

December 24, 2021

CHANGE Inc.

Hiroshi Fukudome, Representative Director and Chief Executive Officer

Contact: Control & Management Unit 03-6435-7340

The status of our corporate governance is as follows.

I. Basic views on corporate governance, capital structure, corporate attributes, and other basic information

1. Basic concepts

(i) Our mission

In the future, it is predicted that about 1 out of 2.5 citizens will be older than 65 in 2060, resulting in a world of super-aged society. Under such circumstances, CHANGE Group (hereinafter, the “Group”) has set "Change People, Change Business, Change Japan" as the mission, and the Group is developing businesses to make Japan a sustainable society in a declining population under the vision of "Change Productivity."

(ii) Basic policy on corporate governance

The Company (hereinafter simply, “we”) believes that corporate governance is a mechanism for ensuring transparency in management and business execution and ensuring thorough compliance while at the same time promoting efficient management in order to clarify management responsibility and accountability and provide the benefits of maximizing corporate value to our shareholders, customers, employees and other stakeholders.

We will use the Corporate Governance Code as a tool to confirm that the above mentioned mechanism is moving in the right direction and will continuously work to enhance and deepen corporate governance.

[Reasons for not implementing each principle of the Corporate Governance Code]

We are implementing each principle of the Corporate Governance Code.

[Disclosure based on each principle of the Corporate Governance Code]

[Principle 1-4]

We do not hold any shares for cross-shareholding purpose (hereinafter, “cross-holding shares”) at this time.

We have a basic policy of not holding any cross-holding shares unless it is anticipated that we will strengthen collaboration by holding them, or we determine that it will contribute to the increase of our corporate value.

[Principle 1-7]

We are fully aware that transactions between related parties may impair the soundness of management. Therefore, based on the “Related-party Transaction Rules”, the Board of Directors discusses and approves it after carefully examining the necessity of the transaction, the validity of its conditions, and whether the conditions are appropriate compared with other external transactions.

This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.

In addition, although transactions with any companies, etc. whose shareholding ratio in CHANGE's shares is between 10% and 50% and with subsidiaries of such companies, etc. do not fall under related party transactions, they may force us unnecessary transactions or distort transaction conditions, which we consider a high level of caution for us. Therefore, such transactions are required to be reported to the Board of Directors for properly checking.

Further, at the beginning of the fiscal year, the Board of Directors reports on all related party transactions to be repeated. Regarding the status of these transactions, not only Control & Management Unit determines the transaction details, amounts, etc., but also the Board of Corporate Auditors (or simply, "Auditors") confirms them.

[Principle 2-4(1)]

Regardless of gender, nationality, or background of employment, we appoint a person who has the personality, experience, ability, and knowledge necessary for performing his or her duties to a managerial position. Currently, although we do not have any foreign managers, women in management positions occupy 20.9%. In addition, more than 50% of employees joined the company mid-career. Many of them are currently playing a core role in each division, and there is no discrimination in the appointment of managers. In order to increase corporate value over the medium to long term, we believe that it is important to continue to secure diversity and strive to create an environment in which all types of human resources can thrive. To this end, we have been providing a variety of training programs to encourage each employee to develop active skills and self-enlightenment. In addition, we have introduced a variety of programs including child-care and family-care holidays and telework systems, etc. to create a comfortable working environment. In particular, most employees have been working remotely since March 2020 under the current situation where the new corona virus still prevail, In the future, we intend to further promote these efforts to realize ratios of female, foreign, and mid-career employees exceeding the current ones. We will also strive to achieve the government's goal of "females of the leadership positions" being at least 30%.

[Principle 2-6]

We do not have a corporate pension fund system.

[Principle 3-1]

(1) Company's goals (management philosophy, etc.), management strategies, and business plans

We have established a system of philosophies, consisting of our Mission, Vision and Values, and our officers and employees are implementing these in accordance with our Principles of Conduct. We disclose our "Mission" and "Vision" on our website and in our financial results briefing materials, etc.

(2) Basic approach to corporate governance and basic policies

This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.

It is described in "I.1. Basic Concepts" in the Corporate Governance Report.

(3) Policies and procedures for the Board of Directors to determine the remuneration of Directors

In order to strengthen the independence and objectivity of the functions of the Board of Directors and the accountability of Directors' remuneration, we have established the Compensation Advisory Committee as an advisory body to the Board of Directors, of which majority is composed of Independent Outside Directors. The Compensation Advisory Committee discusses issues related to the policies for determining individual remuneration for the Director, including the selection of performance-related indices and the standard for giving share-based remuneration, which are linked to performance-based remuneration, as well as issues related to individual remuneration of the Director, and reports to the Board of Directors. At a meeting of the Board of Directors held on December 15, 2020, we adopted a policy for determining individual compensation for Directors.

a. Basic compensation policy

Remuneration for Directors, excluding Outside Directors, consists of fixed remuneration and performance-linked remuneration. Fixed remuneration is determined by comprehensively judging the duties, roles, and contributions, etc. regarding the execution of duties as Directors. Performance-linked remuneration is based on net profit attributable to owners of the parent (consolidated results) and net profit (non-consolidated results) as compensation for the execution of duties in the current fiscal year. With regard to remuneration linked to medium-to long-term performance, we believe that Directors, excluding Outside Directors, have already earned sound incentives for sustainable growth at this moment because they have sufficient number of shares of the Company.

Remuneration for Outside Directors is based only on fixed remuneration from the viewpoint of independence and objectivity with respect to management, and we determine it after comprehensively assessing management responsibility as the Director, our business performance, economic trends, and other factors.

Remuneration for Auditors consists solely of fixed remuneration from the viewpoint of independence and objectivity with respect to management.

b. Policy on performance-linked remuneration

Indicators for the performance-linked remuneration are net profit attributable to owners of the parent (consolidated results) and net profit (non-consolidated). These indicators are easy-to-understood and affect the capital resources and stock prices towards growth investments. Therefore, we consider them the most important indicators for us because the stock market is highly interested in these indicators.

c. Policy on determination of payment ratio of performance-linked remuneration and other remuneration

Our Directors' remuneration consists of fixed and performance-linked remuneration, and performance-linked

This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.

remuneration is determined with the objective of ensuring that sound incentives work toward the achievement of the Group's and our annual performance goals. Remuneration for Outside Directors only consists of fixed remuneration.

d. Policy for determining the timing or conditions for the provision of the remuneration to the Directors and Auditors, etc.

Regarding the fixed remuneration of Directors and Auditors, only the monthly fixed remuneration is applied. In addition, the amount of basic remuneration for Auditors is determined by the discussion of Auditors at the Board of Auditors within the range of the maximum remuneration approved at the General Meeting of Shareholders.

The performance-linked remuneration for the Directors will be paid once a year within one month after the end of the General Meeting of Shareholders in the relevant business year.

e. Matters concerning delegation of determination of remuneration, etc.

The Board of Directors does not delegate decisions on individual remuneration, etc. to others.

(4) Policy and procedures for the Board of Directors to appoint Executive, Director and Auditor

In order to strengthen the independence and objectivity of the functions of the Board of Directors in connection with the nomination of Directors (including successors), and to strengthen accountability, we have established the Nomination Advisory Committee as an advisory body to the Board of Directors, of which majority is composed of Independent Outside Directors. The Nomination Advisory Committee discusses issues related to the election, re-assignment, and removal of the Director, as well as issues related to the successor (including training) of the Representative Director, and reports to the Board of Directors.

The Board of Directors has received a report from the Nomination Advisory Committee, reviewed and, decided candidates of Directors based on their personality, experience, capabilities, knowledge, and so on which contribute to our growth and medium-to long-term improvement in corporate value.

In addition, the Board of Directors decided candidates of Auditors with consultation and consent from the Board of Auditors based on their personalities, experience, abilities and knowledge which enable them to conduct audits neutrally and objectively.

On the other hand, in the event that a reason for dismissal of the Director arises, the Board of Directors shall review and deliberate the matter based on discussion and report by the Nomination Advisory Committee and submit a proposal for dismissal to the General Meeting of Shareholders in accordance with laws and regulations and dismiss the Director by a resolution of the General Meeting of Shareholders. In addition, in the event that a reason for dismissal of the Auditor arises, the Board of Directors shall review and deliberate the matter, submit the proposal for dismissal to the General Meeting of Shareholders in accordance with laws and regulations and

This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.

dismiss the Auditor by a resolution of the General Meeting of Shareholders.

(5) Explanation about individual elections and designations regarding present Directors or Auditors.

Yoshihisa Jimbo (Representative Director and Executive Officer Chairman)

We believe that he, as the Director, possesses appropriate personality, such as high integrity and acceptance of diversity, and has a deep insight in and an ability to discern the essence of corporate management under diverse values as well as a high level of philosophy-dissemination ability based on his experiences and achievements as the Representative Director and Executive Officer Chairman, and that he is expected to contribute to the enhancement of our corporate value and the strengthening of the supervisory function of the Board of Directors.

Hiroshi Fukudome (Representative Director and Chief Executive Officer)

We have decided that he, as the Director, possesses appropriate personality, such as high integrity and acceptance of diversity, and has strong decisiveness under rapidly changing business environments as well as a high level of deep insight and vision-creating ability especially in the DX domains based on his experiences and achievements as the Representative Director and Chief Executive Officer and that he is expected to contribute to the enhancement of our corporate value and the strengthening of the supervisory function of the Board of Directors.

Akira Ito (Director, Executive Officer and Executive Vice President)

We have decided that he, as the Director, possesses appropriate personality, such as high integrity and acceptance of diversity, and a high level of expertise and an ability of execution and completeness in executions based on his experiences and track record of supervising the NEW-IT Transformation Business and that he is expected to contribute to the enhancement of our corporate value and to strengthen the supervisory functions of the Board of Directors.

Yutaka Yamada (Director and Executive Officer, CFO)

We have decided that he, as the Director, possesses appropriate personality, such as high integrity and acceptance of diversity, and a high level set of skills and expertise (having the certified public tax accountant qualification) in the field of management and financial strategy based on his experiences and achievements as the head of the Control & Management Unit and he is expected to contribute to enhancing the corporate value of the Company and to strengthen the supervisory functions of the Board of Directors.

Hiroshi Fujiwara (Outside Director, Independent Officer)

We have decided that he has been involved in internet-related businesses and research for many years and possesses a wealth of experiences and a broad insight as an entrepreneur. Based on his knowledge and

This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.

experience, we expect to ensure the objectivity and neutrality of the management by incorporating his external perspective and monitoring function. We have determined that he will contribute to further growth of the Group and the enhancement of corporate governance and have therefore elected him.

Eriko Hayashi (External Director, Independent Officer)

We have decided that she is a qualified lawyer, being familiar with corporate laws, and having a wide range of knowledge regarding legal issues. Based on her knowledge and experience, we expect to ensure the objectivity and neutrality of the management by incorporating her external perspective and monitoring function. We have determined that she will contribute to further growth of the Group and the enhancement of corporate governance and have therefore elected her.

Haruki Tanaka (Standing Auditor, Independent Officer)

We have decided that he has management experiences at a large company and considerable knowledge of a wide range of financial and accounting matters based on the experiences as CFO and that he will be able to provide appropriate supervision for the overall management of the Group from an objective perspective.

Kei Kodera (Outside Auditor, Independent Officer)

We have decided that he has management experiences at a large company and considerable knowledge of management based on experiences as CEO and that he will be able to provide appropriate supervision for overall management of the Group from an objective perspective.

Fumio Ikeda (Outside Auditor, Independent Officer)

We have decided that he has practical experiences at a bank and management experiences at multiple corporations and considerable knowledge of management and that he will be able to provide appropriate supervision for overall management of the Group from an objective perspective.

[Supplementary Principle 3-1(3)]

We develop our businesses under the mission of “Change People, Change Business, Change Japan” while considering environmental (Environment), social (Social), and governance (Governance). The main objective of “Change Japan” is to make Japan a sustainable society in a declining population. We believe that the themes of the Group businesses themselves incorporate the perspectives of ESG (environment, society, and governance) and that the Group's growth strategy is based on the concept of ESG. Regarding the relationship between our approach to ESG and our management strategies and issues with ESG, we disclose and provide specific information in an easy-to-understand manner in the “New Mid-term Business Plan” announced on February 15, 2021. In addition, we described examples of ESG-related efforts by the Group on our website and disclose them based on the framework of TCFD.

This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.

Our new Mid-term Business Plan:

<https://ssl4.eir-parts.net/doc/3962/tdnet/1935387/00.pdf>

Examples of our ESG-related activities:

https://www.change-jp.com/ir/esg/?id=top_anchor

[Supplementary Principle 4-1 (1)]

The Board of Directors makes decisions on important management issues based on the Board Rules in addition to the items stipulated by laws and the Articles of Incorporation. Deliberations and decisions other than those determined by the Board of Directors are delegated to management in accordance with the Organization Rules, Division of Duties Rules, Decision-making Rules, and Administrative Authority Rules.

[Principle 4-9]

In accordance with the Criteria for Deciding Independency stipulated by the Tokyo Stock Exchange, we have appointed a person as the Independent Outside Director who is unlikely to have a conflict of interest with general shareholders. In addition, the Company has appointed them as those who have a wealth of experiences in the corporate business areas and those who have specialized and wide-range knowledge in corporate legal affairs, etc.

[Supplementary Principle 4-10(1)]

Please refer to the following sections of this Report.

II. Status of the business management organization and other corporate governance systems related to management decision-making, execution, and supervision

1. Organizational structure and operation

[Optional Committee]

Status of the establishment of optional committees, attributes of the members and the chairperson, and supplementary explanation

[Supplementary Principle 4-11 (1)]

From the perspective of enhancing corporate value over the medium to long term, the Board of Directors endeavors to ensure that knowledge, experiences, abilities, and diversity are optimal as a whole. Currently, the Board of Directors is composed of Internal Directors who are familiar with each division and Independent Outside Directors and Independent Outside Auditors who possess a high level of expertise, and we believe that we maintain a sufficient set of skills and diversity as a whole. The basic idea of the size of the Board of Directors is that it shall consist of a sufficient and appropriate number to conduct extensive discussions. The number of members is up to seven for the Board of Directors and up to five for Auditors as stipulated in the Articles of

This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.

Incorporation. Currently, the Board of Directors consists of four Internal Directors, two Independent Outside Directors, one Independent Outside Standing Auditor and two Independent Outside Auditors. Of the nine total Directors and Auditors, five are Independent Outside Officers.

The table below lists the skills currently possessed by the Directors and the Auditors. We believe that the Board of Directors has the necessary skills as a whole.

Name	Gender	Position	Skills									
			Management Strategy	Legal, Compliance Risk Control	Global	Finance & Accounting	IT & DX	Development of Human resources	Investment M&A	Financing	ESG Diversity	Governance
Yoshihisa Jimbo	male	Representative Director and Executive Officer Chairman	✓	✓			✓	✓			✓	✓
Hiroshi Fukudome	male	Representative Director and Chief Executive Officer	✓		✓		✓	✓	✓		✓	
Akira Ito	male	Director, Executive Officer and Executive Vice President	✓				✓	✓	✓			✓
Yutaka Yamada	male	Director and Executive Officer, CFO	✓	✓	✓	✓			✓	✓		
Hiroshi Fujiwara	male	Outside Director, Independent Officer	✓		✓		✓	✓	✓	✓	✓	✓
Eriko Hayashi	female	External Director, Independent Officer		✓	✓			✓			✓	✓
Haruki Tanaka	male	Standing Auditor, Independent Officer	✓	✓	✓	✓			✓	✓	✓	✓
Kei Kodera	male	Outside Auditor, Independent Officer	✓		✓				✓		✓	✓
Fumio Ikeda	male	Outside Auditor, Independent Officer		✓					✓	✓		

Principle 3-1 (4) describes the policies and procedures for the election of the Director and the Auditor.

[Supplementary Principle 4-11(2)]

We disclose the status of important concurrent positions held by the Outside Directors and Outside Auditors, as well as Internal Directors and Standing Auditors in the Notice of Convocation of the General Meeting of Shareholders and in the Annual Securities Report. In addition, in the previous fiscal year, all Outside Directors and Outside Auditors attended all meetings of the Board of Directors and the Board of Auditors held in the fiscal year ended September 2021 following their appointment.

[Supplementary Principle 4-11(3)]

We have annually been conducting analyses and evaluations of the effectiveness of the Board of Directors in accordance with the following evaluation process since 2020.

<Evaluation process>

The Board of Directors surveys all members of the Board of Directors, including Outside Directors and Outside Auditors in a 32-item nominal questionnaire. Based on the results of the compilation and analysis, the Board of Directors discusses issues to be addressed in the future.

The evaluation results for 2021 are summarized below.

<Evaluation results for 2021>

The Board of Directors has evaluated the effectiveness of the Board of Directors generally in terms of both

composition and operations because the results of the compilation and analysis of the questionnaire showed many positive evaluations. Meanwhile, in order to continuously improve the effectiveness of the Board of Directors and further strengthen corporate governance, we also confirmed that the following matters are to be addressed. We intend to further improve the effectiveness of the Board of Directors by implementing measures to address the following issues.

<Recognized issues in 2021>

(1) Issues recognized continuing from 2020

(i) Issues related to the management of the Board of Directors

Regarding the distribution of materials for Board of Directors' meeting, we have shared as much information as possible in advance and provided advice in advance based on our awareness of issues in 2020. However, due to the increase in the number of proposals, we recognize that there have been cases in which the materials for the Board of Directors' meeting were distributed immediately before the meeting. In 2022, we will distribute materials that can be distributed beforehand to the member of the meeting as soon as possible.

(ii) Issues related to the management of the Board of Directors' meeting

Based on our awareness of issues in 2020, we, in 2021, not only discussed the business strategy and Mid-term Business Plan but also held a forum regarding the mid-term business plans of subsidiaries in order to make Presidents of subsidiaries explain them to our Directors and Auditors. In 2022, we will further expand this initiative to provide a forum for active discussions by the Board of Directors to promote sustainable growth of the Group and improve corporate value over the medium to long term.

(2) Issues newly recognized in 2021

(i) Issues relating to the management of the Board of Directors' meeting

We see an increase in the number of agenda for the Board of Directors as the Group grows. In order to hold deeper discussions, we will consider extending the time of the Board of Directors' meeting and strive for efficient discussions by improving the content of materials.

<Recognized issues in 2020>

(i) Issues related to the management of the Board of Directors

Although the materials of the Board of Directors' meeting are distributed well ahead of the meeting date so far, they should be distributed further ahead of time so that the members of the Board can more fully review them.

(ii) Issues related to the management of the Board of Directors' meeting

• The Board of Directors has held discussions on business strategies and the Mid-term Business Plan so far but shall further expand these discussions in order to ensure the enhancement of corporate value over the medium

This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.

to long term.

- Current Executive Officers continuously and proactively improve the compliance system and regularly report to the Board of Directors, but they should increase the frequency of reporting in light of strengthening the supervisory function of the Board of Directors.
- The Board of Directors has been properly overseeing the selection and dismissal of Executives. However, to further strengthen the roles expected of "Independent Outside Director" required by the Corporate Governance Code, the Board of Directors shall receive a prior explanation regarding the selection and dismissal.
- Transactions between the Company and the management and the controlling shareholders are monitored by Control & Management Unit and, if a related party transaction occurs, it is approved by the Board of Directors in advance. If such related party transactions are repeated over a fiscal year, the list is reported to the Board of Directors. However, more details of the system shall be reported in view of enhancing the overseeing function of the Board of Directors.

(iii)Other issues

- We hold an Executive Session which is composed solely of Independent Outside Directors and Independent Outside Auditors at least once a year. We should increase the number of such sessions in order to further strengthen the ability of Independent Outside Directors and Auditors to collect information

<Results of initiatives in 2021>

(i)Issues relating to the management of the Board of Directors' meeting

- In order to strengthen the monitoring function of the Board of Directors for promoting compliance, we have increased the reports of internal controls from three to four times and the reports of risk compliance from one to three times and also increased the reporting materials in 2021.
- In order to strengthen the independence and objectivity of the Board of Directors in connection with the nomination of Directors (including successors) and strengthen accountability, we have established the Nomination Advisory Committee as an advisory body to the Board of Directors, of which majority is composed of Independent Outside Directors.
- At a meeting of the Board of Directors held in October 2021, we prepared a report on related party transactions which are still in effect at the end of September 2021. In addition, in order to strengthen the supervisory function of the Board of Directors with respect to related-party transactions, we have established a system to consolidate the lists of related parties prepared by Group companies into that of the parent company and also reported the status of their management of this matter to the Chairman of the Board of Directors and the Standing Auditor since 2021.

(ii)Other Issues

- We have increased the number of "Executive Sessions" from one to two times (held on June 14, 2021 and

This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.

October 14, 2021) in order to further strengthen the ability of Independent Outside Directors to collect information.

[Supplementary Principle 4-14 (2)]

We provide all Directors and Auditors with necessary training opportunities to fulfill their expected roles and responsibilities based on the knowledge and experiences and also recommend that they participate in various seminars, study sessions, and cross-industry exchange sessions which are appropriate to help learn the necessary knowledge and industry trends, of which costs are borne by the Company.

All Directors and Auditors attend an Executive Study Session which is held at least once a year after the Board of Directors' meeting by inviting outside lecturers (the theme in 2021, was "ESG/ SDGs × Corporate Value", the same as the previous fiscal year of 2020) and strive to refine their skills.

In 2021, we have launched a project to strengthen ESG initiatives across the Group companies, led by the Representative Director and Chairman of the Board, in order to use the results of the Executive Study Sessions for the improvement of the Group's corporate value over the medium to long term.

[Principle 5-1]

In order to promote constructive dialogues with shareholders, we have designated the Control & Management Unit as the IR-related department. At the same time, we have implemented the following initiatives annually and the Representative Director and CEO directly explains financial results and responds to Q&A sessions.

<Quarterly>

- Online financial results briefing for individual investors
- Financial results briefings for institutional investors and analysts

<At the General Meeting of Shareholders>

- Dialogue with Shareholders (conducted directly following the General Meeting of Shareholders.)

In addition, we actively hold individual IR meetings with institutional investors and analysts in order to realize sustainable and medium-to long-term improvements in corporate value.

(Hereinafter, the status of implementation of each principle other than the disclosure principle)

[Supplementary Principle 1-2 (iv), Supplementary Principle 3-1 (ii)]

Since the fiscal year of 2020, we have been disclosing in English the summaries of our financial results (TANSIN Summary) as well as the whole text of our financial results (Whole TANSIN), notices of convocation, annual securities reports (yukashoken-hokusho), and other disclosure documents that we considered important, in place of the English disclosure of only the summary of our financial results in the past. We intend to create opportunities for dialogues with as many investors as possible, including overseas investors,

This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.

and we are continuing to consider further expansion of our English disclosure.

We use the electronic voting platform. We have also been participating in an electronic voting platform system for institutional investors operated by ICJ, Inc. since 2021

[Supplementary Principle 2-3(1), Supplementary Principle 4-2(2)]

The Board of Directors recognizes that issues related to sustainability, such as consideration for global environmental issues (climate change, etc.), respect for human rights, consideration for the health and working environment of employees, and anti-corruption are important management issues. The Board of Directors adopted the Basic Sustainability Policy at the Board of Directors' meeting held on December 24, 2021.

<Basic Sustainability Policy>

Under the mission of “Change People, Change Business, Change Japan”, the Group is committed to resolving various social issues through its corporate activities and operations and contributing to making Japan a more sustainable society with a decreasing population, based on the vision of “Change Productivity”.

1.Solving Social Issues through Corporate Activities

- We address various social issues through the digitization of business models, business processes, and the development of digital human resources.
- For areas where it is difficult for us to help solve social issues only through our business activities, we will provide supports through our social activities other than businesses .

2.Building Trust with Stakeholders

- We deeply understand that we are developing our businesses through relationships with a diverse range of stakeholders, including shareholders, customers, vendors, employees, and communities, and will work to build relationships of trust with them through smooth and mutual communication.

3.Respect for Human Rights and Elimination of Discrimination

- We comply with international norms (*) concerning human rights, and are, directly or indirectly, not involved in discrimination or violation of human rights, and will strive to prevent or mitigate our business partners from affecting negative impacts on human rights.
- We do not discriminate, exclude, and make prefer people, based on race, color, sex, religion, political opinion, national origin, or social origin, as well as nationality, ethnicity, language, age, status, employment, beliefs, values, lifestyle, appearance, health, physical or intellectual handicaps, sexual orientation or self-recognition, pregnancy, or the presence or absence of a spouse, etc.

4. Creation of a Comfortable and Fair Working Environment

- We support the voluntary career development of each employee and create a healthy and safe work environment that enables them to fully demonstrate their abilities through their work.
- We fairly evaluate the abilities, responsibilities, and results of employees in all aspects such as hiring and

This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.

promotion, and treat them appropriately.

5. Active Approaches to Climate Change

- We recognize that mitigation of rapid climate change and prevention of environmental pollution are important issues to be shared by all humankind. We are committed to reducing the environmental impact by our corporate activities, through efficient use of resources and waste reduction.

6. Compliance and Anti-Corruption

- We ensure transparency in management and business execution and thorough compliance.
- We completely eliminate all forms of corruption, including bribery, illegal politics and donations, and benefits, in order to promote the sound growth of our businesses and communities.

※The International Bill of Human Rights (the Universal Declaration of Human Rights and the International Covenant on Human Rights (the Covenant on Economic, Social and Cultural Rights), the ILO Declaration on Fundamental Principles and Rights at Work, the United Nations Global Compact, and Guiding Principles on Business and Human Rights, etc.

Resolved by the Board of Directors of CHANGE Inc

December 24, 2021

[Principle 4-8]

We believe that the frank statements and opinions of Independent Outside Directors at the Board of Directors' meetings will contribute to the sustainable growth of the Company and the enhancement of corporate value over the medium to long term. So, at least one-third of the members of the Board of Directors are Independent Outside Directors (two). As described in II.1. [Relationship to Director], we believe that both Directors have sufficient experiences and qualities to fulfill the above roles and that they also fulfill their roles and responsibilities.

[Supplement Principle 4-8(3)]

We do not have a controlling shareholder.

[Supplement Principle 4-3 (4), Supplement Principle 4-13 (3)]

The Internal Audit Division reports directly to the Board of Auditors and the Chairman of the Board of Directors to ensure cooperation between the Internal Audit Division and Directors and Auditors.

[Supplementary Principle 5-2(1)]

In our New Mid-term Business Plan of "Digitize & Digitalize Japan (Phase2)" announced on February 15, 2021, we have evaluated and analyzed our business portfolio and announced this.

Please refer to our New Mid-term Business Plan:

This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.

Corporate Governance

CORPORATE GOVERNANCE

<https://ssl4.eir-parts.net/doc/3962/tdnet/1935387/00.pdf>

2.Capital structure

Foreign shareholders ratio	10% or more and less than 20%
----------------------------	-------------------------------

[Status of major shareholders]

Name	Number of shares held	Percentage
Yoshihisa Jimbo	9,490,800	13.17
Hiroshi Fukudome	5,314,000	7.37
Akira Ito	4,702,400	6.52
Kenji Kaneda	4,172,600	5.79
Tetsuya Ishihara	3,941,100	5.46
The Master Trust Bank of Japan, Ltd. (Trust account)	3,277,700	4.54
Norihitsu Takahashi	3,145,400	4.365,32
Tamayo Sunaga	2,707,892	3.75
UNION BANCAIRE PRIVEE (Standing Proxy: MUFG Bank, Ltd.)	2,400,000	3.33
THE BANK OF NEW YORK, NON-TREATY JASDEC ACCOUNT	2,000,000	2.77
The Custody Bank of Japan, Ltd. (Trust account)	1,845,400	2.56
GIC PRIVATE LIMITED - C	1,334,000	1.85

Controlling shareholders (excluding the parent)	None
---	------

Parent	None
Listed exchanges of the parent	None

Supplementary explanation

1. The shareholding ratio is calculated after deducting 623,235 treasury shares.

3.Corporate attributes

This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.

Corporate Governance

CORPORATE GOVERNANCE

Listing market section	Part I
Fiscal year end	March
Industry type	Information & communication
Number of (consolidated) employees at the end of the most-recent fiscal year	100 to 500
(Consolidated) Sales for the most-recent fiscal year	10 billion yen to 100 billion yen
Number of consolidated subsidiaries at the end of the most-recent fiscal year	Less than 10 companies

4.Guidance regarding how to protect minority shareholders when dealing with the controlling shareholders

None

5.Other special circumstances which may have a material impact on the corporate governance

None

II. Status of the management mechanism and other corporate governance system related to managerial decision-making, execution, and supervision

1.Items related to organizational structure and operation

Organizational form	A company with the Board of Auditors
---------------------	--------------------------------------

[Related to Directors]

Number of Directors in the Articles of Incorporation	7 persons
Term of office of Directors in the Articles of Incorporation	2 years
Chairman of the Board of Directors	Chairman (excluding who concurrently assuming the President)
Number of Directors	6 persons
Appointment of Outside Directors	Already selected
Number of Outside Directors	2 persons
Number of Outside Directors appointed as an Independent Director	2 persons

Related to the Company (1)

Name	Attribute	Relationship with the Company (*1)										
		A	B	C	D	E	F	G	H	I	J	K

This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.

Corporate Governance

CORPORATE GOVERNANCE

Hiroshi Fujiwara	From other company																			
Eriko Hayashi	Lawyer																			

※1 Nature of relationship with the Company

- a. Executive of the Company or their subsidiary
- b. Manager or non-executive directors of the parent of the Company
- c. Executive of a brother company of the Company
- d. A person whose main business partner is the Company, or an executive thereof
- e. Major business partner of the Company, or its business executive
- f. Consultant, accounting expert, and legal expert who has received significant money and other property from the Company in addition to the executive remuneration
- g. Major shareholder of the Company (if the major shareholder is a company, the business executor of such company)
- h. Executive of the Company's business partner (not applicable to either d, e, or f) (only a person)
- i. Executive of a company which has a relationship of the mutual assignment of Outside Directors with the Company (only a Person)
- j. Executive of an entity to which the Company makes donations (only a person)
- k. Other

Relationship with the Company (2)

Name	Independent Officers	Supplementary Explanation Concerning Relationship with the Company	Reason for Appointment
Hiroshi Fujiwara	○		We have decided that he has been involved in internet-related businesses and research for many years and possesses a wealth of experiences and broad insight as a manager Accordingly, we have judged that he is able to appropriately perform his duties as the Outside Director and have elected him. Mr. Fujiwara, as the Outside Director, attends all 14 meetings of the Board of Directors held in the fiscal year ended September 2021, and performed an appropriate role in ensuring the validity and appropriateness of decision making, including supervision and advice from his

This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.

		<p>perspective of overall management, based on his wealth of management experiences and his wide range of insight. In addition, as a member of the Nomination Advisory Committee and the Compensation Advisory Committee, he attends all three meetings of the Committee held in 2021 and fulfilled his supervising g function in the process of determining the remuneration, etc. of Directors from an objective and neutral standpoint.</p> <p>There is no conflict of interest to be described between him and the Company.</p>
Eriko Hayashi	○	<p>We have decided that she is a qualified lawyer, being familiar with corporate laws, and having a wide range of knowledge regarding legal issues, we have been identified and elected her as the Outside Director who can perform her duties appropriately. Ms. Hayashi, as the Outside Director, attended all 14 meetings of the Board of Directors held in the fiscal year ended September 2021, and performs an appropriate role in ensuring the validity and appropriateness of decision making, including supervision and advice from an overall management perspective, based on her wealth of experience and broad insight as an attorney, In addition, as a member of the Nomination Advisory Committee and the Compensation Advisory Committee, she attended all two meetings of the Committee held in 2021 and fulfilled supervising functions in the process of determining the remuneration, etc. of Directors from an objective and</p>

This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.

Corporate Governance

CORPORATE GOVERNANCE

			neutral standpoint. There is no interest of conflict to be described between her and the Company.
--	--	--	--

[Voluntary Committee]

Existence of a committee equivalent to a nominating committee or a compensation committee	Yes
---	-----

Status of the establishment of a voluntary committee, the composition of the committee and the attribute of the chairman

Voluntary committee equivalent to the Compensation Advisory Committee

Name of the Committee			Nomination Advisory Committee			
All members (number)	Full-time members (number)	Internal Director (number)	Outside Directors (number)	Internal experts (number)	Other (number)	Chairman (Chairman)
3	0	1	2	0	0	Internal Director

Voluntary committee equivalent to the Compensation Advisory Committee

Name of the Committee			Compensation Advisory Committee			
All members (number)	Full-time members (number)	Internal Director (number)	Outside Directors (number)	Internal experts (number)	Other (number)	Chairman (Chairman)
3	0	1	2	0	0	1 Internal Director

Supplementary explanation

<p><Nomination Advisory Committee></p> <p>In order to strengthen the independence and objectivity of the functions of the Board of Directors in connection with the nomination of the Directors (including successors), and to strengthen accountability, we have established the Nomination Advisory Committee as an advisory body to the Board of Directors, of which majority is composed of Independent Outside Directors. Our Nomination Advisory Committee discusses and reports to the Board of Directors on issues related to the election, re-assignment, and removal of board members, as well as issues related to successor planning (including training) of the Representative Directors. In addition, we have established rules of the Nomination Advisory Committee, which define the position of the Nomination</p>

This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.

Advisory Committee and how to operate it.

●Composition

Please see "Status of the establishment of a voluntary committee, the composition of the committee and the attribute of the chairman".

●Events

The Nomination Advisory Committee meetings were held 1 time in 2021 to discuss the re-election of the Board members and reported the results of the discussions to the Board of Directors.

1st Nomination Advisory Committee held on November 11, 2021

●Attendance

Yoshihisa Jimbo (Internal Director) attended all

Hiroshi Fujiwara (Outside Director) attended all

Eriko Hayashi(Outside Director) attended all

Compensation Advisory Committee

In order to strengthen the independence and objectivity of the functions of the Board of Directors and the accountability of Directors' compensation, we have established the Compensation Advisory Committee as an advisory body to the Board of Directors, of which majority is composed of Independent Outside Directors. The Compensation Advisory Committee discusses issues related to the policies for determining individual remuneration for each Director, including the selection of performance-related indices and the standard for giving share-related remuneration, which are linked to performance-based remuneration, as well as issues related to individual remuneration for each Director, and reports the discussion results to the Board of Directors. In addition, we have established rules of the Compensation Advisory Committee that clarify the status of the Compensation Advisory Committee and how it is operated.

●Composition

Please see " Status of the establishment of a voluntary committee, the composition of the committee and the attribute of the chairman".

●Events

The Compensation Advisory Committee meetings were held 2 times during 2021 to discuss Director's remuneration, etc. and reported the results of discussions to the Board of Directors.

1st Compensation Advisory Committee held on November 11, 2021

2nd Compensation Advisory Committee held on December 17, 2021

●Attendance

Yoshihisa Jimbo (Internal Director) attended all

Hiroshi Fujiwara (Outside Director) attended all

Eriko Hayashi(Outside Director) attended all

This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.

[Related to Auditors]

Adoption of an Auditor System	Adopted
Number of Auditors in the Articles of Incorporation	5 persons
Number of Auditors	3 persons

[Related to Auditors]

Adoption of an Auditor System	Adopted
Number of Auditors in the Articles of Incorporation	5 persons
Number of Auditors	3 persons

Collaboration between Auditors, the Accounting Auditor, and the Internal Audit Division

The person in charge of internal audits, Auditors, and Accounting Auditors always exchange information as appropriate to promote effective and efficient audits. Specifically, they are collaborating as follows:

(i) Collaboration between Auditors and the Internal Audit Division

Auditors receive an explanation of the Internal Audit Plan (risk identification, risk assessment, selection of priority audit themes based on the results of risk assessment, audit schedules for the current fiscal year, etc.) conducted by the Internal Audit Division and holds question and answer sessions with the Internal Audit Division. Auditors also attend on-site hearings made by the Internal Audit Division when necessary to identify issues related to business execution and exchange opinions with the Internal Audit Division regarding such recognized issues, etc. Auditors receive Internal Audit Reports upon completion of internal audits. In addition, the Internal Audit Division regularly holds meetings with Auditors as needed.

(ii) Collaboration between Auditors and Independent Accounting Auditors

Auditors receive an explanation of the Accounting Audit Plan (audit system, audit method, etc.) to be conducted by the Accounting Auditor, receive the Accounting Audit Report based on the law at the end of the audit. In addition, the Accounting Auditor holds meetings with Auditors on individual cases and have discussions on system changes, etc. as necessary.

(iii) Cooperation among Auditors, the Accounting Auditor, and the Internal Audit Division

They hold three-way audit meetings at least once a year with the aim of promoting audits effectively and efficiently and enhancing the effectiveness of the audits themselves.

Status of Outside Auditors	Appointed
Number of Outside Auditors	3 persons

This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.

Corporate Governance

CORPORATE GOVERNANCE

Number of Outside Auditors appointed as Independent Officer	3 persons
---	-----------

Relationship with the Company (1)

Name	Attribute	Relationship with the Company (*1)												
		A	B	C	D	E	F	G	H	I	J	K	L	M
Haruki Tanaka	From other company													
Kei Kodera	From other company													
Fumio Ikeda	From other company													

※1 Nature of relationship with the Company

- a. Executive of the Company or their subsidiary
- b. Non-executive Directors or Accounting Advisor of the Company or its subsidiary
- c. Executive or non-executive directors of a parent of the Company
- d. Auditor of the parent of the Company
- e. Executive of a brother company of the Company
- f. A person whose main business partner is the Company, or an executive thereof
- g. Major business partner of the Company, or its business executive
- h. Consultant, accounting expert, and legal expert who has received significant money and other property from the Company in addition to the executive remuneration
- i. Major shareholder of the Company (if the major shareholder is a company, the business executor of such company)
- j. Executive of the Company's business partner (not applicable to either d, e, or f) (only a person)
- k. Executive of a company which has a relationship of the mutual assignment of Outside Directors with the Company (only a person)
- l. Executive of an entity to which the Company makes donations (only a person)
- m. other

Relationship with the Company (2)

Name	Independent Officers	Supplementary Explanation Concerning Relationship with the Company	Reason for Appointment
Haruki Tanaka	○		We have appointed him to ensure the objectivity and neutrality of the management monitoring function by

This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.

			<p>incorporating an external perspective based on his considerable knowledge of finance and accounting through his management experience and experience of the CFO at large companies. Mr. Tanaka, as the full-time Auditor, attended all 14 meetings of the Board of Directors and all 13 meetings of the Board of Auditors held in the fiscal year ended September 2021 and expressed his opinions appropriately from a general management perspective based on his abundant experience and broad insight in management and finance and accounting.</p> <p>There is no conflict of interest between him and the Company.</p>
Kei Kodera	○		<p>We have appointed him to ensure the objectivity and neutrality of the management monitoring function by incorporating an external perspective based on his management experience and the experience of the CEO at large companies. Mr. Kodera, as the Outside Auditor have attended all 14 meetings of the Board of Directors and all 13 meetings of the Board of Auditors in the fiscal year ended September 2021 and expressed his opinions appropriately from an overall management perspective based on his abundant experience and broad insight in management.</p> <p>There is no conflict of interest between him and the company.</p>
Fumio Ikeda	○		<p>We have appointed him to ensure the objectivity and neutrality of the management monitoring function by</p>

This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.

Corporate Governance

CORPORATE GOVERNANCE

			<p>incorporating an external perspective based on his practical experience at a financial institution and executive experience at multiple companies. Mr. Ikeda, as the Outside Auditor, attended all 14 meetings of the Board of Directors and all 13 meetings of the Board of Auditors held in the fiscal year ended September 2021 and expressed his opinions appropriately from a general management perspective based on his practical experience and broad insight at a financial institution and executive experience at multiple companies.</p> <p>There is no conflict of interest between the company and him.</p>
--	--	--	--

[Related to Independent Directors]

Number of Independent Directors	5 persons
---------------------------------	-----------

Other Items Related to Independent Directors

We have adopted the Independence Rule established by the Tokyo Stock Exchange in order to objectively determine the independency of Outside Directors and Auditors.

[Incentives]

Implementation concerning incentives for Directors	Introduced a performance-linked remuneration system and a share option system
--	---

Supplementary explanation

We have introduced a share option plan with the aim of enhancing motivation and morale to improve business performance and enhancing shareholder value over the medium to long term. Details of the performance-linked remuneration system are described in [Directors' remuneration].
--

Eligible persons for the share option	Internal Director and employees
---------------------------------------	---------------------------------

Supplementary explanation

We have introduced a share option plan with the aim of enhancing motivation and morale to improve business performance and enhancing shareholder value over the medium to long term.
--

This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.

[Director's remuneration]

Disclosure status	Not disclosing individual remuneration
-------------------	--

Supplementary explanation

Since there is no Director or Auditor whose total remuneration is 100 million yen or more, individual disclosure of remuneration is not necessary. Remuneration for the Directors and Auditors is disclosed in the total amount basis for each category.

Existence of a policy for determining the amount of remuneration or the calculation method thereof	Yes
--	-----

Disclosure of the policy for determining the remuneration or the method for calculating such amount

<p>(a) Policy for determining remuneration, etc.</p> <p>Please refer to the following section of this Report.</p> <p>I. Basic views on corporate governance, capital structure, corporate attributes, and other basic information</p> <p>1. Basic concepts</p> <p>[Disclosure based on each principle of the Corporate Governance Code]</p> <p>[Principle 3-1]</p> <p>(3) Policies and procedures for the Board of the Directors to determine the remuneration of Executives and Directors</p> <p>(b) Method of calculating performance-linked remuneration for the fiscal year ended September 2021</p> <p>We determined the performance-linked remuneration for the fiscal year ended September 2021 and pay it based on the following method after the performance-linked index figures are finalized.</p> <p>a. Total payment</p> <p>The total amount to be paid is the total of the individual payments of b. (i) and (ii) (the maximum amount is 101,000,000 yen).</p> <p>b. Individual payments</p> <p>The specific calculation formula for individual payments is shown below:</p> <p>(i) Performance-linked remuneration based on the consolidated performance</p> <p>Index: Profit attributable to owners of the parent before recording performance-linked remuneration</p> <p>(Note 1)</p> <p>Total amount of performance-linked remuneration based on consolidated performance = $B \times C$</p> <p>A = Profit attributable to owners of the parent before recording performance-linked remuneration for fiscal year of 2021 / net profit attributable to owners of the parent for fiscal year 2021 (the lowest limit set in the range of the earnings forecast made on December 25, 2020)</p> <p>B = 5,000,000 yen</p> <p>C = $(A - 1.03) \times 100$ (decimal point to be truncated, 17 is the upper limit)</p>

This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.

Calculation basis for individual payment = Total payment of performance-linked remuneration based on consolidated performance × position points / total number of eligible position points

Position points are as follows:

Representative Director and CEO: 80

Representative Director and Executive Officer, Chairman: 10

Director and Executive Vice President: 5

Director and CFO: 5

(ii) Performance-linked remuneration based on the non-consolidated performance

Index: Unconsolidated net profit before recording performance-linked remuneration (Note 2)

Total amount of performance-linked remuneration based on the non-consolidated performance = B × C

A = Non-consolidated net profit before recording performance-linked remuneration for fiscal year of 2021 / Net profit for fiscal year of 2021 (the initial performance forecast for fiscal year of 2021 is 831,278,051yen)

B = 800,000 yen

C = (A - 1.00) × 100 (decimal point to be truncated, 20 is the upper limit)

Calculation basis of individual payment = Total payment of performance-linked remuneration based on the non-consolidated performance × position points / total amount of applicable position points

Position points are as follows:

Representative Director and CEO: 30

Representative Director and Executive Officer, Chairman: 30

Director and Executive Vice President: 20

Director and CFO: 20

(Note 1) Profit attributable to owners of the parent before recording performance-linked remuneration

Profit attributable to owners of the parent / (total performance-linked remuneration paid × (1 – the statutory effective tax rate))

(Note 2) Unconsolidated net profit before recording performance-linked remuneration

Non-consolidated net profit + (total performance-linked remuneration paid × (1 - the statutory effective tax rate))

(iii) Description and performance of performance indicators

Details of performance indicators	Target value for the fiscal year ended September 2021	Actual value for the fiscal year ended September 2021	(Millions of yen)
			Total amount paid based on the above calculation formula

This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.

Incentive fee			
based on consolidated results	3,296	4,163	85
Incentive fee			
based on our non-consolidated performance	831	458	---

[Support system for Outside Directors (Outside Auditors)]

In order to build a system in which Outside Directors and Outside Auditors can accurately and effectively implement supervision and monitoring of management from an independent standpoint, we have established a system to provide necessary materials related to management and explain the circumstances whenever necessary in cooperation with the Administrative Division and the Internal Audit Division.

2. Issues related to the functions of business execution, auditing and supervision, designation, and remuneration determination (overview of the current corporate governance system)

The corporate organization and other corporate governance system related to managerial decision-making, execution, and supervision are as follows:

a. Board of Directors

The Board of Directors is composed of six Directors (including two Outside Directors). The decision-making body is capable of responding swiftly to changes in the business environment, and we are working to establish a system for supervising the execution of business operations and to ensure fair decision-making. In principle, the Board of Directors holds regular meetings once a month as well as ad hoc meetings as necessary to determine important items related to management and business execution. Auditors also attend the Board of Directors' meetings to audit the execution of their duties. According to the Articles of Incorporation, the number of Directors shall consist of not more than seven, and the resolution to elect such Directors shall be adopted by a majority of the votes of shareholders present at a General Meeting of Shareholders, provided that, at least shareholders holding one-third of total voting rights and entitled to exercise their voting rights shall attend the meeting and the voting is not on the cumulative basis.

b. Nomination Advisory Committee

We have established the Nomination Advisory Committee as an advisory body to the Board of Directors, which discusses issues related to the election, re-assignment, and removal of members of the Board as well as issues related to the planning of successors (including training) of the Representative Director. The Nomination Advisory Committee consists of a total of three members: the Representative Director and Executive Officer Chairman, and two Independent Outside Directors. As a general rule, the Nomination Advisory Committee is inquired from the Board of Directors and held, as necessary. The Nomination Advisory Committee Regulations

This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.

stipulates that it shall consist of three or more members and that the majority of the members shall be Independent Outside Directors, and , to pass a resolution, a majority of the members who can vote for the resolution shall attend the meeting and the majority of such attending members can make the resolution.

c. Compensation Advisory Committee

As an advisory body to the Board of Directors, we have established the Compensation Advisory Committee to discuss issues related to the policy for determining individual remuneration, etc. for individual members of the Board, including the selection of performance indicators and the standard for giving share-based remuneration as well as issues related to individual remuneration, etc. for individual members of the Board. The Compensation Advisory Committee consists of a total of three members: the Representative Director and Executive Officer Chairman, and two Independent Outside Directors. The Compensation Advisory Committee is held at least twice a year in principle. The Regulations of the Compensation Advisory Committee stipulates it shall consist of three or more members and that the majority of the members shall be Independent Outside Directors, and, to pass a resolution, a majority of the members who can vote for the resolution shall attend the meeting and the majority of such attending members can make the resolution

d. Management Committee

We have established the Management Committee as an advisory body to the Board of Directors to discuss management policies, management strategies, business plans, and other matters. The Management Committee is composed of nine members, four of whom are Directors and Executive Officers, and five are Executive Officers. The Standing Auditor voluntarily participates and, in principle, held twice a month.

e. Board of Auditors

The Board of Auditors consists of three members, one Standing Auditor and two part-time Auditors. Members of the Board of Auditors also attend meetings of the Board of Directors, and they have established a system for auditing overall management, centered on accounting audit and operational audit. Under the Articles of Incorporation, number of the Board of Auditors is limited to five, and the resolution to elect such Auditors shall be adopted by a majority of the votes of shareholders attending at the General Meeting of Shareholders who at least hold one-third of the total voting rights and are entitled to exercise their voting rights.

f. Risk Management System

We recognize risk management as an extremely important management issue. Specifically, we are working to enhance our internal control functions by formulating business plans, budget controls, operating and checking operations based on various internal rules, and strengthening internal audits in order to strengthen the risk management while the Directors and the Board of Directors execute operations and supervise management.

This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.

g. Internal Audit

We have established an independent Internal Audit Division. One dedicated internal audit officer, appointed by the Representative Director and Executive Officer Chairman, conducts operational audits and reports the audit results to the Representative Director and Chairman of the Executive Officers and Standing Auditor. The Representative Director and the Executive Officer Chairman, based on reports, instructs relevant divisions to make improvements and instructs them to report on the improvements. In addition, the Internal Auditor, Auditors, and Accounting Auditors appropriately exchange information to ensure effective and efficient audits.

3. Reason for adopting the current corporate governance system

We are a company with internal statutory auditors and have established the General Meeting of Shareholders, the Board of Directors, the Board of Auditors, and the Accounting Auditor as organizational bodies in accordance with the Companies Act. We also recognize risk management as an extremely important management issue. Specifically, we are working to enhance our internal control functions by formulating business plans, budget controls, operating and checking operations based on various internal rules, and strengthening internal audits in order to strengthen risk management while the Directors and the Board of Directors execute operations and supervise management.

With regard to the functions and roles that we expect of Outside Directors, they can ensure the objectivity and neutrality of the management-monitoring functions by bringing an external perspective because they have wealth of experiences in our business areas and have specialized and wide-ranging knowledge in corporate legal affairs, accounting, etc. The functions and roles expected of Outside Auditors are to ensure the objectivity and neutrality of the management-monitoring function by bringing an external perspective because they have management experiences at large companies as CEO and CFO, practical experience at a financial institution and executive experiences at multiple companies.

In order to build the above-mentioned system, we have appointed two Outside Directors and three Outside Auditors to exercise sufficient supervisory and monitoring functions over the Board of Directors. Each Director is designated as an Independent Director having no risk of conflict of interests with our general shareholders in terms of personal, capital, business relationships or other interests with us.

III. Implementation of measures for shareholders and other stakeholders

1. Initiatives to activate the General Meeting of Shareholders and facilitate the exercising of voting rights

	Supplementary explanation
Early dispatch of the General Meeting of Shareholders Convocation Notices	In order to ensure adequate time for consideration in the exercise of voting rights, we are working to deliver them as soon as practicable. We sent the notice of convocation for the 2021 General Meeting of Shareholders on December 3, 2021. The information contained in the notice is also published on our website on the same day.

This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.

Corporate Governance

CORPORATE GOVERNANCE

Scheduling of the General Meeting of Shareholders to avoid concentration (with other companies)	We are avoiding concentrated dates with other companies. We held the Annual General Meeting of Shareholders on December 24, 2021.
Voting by electromagnetic method	Voting rights can be exercised via the Internet.
Participation in the Electronic Voting Platform and other measures to improve the environment for the exercising of voting rights by institutions	We have been participating in the Electronic Voting Platform for institutional investors operated by ICJ, Inc.
Availability of a notice (summary) in English	We released the English version of the convocation notice on our website on December 3, 2021.
Others	Since the Extraordinary General Meeting of Shareholders held in October 2020, we have introduced a virtual general meeting (hybrid participating type) with the aim of achieving both the prevention of the spread of new Corona viruses and the revitalization of the General Meeting of Shareholders. We have taken similar measures at the Ordinary General Meeting of Shareholders held in fiscal year of 2020 and thereafter. At the General Meeting of Shareholders, we visualized various materials, and received inquiries via the Internet. This is an opportunity for shareholders who are unable to attend the General Meeting of Shareholders to understand the nature of our business and our business conditions.
Not implemented yet	

2. Investor relations activities

	Supplementary explanation	Presentation by the CEO
Creating and publishing the Disclosure Policy	We believe that it is necessary to communicate the information necessary for investment decisions in a prompt, accurate, and fair manner in order to build long-term relationships of trust with our shareholders and investors. Therefore, we would like to formulate a Disclosure Policy and post it on our website in the future.	
Regular briefings for individual investors	We hold online financial results briefings for individual investors every quarter. Representative Director and CEO appears and is appointed to provide a direct explanation of our business overview	Yes

This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.

Corporate Governance

CORPORATE GOVERNANCE

	and operating results.	
Regular briefings for analysts and institutional investors	We hold online financial results briefings for analysts and institutional investors every quarter. Representative Director and CEO appears and is appointed to provide a direct explanation of the Company's business overview and operating results.	Yes
Regular briefings for overseas investors		
Publication of IR data on the website	Information on IR is available on our website. https://www.change-jp.com/ir/	
Creation of an IR Division (IR Officer)	The Control & Management Unit is in charge of IR.	
Other		
Not implemented yet		

3.Measures to ensure respects for stakeholders

	Supplementary explanation
Internal Rules, etc. that promote respects for the status and position of stakeholders	<p>We adopted the Basic Sustainability Policy at a meeting of the Board of Directors held on December 24, 2021. One of the policies therein is to build relationship of trust with stakeholders.</p> <p><Basic Sustainability Policy (excerpt)></p> <p>2.Building Trust with Stakeholders</p> <ul style="list-style-type: none"> We deeply understand that we are developing our businesses through relationships with a diverse range of stakeholders, including shareholders, customers, vendors, employees, and communities, and will work to build relationships of trust with them through smooth and mutual communication. <p>In addition, we have prepared various internal regulations which stipulate the establishment of a business promotion and management system that respects the perspectives of stakeholders.</p>
Implementation of environmental protection and CSR activities	<p>We have been developing our businesses in accordance with the mission of “Change People, Change Business, Change Japan” while considering environmental (Environment), social (Social), and governance (Governance). The main objective of “Change Japan” is to make Japan a sustainable society in a declining population. We believe that the themes of the Group companies themselves are the perspectives of ESG (environment, society, and gun governance), and the Group's growth strategy is based on the concept of ESG.</p>

This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.

	<p>Regarding our thoughts about ESG and the relationship of our management strategies and issues with ESG, we have disclosed specific information in an easy-to-understand manner in the New Mid-term Business Plan announced on February 15, 2021. In addition, we have described examples of ESG-related efforts by the Group on our website and disclose them based on the framework of TCFD.</p> <p>Our New Mid-term Business Plan: https://ssl4.eir-parts.net/doc/3962/tdnet/1935387/00.pdf</p> <p>Examples of our ESG-related activities: https://www.change-jp.com/ir/esg/?id=top_anchor</p>
<p>Policy formulation for the disclosure of information to stakeholders</p>	<p>In order to achieve sustainable growth and improve corporate value over the medium to long term, we believe it is important to promote business activities while understanding the needs of our stakeholders. Accordingly, in order to provide our stakeholders with appropriate information on the status of our activities, we disclose not only the business and other various reports, such as Securities Reports, and timely disclosure information contained in the Notice of Convocation of the General Meeting of Shareholders, but also voluntarily disclose other information that we deem necessary from the standpoint of social responsibility.</p>
<p>Others</p>	<p><Status of Diversity and Women's Activity></p> <p>Regardless of gender, nationality, or background of employment, we appoint a person who has the personality, experience, ability, and knowledge necessary for performing his or her duties as a managerial position. For specific activities, please refer to the disclosures concerning the Principle 2-4(1).</p> <p><Systems to support diverse working styles></p> <p>In response to the declaration of an emergency associated with the spread of new Corona virus, we introduced and are still keeping a telework system for all employees since March 2020 and are currently applying this system. When introducing the telework system, we have designed a system that allows employees to choose a variety of working styles according to their own situation, such as working at the office in consideration of the difficulty of working at home due to various circumstances. In addition, we have introduced a full-fledged online contract signing system so as not to prevent diverse ways of working. In the future, we intend to further expand a variety</p>

This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.

	of systems that will support a variety of ways of working in addition to the existing childcare and family care vacation systems.
Not implemented yet	

IV. Items related to internal control system, etc.

1. Basic policy and structures regarding the internal control system

<p>The Board of Directors has already decided on a system to ensure the appropriateness of operations as set forth in the Companies Act and the Regulations for Enforcement thereof, and the details are as follows:</p> <p>1. System to ensure that executions of duties by Directors and employees comply with laws and regulations and the Articles of Incorporation</p> <p>A) In addition to establishing the Code of Conduct for the members of the Board and employees to comply with laws and regulations, the Articles of Incorporation, social codes, and internal rules, we also provide continuous education and dissemination activities related to the basics of compliance and information management that are essential to business operations.</p> <p>B) The Compliance Committee conducts investigations into the compliance system to check whether or not there is a problem with compliance. If there is a problem, the Committee instructs improvement.</p> <p>C) In addition to establishing a system for reporting suspected compliance violations, we have established the Internal Notification Rule and secured strict measures to ensure the confidentiality of callers and to prevent them from suffering from disadvantages.</p> <p>D) In the event of a compliance violation, the Compliance Committee investigates the cause, prevents the occurrence of the violation, and clarifies the responsibility and take strict actions.</p> <p>2. Structure and system to preserve and manage information relating to directors in the execution of their duties</p> <p>We appropriately preserve and manage information relating to the execution of duties of the Director in the form of documents or electronic records in accordance with internal rules such as the Document Retention and Management Rules.</p> <p>3. Rules and other system to manage risk of loss</p> <p>A) With regard to the risk of loss (risk), we strive to prevent the occurrence of risks and prevent the spread of crises by responding to them in accordance with the Risk Management Rules.</p> <p>B) The status of activities in each department related to risk management is reported to the Board of Directors as necessary, and the Control & Management Unit audits the effectiveness of the Risk Management System.</p> <p>C) We regularly hold meetings with all employees to communicate and report on operations, to collect information, and share and unify knowledge.</p>
--

This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.

4. System for ensuring efficient execution of Directors' duties

A) To ensure the effective execution of the duties of the Director, we hold the Board of Directors' meeting monthly and, if necessary, on an ad hoc basis.

B) The Board of Directors sets company-wide goals shared by Directors and employees and strives to diffuse these goals.

C) Directors make necessary decisions on the items delegated to execute business in accordance with the Rules for Segregation of Operations.

5. Structure to ensure that the operations of the Company and its affiliated companies are adequate

A) Managers of affiliated companies monitor and oversee the execution of their board members in accordance with internal rules, such as the Affiliated Companies Management Rules.

B) Major decision-making in the business activities of subsidiaries is to be reported to the Board of Directors and be approved.

C) We regularly hold meetings with subsidiaries to share information, communicate, and unify group management policies.

D) The Internal Audit Division regularly conducts operational audits, internal control audits, etc. of subsidiaries, and reports the results to the Representative Director and the Executive Officer Chairman and the Standing Auditor.

6. In cases where an Auditor requests to have employees who assist in the duties of the Auditor, matters concerning the system concerning such employees and the independence of such employees from the Directors

A) In order to improve the effectiveness of the audit by the Auditors and to ensure the smooth performance of the audit functions, when an Auditor requests the placement of an employee who should assist in his/her duties, such employee can be assigned for that purpose. These employees are selected from those who have the appropriate knowledge and skills required for audit operations after the Board of Directors consults with the Auditors.

B) These employees can concurrently be engaged in other regular positions but shall stop such regular position if request for full-time audit assignment is made by Auditors.

C) Transfers, evaluations, and disciplinary actions for these employees are determined after the approval of the Auditors.

7. System for reporting from the Directors and employees to the Auditors and other systems for reporting to the Auditors

A) The Auditor can attend the Management Committee and the Board of Directors' meetings in order to understand the status of the execution of important decision-making processes and operations.

B) The Auditor can view internal decision forms and other important documents, and if requested, relevant

This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.

parties immediately submit documents and materials to the Auditors.

C) The Director immediately reports to the Auditor if there is any risk of significant damage to the Group in the course of executing his or her duties.

D) The Auditor may directly request the Directors and employees to report on important matters that may affect the business or business performance.

8. System to ensure that an employee who reported to the Auditor does not receive unfavorable treatment because of the fact that the employee submitted the report

The Group forbids unfavorable treatments against those who have reported to the Auditor and protect them from being subject to disciplinary action or other disadvantageous measures simply because they have reported to the Auditors.

9. Matters concerning procedures for advance payment or reimbursement of expenses arising from the execution of duties by the Auditor and other policies for the payment of expenses or obligations arising from the execution of such duties

In the event the Auditor requests advance payment or reimbursement of expenses incurred in the execution of his/her duties, such expenses or liabilities shall be promptly paid unless it is reasonably deemed unnecessary for the execution of the duties.

10. Other systems to ensure that Auditors efficiently conduct audits

A) When the Auditor recognizes it necessary, he or she can consult with the Representative Director and Executive Officer Chairman and ask the Internal Auditor to investigate specific issues. In addition, the Auditor can ask the Internal Auditor to cooperate for the audit at any time as necessary.

B) The Auditors regularly exchange information with the Internal Auditor and the Accounting Auditor, and conduct efficient audits by working closely with them to exchange information and opinions on the status of the internal control system, assessments of risks, and important audit items, etc.

11. Structure for eliminating Anti-social forces

A) The Group is committed to taking an organizational action without having any relationship to Anti-social forces which threaten the order and safety of citizens and without accepting unjust demands or transactions from and with them.

B) For this reason, the Control & Management Unit has established the Anti-Social Forces Countermeasures Rules as the department responsible for Anti-social forces and has already established a system to collect information from relevant administrative agencies, etc., to maintain close contact with them and legal counsels in the event of the occurrence of such problem, and to deal with such problem in an organized manner.

C) Before starting a transaction with a new customer, we search for newspapers and journal articles using

This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.

credit information agencies, etc. based on the "Countermeasures against Anti-social Forces" and conduct a thorough preliminary survey in addition to an independent survey via the Internet.

2. Basic approach and a system to exclude Anti-social forces

We recognize that our special stakeholders, shareholders and business partners do not have any relationship with Anti-social forces.

For specific systems and measures to eliminate Anti-social forces, based on "Countermeasures against Anti-social Forces", we search the Internet before the start of a transaction for a new vendor, subcontractor, supplier, and executive, and search for articles of Nikkei Telecom. The same surveys are conducted once a year for continuing customers. The Basic Transaction Agreement, etc. includes a termination clause when any relationship with Anti-social Forces is found.

In addition, we participated in the City Center for the Exclusion of Organized Crime Organizations, conduct awareness-raising activities for employees, and collaborate with external specialized agencies such as police and legal councils.

V. Others

1. Introduction of anti-takeover measure

Introducing the anti-takeover measure	None
---------------------------------------	------

Supplementary explanation

--

2. Other corporate governance related matters

(1) Corporate governance structure

Please refer to the schematic diagram (reference data).

(2) Timely disclosure system

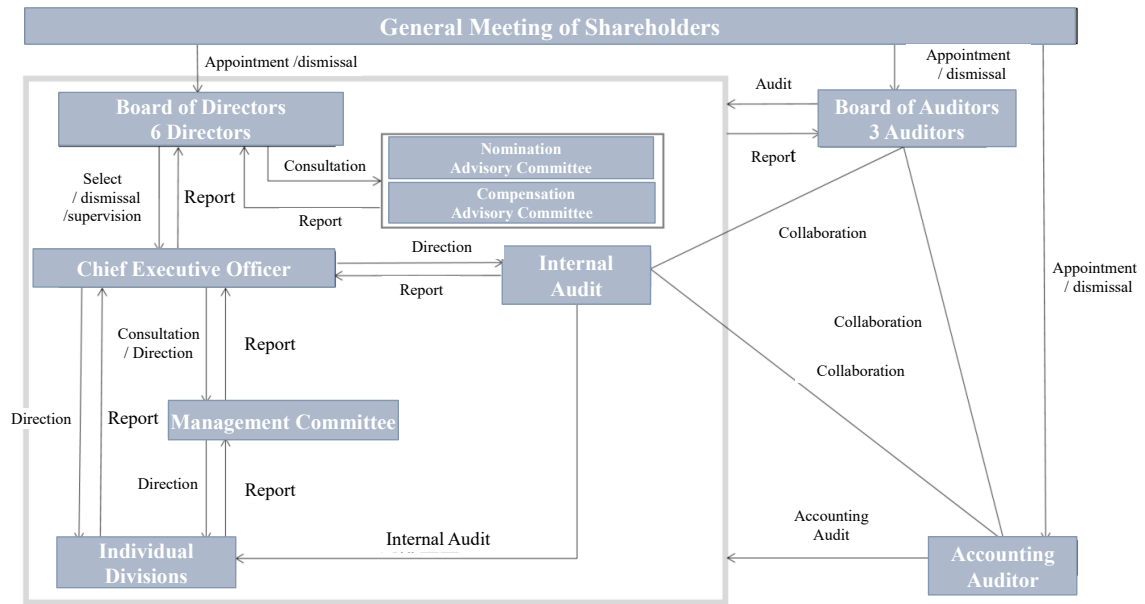
We appoint the Director supervising the Administration Divisions as the manager in charge of timely disclosure.

We will strive to ensure that we will fairly disclose corporate information in a timely and appropriate manner in compliance with the Financial Instruments and Exchange Act, the Regulations on Listing of Securities, and other relevant laws and regulations.

The Director in charge of timely disclosure will collect information and disclose the information in a timely manner as long as it is the one that should be disclosed after review in accordance with the procedures.

Please refer to the outline (diagram) of the timely disclosure system below.

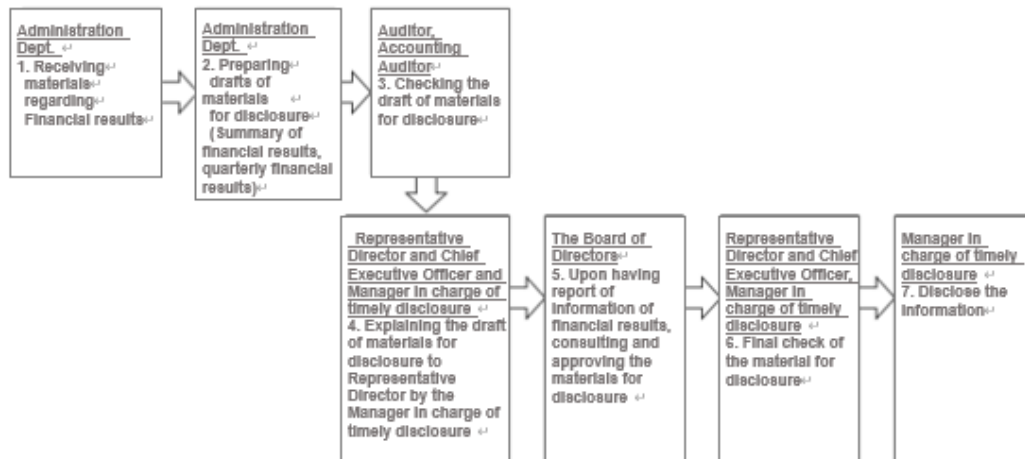
[Organization (Reference)]



This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.

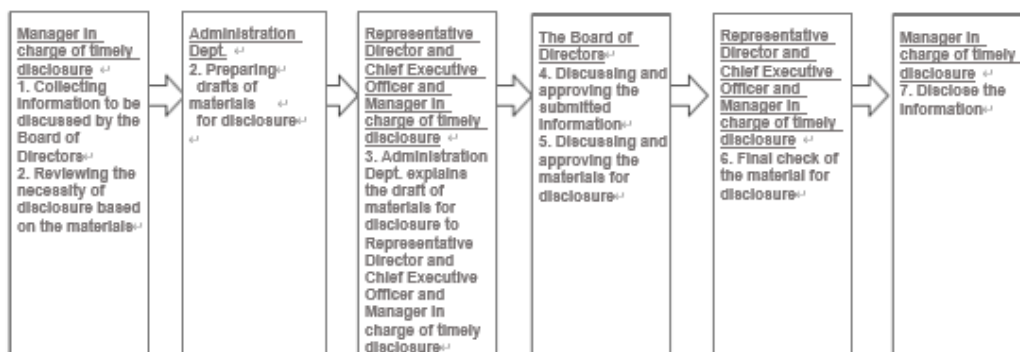
[Overview of Timely Disclosure System (Diagram)]

Information of Financial Results



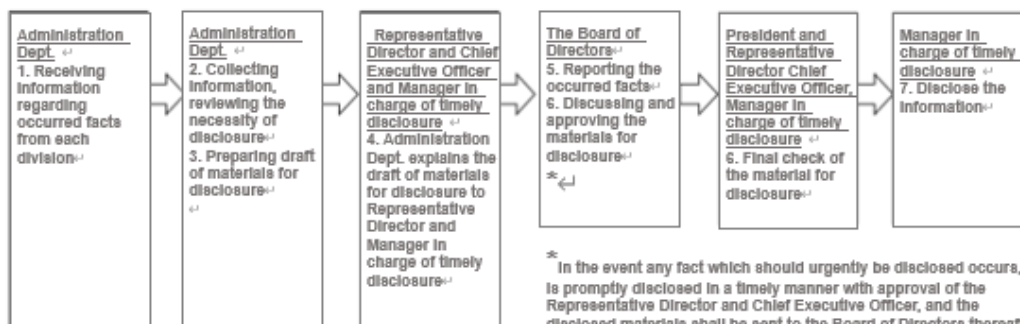
↴

Decided Facts



↴

Occurred Facts



* In the event any fact which should urgently be disclosed occurs, it is promptly disclosed in a timely manner with approval of the Representative Director and Chief Executive Officer, and the disclosed materials shall be sent to the Board of Directors thereafter.

End

This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.