

The corporate governance of GA technologies Co., Ltd. (the “Company”) is described below.

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

1. Basic View

The Company upholds “Building a world leading company that inspires and impresses people with the power of technology and innovation.” as its corporate philosophy and strives to maximize the enterprise value to offer inspiring and impressive experiences to people and provide services for creating a better future.

In addition, in order to respect all stakeholders and increase shareholder’s value stably over the long-term, the Company has established an internal system that enables prompt and rational decision-making and more efficient business execution. At the same time, the Company is working to enhance corporate governance as it recognizes the critical importance of strengthening the management oversight function to improve management soundness and transparency.

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

The Company complies with all basic principles of the Corporate Governance Code.

2. Capital Structure

Percentage of Shares held by Foreign Investors	20% or more and less than 30%
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[Status of Major Shareholders] Updated

Name or company name	Number of shares held (shares)	Percentage (%)
Ryo Higuchi	10,739,100	29.22
GGA LLC	5,129,112	13.95
THE BANK OF NEW YORK 133612	1,746,800	4.75
THE BANK OF NEW YORK 133652	1,508,200	4.10
SBI SECURITIES Co., Ltd.	1,211,175	3.29
Rakuten Securities, Inc.	1,179,400	3.20
Custody Bank of Japan, Ltd. (trust account)	997,400	2.71
Toshitaka Fukuda	862,900	2.34
Dai Higuchi	785,100	2.13
Ken Kutaragi	765,360	2.08

Existence of Controlling Shareholders (excluding parent company)	—
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Existence of Parent Company	No
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Supplementary Updated

GGA LLC is an asset management company wholly owned by Ryo Higuchi, President and CEO of the Company.

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Tokyo Stock Exchange (Growth Market)
Fiscal Year-End	October
Business Sector	Real estate
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year Updated	1,000 or more
Sales (Consolidated) as of the End of the Previous Fiscal Year	100 billion yen or more and less than 1 trillion yen
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year Updated	10 or more and less than 50

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

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

N/A

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

1. Organizational Composition and Operation

Organization Form	Company with Audit and Supervisory Committee
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[Directors]

Number of Directors Stipulated in Articles of Incorporation	10
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	8
Election of Outside Directors	Elected
Number of Outside Directors	5
Number of Outside Directors designated as Independent Directors	5

Name	Attributes	Relationship with the Company (*)										
		a	b	c	d	e	f	g	h	i	j	k
Ken Kutaragi	From another company							○				
Piotr Feliks Grywacz	From another company						△		△			
Tomohisa Matsuba	Attorney						△					
Toshiro Kuwahara	From another company											
Saori Sato	Certified public accountant											

* Categories for "Relationship with the Company"

* "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past

* "●" when a close relative of the director presently falls or has recently fallen under the category; "▲" when a close relative of the director fell under the category in the past

a A business executor of a listed company or its subsidiary

b A business executor or a non-executive director of a parent company of a listed company

c A business executor of a sister company of a listed company

d An individual whose major business client is a listed company or a business executor thereof

e A major business client of a listed company or a business executor thereof

f A consultant, accounting specialist, or legal professional who receives a substantial amount of money or other assets in addition to the executive remuneration from a listed company

g A major shareholder of a listed company (In the case that said major shareholder is a corporation, a business executor thereof)

h A business executor of a business client (that does not fall under any of (d), (e), or (f)) of a listed company [This applies to the director himself/herself only.]

i A business executor of a company whose outside directors are mutually assigned [This applies to the director himself/herself only.]

j A business executor of a company that receives a donation from a listed company [This applies to the director himself/herself only.]

k Others

Name	Audit and Supervisory Committee Member	Independent Director	Supplementary Explanation of Applicable Items	Reasons for Appointment
Ken Kutaragi		○	Mr. Kutaragi served as an advisor to the Company from July to December 2017, but the Company terminated such advisory contract upon his appointment as a director in January 2018. The remuneration as an advisor in the past was a small amount of 250,000 yen per month, and therefore the Company has judged that Mr. Kutaragi does comply with the criteria for being an independent director.	Mr. Kutaragi is appointed as an outside director based on his extensive experience in company management and his many years of work experience in the IT industry. In addition, since there are no special interests between Mr. Kutaragi and the Company, and there is no risk of a conflict of interest with general shareholders, the Company has designated him as an independent director.
Piotr Feliks Grywacz		○	Since June 2021, Mr. Grywacz has provided human resource development consulting services through his company, Pronoia Group Co., Ltd. The compensation for such services is to a corporation and is within the scope of normal human resource development consulting service, and therefore, the Company has judged that Mr. Grywacz does comply with the criteria for being an independent director.	Mr. Grywacz has expertise in the field of organizational development and human resource development and has been involved in organizational development and human resource development for a number of companies. Additionally, he currently provides organizational development and human resource development consulting services to several companies as the representative director of Pronoia Group Co., Ltd. The Company believes that his advice will be indispensable as it grows and expands its scale and organization in the future. In addition, since there are no special interests between Mr. Grywacz and the Company, and there is no risk of a conflict of interest with general shareholders, the Company has designated him as an independent director.

Name	Audit and Supervisory Committee Member	Independent Director	Supplementary Explanation of Applicable Items	Reasons for Appointment
Tomohisa Matsuba	○	○	<p>Mr. Matsuba served as a legal advisor to the Board of Auditors of the Company from July 2019 to January 2020, but such advisory contract was terminated upon his appointment as a director in January 2020. The remuneration as such advisor was a small amount of 250,000 yen per month, and he was appointed as an advisor for the purpose of providing legal advice to the Board of Auditors. Therefore, the Company has judged that he does comply with the criteria for being an independent director. Mr. Matsuba also served as trustee for the Company's 4th and 5th stock acquisition rights from July 2019 to January 2020, but the Company terminated such trust agreement upon his appointment as a director in January 2020. No compensation was paid to him under the trust agreement, and therefore the Company has judged that he does comply with the criteria for being an independent director.</p>	<p>Mr. Matsuba has in-depth knowledge of various laws and regulations, including the Financial Instruments and Exchange Act, based on his experience as a lawyer well-versed in corporate legal affairs and as a fixed-term employee of the Financial Services Agency. He also has experience serving as an auditor. Since January 2020, Mr. Matsuba has served as a director who is a member of the Audit and Supervisory Committee of the Company, where he conducts audits primarily from a legal perspective and provides a wide range of advice on the field. In addition, since there are no special interests between Mr. Matsuba and the Company, and there is no risk of a conflict of interest with general shareholders, the Company has designated Mr. Matsuba as an independent director.</p>
Toshiro Kuwabara	○	○	<p>Mr. Kuwabara had served as an advisor of the Company since December 2021. However, since the Company terminated such advisory contract upon his appointment as a director in January 2022, and the advisory contract was for the purpose of handing over the position of a member of the Audit and Supervisory Committee, the Company has judged that he does comply with the criteria for being an independent director.</p>	<p>Mr. Kuwabara has many years of work experience in financial institutions, and his experience and knowledge are not limited to business aspects, but also include experience in audit-related areas such as systems and risk management. We believe that Mr. Kuwabara's experience and knowledge of the financial industry will be indispensable to our audit as we expand our business beyond the real estate industry and into other adjacent industries in the future. In addition, since there are no special interests between Mr. Kuwabara and the Company, and there is no risk of a conflict of interest with general shareholders, the Company has designated Mr. Kuwabara as an independent director.</p>
Saori Sato	○	○	<p>Ms. Sato had served as an advisor of the Company since December 2021. However, since the Company terminated the advisory contract upon her appointment as a director in January 2022, and the advisory contract was for the purpose of handing over the position of a member of Audit and Supervisory Committee, the Company has determined that she does comply with the criteria for being an independent director.</p>	<p>As a certified public accountant and tax accountant, Ms. Sato has worked for major audit and tax accounting firms, and most recently for a company mainly engaged in the real estate business. The Company believes that her experience and knowledge in both accounting and real estate are indispensable to our audit. In addition, since there are no special interests between Ms. Sato and the Company, and there is no risk of a conflict of interest with general shareholders, the Company has designated Ms. Sato as an independent director.</p>

[Audit and Supervisory Committee]

Committee Member Composition and Attributes of the Chairperson

	All Committee Members (persons)	Full-time Members (persons)	Internal Directors (persons)	Outside Directors (persons)	Committee Chair
Audit and Supervisory Committee	3	1	0	3	Outside Director

Presence of Directors and/or Employees to Support the Audit and Supervisory Committee	Yes
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Matters Concerning the Independence of the Relevant Directors and/or Employees from the Executive Directors

Employees shall be assigned to assist the Audit and Supervisory Committee in the execution of its duties, and such employees shall follow the instructions and orders of the Audit and Supervisory Committee with respect to duties related to the Committee. Although such personnel evaluations are basically conducted by the General Manager of the Corporate Management Division, the Audit and Supervisory Committee has the right to consent to such evaluation and has the right to consent to the transfers and disciplinary actions.

Cooperation among Audit and Supervisory Committee, Financial Auditor, and Internal Audit Division

The Audit and Supervisory Committee of the Company consists of three (3) outside directors who are the Audit and Supervisory Committee members: Tomohisa Matsuba, Toshiro Kuwabara and Saori Sato (all are outside directors who are independent directors). Directors who are the Audit and Supervisory Committee members attend the Board of Directors and other important meetings in accordance with the audit policy and work assignments determined by the Audit and Supervisory Committee, and audit the execution of duties by the directors (excluding directors who are the Audit and Supervisory Committee members). In principle, the Audit and Supervisory Committee meets every month, and extraordinary meetings of the Audit and Supervisory Committee are also held, as necessary. There are no special interests between the outside directors and the Company.

The Internal Audit Office was established under the direct control of the Audit and Supervisory Committee to ensure sufficient checking functions on the Company's divisions and the audited divisions of its subsidiaries. Two members of the Internal Audit Office conduct internal audits of the status of compliance with laws and regulations and the efficiency of business activities based on an internal audit plan prepared in accordance with the internal audit regulations, and report to the Board of Directors and the Audit and Supervisory Committee as appropriate and necessary.

With regard to the external audit by the financial auditor, the Company has entered into an audit contract with Ernst & Young ShinNihon LLC, and the audit is conducted in accordance with auditing standards generally accepted as fair and appropriate in Japan. The Audit and Supervisory Committee works closely with the financial auditor, such as receiving quarterly audit reports and explanations regarding the status of internal control systems and risk assessment, exchanging opinions and information, and consulting on important accounting issues as appropriate. There are no special interests between the Company and the financial auditor or the managing partners of the financial auditor who are engaged in the audit of the Company.

[Voluntary Committee]

Presence of Voluntary Committee(s) equivalent to a Nomination Committee or Remuneration Committee	No
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[Independent Directors]

Number of Independent Directors	5
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Other Matters Concerning Independent Directors

All outside directors that qualify as independent directors have been designated as independent directors.

[Incentives]

Implementation Status of Measures related to Incentives Granted to Directors

Introduction of stock option plan

Supplementary Explanation for Applicable Items

The Company has introduced a stock option plan for officers and employees.

Persons Eligible for Stock Options

Internal directors, employees, directors of subsidiaries, employees of subsidiaries

Supplementary Explanation for Applicable Items

The Company grants stock options to motivate them to increase the Company's enterprise value and raise their morale.

[Director Remuneration]

Status of Disclosure of Individual Directors' Remuneration

Individual remuneration is not disclosed.

Supplementary Explanation for Applicable Items

Individual remuneration is not disclosed because there are no persons receiving remuneration totaling 100 million yen or more.

Presence of a Policy on Determining Remuneration Amounts and Calculation Methods

Present

Details of the Disclosure of the Policy on Determining Remuneration Amounts and Calculation Methods

The total amount of remuneration for directors has been determined via resolution at the general meeting of shareholders. Concerning the amount of remuneration for each officer, the amounts for directors are left to the discretion of the representative director and chief executive officer, while the amounts for the Audit and Supervisory Committee members are determined by the Audit and Supervisory Committee.

[Support System for Outside Directors]

The Business Management Division provides support for outside directors, for example, by sharing materials and other information for board meetings with outside directors in advance through the Business Management Division.

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

(a) Board of Directors

The Board of Directors of the Company is chaired by Ryo Higuchi, President and CEO. The other members are directors (excluding directors who are members of the Audit and Supervisory Committee) Fumio Sakurai and Dai Higuchi; outside directors Ken Kutaragi and Piotr Feliks Grywacz; and outside directors who are the Audit and Supervisory Committee members Tomohisa Matsuba, Toshiro Kuwahara and Saori Sato, a total of 8 directors (of which, five are outside directors). While internal directors, who are well versed in the Company's business, are able to make decisions quickly, the participation of outside directors, who have no special interest in the Company, in the decision-making process of the Board of Directors ensures the soundness and transparency of the management. Outside directors account for at least one-half of the total number of directors on the Company's Board of Directors, enabling more objective, fair, and impartial decision-making. In principle, the Board of Directors meets every month, and extraordinary meetings of the Board of Directors are also held, as necessary. Furthermore, in order to facilitate prompt decision-making, the Company makes extensive use of written resolutions through an electronic approval system. Directors are encouraged to exchange opinions as needed through internal communication tools.

(b) Audit and Supervisory Committee

The Audit and Supervisory Committee of the Company consists of three outside directors who are the Auditory and Supervisory Committee members: Tomohisa Matsuba, Toshiro Kuwahara and Saori Sato (all are outside directors who are independent directors). Directors who are the Audit and Supervisory Committee members audit the business execution of directors (excluding those who are the Audit and Supervisory Committee members) by attending meetings of the Board of Directors, attending other important meetings, etc., or by inspecting the minutes of such meetings and interviewing persons involved in such meetings, in accordance with the audit policy and work assignments determined by the Audit and Supervisory Committee. In principle, the Audit and Supervisory Committee meets every month, and extraordinary meetings of the Audit and Supervisory Committee are also held, as necessary. There are no special interests between the outside directors and the Company.

(c) Business Strategy Meeting

In order to ensure efficient and prompt decision-making, the Business Strategy Meeting consisting of directors and executive officers is held weekly or as necessary to report on the progress of monthly budgets, deliberate on short- and medium-term business execution guidelines, and discuss important matters in each division, thereby enabling the Company to respond to the rapidly changing business environment. The members of the Business Strategy Meeting are convened from each division according to the agenda of each meeting. Basically, the business strategy meetings are chaired by Ryo Higuchi, President and CEO, and consist of directors Fumio Sakurai and Dai Higuchi, and the division heads of each division.

(d) Internal Audit Office

The Internal Audit Office was established parallel to and under the direct control of the Audit and Supervisory Committee and the representative director to ensure sufficient checking functions on the Company's divisions and the audited divisions of its subsidiaries, and to provide opinions to the representative director on more appropriate and efficient business practices. Two members of the Internal Audit Office, consisting of a certified public accountant and an IT security specialist, conduct internal audits of the status of compliance with laws and regulations and the efficiency of business activities based on an internal audit plan prepared in accordance with the internal audit regulations and report to the Audit and Supervisory Committee, representative director and the Board of Directors, as necessary.

(e) Risk Management and Compliance Committee

The Risk Management and Compliance Committee is chaired by Ryo Higuchi, President and CEO, and consists of full-time directors, executive officers, general managers of each division, and other persons deemed necessary by the committee chair (such as general managers with jurisdiction over governance, legal and labor affairs). The committee deliberates on the risks faced by the Company and compliance in accordance with the "Risk Management and Compliance Regulations." In addition, from the viewpoint of cross-sectional and comprehensive risk management of all group companies, the Internal Control Subcommittee, Compliance Subcommittee, and Information Security Subcommittee have been established under the umbrella of the Risk Management and Compliance Committee. These subcommittees are attended by the heads of each business division and the heads of each group company division to share issues in each business division and group company, formulate unified policies for the entire Group, and make announcements within the company, as necessary. The subcommittees are also given strong authority to issue improvement instructions to the heads of each business division and group company to ensure highly effective functions related to internal control, compliance, and information security. Furthermore, in order to realize the development, penetration, and establishment of the Compliance Code, the Legal Division conducts legal training at the time of hiring, and on a monthly and thematic basis, and strives to raise compliance awareness throughout the company.

(f) Financial Auditor

With regard to the external audit by the financial auditor, the Company has entered into an audit contract with Ernst & Young ShinNihon LLC, and the audit is conducted in accordance with auditing standards generally accepted as fair and appropriate in Japan. The Audit and Supervisory Committee works closely with the financial auditor, such as receiving quarterly audit reports and explanations regarding the status of internal control systems and risk assessment, exchanging opinions and information, and consulting on important accounting issues as appropriate. There are no special interests between the Company and the financial auditor or the managing partners of the financial auditor who are engaged in the audit of the Company.

(g) Status of Attorneys and Other Third Parties

For important legal issues and compliance-related events, the Company consults with its corporate lawyers and such and makes necessary studies.

(h) Whistleblowing System

With regard to the whistleblowing system, we recognize that it is essential to operate the system strictly in accordance with the "Regulations Concerning Whistleblowing and Disciplinary Punishments," and we strive to operate the system properly with the involvement of outside attorneys as needed.

(i) Elimination of Antisocial Forces

Concerning the elimination of antisocial forces, the Legal Division and specific divisions confirm such in advance when establishing relationships with parties (customers, business partners, contractors, etc.) with whom the Company has relationships, and at the same time, follow up with these parties on an ongoing basis. Through such efforts, the Company ensures to prevent antisocial forces from having any relationship with the Company. The Company has also established a system to deal with unreasonable demands by antisocial forces by maintaining close cooperative relationships with external professional organizations such as the police, the National Center for Removal of Criminal Organizations, and attorneys.

3. Reasons for Adoption of the Current Corporate Governance System

At the Ordinary General Meeting of Shareholders held on January 28, 2020, a resolution was passed to amend the Company's Articles of Incorporation to change to a company with an Audit and Supervisory Committee, and as a result, the Company transitioned from a company with a Board of Company Auditors to a company with an Audit and Supervisory Committee as of the same date. This aims to enhance the supervisory function of the Board of Directors and further strengthen the corporate governance system by having directors who are the Audit and Supervisory Committee members with voting rights on the Board of Directors conduct audits. In addition, from the viewpoint of speeding up business decision-making and execution, the Company has established the Business Strategy Meeting, which consists mainly of directors, executive officers, and division heads. Furthermore, from the viewpoint of risk management and compliance, such as legal compliance, for the entire Group, the Company has established the Risk and Compliance Committee. The Company believes that these systems, when combined organically with the internal control system, will enable effective and efficient management oversight and prompt and efficient business decisions and execution.

III. Implementation of Measures for Shareholders and Other Stakeholders

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

	Supplementary Explanation
Early Delivery of Notice of Convocation of the General Meeting of Shareholders	The Company makes efforts to send out the notice of convocation of the general meeting of shareholders as early as possible for the convenience of shareholders.
Scheduling of the General Meeting of Shareholders on Non-Peak Days	Since the Company's fiscal year ends in October, there is less concern regarding the peak-days, but it will work to ensure that more shareholders can attend.
Allowing Electronic Exercise of Voting Rights	Exercise of voting rights by electronic means has been adopted since the Ordinary General Meeting of Shareholders held in January 2022.
Participation in Electronic Voting Platform and Other Initiatives to Improve Environment for Institutional Investors to Exercise Voting Rights	The Company recognizes that this is an issue for future consideration.
Provision of the Convocation Notice (Summary) in English	Since the 9th Ordinary General Meeting of Shareholders, the Company provides convocation of notice also in English.

2. Status of IR-related Activities

	Supplementary Explanation	Explanation by the Representative in Person
Preparation and Publication of Disclosure Policy	It is published on the Company's website.	
Holding of Regular Investor Briefings for Individual Investors	Financial results briefings for individual investors are held on a regular basis.	Yes
Holding of Regular Investor Briefings for Analysts and Institutional Investors	Financial results briefings for analysts and institutional investors are held quarterly.	Yes
Holding of Regular Investor Briefings for Overseas Investors	The Company recognizes that this is an issue for future consideration.	No
Posting of IR Materials on Website	Information on financial results (summary of financial results, quarterly summary of financial results) and timely disclosure materials other than information on financial results, securities reports, quarterly reports, etc. are posted on the Company's website.	
Establishment of Department and/or Placement of a Manager in Charge of IR	The Business Management Division is in charge of IR.	

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	Such are stipulated in the Compliance Code.
Implementation of Environmental Preservation Activities and CSR Activities, etc.	The entire company is working on a paperless system. In addition, by adopting many paperless contract flows, such as business negotiations using electronic documents and electronic contracts, the Company has drastically changed the traditional sales method, which provided customers with a lot of paper.
Development of Policies, etc. on Information Provision to Stakeholders	The Company recognizes that disclosing corporate information to shareholders, investors, and all other stakeholders in a timely and appropriate manner is an important responsibility of a listed company, and has established a policy for timely and appropriate information disclosure in its IR Activities Manual.

IV. Matters Concerning Internal Control System

1. Basic View on Internal Control System and the Status of its Development

The Company's Board of Directors has resolved the "Basic Policy for Internal Control System" in order to develop the "systems necessary to ensure that the execution of duties by directors complies with laws and regulations and the articles of incorporation, and other systems prescribed by Ministry of Justice Order as systems necessary to ensure the properness of operations of a stock company" (internal control system) as stipulated in Article 362, Paragraph 4, Item 6 of the Companies Act. The summary is as follows.

- I. Systems to ensure that the execution of duties by directors and employees of the Company complies with laws and regulations and the Articles of Incorporation
 - (a) To ensure that the execution of duties by directors and employees complies with laws and regulations and the Articles of Incorporation, and to ensure the appropriateness of business operations, the Company shall establish a "Compliance Code" and other relevant rules.
 - (b) Directors shall promptly report to the Board of Directors any serious violations of laws and regulations, compliance violations, or other material facts concerning the Company upon such discovery.
 - (c) The Audit and Supervisory Committee shall audit the execution of duties by the directors in accordance with the "Auditing and Supervising Standards for Audit and Supervisory Committee."
 - (d) The Company's employees shall promptly report to the General Manager of the Business Management Division any serious violations of laws and regulations, compliance violations, or other material facts concerning the Company upon such discovery.
 - (e) The division in charge of promoting the development, penetration, and establishment of the "Compliance Code," which was established to promote CSR (Corporate Social Responsibility) including compliance (corporate ethics and legal compliance), shall be established. The division shall be headed by the General Manager of the Business Management Division, who is responsible for the overall compliance of the entire group, and shall promote awareness, education, and promotion of the "Compliance Code."
 - (f) The Company shall establish "Regulations Concerning Whistleblowing and Disciplinary Punishments" as a reporting system for any violation or attempted violation of laws and regulations, the Articles of Incorporation, and internal rules, and set up internal and external reporting contact points to enhance compliance. In addition, the Company shall not dismiss or otherwise treat any whistleblower disadvantageously.
 - (g) The Company shall strive to operate its business processes by establishing an internal control structure aimed at "compliance with laws, social norms, and internal rules," "improving effectiveness and efficiency of operations," "maintaining high reliability of financial reporting," and "preserving assets," including compliance with the Financial Instruments and Exchange Act and other relevant laws and regulations.
 - (h) The Company shall establish an internal audit division to review and evaluate the execution of various management activities from the perspective of legality and rationality, and to provide advice and guidance.
 - (i) In order to eliminate antisocial forces, the Company shall take a resolute attitude toward antisocial activities, forces, and groups and shall not be involved in any way with them.
 - (j) The Company has established an internal contact department to promote cooperation with external organizations such as the police and related groups, while striving to build relationships of trust, and shall continue to develop and strengthen internal systems to eliminate any association with antisocial activities, forces, and groups.
- II. Systems for Storing and Managing Information Relating to the Execution of Duties by Directors of the Company

Records and decision documents related to the execution of duties by directors shall be prepared, stored, and managed in accordance with laws, regulations, and internal rules. Documents stored shall be made available for viewing upon request of the directors.

- III. Regulations and Other Systems Related to Managing the Risk of Loss
- (a) Based on the "Risk Management and Compliance Regulations," a Risk Management and Compliance Committee shall be established to ensure constant risk management for the entire Group and to prevent the occurrence of risks.
 - (b) Even in the event that a risk should occur, the Company shall minimize damage (loss) in accordance with the rules for initial response.
 - (c) In order to comprehensively manage the risks of the entire Group, the Company shall establish the Information Security Subcommittee, the Compliance Subcommittee, and the Internal Control Subcommittee under the Risk Management and Compliance Committee, each of which shall consist of members including employees of each Group company.
 - (d) An Investment Committee shall be established for the purpose of discussing and post-implementation verification of M&A and net investments made by the Company.
- IV. Systems to Ensure the Efficient Execution of Duties by Directors of the Company
- (a) Directors shall discuss and decide important decision-making matters at meetings of the Board of Directors in accordance with laws and regulations, the Articles of Incorporation, and internal rules.
 - (b) The Company shall further strengthen management transparency and fairness in decision-making by inviting outside directors.
 - (c) The division of duties and administrative authority shall be clearly defined, and business execution shall be delegated to each business execution division to accelerate decision-making while the directors shall supervise the execution of business operations delegated to the person in charge in each business execution division.
 - (d) The Business Strategy Meeting, a subordinate organization of the Board of Directors comprised of directors and persons in charge of each business execution division, shall be established to deliberate on management issues of the entire Group and to serve as an advisory body for the authority delegated to the representative director by the Board of Directors to deliberate important matters related to business execution to ensure appropriate and speedy decision-making.
 - (e) The Board of Directors shall set targets for items such as finances, investments, and costs for the Company and its affiliates, and have the persons in charge at each business execution division implement specific methods to be implemented to achieve the targets. The directors shall periodically review, evaluate, and improve the results to achieve company-wide operational efficiency.
- V. System to Ensure the Appropriateness of Operations of the Corporate Group of the Company
- (a) The heads of the Company's business execution divisions shall be responsible for the operation and management of the entire Group and the implementation of internal controls, while the Risk Management and Compliance Committee, the General Manager of the Company's Business Management Division, and the Board of Directors of the Company shall be responsible for general matters.
 - (b) For the management of group companies, the "Affiliated Company Management Regulations" shall be established to ensure the appropriateness of group-wide operations. The General Manager of the Business Management Division of the Company shall request reports from the affiliated companies on matters pertaining to the execution of duties by the directors, etc., of the affiliated companies on a regular or ad hoc basis and shall report such to the Board of Directors.
 - (c) With respect to the risk of loss of affiliated companies, the General Manager of the Business Management Division shall conduct on-site audits on a regular or ad hoc basis at least once a year in principle, in accordance with the "Affiliated Company Management Regulations" and other relevant regulations.
 - (d) In order to ensure the efficient execution of duties by directors, etc., of affiliated companies, the Company shall periodically review the "Affiliated Company Management Regulations" and the General Manager of the Business Management Division shall manage and supervise the affiliated companies and request necessary reports from them.
 - (e) While respecting the independence of each affiliated company, the Board of Directors of the Company shall establish a system for the overall promotion of compliance of the entire group through the Compliance Subcommittee under the Risk Management and Compliance Committee and perform cross-sectional management. In addition, as the person in charge of overseeing compliance for the entire Group, the General Manager of the Business Management Division of the Company shall report to the Board of Directors of the Company on the status of compliance and internal controls at each affiliated company, as necessary.
- VI. Matters Concerning Directors and/or Employees to Support the Audit and Supervisory Committee/Matters Concerning the Independence of the Relevant Directors and/or Employees from Other Directors (Excluding Those Who are the Audit and Supervisory Committee Members)/Matters Concerning Assurance of the Effectiveness of Instructions by the Audit and Supervisory Committee to the Relevant Directors and Employees
- Employees shall be assigned to assist the Audit and Supervisory Committee in the execution of its duties, and such employees shall follow the instructions and orders of the Audit and Supervisory Committee with respect to duties related to the Committee. Although such personnel evaluations shall be basically conducted by the General Manager of the Business Management Division, the Audit and Supervisory Committee has the consent right and has the right to consent to the transfers and disciplinary actions.
- VII. Systems for Reporting to the Audit and Supervisory Committee of the Company
- (a) Directors of the Company (excluding those who are the Audit and Supervisory Committee members) and directors and employees, etc. of affiliated companies must promptly report to the Audit and Supervisory Committee of the Company any facts that violate laws and regulations or the Articles of Incorporation, any fraudulence, or any facts that may cause significant damage to the Company and its group companies upon such discovery. In addition, also in the event that the Audit and Supervisory Committee of the Company requests a report on matters related to the execution of business operations, they must promptly report such matters to the committee.
 - (b) The Company shall establish a system to ensure that a person who reports to the Audit and Supervisory Committee of the Company pursuant to the preceding paragraph shall not be treated disadvantageously by reason of such report.
 - (c) If the General Manager of the Business Management Division receives a report from a director, auditor, or employee of an affiliated company of any facts that violate laws and regulations or the Articles of Incorporation, any fraudulence, or any facts that may cause significant damage to the Company and its group companies, he or she shall promptly report such fact to the Board of Directors of the Company, organize matters related to such fact, and report to the Audit and Supervisory Committee of the Company. However, if it is considered inappropriate to make a primary report to the Board of Directors of the Company in light of various circumstances, such as involvement of the Company's directors in wrongdoing, he or she must report matters related to such facts to the Audit and Supervisory Committee of the Company.

VIII. Matters Concerning Policy Relating to Procedures for Prepayment or Reimbursement of Expenses Arising from Execution of Duties by the Audit and Supervisory Committee Members of the Company and Treatment of Expenses or Obligations Arising from Execution of Other Duties

To ensure the effectiveness of audits, a budget shall be secured for expenses required for the execution of duties (limited to those related to the execution of duties by the Audit and Supervisory Committee; The same shall apply hereinafter in this paragraph.) by Audit and Supervisory Committee members, and when any Audit and Supervisory Committee member requests prepayment or reimbursement of expenses to be incurred/ incurred in the execution of his/her duties, the Company shall promptly comply with such request.

IX. Other Systems to Ensure Effective Implementation of Audit by the Audit and Supervisory Committee

- (a) To enable the Audit and Supervisory Committee to conduct rigorous audits in accordance with the situation, the Audit and Supervisory Committee members shall be able to attend important meetings and exchange opinions with directors, etc., on a regular basis. In addition, the Audit and Supervisory Committee shall have access to important approval-granting documents, etc.
- (b) Based on the recognition that mutual cooperation between the Audit and Supervisory Committee, the financial auditor and the internal audit division is important, the Company shall ensure that effective audits are conducted through the sharing of information and issues among the three parties through periodic meetings and other means.
- (c) The internal audit division shall be under the direct control of the Audit and Supervisory Committee members and shall establish a reporting line to the Audit and Supervisory Committee and also maintain a reporting line to the representative director.

(b) Summary of Liability Limitation Agreement

Pursuant to Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation, the Company and its outside directors and each director (Audit and Supervisory Committee member) have entered into an agreement to limit their liability for damages as provided in Article 423, Paragraph 1 of said Act.

The maximum amount of liability for damages under the agreement is the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act, provided that outside directors and directors (Audit and Supervisory Board members) perform their duties in good faith and without gross negligence.

(c) Summary of Officer Indemnification Insurance, etc.

The Company has concluded with the insurance company an officer indemnification insurance contract, which insures directors of the Company and directors and auditors of subsidiaries listed in "1. Corporate Overview 4. Status of Subsidiaries and Affiliates" (including those who were in office during the relevant fiscal year) as stipulated in Article 430-3, Paragraph 1 of the Companies Act, and pays all premiums.

The outline of the insurance policy is that the insured is to be covered by the insurance company for damages that may arise from the insured being held liable for the performance of his/her duties or being subject to claims related to the pursuit of such liability, and the policy is renewed every year.

2. Basic View on Elimination of Antisocial Forces and Status of its Development

Fully recognizing its corporate social responsibility, the Company does not provide any benefits under any name to antisocial forces that threaten the order and safety of civil society, and sever all relationships with such forces. It also take a firm and systematic stance against antisocial forces in close cooperation with outside professional organizations such as lawyers and police.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	None
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Supplementary Explanation for Applicable Items

N/A

2. Other Matters Concerning the Corporate Governance System, etc.

N/A

General Meeting of Shareholders



