors, the career of each candidate and reasons for their election will be provided via notices of convocation of general meetings of shareholders.

Principle 3-1 (2) Promotion of information disclosure and provision in English with the number of foreign shareholders being kept in mind

Bearing the number of foreign shareholders in mind, our company produces English versions of “financial summaries,” “company information,” “part of notices of convocation of general meetings of shareholders,” and “integrated report” that comprehensively cover our initiatives toward ESG, as well as “securities reports,” and discloses information via our global website for foreign stakeholders, including foreign institutional investors. We also offer information by translating “corporate governance reports,” in which foreign institutional investors particularly show strong interest, into English.

Principle 3-1 (3) Initiatives on sustainability

Our corporate group engages in sustainable business activities with the aim of contributing to happiness of individuals, happiness of our company, and happiness of the society through support for people’s working lives based on our vision statement, “Vibrant People, Beautiful Planet.” Meanwhile, companies are required more than ever before to conduct business activities while giving extra consideration to social issues, including action to take against climate change, respect for human rights, and investment in human capital and digital transformation (DX), as such social issues as global warming, human rights, and the declining birthrate and aging society are becoming more serious year by year. Against this backdrop, our corporate group has been pursuing policies from various viewpoints, such as energy conservation, utilization of sustainable materials, and implementation of human capital strategies linked to the management strategies, with ESG-oriented management defined as the priority policy in “RISE ITOKI 2023,” the three-year medium-term management plan

for the period between 2021 and 2023.

We have brought key strategies, “7 Flags,” and ESG strategies into the heart of the new medium-term management plan, “RISE TO GROWTH 2026,” which will start in fiscal 2024, and defined the ESG strategies as the base for our business strategies.

Our corporate group has identified material issues since 2018 in order to settle multifarious social issues surrounding workplaces for the future. In 2022, in response to changes in social issues, we categorized the issues into two major material issues, which are to “make society and people happy” and “make the company and its employees happy,” and revised our key subjects through repeated discussions with the management. Furthermore, following the formulation of the new medium-term management plan, “RISE TO GROWTH 2026,” we are recategorizing the key subjects from the perspective of integrating sustainability into business operations. We consider linking new key subjects to the medium-term management plan and intend to manage our progress in various activities performed based on the material issues in the same manner as the progress in the medium-term management plan (Key Performance Indicator (KPI)).

* Governance and risk management regarding sustainability are disclosed in [Views and initiatives on sustainability] in the securities report for the fiscal year ended December 2025.

Considering action against climate change as one of the important business issues, our corporate group expressed our approval for the recommendations of the “Task Force on Climate-related Financial Disclosures (TCFD)” in June 2020. We analyze possible effects of climate change in accordance with the TCFD recommendations. We defined and analyzed three scenarios (the sustainability advancement scenario, the standard scenario, and the slowdown scenario) with reference to the existing scenarios presented by the IPCC (*) regarding climate change that is expected to continue for the long term. The results of the analysis revealed a possibility that climate change will have significant impacts on our corporate group’s business for the short, medium, and long terms, including risks related to policies, laws, and regulations. Possible impacts include adoption of carbon tax, rising procurement costs, and shrinkage of the existing markets, in addition to more frequent and more extreme unusual weather that has become apparent.

Our corporate group considers climate to be a key management issue, and we defined “Helping build a carbon-neutral society” and “Safeguarding the natural environment and promoting recycling of resources” as key themes. Under these key themes, we have formulated medium-to-long term CO₂ emission targets. We will promote low-emission workstyles by supporting customer workstyle reforms and promoting DX. We will also promote the development and design of environmentally-friendly products and introduce renewable energy to achieve in-house reduction of CO₂ emissions. We will move ahead with these activities toward attainment of the targets by steadily following the PDCA cycle.

*IPCC(Intergovernmental Panel on Climate Change)

* Governance and risk management regarding climate change are disclosed in [Views and initiatives on sustainability] in the securities report for the fiscal year ended December 2025.

■ Indicators and targets

Our corporate group has set targets of medium- and long-term CO₂ emissions reduction as measures against climate change and is forging ahead with our initiatives by incorporating them into concrete plans of action. Starting this year, we reviewed and revised the CO₂ emissions reduction targets we determined as objectives to reach by 2030 and set new targets that take into account the 1.5-degree Celsius target specified by the Science Based Targets initiative (SBTi). The major source of CO₂ emitted by our corporate group is “purchased goods and services” in Category 1 of Scope 3 and, thus, we will propel forward our initiatives for curbing CO₂ emissions by building enhanced systems of collaboration with suppliers and calculating related values more accurately, and we will further promote initiatives to reduce CO₂ emissions toward achieving our 2030 targets.

[Targets of CO₂ emissions]

Targets for 2030: Reduction by 42.7% (compared to 2022) for Scopes 1 and 2, reduction by 25% (compared to 2022) for Scope 3

Principle 4-1 (1) Determination of the scope of delegation to the management

Our company has formulated regulations for the Board of Directors and clearly specified matters provided for by relevant laws and regulations, and the Articles of Incorporation, and important business-related matters equivalent thereto as matters for resolution, and the Board of Directors makes resolutions accordingly. Furthermore, meetings of the board of managing directors (attended by the president, directors excluding outside directors, executive officers at executive posts, and full-time Auditors) are held once a week, in order to deliberate matters for resolution by the Board of Directors and important matters other than the matters for resolution by the Board of Directors, thoroughly enforce the management policies, and check progress with business operations.

Principle 4-8 Effective use of independent directors

Our company had appointed two outside directors since 2011 with the aim of enhancing the function of supervising execution of duties and enriching fair corporate activities. Although there was only one outside director between November of 2018 and March of 2020 because one of the outside directors passed away, we appointed a new outside director in March 2020, which allowed us to have two outside directors again, and, in 2025, the number of outside directors at our company became four, including two female outside directors. Currently, the outside directors make up half of all

directors, with the ratio of outside directors standing at 50%.

Outside directors	Term of office	Experience with corporate management
Hiroshi Nagata	March 2008 - March 2025	Yes
Terutake Miyamoto	March 2011 - March 2014	Yes
Toshio Nagashima	March 2014 - November 2018 (passed away)	Yes
Shiro Nitanei	March 2020 - present	Yes
Mariko Bando	March 2023 - present	No
Yasuyuki Kawasaki	March 2025 - present	Yes
Toshie Tanaka	March 2025 - present	No

Please refer to integrated report regarding the ratio of outside directors, the ratio of outside directors with experience in corporate management, and the number of female directors at our company.

https://www.itoki.jp/company/ir/accounts/annual/assets/pdf/accounts_annual_2025_en_00.pdf

Principle 4-9 Independence Standards and Qualification for Independent Outside Directors

Our company has established our own criteria for the independence of outside directors and discloses them via the matters concerning independent officers in corporate governance reports in order to contribute to our sustainable growth and medium- and long-term enhancement of our corporate value. We appoint persons who satisfy not only the provisions set forth by the Companies Act and the criteria defined by the stock exchange, but also our own criteria for independence to be our outside directors.

[Criteria for independence]

1. The candidate shall not have experience in executing duties at our company, its subsidiaries, or its affiliated companies at the present moment or at any point in the past 10 years.
2. The candidate shall not currently be a major shareholder (who holds 10% or more of the total number of voting rights) or a person executing duties for a major shareholder.
3. The candidate shall not be a person executing duties for a major partner company of our company (a partner company with which we carry out transactions yearly at an amount accounting for 2% or more of our consolidated sales, or a supplier from which we procure goods or services yearly at an amount making up 2% or more of the consolidated sales of the supplier).
4. The candidate shall not be a person executing duties for a major lender of our company (a financial institution from which we take out loans yearly at an amount accounting for 2% or more of our company's total assets).
5. The candidate shall not be an expert, such as a consultant, an accountant, or a lawyer, who receives money amounting to over 10 million yen or other property from our company every year, in addition to remuneration given to officers.

Principle 4-10 (1) Involvement of Independent Outside Directors through the Establishment of Voluntary Advisory Committees

Our company established the Nomination Committee and the Compensation Committee on February 13, 2026, as voluntary advisory bodies to the Board of Directors with the aim of strengthening the fairness, transparency, and objectivity of procedures related to the nomination and remuneration of directors and further enhancing corporate governance. Details regarding the roles and composition of the Nomination Committee and the Compensation Committee are described in this report under “II. 1. [Matters Related to Directors] (6) (i) Status of Establishment of Voluntary Committees, Composition of Members, and Attributes of the Chairperson, and (ii) Supplementary Explanation.”

Principle 4-11 (1) Balance of the knowledge, etc. of the Board of Directors as a whole, views on the diversity and scope of the Board, and policies and procedures for the appointment of the directors

Our company appointed a female director in 2023 for the first time as we give importance to ensuring the diversity of the Board of Directors as a whole. In addition, in order to make the size of our Board of Directors appropriate for high-quality discussion and ensure the balance of the Board as a whole, the Board shall consist of executive directors who are familiar with the business of our company and other related matters and capable of flexibly executing duties and outside directors who have extensive expertise and are expected to provide advice and supervision regarding business operations from a wide perspective.

Our company has developed skill matrices which are lists of the skills, careers, and expertise of each director and discloses them in integrated report and reference documents for general meetings of shareholders.

Reference documents for general meetings of shareholders: <https://ssl4.eir-parts.net/doc/7972/announcement1/118225/00.pdf>

The outside directors have experience in corporate management and have also demonstrated leadership in the fields of administration and education. One of the 2 Outside Auditors is a lawyer, and the other is a certified public accountant, who are experts in law and accounting, respectively.

Principle 4-11 (2) Concurrent Positions Held by Directors and Outside Auditors

While our company’s 4 Outside Directors and 2 Outside Auditors concurrently hold positions as directors and auditors at other listed companies, as disclosed in notices of convocation of general meetings of shareholders and other related materials, we believe that the number of companies at which they concurrently hold positions is within a rational range, and they fulfill their roles and duties appropriately.

Principle 4-11 (3) Analysis and evaluation of the effectiveness of the Board of Directors as a whole, and the results thereof

Our company holds discussion while listening to opinions of executives and performs analysis and evaluation once a year at a meeting of the Board of Directors regarding the effectiveness of the Board of Directors as a whole, including management of proceedings and topics of discussion. In fiscal year 2025, a questionnaire survey was conducted targeting

all directors and Auditors attending meetings of the Board of Directors, and the results were analyzed and evaluated. The evaluation items included (1) the size of the Board of Directors; (2) the balance of skills, experience, and knowledge of directors; (3) the number and roles of independent Outside Directors; (4) the frequency and scheduling of Board meetings; (5) the volume and quality of Board materials; (6) the advance distribution of Board materials; (7) the prioritization of agenda items and allocation of discussion time; (8) free, open, and constructive discussions among directors; (9) discussions on management strategies; (10) discussions on risk management and compliance; (11) discussions on internal control and sustainability; (12) discussions on the selection of directors and succession planning; (13) the effectiveness of supervisory functions; (14) preparation by directors; (15) proactive opinions from Outside Directors; (16) support by the secretariat; (17) necessary training and provision of information; and (18) the effective functioning of the Board of Directors. As a result of the evaluation and analysis of each item, it was confirmed that the effectiveness of the Board of Directors is generally ensured.

However, regarding (6) the timely distribution of Board materials with sufficient lead time, (7) the appropriate selection and prioritization of agenda items and allocation of discussion time, and (9) and (12) sufficient discussions on management strategies and the selection of directors and succession planning, approximately 30% to 40% of respondents indicated “insufficient” or “somewhat insufficient,” and the secretariat will consider measures for improvement. In addition, there were opinions that supervision and execution should be clearly separated and that the Board of Directors should focus on discussions concerning its supervisory function and the appropriateness of management strategies. Based on these opinions, we will continue discussions at the Board of Directors and strive to further enhance its effectiveness.

Principle 4-14 (2) Training policies for Directors and Auditors

In principle, our company provides our Directors and Auditors with necessary opportunities, such as external seminars, and support, including financial support for allowing them to attend such seminars, so that they can understand their respective roles and appropriately fulfill their roles and responsibilities at the time of and after their appointment. Our system of support is as follows:

1. Our company provides Directors and Auditors with opportunities to acquire and upgrade necessary knowledge and other related abilities as needed at the time of their appointment so that they can appropriately fulfill their roles and responsibilities.
2. Our company provides explanations about our company’s business and tours around our major offices to newly appointed Outside Directors and Auditors at the time of their appointment.
3. Our company hosts educational and training sessions regarding compliance for directors and Auditors once a year or more frequently with the aim of honing their skills related to corporate governance and compliance.

Principle 5-1 Policies on dialogue with shareholders

Our company’s policies on dialogue with shareholders are as follows:

1. The person in charge of investor relations (IR) activities supervises general dialogue with shareholders and encourages relevant officers in charge to take specific action.

2. The IR department plays a central role and cooperates organically with related departments when our company holds dialogue with shareholders.
3. Our company holds such meetings as small meetings and financial results briefings as a means of dialogue with shareholders besides individual interviews.
4. Our company delivers reports at meetings of the Board of Directors and shares such feedback as important requests and opinions obtained through dialogue with shareholders.
5. Our company strives to comply with relevant laws and regulations while bearing management of insider information in mind when holding dialogue with shareholders.

*Details on IR activities are disclosed in the Integrated Report (main section, p. 19).

https://www.itoki.jp/company/ir/accounts/annual/assets/pdf/accounts_annual_2025_en_00.pdf

[Measures taken for realizing business operations with capital cost and share prices kept in mind]

Description	Disclosure of Initiatives (Update)
Availability of English Disclosure	Yes
Update Date	March 25, 2026

Supplementary Explanation

An overview of our initiatives toward realizing “Management Focused on Capital Cost and Shareholder Value” is provided below.

[English materials]

• Integrated Report 2025

Special Feature Section P6

https://www.itoki.jp/company/ir/accounts/annual/assets/pdf/accounts_annual_2025_en_01.pdf

Main Section P10、P16-18、P19

https://www.itoki.jp/company/ir/accounts/annual/assets/pdf/accounts_annual_2025_en_02.pdf

• Financial Results Briefing Materials for the Fiscal Year Ended December 2025 P62、63、9、10

https://ssl4.eir-parts.net/doc/7972/ir_material_for_fiscal_ym15/199417/00.pdf

2. Capital Structure

Foreign Shareholding Ratio

Over 10% and less than 20%

[Status of Major Shareholders]

Name	No. of Shares Owned	Percentage [%]
The Master Trust Bank of Japan, Ltd. (trustee)	6,893,800	12.91
Custody Bank of Japan, Ltd. (trustee)	4,387,300	8.21
Nippon Life Insurance Company	2,225,860	4.16
Assist Co., Ltd.	1,609,500	3.01
Itoki Corporation's affiliated companies stock ownership association	1,431,992	2.68
GOLDMAN, SACHS & CO. REG	1,150,582	2.15
Mizuho Bank, Ltd.	1,121,402	2.10
Sumitomo Mitsui Banking Corporation	1,069,057	2.00
Masamichi Yamada	896,500	1.67
Saki Ito	792,853	1.48
Controlling Shareholders (except for parent company)	-----	
Parent Company	None	

Supplementary Explanation

3. Corporate Attributes Updated

Listed Stock Exchange and Market Section

Prime Market of Tokyo Stock Exchange

Fiscal Year-End

December

Type of Business

Other products

Number of Employees (consolidated) as of the End of the Most Recent Fiscal Year

Over 1000

Sales (consolidated) as of the End of the Most Recent Fiscal Year	Over 100 billion yen and less than 1 trillion yen
Number of Consolidated Subsidiaries as of the End of the Most Recent Fiscal Year	Over 10 and less than 50

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

5. Other Special Circumstances Which may have a Material Impact on Corporate Governance

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

1. Organizational Composition and Operation

Organizational Form	Company with company auditors
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[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	12
Term of Office Stipulated in Articles of Incorporation	1 Year
Chairperson of the Board	President
Number of Directors	8
Appointment of Outside Directors	Appointed
Number of Outside Directors	4
Number of Outside Directors Appointed as Independent Executives	4

Relationship with Our Company (1)

Name	Attributes	Relationship with our company (※)										
		a	b	c	d	e	f	g	h	i	j	k
Shiro Nitanei	Member of another company								△			
Mariko Bando	Member of another company								△			
Yasuyuki Kawasaki	Member of another company								△			
Toshie Tanaka	Member of another company											

*** Items for Selection Regarding the Individual’s Relationship with Our Company**

*** “○”:** The individual falls under the item in question presently or recently, **“△”:** The individual fell under the item in question in the past

*** “●”:** A close relative of the individual falls under the item in question presently or recently, **“▲”:** A close relative of the individual fell under the item in question in the past.

- a Executive of our company or its subsidiary
- b Executive or non-executive director of the parent company of our company
- c Executive of a sister company of our company
- d Individual or an executive of a company with our company as a major business partner
- e Major business partner or an executive of a major business partner of our company
- f Consultant, an accounting expert, or a legal expert receiving large sums of money or other assets from our company outside of executive compensation
- g Major shareholder of our company (in case the major shareholder in question is a corporation, then an executive of the corporation)
- h Executive of a business partner of our company (not falling under either d, e, or f) (only for the individual in question)
- i Executive of a company in which an outside executive has a concurrent post (only for the individual in question)
- j Executive of a company to which our company has donated (only for the individual in question)
- k Other

Relationship with Our Company (2)

Name	Independent Executive	Supplementary Explanation Regarding Applicable Items	Reason for Appointment
Shiro Nitandai	○	<p>Mr. Shiro Nitandai is from Japan Post Holdings Co., Ltd. a business partner of our company, but the transaction amount with the company is less than 1% of our company's consolidated net sales and for common commercial transactions. Therefore, it is believed that there is no impact on the judgment of stakeholders and investors. Accordingly, the summary has been omitted.</p>	<p>He has been appointed as an outside director to reflect his abundant experience and deep insight in corporate management and facility design in our company's management. He attends meetings of the Board of Directors from an independent standpoint and plays a role in strengthening the Board's supervisory function by providing appropriate opinions. In addition, he does not satisfy any of the additional disclosure requirements for independency, and he has held no interest in our company's management from the past to the present. Therefore, it has been judged that there would be no conflict of interest with general stakeholders, and he has been appointed as an independent executive.</p>
Mariko Bando	○	<p>Ms. Mariko Bando is the Chancellor of Showa Women's University, a business partner of our company; however, the transaction amount with the university accounts for less than 1% of our company's net sales and consists of ordinary commercial transactions. Therefore, it is believed that there is no impact on the judgment of stakeholders and investors. Accordingly, the summary has been omitted.</p>	<p>She has abundant experience and deep insight in the fields of public administration and education. she was appointed as an outside director so that she can provide useful opinions and suggestions from a professional standpoint, particularly with regard to the diversity promotion and human resource development, as well as monitor management from an independent perspective. In addition, she does not satisfy any of the additional disclosure requirements for independency, and she has held no interest in our company's management from the past to the present. Therefore, it has been judged that there</p>

			<p>would be no conflict of interest with general stakeholders, and she has been appointed as an independent executive.</p>
<p>Yasuyuki Kawasaki</p>	<p>○</p>	<p>Mr. Yasuyuki Kawasaki previously served as a person executing business at Sumitomo Mitsui Banking Corporation and SMBC Nikko Securities Inc., both of which are business partners of our company, and currently serves as Special Advisor of SMBC Nikko Securities Inc.; however, the transaction amounts with these companies account for less than 1% of our company's net sales.</p> <p>He also serves as an Outside Director (Audit and Supervisory Committee Member) of House Foods Group Inc., and the transaction amounts with that company and its subsidiary, House Foods Corporation, also account for less than 1% of our company's net sales. These transactions are ordinary commercial transactions, and he satisfies our company's "Criteria for Determining the Independence of Outside Directors."</p> <p>Therefore, it is believed that there is no impact on the judgment of stakeholders and investors. Accordingly, the summary has been omitted.</p>	<p>He has been appointed as an Outside Director in order to reflect his abundant experience and extensive insight gained through long-standing engagement in corporate management at financial institutions in our company's management. He attends meetings of the Board of Directors from an independent standpoint and plays a role in strengthening the Board's supervisory function by providing appropriate opinions.</p> <p>In addition, he does not satisfy any of the additional disclosure requirements for independency and has had no interest in our company's management from the past to the present. Therefore, it has been judged that there would be no conflict of interest with general stakeholders, and she has been appointed as an independent executive.</p>

Toshie Tanaka	○	Ms. Toshie Tanaka serves as an Outside Auditor of ALSOK Co., Ltd., a business partner of our company; however, the transaction amount with the company accounts for less than 1% of our company's net sales and consists of ordinary commercial transactions. Therefore, it is believed that there is no impact on the judgment of stakeholders and investors. Accordingly, the summary has been omitted.	She has abundant experience and deep insight in the fields of public administration. she was appointed as an outside director so that she can provide useful opinions and suggestions from a professional standpoint, particularly with regard to the risk management, compliance and diversity promotion, as well as monitor management from an independent perspective. In addition, she does not satisfy any of the additional disclosure requirements for independency, and she has held no interest in our company's management from the past to the present. Therefore, it has been judged that there would be no conflict of interest with general stakeholders, and she has been appointed as an independent executive.
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Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Compensation Committee

Yes

Status of Establishment of Voluntary Committees, Composition of Members, and Attributes of the Chairperson (Chair)

	Name of Committee	No. of Members	Full-time Members	Internal Directors	Outside Directors	External Experts	Others	Chairperson
Voluntary Committee Corresponding to the Nomination Committee	Nomination Committee	6	0	2	4	0	0	Outside Director
Voluntary Committee Corresponding to the Compensation Committee	Compensation Committee	5	0	1	4	0	0	Outside Director

Supplementary Explanation

1. Purpose of Establishment of the Committees

The purpose of establishing the Committees is to strengthen the fairness, transparency, and objectivity of procedures related to the nomination and remuneration of directors and to further enhance corporate governance.

2. Roles of the Committees

The Nomination Committee and the Compensation Committee deliberate on the following matters, in response to consultations from the Board of Directors, and provide recommendations to the Board of Directors.

Nomination Committee

- (1) Matters related to proposals for the appointment and dismissal of directors
- (2) Matters related to the criteria for the appointment and dismissal of directors
- (3) Matters related to the selection and removal of the Representative Director and directors with specific titles
- (4) Matters related to the succession plan for the President and Representative Director (including development)
- (5) Other important matters related to the nomination of directors that the Board of Directors deems necessary

Compensation Committee

- (1) Matters related to the remuneration system for directors (fixed remuneration, variable remuneration, and non-monetary remuneration [stock-based compensation])
- (2) Matters related to the evaluation of directors and the determination of individual remuneration amounts based on the remuneration system
- (3) Matters related to the upper limit of remuneration for directors and other matters concerning directors' remuneration to be determined by resolution of the general meeting of shareholders
- (4) Other important matters related to directors' remuneration that the Board of Directors deems necessary

3. Composition of the Nomination Committee and the Compensation Committee

The Nomination Committee consists of all independent Outside Directors, the President and Representative Director, and the Director in Charge of Human Resources Division, with a majority of its members being independent Outside Directors.

The Compensation Committee consists of all independent Outside Directors and the Director in Charge of Human Resources Division, with a majority of its members being independent Outside Directors.

The chairperson of each committee is selected from among the independent Outside Directors.

The composition of each committee at the time of its establishment is as follows:

[Nomination Committee]

Chairperson: Mariko Bando (Outside Director)

Members: Shiro Nitanaï (Outside directors), Yasuyuki Kawasaki (Outside directors), Toshie Tanaka (Outside directors), Koji Minato (President and Representative Director), Yoshihito Yamamura (Director in Charge of Human

Hisashi Shirahata	Certified public accountant																		
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*** Items for Selection Regarding the Individual’s Relationship with Our Company**

*** “○”: The individual falls under the item in question presently or recently, “△”: The individual fell under the item in question in the past**

*** “●”: A close relative of the individual falls under the item in question presently or recently, “▲”: A close relative of the individual fell under the item in question in the past.**

- a Executive of our company or its subsidiary
- b Non-executive director or accounting advisor of our company or its subsidiary
- c Executive or non-executive director of the parent company of our company
- d Auditor of the parent company of our company
- e Executive of a sister company of our company
- f Individual or an executive of a company with our company as a major business partner
- g Major business partner or an executive of a major business partner of our company
- h Consultant, an accounting expert, or a legal expert receiving large sums of money or other assets from our company outside of executive compensation
- i Major shareholder of our company (in case the major shareholder in question is a corporation, then an executive of the corporation)
- j Executive of a business partner of our company (not falling under either d, e, or f) (only for the individual in question)
- k Executive of a company in which an outside executive has a concurrent post (only for the individual in question)
- l Executive of a company to which our company has donated (only for the individual in question)
- m Other

Relationship with Our Company (2)

Name	Independent Executive	Supplementary Explanation Regarding Applicable Items	Reason for Appointment
Osamu Ishihara	○	-----	Mr. Osamu Ishihara has deep professional knowledge and abundant operational experience accumulated as a lawyer, and he has been appointed as an outside auditor so that his knowledge and experience will be reflected in the auditing system of our company. In addition, he does not satisfy any of the additional disclosure requirements for independency, and he has held no interest in our company's management from the past to the present. Therefore, it has been judged that there would be no conflict of interest with general stakeholders, and he has been appointed as an independent executive.
Hisashi Shirahata	○	-----	Mr. Hisashi Shirahata has professional knowledge and abundant operational experience in finance and accounting as a certified public accountant, so he has been appointed as an outside auditor so that his knowledge and experience can be reflected in the auditing system of our company. In addition, he does not satisfy any of the additional disclosure requirements for independency, and he has held no interest in our company's management from the past to the present. Therefore, it has been judged that there would be no conflict of interest with general stakeholders, and he has been appointed as an independent executive.

[Independent Executives]

Number of Independent Executives	6
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Other Items Related to Independent Executives

Our company has designated outside executives that satisfy our standards for independence as well as the standards specified by the Companies Act and securities exchanges as independent executives.

[Criteria for independence]

1. The candidate shall not have experience in executing duties at a subsidiary or affiliated company of our company at the

present moment or at any point in the past 10 years.

2. The candidate shall not currently be a major shareholder (who holds 10% or more of the total number of voting rights) or a person executing duties for a major shareholder.

3. The candidate shall not be a person executing duties for a major partner company of our company (a partner company with which we carry out transactions yearly at an amount accounting for 2% or more of our consolidated sales, or a supplier from which we procure goods or services yearly at an amount making up 2% or more of the consolidated sales of the supplier).

4. The candidate shall not be a person executing duties for a major lender of our company (a financial institution from which we take out loans yearly at an amount accounting for 2% or more of our company's total assets).

5. The candidate shall not be an expert, such as a consultant, an accountant, or a lawyer, who receives money amounting to over 10 million yen or other property from our company every year, in addition to remuneration given to officers.

[Incentives]

State of Implementation of Incentive Policies for Directors

Adoption of a performance-linked remuneration system

Supplementary Explanation

The remuneration for each director is composed of fixed remuneration, performance-linked variable remuneration, and remuneration in the form of shares with restrictions on transfer.

As part of a revision to our remuneration system for directors, and for the purpose of providing directors with incentives to sustainably enhance the Company's corporate value as well as further promoting value sharing with shareholders, the introduction of a restricted stock compensation system was approved at the Ordinary General Meeting of Shareholders held on March 28, 2018.

Individuals to Receive Stock Options

Supplementary Explanation

[Compensation for Directors]

State of Disclosure (of Individual Compensation for Directors)

Disclosing some information individually

Supplementary Explanation

Securities reports and business reports disclose the total remuneration amount of each of inside and outside directors in the most recent fiscal year (which ended in December 2025).

Concretely, the remuneration for inside directors amounted to 459 million yen, while that for outside directors amounted to 38 million yen. The bonus in the most recent fiscal year was 243 million yen for inside directors and none for outside

directors, while the stock-based compensation with restrictions on transfer amounted to 94 million yen for inside directors and 3 million yen for outside directors.

Policy on Determining Remuneration Amounts and Calculation Methods

Established

Disclosure of Policy on Determining Compensation Amounts and Calculation Methods

The remuneration for directors is composed of (1) fixed remuneration, (2) performance-linked variable remuneration, and (3) stock-based compensation with restrictions on transfer (non-monetary remuneration), and their composition is determined by the representative director. (1) Regarding fixed remuneration, monthly monetary compensation is paid in accordance with the monthly compensation table for each position, which was approved by the board of directors after discussing the appropriateness of each remuneration level. (2) Regarding variable remuneration, monetary remuneration for each position is linked to operating income in the fiscal year under review, which represents the results of corporate business activities, and individual performance, and paid after the fiscal year, so that they will contribute to the improvement in corporate performance. The consolidated operating income in the fiscal year under review is as shown in the consolidated profit-and-loss statement. The performance of each director is evaluated based on evaluation indicators set for each business and function in his/her respective area of responsibility. (3) Regarding stock-based compensation with restrictions on transfer, stock-based compensation for each position is provided every fiscal year in line with the start of the medium-term management plan, for the purposes of enhancing corporate value sustainably and promoting value sharing with shareholders. The stock-based compensation with restrictions on transfer is provided on the condition that the recipient remains in office, for the purpose of motivating the achievement of medium-term performance targets.

The maximum amount of remuneration for directors was resolved at the Ordinary General Meeting of Shareholders held on March 26, 2025 to be “within 50 million yen per month” (of which the portion for outside directors is within 10 million yen per month; however, salaries for employees are not included). The number of directors at the conclusion of the said Ordinary General Meeting of Shareholders was eight (including four outside directors). In addition to this fixed remuneration framework, at the Ordinary General Meeting of Shareholders held on March 27, 2013, a variable remuneration framework was approved, under which the amount is within 10% of the Company’s net income for each fiscal year (of which the portion for outside directors is within 10 million yen per year). Furthermore, at the Ordinary General Meeting of Shareholders held on March 26, 2025, a stock-based compensation framework with restrictions on transfer was approved, with an annual amount of “within 500 million yen” (of which the portion for outside directors is within 20 million yen per year). The number of directors at the conclusion of each of the said ordinary general meetings of

shareholders was six (including two outside directors) for the former and eight (including four outside directors) for the latter.

In order to enhance the fairness, transparency, and objectivity of the procedures for determining remuneration, etc. for directors, the Company established a “Compensation Committee” as a voluntary advisory body to the Board of Directors on February 13, 2026. The Compensation Committee is chaired by an independent outside director and consists of all independent outside directors and the Director in Charge of Human Resources Division, with a majority of its members being independent outside directors. When deliberating matters related to directors’ remuneration, the Board of Directors shall consult the Compensation Committee in advance and conduct deliberations based on its recommendations.

[Support System for Outside Directors (Outside Auditors)]

- We have appointed staff in charge of outside directors and outside auditors in the secretariat division of General Affairs Department.
- We provide Directors and Auditors in advance with items to be discussed and related reference materials for meetings of the board of directors.

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

Our company is a company with a Board of Auditors. Eight directors, including four outside directors, constitute the board of directors. At the meeting of the board of directors, which is basically held once a month, the directors make decisions about the items specified in laws, regulations, and the articles of incorporation and important matters on business administration, and supervise business operations.

Outside directors attend the meetings of the board of directors from the independent standpoint without any conflicts of interest with management, and express their appropriate opinions based on their plentiful experience and profound insight nurtured through long-time corporate management, fulfilling the role of enhancing the management supervision function of the board of directors.

The Board of Auditors of our company is composed of two full-time auditors and two outside auditors who possess plenty of knowledge and experience in various fields, totaling four members. At the meeting of the meeting of the Board of Auditors, which is basically held once a month, auditors have discussions and make resolutions for formulating their opinions on audits. Each auditor audits business execution in accordance with the auditing policy, auditing plans, and the division of duties specified by the Board of Auditors. All of the auditors attend the meetings of the board of directors, and the full-time auditors also attend the meetings of the board of managing directors, the meetings of executive officers, and other important meetings.

The term of office of each director is one year in order to establish a flexible management system that can swiftly respond to changes in the business environment. For complementing the functions of the board of directors, the meeting of the board of managing directors (attended by directors, excluding outside ones, and some executive officers) is held once a

week in principle, to deliberate important items for approval, ensure the thorough implementation of management policies, and confirm the progress of business performance.

In addition, we adopted the executive officer system and clarified management responsibility and business execution, to strengthen the function of business execution and improve management efficiency. With this, we can respond to changes in the business environment and make decisions swiftly.

For strengthening the functions of auditors, we promote the cooperation between accounting auditors and the internal audit section, and appoint outside auditors who possess plentiful experience and advanced technical knowledge, as described in “Regarding Auditors.”

We have established Audit Department as an internal audit section, which is composed of 15 members and conducts audits in a planned manner.

From the viewpoints of legal accounting, appropriate disclosure of information to investors, and securing of continuity, we appointed “KPMG AZSA LLC” as an accounting auditor defined in the Companies Act and an auditor defined in “Financial Instruments and Exchange Act.”

3. Reasons for Adoption of Current Corporate Governance System

Our company believes that this enables us to strengthen the functions to audit and supervise business administration by utilizing the functions of outside directors (4 out of 8 directors) and outside auditors (2 out of 4 auditors), and adopted the current governance system for improving the transparency and fairness of our business administration.

III Implementation of Measures for Shareholders and Other Stakeholders

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

	Supplementary Explanations
Early dispatch of the notice of convocation of General Meetings of Shareholders	With respect to the notice of convocation of the 76th Ordinary General Meeting of Shareholders held on March 25, 2026, the Company dispatched the notice on March 6, 20 days prior to the date of the meeting. In addition, in accordance with the electronic provision system, the notice was posted on the website of the Tokyo Stock Exchange and the Company’s website on March 3, three weeks prior to the date of the meeting.
Scheduling of General Meetings of Shareholders avoiding dates on which many other	In order to enable as many shareholders as possible to attend, the Company avoided the peak dates for general meetings of shareholders in March and held the 76th Ordinary General Meeting of Shareholders on March 25, 2026.

companies hold general meetings of shareholders	
Allowing Electronic Exercise of Voting Rights	The Company has enabled the exercise of voting rights by electronic means since 2016.
Participation in the electronic voting platform and other efforts to improve the environment for institutional investors to exercise their voting rights	The Company has used the electronic voting platform since 2022.
Provision of the notice of convocation (summary) in English	Since 2016, the Company has posted English translations of the summary of the notice of convocation on the website of the Tokyo Stock Exchange and the Company's website three weeks prior to the date of the meeting.
Other	Convocation notices and notifications on resolutions are available in our website. (https://www.itoki.jp/en/ir/stockholder/notification.html)

2. IR Activities

	Supplementary Explanations	Whether or not the representative him/herself gives explanations
Preparation and Publication of Disclosure Policy	The Company has established a disclosure policy and posted it on its website.	
Regular Investor Briefings for Individual Investors	At a briefing session for individual investors, the representative explained the Company's business activities, performance trends, and future developments (March 6, 2025).	Yes
Regular Investor Briefings for Analysts and Institutional Investors	At financial results briefings, the representative explained the Company's performance trends and future developments (August 19, 2025, and February 13, 2026).	Yes
Regular Investor Briefings for overseas investors	The Company participated in a conference for overseas institutional investors hosted by a securities company, where the Company explained its business activities, performance trends, and future developments (February 24, 2026).	No
Posting of IR Materials on Website	The Company posts financial information, timely disclosures (including both statutory and voluntary disclosures), securities reports, and financial results briefing materials on its website (URL: https://www.itoki.jp/en/ir/).	
Establishment of Department and/or Manager in Charge of IR	The Company has established an IR Section within the IR & SR Department of the Corporate Communication Division as the department responsible for IR activities.	

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Implementation of environmental conservation and CSR activities	<p>The Company has established the Sustainability Promotion Section within the Corporate Planning Division of the Corporate Planning Headquarters as the department responsible for promoting CSR activities.</p> <p>In addition to the conventional sustainability report, the Company has issued the “ITOKI Integrated Report” since the report for fiscal year 2020 and discloses it on its website (URL: https://www.itoki.jp/en/sustainability/).</p>

IV Matters Related to the Internal Control System

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

Our company has formulated the following basic policies for establishing a group-wide, comprehensive, and integrated internal control system, in order to ensure that directors execute their duties in accordance with laws and regulations and the Articles of Incorporation.

1. Systems to Ensure that the Execution of Duties by Directors Conforms to Laws and Articles of Incorporation (Article 362, Paragraph 4, Item 6 of the Companies Act)

- (1) To create “the Code of Conduct of the Itoki Group” as a code of conduct for directors and employees and strive to improve and promote it, to ensure the compliance with laws, regulations, and corporate ethics.
- (2) The “regulations for the board of directors” and the “regulations for allocation of authority” clarify the authority allocated to each position and each position’s responsibility for executing duties faithfully. In addition, the execution of duties of directors is supervised through necessary resolutions and reports at the monthly meeting of the board of directors.
- (3) Auditors attend the meetings of the board of directors and other important meetings, to supervise the execution of duties of directors.

2. Systems Related to the Preservation and Management of Information Concerning the Execution of Duties by Directors (Article 100, Paragraph 1, Item 1 of the Ordinance for Enforcement of the Companies Act)

- (1) The minutes and requests for prior approval of the meetings of the board of directors and other important meetings and other information on the execution of duties of directors are recorded in documents or electromagnetic media, and appropriately stored and managed in accordance with laws, regulations, the articles of incorporation, and the “regulations for document management.”
- (2) To formulate the “basic regulations for information security,” the “basic policy for information security,” etc. and manage information appropriately.

3. Regulations and Systems for managing the risk of loss in our company and subsidiaries (Article 100, Paragraph 1, Items 2 and 5 of the Ordinance for Enforcement of the Companies Act)

- (1) To formulate the “basic regulations for risk management of the Itoki Group,” accurately recognize and understand all kinds of possible risks in business, and develop and operate a system for managing them appropriately.
- (2) To establish a risk management committee, which is chaired by the president, to make decisions about risk management policies and group-wide preventive measures, when necessary.
- (3) The risk management committee designates a section in charge and a manager for each risk category, grasps, analyzes, and evaluates the risks of our corporate group, designs appropriate risk management measures, and make them known to all employees, for minimizing risks.
- (4) The internal audit section regularly audits the situation of risk management in each section, and reports the audit results to the board of directors and the Board of Auditors.

4. Systems to Ensure the Efficiency in Execution of Duties by Directors (Article 100, Paragraph 1, Item 3 of the Ordinance for Enforcement of the Companies Act)

- (1) The Company separates management oversight from business execution, and the Board of Directors assumes the function of supervising the execution of business of our corporate group from an independent and objective standpoint.
- (2) In addition to the monthly meeting of the Board of Directors, the meeting of managing directors is held every week and the meeting of executive officers is held when considered necessary by the representative director, to complement the functions of the board of directors. With this system, we can respond to changes in the business environment and make decisions swiftly, by deliberating important items to be resolved, following management policies thoroughly, and checking the progress of business performance.
- (3) The Company adopts an executive officer system to separate business administration and business execution functions, streamline business administration, and clarify responsibilities.
- (4) The Company establishes company-wide objectives and, in order to achieve such objectives, clearly defines the appropriate allocation of authority to each position and the procedures for exercising such authority in the “regulations for the board of directors,” the “regulations for the board of managing directors,” the “regulations for allocation of authority,” and the “regulations for requests for prior approval,” etc.

5. Systems to Ensure that Employees Execute Their Duties in Accordance with Laws, Regulations, and the Articles of Incorporation (Article 100, Paragraph 1, Item 4 of the Ordinance for Enforcement of the Companies Act)

- (1) To apply the “Code of Conduct of the Itoki Group” to employees as well, and strive to strengthen and promote compliance with laws and regulations and the establishment of corporate ethics.
- (2) To establish a compliance committee in order to promote management that places importance on compliance, and, in principle, hold meetings at least twice a year, unless there are unavoidable circumstances, to deliberate and decide on important matters related to compliance and report them to the Board of Directors.
- (3) To establish the secretariat of the compliance committee within the department in charge of compliance, and develop a compliance system by appointing compliance promotion officers and persons in charge of promotion.

(4)The department in charge of compliance shall, in cooperation with the internal audit department, discuss compliance status and other related matters as necessary.

(5)To establish whistleblowing channels for reporting illegal acts within the Company, both internally and externally. The external reporting channel shall be a law firm.

6. Systems to Ensure the Properness of Business Operations in the Corporate Group Consisting of Our Company and Its Subsidiaries (Article 100, Paragraph 1, Item 5 of the Ordinance for Enforcement of the Companies Act)

(1) To make the “Code of Conduct of the Itoki Group” and regulations related to compliance available for subsidiaries and ensure thorough compliance with laws and regulations.

(2) To establish a department in charge of managing affiliated companies as a contact point for subsidiaries, and require subsidiaries to submit applications for approval to and reports to the Company in accordance with the “Group Company Management Regulations,” as well as provide management and support commensurate with the position and scale of each subsidiary.

(3)The Company’s accounting auditor, Auditors, and internal audit department shall conduct audits of subsidiaries as necessary.

(4) To establish a whistleblowing system that covers both the Company and its subsidiaries.

(5) To introduce management indicators and performance indicators on a consolidated basis, and establish a meeting body to formulate basic management strategies for the group as a whole.

7. Systems to Ensure the Reliability of Financial Reporting

The Group shall, in order to ensure the reliability of financial reporting and to appropriately and effectively submit internal control reports in accordance with the Financial Instruments and Exchange Act, develop and operate an internal control system in accordance with the “Basic Policy for Financial Reporting of the Itoki Group” established by the Company, continuously evaluate whether such system functions properly, and implement necessary corrective measures.

8. Systems Concerning Employees Assisting the Duties of Auditors When Requested by Auditors (Article 100, Paragraph 3, Item 1 of the Ordinance for Enforcement of the Companies Act)

If requested by Auditors, the directors shall, upon consultation with the Auditors, appropriately establish a system concerning such employees.

9. Systems Concerning the Independence of Employees Referred to in the Preceding Item from Directors (Article 100, Paragraph 3, Item 2 of the Ordinance for Enforcement of the Companies Act)

The appointment, dismissal, and personnel transfer of the employees referred to in the preceding item shall be subject to the consent of the Auditors.

10. Systems to Ensure the Effectiveness of Instructions to Employees Assisting Auditors (Article 100, Paragraph 3, Item 3

of the Ordinance for Enforcement of the Companies Act)

With respect to employees assisting the duties of Auditors the Company shall ensure that its officers and employees are fully informed that such employees shall follow the instructions and orders of Auditors.

11. Systems for Reporting to Auditors by Directors and Employees and Other Systems Concerning Reporting to Auditors (Article 100, Paragraph 3, Item 4 of the Ordinance for Enforcement of the Companies Act)

(1) The full-time Auditors shall attend meetings of the Board of Directors as well as meetings of managing directors and other important meetings or committees in order to understand the process of important decision-making and the status of business execution, and shall express opinions when deemed necessary.

(2) Directors and employees shall report to Auditors, in addition to matters required by laws and regulations, any matters that may have a significant impact on the business or performance of the Company or its subsidiaries, the results of internal audits, and the status and details of reports made through the whistleblowing system, without delay.

(3) Directors and employees shall, when requested by Auditors to report on matters related to the execution of duties, promptly make such reports to the Auditors.

(4) Officers and employees of subsidiaries shall, when requested by Auditors of the Company to report on matters related to the execution of duties, promptly make such reports to the Auditors.

12. Systems to Ensure that Persons Who Have Reported to Auditors Are Not Subject to Disadvantageous Treatment on the Grounds of Such Reporting (Article 100, Paragraph 3, Item 5 of the Ordinance for Enforcement of the Companies Act)

The Company shall not subject officers and employees of the Company and its subsidiaries who have reported to the Company's Auditors to any disadvantageous treatment on the grounds of such reporting.

13. Systems Concerning Policies on Procedures for Advance Payment or Reimbursement of Expenses Incurred in the Execution of Duties by Auditors and Other Handling of Expenses or Liabilities Arising from the Execution of Such Duties (Article 100, Paragraph 3, Item 6 of the Ordinance for Enforcement of the Companies Act)

If Auditors request the Company to bear expenses incurred in the execution of their duties, the Company shall respond promptly.

14. Systems to Ensure the Effectiveness of Audits by Auditors (Article 100, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act)

(1) Auditors and the Representative Director shall hold meetings on a regular basis and strive to deepen mutual understanding and build a relationship of trust.

(2) Auditors shall enhance cooperation with the accounting auditor and the internal audit department by holding regular and ad hoc meetings, and establish a system that enables comprehensive and efficient audits to be conducted effectively.

2. Basic Policy on the Elimination of Anti-Social Forces and the Status of Its Development

The “Code of Conduct of the Itoki Group” clearly stipulates the refusal of any relationship with anti-social forces and organizations and ensures thorough compliance as a rule to be observed.

The General Affairs Department is designated as the contact point for responding to unreasonable demands from anti-social forces, with dedicated personnel assigned, and efforts are made to collect information and exchange information with other companies. In addition, in preparation for emergencies, response manuals have been developed, and cooperation with the police and legal counsel has been strengthened.

✓ Others

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	No
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Supplementary Explanation

The Company introduced the “Measures Against Large-Scale Purchases of the Company’s Shares (Takeover Defense Measures)” upon approval by shareholders at the 58th Ordinary General Meeting of Shareholders held on March 28, 2008, and has since continued such measures. Most recently, the continuation of such measures was approved by shareholders at the 73rd Ordinary General Meeting of Shareholders held on March 23, 2023 (hereinafter, the measures continued at the said general meeting of shareholders are referred to as the “Plan”).

The effective period of the Plan was scheduled to expire at the conclusion of the 76th Ordinary General Meeting of Shareholders of the Company to be held in March 2026. However, the Company has determined that steadily implementing various measures based on the medium-term management plan and further strengthening its corporate governance framework to achieve stable and sustainable growth will contribute to securing and enhancing the Company’s corporate value and, ultimately, the common interests of shareholders. Accordingly, at the meeting of the Board of Directors held on February 13, 2025, the Company resolved to abolish the Plan prior to the expiration of its effective period.

2. Other Matters Concerning Corporate Governance System

The status of our internal system for timely disclosing corporate information is as follows.

1. Basic stance for timely disclosure

The Company fully recognizes that the timely and appropriate disclosure of corporate information forms the foundation of a sound capital market. Based on this recognition, the Company’s basic policy is to disclose reliable and consistent corporate information in a timely manner to capital market participants, including investors, in accordance with relevant laws and regulations such as the Financial Instruments and Exchange Act and the rules prescribed by the securities exchange on which the Company is listed, while striving to ensure fair disclosure so that all market participants have equal access to the information disclosed by the Company.

The Company positions unreleased information among the following corporate information as “material information” that should be disclosed.

(1) Information that is required to be disclosed under applicable laws and regulations and the timely disclosure rules prescribed by the securities exchange

(2) Information that does not fall under the above but is voluntarily disclosed to the securities exchange on which the Company is listed, as it is deemed likely to have a significant impact on investors’ investment decisions

The Company discloses such material information in accordance with the timely disclosure rules prescribed by the Tokyo Stock Exchange by registering it with and disclosing it through the Timely Disclosure network (TDnet) operated by the exchange. The Company then promptly distributes the disclosed materials to the press and other media and posts them on its website. In addition, the Company will hold press conferences and take other appropriate measures as necessary.

2. Internal System for Timely Disclosure

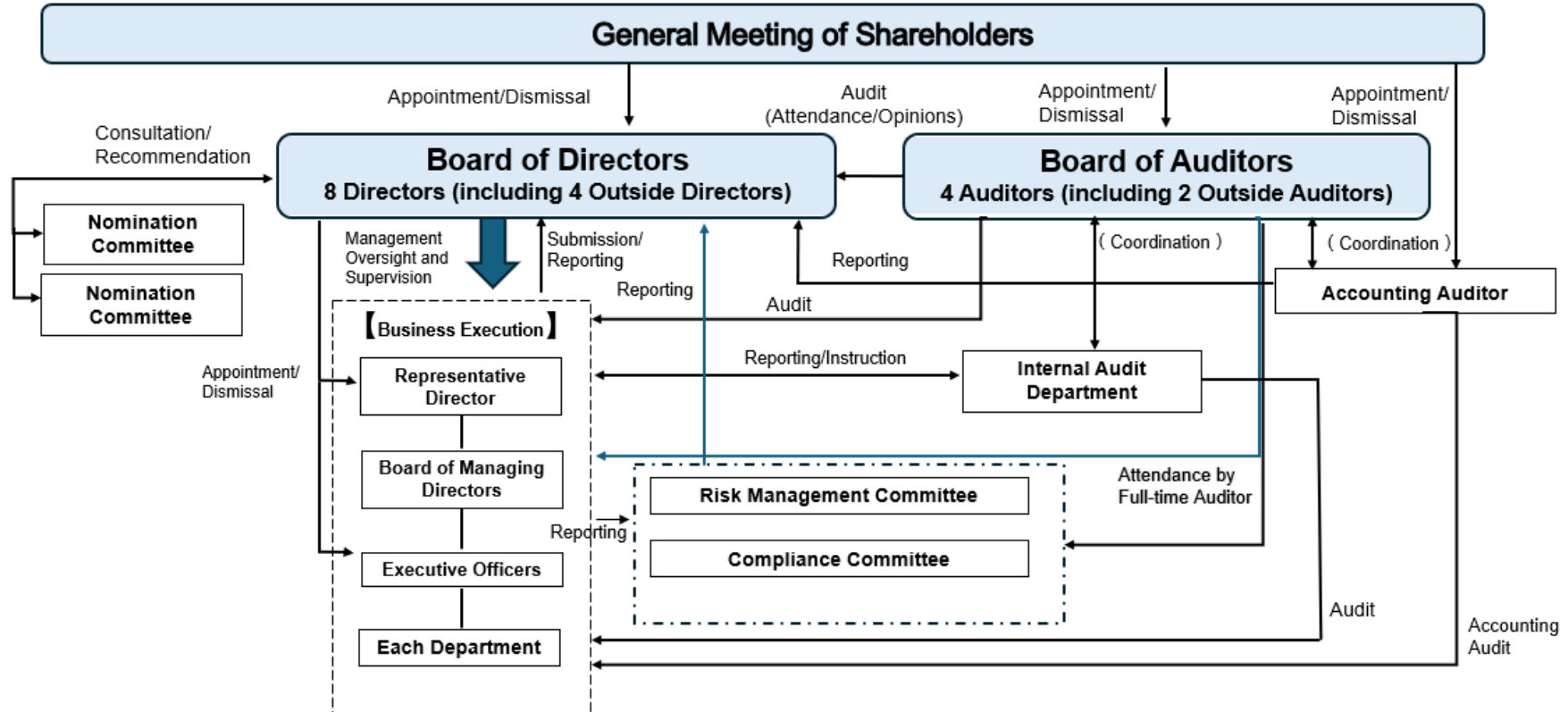
Based on the basic policy described in 1. above, the Company stipulates in the “Regulations for the Board of Directors” and the “Regulations for Allocation of Authority” that important corporate information (financial results information, decisions, and occurrence of material events) shall be submitted to or reported to the Board of Directors. Matters to be submitted or reported to the Board of Directors from each department are first deliberated by the Management Committee and then consolidated by the General Manager of the General Affairs Department, who serves as the secretariat of the Board of Directors. The General Manager of the General Affairs Department, in consultation and coordination with the officer in charge of the Corporate Communication Division, who is responsible for information handling, as well as relevant departments such as the IR/SR Department and the Accounting Department, carefully reviews each matter and determines whether it constitutes material information.

In addition, if any uncertainty arises in making such determinations, the Company will consult with relevant institutions, including the securities exchange on which the Company is listed. If a matter is determined to constitute material information requiring timely disclosure, the responsible department prepares the disclosure materials, and after the matter is resolved (approved) by the Board of Directors, the Company promptly carries out the prescribed timely disclosure procedures. Auditors attend the meetings of the Board of Directors and oversee the process of timely disclosure.

The General Manager of the General Affairs Department instructs relevant departments to thoroughly manage information so as to prevent any leakage of material information both internally and externally prior to its public disclosure. In addition, the General Manager manages matters related to the acquisition of treasury shares and trading of the Company’s shares by officers and employees.

Furthermore, the Company stipulates under its “Regulations for Prevention of Insider Trading” that officers and certain employees are required to obtain prior approval from the General Manager of the General Affairs Department when trading the Company’s shares.

ITOKI CORPORATION Corporate Governance Structure



Internal System for Timely Disclosure of the Company's Material Information (Financial Results, Decisions, and Material Events)

