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Corporate Governance Report

Last Update: November 9, 2021

Solasto Corporation

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The corporate governance of Solasto Corporation (the “Company”) is described below.

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

1. Basic Views

Solasto views corporate governance as a framework for ensuring corporate management that is rapid and effective, stable and fair, and highly transparent. Through the creation and implementation of this framework, we are able to uphold our Management Philosophy, fulfill our Promise to Our Stakeholders, and realize our Management Vision, thus enabling us to continuously improve our corporate value.

Based on this view, we established the Solasto Corporate Governance Policy, a framework and guidelines for corporate governance, at the Board of Directors meeting held on June 30, 2016(Revised on June 1, 2021). We will use this framework to promote initiatives and strive to continuously improve our corporate governance.

Solasto Corporate Governance Policy

<https://www.solasto.co.jp/ir/en/corporate/governance.html>

Management Philosophy

We strive to enrich the lives of all people by working to ensure the health and vitality of individuals, our partners and society at large, while walking hand-in-hand with our clients in helping to create a more promising future.

Promise to Our Stakeholders

To our clients

We vow to act professionally and with a strong sense of responsibility in serving the needs of our clients. At the same time, we will unwaveringly contribute to enhancing people's quality of life, ceaselessly showing integrity toward each and every individual accessing our services.

To our business partners

We aim to work closely with our business partners in developing mutual respect and sharing ideas, while walking side-by-side and developing together.

To our fellow colleagues

We aim to create a fair and open workplace environment that is upbeat and motivating, and where our employees show pride in their work.

To our communities and society at large

We vow to enrich people's lives and contribute to community progress through the services we provide and by offering a diverse range of work arrangements.

To our shareholders

We will promote sound and highly transparent management practices, with the aim of heightening our enterprise value and achieving consistent growth.

Management Vision

"The Solasto story has begun.

To provide global quality service in medical outsourcing, elderly and child care

To create professional career for Japanese working women."

An innovation leader in medical outsourcing, elderly care and child care, with strong focus on client needs and service quality;

Transforming to a digital company of service industry, constantly renewing service model leveraging state of the art ITs;

Contributing to local communities and all our stakeholders (clients, employees, shareholders, business partners) through continuous growth and strong business performance;

Through talent development and 2X compensation, supporting employees on work-life balance and to build professional life-time careers; and Culture with a value for care, reliability, compliance suited for medical, elderly care and child care.

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

This report is written based on the revised Corporate Governance Code as of June 2021.

[Supplemental Principle 4.11.1 View on the Appropriate Balance between Knowledge, Experience and Skills of the Board as a whole, and also on Diversity and Appropriate Board Size]

Our approach concerning the balance, diversity, and scope of the Board of Directors is outlined in "2.2 Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System)" of this report. Also, our independent outside directors include persons with management experience at other companies. Furthermore, we are planning to include a skills matrix outlining directors' knowledge, experience, and skills in the convocation notice for the Regular General Meeting of Shareholders planned for June 2022. We also plan to reflect this skills matrix in our Corporate Governance Report.

[Disclosure Based on the Principles of the Corporate Governance Code] UPDATED

[Principle 1.4 Cross-Shareholdings]

We do not retain listed stocks for the purpose of strategic shareholding.

[Principle 1.7 Related Party Transactions]

When conducting transactions with executives or major shareholders (transactions between related parties), we consult outside directors as well as attorneys and other third parties as necessary, after which the Board of Directors deliberates and decides on the necessity of the transaction and the adequacy of the details and conditions of the transaction.

[Principle 2.4.1 Ensuring Diversity in the Promotion to Core Human Resources]

<Approach to securing diversity>

We position the promotion of diversity management as a core part of our human resources strategy, and outlined a Diversity Policy in 2020.

We promote diversity through the following six core policies. These policies help ensure that our nearly 30,000 employees respect the diversity and individuality of all others, regardless of race, age, gender, self-identification, sexual orientation, or disability, and provide an environment that allows all employees to participate in the workplace while reflecting their individuality and individual appeal.

Promoting women's workplace advancement

Supporting work-life balance

Promoting employment for persons with disabilities

Opportunities for the elderly

Accepting foreign workers

Promoting understanding of sexual minorities

Details are outlined in our Diversity Policy and the six pillars of diversity (please refer to the attached at the end of this report).

<Utilization of mid-career hiring>

Mid-career hiring represents over 90% of our annual hiring. Similarly, mid-career hires represent over 90% of our management personnel. The Solasto Group relies on personnel with a diverse range of knowledge and experience in other industries, each applying their respective strengths regardless of age, gender, or nationality, to aggressively engage in our business activities, responsibilities, and goals.

We will continue to promote diversity as a driving force that supports our sustainable growth, and we will continue to secure and utilize a diverse range of human resources.

<Status of diversity progress, Solasto's unique and measurable goals for securing diversity>

We disclose information concerning our diversity initiatives on our website.

(<https://www.solasto.co.jp/ir/en/sustainability/hizaimu.html>)

<Advancement of female employees>

At 46.2%, we have a high rate of female managers compared to industry averages. However, believing it important to further promote women's advancement in the workplace, we have set a goal of achieving a rate of female managers of 60% by March 2024.

<Status of human resource development policy and workplace environment development policy for securing diversity>

We focus on the workstyles and career development of our human resources, particularly our female employees. As specific measures, we established a career center for supporting women's careers, we promote the hiring of female managers, we have reduced total work hours to promote work-life balance, we created a reduced-time work system that exceeds mandated standards, and we abolished the dependent allowance that serves to foster the gender wage gap.

In 2020, we also created our Diversity Policy as part of efforts to promote comfortable workplace environment for all employees by promoting measures that include advancement for the women who make up 90% of our workforce as well as by providing support for sexual minorities. Specifically, we adopted a special leave system for same-sex partners, fertility treatment, and sex reassignment surgery.

We also have received external evaluations of our efforts. We acquired the Kurumin Mark (2008, 2011, and 2015), which is governed by the Act on Advancement of Measures to Support Raising Next-Generation Children. In May 2021, we also earned 3-Star Eruboshi Certification (highest rating), which recognizes companies for their excellence in initiatives related to promoting the advancement of women in the workplace.

[Principle 2.6 Roles of Corporate Pension Funds as Asset Owners]

We do not offer the fund-type or contract-type of defined benefit pension or welfare pension fund assumed under this code.

[Principle 3.1 Full Disclosure]

- (1) Our Group drafts and publishes our Management Philosophy. Our Management Philosophy is outlined in "1.1 Basic Views" of this report. We publish our corporate strategy and management plan on our website.
- (2) We indicate our basic approach and basic policies on corporate governance in "1.1 Basic Views" of this report.
- (3) We indicate policies and procedures related to decisions on compensation for management personnel and directors in "2.1 [Director Remuneration] Policy on Determining Remuneration Amounts and Calculation Methods" of this report.
- (4) We indicate general policies and procedures concerning the selection of management personnel and the nomination of director and corporate auditor candidates in "2.2 Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System)" of this report.
- (5) We indicate "Reasons for Candidacy" for all directors and corporate auditor candidates in each of the nomination proposals indicated in the Convocation Notice of the 51st Ordinary General Meeting of Shareholders (reference materials), the Convocation Notice of the 52nd Ordinary General Meeting of Shareholders (reference materials), and the Convocation Notice of the 53rd Ordinary General Meeting of Shareholders (reference materials).

[Supplemental Principle 3.1.3 Disclosures Concerning Sustainability Initiatives]

We indicate information concerning our sustainability initiatives in “3.3 Measures to Ensure Due Respect for Stakeholders” of this report.

[Supplemental Principle 4.1. 1 Scope of delegation to management]

In our Board of Directors Regulations, we clearly outline the matters to be decided or voted on by the Board of Directors. In the Board of Directors Regulations, matters to be decided or voted on by the Board of Directors are defined as matters stipulated by law and our Articles of Incorporation as well as the approval of or changes to general corporate policy, annual and monthly budgets, personnel plans, medium- and long-term management plans, matters concerning our organization and human resources, and other important matters concerning business execution. To promote rapid decisions on matters concerning business execution, other matters are consigned to personnel below the company president in accordance with our organization regulations and work authority regulations.

[Supplemental Principle 4.9 Independent Standards and Qualification for Independent Outside Directors]

Matters concerning the criteria used to judge the independence of outside directors are as outlined in “2.1 [Independent Directors/Corporate Auditors] Matters Relating to Independent Directors/Corporate Auditors” of this report.

[Supplemental Principle 4.10.1 Establishment of Advisory Committee mainly comprised of Independent Outside Directors]

We have established a Nomination, Evaluation, and Compensation Committee (CEO and three outside directors (of which, two are independent outside directors)). Half of Committee members are independent outside directors and the Committee is chaired by an outside director. We indicate information concerning the establishment of advisory committees in “2.1 [Directors] Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee” of this report.

[Supplemental Principle 4.11.2 Status of Directors/Corporate Auditors with Concurrent Posts]

No directors other than outside directors or outside corporate auditors serve concurrent positions at other listed companies. Information concerning important concurrent posts held by outside directors or outside corporate auditors is indicated in “2.1 [Directors] Outside Directors’ Relationship with the Company (2)” and “2.1 [Corporate Auditors] Outside Corporate Auditors’ Relationship with the Company (2)” of this report.

[Supplemental Principle 4.11.3 Analyzing and Evaluating the Effectiveness of the Board of Directors as a Whole]

A summary and results of the efficacy assessment conducted in 2020 for the Board of Directors is as indicated below.

1. Efficacy assessment implementation method and conclusions

- To achieve corporate governance, all members of the Board of Directors (8 members) and the Board of Corporate Auditors (3 members) responded to surveys concerning the structure, implementation status, and deliberation content of the Board of Directors. The Corporate Governance Committee and the Board of Directors then held deliberations based on those results. From those deliberations, we concluded that the Board of Directors is functioning effectively.

2. Results of implemented assessment

- The efficacy assessment survey of each director and corporate auditor resulted in a high rate of responses indicating that the Board was “functioning well” or “functioning properly on average” for most questions.
- Assessment results indicated that members, including outside directors, were provided sufficient information ahead of time in relation to meeting agenda items, and that the number of agenda items, agenda content, and time allocated to deliberate each agenda item were largely within appropriate standards. Results also indicated that meetings featured active discussions and exchanges of opinions from a wide range of perspective. These results confirm that efficacy is being maintained.
- All survey question items included proposals, recommendations, indications of problem points, and other comments. For example, from the results we recognized that while appropriate plans had been drafted concerning corporate strategy and management plans that incorporate a medium- to long-term perspective, there was a need to further expand on deliberations related to these matters. We also identified the importance of continued

deliberations related to the selection of successors in terms of outlining desired personnel requirements and the high-level creation of personnel nomination and development policies.

3. Other initiatives, etc.

- We also supported directors in their management decisions by creating opportunities for outside directors to exchange opinions with individual executive officers and initiatives to further mutual understanding between outside directors and corporate officers.
- We will continue to hold annual efficacy assessments for our Board of Directors and strive to make further improvements to efficacy.

[Supplemental Principle 4.14.2 Training Policy for Directors and Corporate Auditors]

We provide directors, corporate auditors, and corporate officers with relevant recommendations for participation in external seminars and members with external organizations to promote self-enlightenment by adopting new thinking and interacting with frontline information. The Company covers related expenses in accordance with our internal regulations.

[Principle 5.1 Policy for Constructive Dialogue with Shareholders]

On our website, we indicate our policies evaluated and approved by the Board of Directors on developing structures and implementing initiatives to promote constructive dialogue with shareholders.

(Basic Policy on Investor Relations : https://www.solasto.co.jp/ir/en/basic_policy.html)

2. Capital Structure

Foreign Shareholding Ratio	From 20% to less than 30%
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[Status of Major Shareholders] UPDATED

Name / Company Name	Number of Shares Owned	Percentage (%)
Daito Trust Construction Co., Ltd.	31,805,100	33.66
The Master Trust Bank of Japan (Trust Account)	8,917,800	9.44
TOHO HOLDINGS CO., LTD.	8,179,500	8.66
Custody Bank of Japan, Ltd. (Trust Account)	4,846,800	5.13
J.P. MORGAN BANK LUXEMBOURG S.A. 381572	4,495,900	4.76
JP MORGAN CHASE BANK 385174	2,940,300	3.11
STATE STREET BANK AND TRUST COMPANY 505038	2,802,500	2.97
INFOCOM CORPORATION	2,545,200	2.69
JP MORGAN CHASE BANK 385632	1,892,631	2.00
Solasto Employee Shareholding Association	1,593,073	1.69

Controlling Shareholder (except for Parent Company)	-
Parent Company	-

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange First Section
Fiscal Year-End	March
Type of Business	Services
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1,000
Sales (consolidated) as of the Previous Fiscal Year	From ¥100 billion to less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 10 to less than 50

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

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5. Other Special Circumstances which may have Material Impact on Corporate Governance **UPDATED**

One outside director (Mr. Kanitsu Uchida) has been appointed from Daito Trust Construction Co., Ltd., which owns 33.66% of outstanding shares of the Company. However, the Company is not restricted by Daito Trust Construction Co., Ltd. in terms of its business activities and management decisions and does not hold a majority of the Board of Directors of the Company. The Company recognizes that its independence has been secured.

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 Board of Corporate Auditors
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[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	10
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	8
Appointment of Outside Directors	Appointed
Number of Outside Directors	4
Number of Independent Outside Directors	2

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Yukio Kubota (Mr.)	From another company							△				
Kenji Chishiki (Mr.)	From another company											

Toru Noda (Mr.)	From another company												
Kanitsu Uchida (Mr.)	From another company							○					

- * 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. Executive of the Company or its subsidiaries
- b. Non-executive director or executive of a parent company of the Company
- c. Executive of a fellow subsidiary company of the Company
- d. A party whose major client or supplier is the Company or an executive thereof
- e. Major client or supplier of the listed company or an executive thereof
- f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/corporate auditor
- g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
- h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)
- i. Executive of a company, between which and the Company outside directors/corporate auditor are mutually appointed (the director himself/herself only)
- j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
- k. Others

Outside Directors’ Relationship with the Company (2) UPDATED

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Yukio Kubota		(Significant concurrent positions outside the Company) Outside Director of KOEI Dream Works Co., Ltd.	Mr. Kubota has a wealth of experience and extensive knowledge as the Director including Representative Director among plural companies. Therefore, the Company has appointed him as a Outside Director with expectation that he will use this experience to supervise and support management toward improving our corporate value.
Kenji Chishiki	○	(Significant concurrent positions outside the Company) Outside Director and Audit & Supervisory Committee Member of SHIFT Inc. Outside Director of Ishii Food CO., Ltd. Outside Director of Onward Holdings Co., Ltd.	Mr. Chishiki has served as a representative director in a number of companies, as well as has a wealth of experience serving as an outside director. The Company has appointed him as a Outside Director because he has a wide range of knowledge and experience in personnel development, organizational management including corporate culture, and the establishment and strengthening of management foundations, with the expectation he will provide useful advices to the Company. In accordance with the independence criteria set forth by Tokyo Stock Exchange, Inc. and the independence requirements for independent outside executives set forth by the Company, the

			Company has determined that there is no risk of conflict of interest with general shareholders in the execution of duties by outside directors and designated him as an independent director.
Toru Noda	○	(Significant concurrent positions outside the Company) Director of Softfront Holdings, Inc. Director of Softfront Japan Professor of Organizational Management Area of Graduate School of Business Sciences at University of Tsukuba	Mr. Noda has served as a representative director of several companies and has deep insights and experience in the areas of DX, AI, RPA and data science. The Company has appointed him as a Outside Director with the expectation that he will provide extremely useful advices for the Company in its efforts to integrate human resources, IT and digital technologies in the medical and elderly care fields. In accordance with the independence criteria set forth by Tokyo Stock Exchange, Inc. and the independence requirements for independent outside executives set forth by the Company, the Company has determined that there is no risk of conflict of interest with general shareholders in the execution of duties by outside directors and designated him as an independent director.
Kanitsu Uchida		(Significant concurrent positions outside the Company) Director of Daito Trust Construction Co., Ltd. Director of Care Partner Co., Ltd.	Mr. Uchida currently serves as a Director at Daito Trust Construction Co., Ltd. and has a wealth of experience and extensive insight in the planning of new business development and in the development of new technologies. The Company has appointed him as a Outside Director with the expectation that he will use this experience to supervise and support management toward improving our corporate value as Outside Director.

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established
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Committee's Name, Composition, and Attributes of Chairperson

	Committee Corresponding to Nomination Committee	Committee Corresponding to Remuneration Committee
Committee's Name	the Nomination, Evaluation, and Compensation Committee	the Nomination, Evaluation, and Compensation Committee
All Committee Members	4	4
Full-time Members	0	0
Inside Directors	1	1
Outside Directors	3	3
Outside Experts	0	0
Other	0	0
Chairperson	Outside Director	Outside Director

Supplementary Explanation

The Company has established the Nomination, Evaluation, and Compensation Committee and the Corporate Governance Committee under the Board of Directors to support the role of the Board of Directors. The Nomination, Evaluation, and Compensation Committee, chaired by an outside director, proposes candidates for the president and corporate officers to the Board of Directors. In addition to setting and evaluating annual targets for corporate officers, the Committee evaluates whether corporate officers' remuneration is competitive and appropriate, and makes proposals to the Board of Directors.

[Corporate Auditor]

Establishment of Board of Corporate Auditors	Established
Maximum Number of Corporate Auditors Stipulated in Articles of Incorporation	5
Number of Corporate Auditors	3

Cooperation among Corporate Auditors, Accounting Auditors, and Internal Audit Departments **UPDATED**

Through the strengthening of mutual cooperation among Corporate Auditors, Accounting Auditors and the Internal Audit Office of the Audit Department and the exchange of opinions at the regular meetings, the Company strengthens the quality of audits covering all management activities.

The Corporate Auditors Office is in charge of communication and coordination with relevant departments within the company in order to accurately provide corporate information to Outside Corporate Auditors.

According to the audit by Corporate Auditors, they perform appropriate audits by attending important meetings, visiting departments, offices and subsidiaries, exchanging opinions with Directors, and reporting on audit plans and results from Accounting Auditors. The results of these audits are reported to all divisions through the Board of Directors and the Management Committee.

The Company concludes an audit agreement with KPMG AZSA LLC as an accounting auditor and receives an accounting audit.

Under the direction of the president, the Internal Audit Department is responsible for the internal audit function, and audits the effectiveness of internal controls and the status of actual business execution for each division at the head office, nationwide bases, and subsidiaries. The results of these audits are reported to the Board of Directors once every six months and to each division as necessary. In addition, Internal Audit Department holds meetings and exchange views with the Corporate Auditors and Corporate Auditors of subsidiaries as necessary.

Appointment of Outside Corporate Auditors	Appointed
Number of Outside Corporate Auditors	2
Number of Independent Outside Corporate Auditors	2

Outside Corporate Auditors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Hironori Yokote (Mr.)	CPA													
Miho Tanaka (Ms.)	Lawyer													

* Categories for "Relationship with the Company"

* "○" when the corporate auditor presently falls or has recently fallen under the category

"△" when the corporate auditor fell under the category in the past

* "●" when a close relative of the corporate auditor presently falls or has recently fallen under the category

"▲" when a close relative of the corporate auditor fell under the category in the past

a. Executive of the Company or its subsidiary

b. Non-executive director or accounting advisor of the Company or its subsidiaries

c. Non-executive director or executive of a parent company of the Company

- d. Corporate Auditor of a parent company of the Company
- e. Executive of a fellow subsidiary company of the Company
- f. A party whose major client or supplier is the Company or an executive thereof
- g. Major client or supplier of the Company or an executive thereof
- h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a corporate auditor
- i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
- j. Executive of a client or supplier company of the Company (which does not correspond to any of f, g, or h) (the corporate auditor himself/herself only)
- k. Executive of a company, between which and the Company outside directors/corporate auditors are mutually appointed (the corporate auditor himself/herself only)
- l. Executive of a company or organization that receives a donation from the Company (the corporate auditor himself/herself only)
- m. Others

Outside Corporate Auditors' Relationship with the Company (2) UPDATED

Name	Designation as Independent Corporate Auditor	Supplementary Explanation of the Relationship	Reasons of Appointment
Hironori Yokote	○	(Significant concurrent positions outside the Company) Director of Hironori Yokote CPA Office Representative Partner of Miogi Audit Corporation.	He has a wealth of knowledge and experience in accounting and taxation as a certified public accountant and tax accountant. He has many years of experience of being seconded to the listed section of the Tokyo Stock Exchange, Inc. and is well versed in the practice of listed companies. The Company has appointed him in the expectation that he will provide useful advice for further strengthening corporate governance in our company. In accordance with the independence criteria set forth by Tokyo Stock Exchange, Inc. and the independence requirements for independent outside executives set forth by the Company, the Company has determined that there is no risk of conflict of interest with general shareholders in the execution of duties by outside directors and designated him as an independent director.
Miho Tanaka	○	(Significant concurrent positions outside the Company) Partner of Shiba & Tanaka Law Office Supervisory Director of Marimo Regional Revitalization REIT, Inc. Supervisory Director of JINUSHI Private REIT Investment Corporation Outside Director of Tokyo Century Corporation Outside Corporate Auditor of Pacific Porter, Inc.	As an attorney with extensive knowledge and experience in corporate legal affairs and M&A-related fields, the Company has judged that she can audit the execution of duties by Directors from an objective and fair standpoint, and has appointed her as an outside corporate auditor. In accordance with the independence criteria set forth by Tokyo Stock Exchange, Inc. and the independence requirements for independent outside executives set forth by the Company, the Company has determined that there is no risk of conflict of interest with general shareholders in the execution of duties by outside directors and designated her as an independent director.

[Independent Directors/Corporate Auditors]

Number of Independent Directors/Corporate Auditors	4
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Matters Relating to Independent Directors/Corporate Auditors

<Independence Requirements for Outside Executives – Revised on June 1, 2021>

In accordance with the independence criteria established by the Tokyo Stock Exchange, we judge outside executives applicable to any of the following as not qualifying as an independent outside director.

1. A person who is currently a director (excluding outside directors), corporate auditor (excluding outside corporate auditor), corporate officer, or employee of the Solasto Group (*1).
2. A person who, during any business year occurring within the past 10 years, is or was a major shareholder (*2) of the Solasto Group, or the director, corporate auditor, corporate officer, or employee of a company for which the Solasto Group is a major shareholder.
3. A person who is or was an executive (*4) of a major Solasto Group business partner (*3).
4. A person who is or was a trustee or other director, corporate auditor, corporate officer, or employee of a corporation or foundation receiving significant donations (*5) from the Solasto Group.
5. Persons dispatched to or from the Solasto Group as a director, corporate auditor, or corporate officer.
6. A person who is or was associated with the Solasto Group's accounting auditor within the past 5 years.
7. A person who is or was an attorney, Certified Public Accountant, or consultant receiving significant monetary amounts (*6) or other assets from the Solasto Group.
8. A person who is the spouse, blood relative within two degrees, a cohabiting relative, or otherwise engaged in shared living with the following persons:
 - (1) A Solasto Group business executive
 - (2) A person who was a Solasto Group business executive during any fiscal year occurring in the past 10 years.
 - (3) Persons deemed not independent based on the above 2 through 7
9. Other persons who, upon a substantive decision by the company, would have potential conflicts of interest with Solasto Group general shareholders if serving as an outside executive.

(Notes)

- 1: "Solasto Group" refers to Solasto Corporation and its subsidiaries.
- 2: "Major shareholder" refers to a company, etc. directly or indirectly possessing voting rights equivalent to 20% or more of total voting rights.
- 3: "Major business partner" refers to a company, etc. whose payments made or received for transactions with the Solasto Group account for 2% or more of the Solasto Group's or said business partner's consolidated net sales during any fiscal year during the past three fiscal years.
- 4: "Executive" refers to a person in the position of executive director, executive officer, or a senior management position of general manager or higher.
- 5: "Significant donation" refers to donations averaging 10 million yen annually or exceeding 2% of the recipient's consolidated net sales or gross revenue, whichever is higher, over the past three fiscal years.
- 6: "Significant monetary amount" refers to amounts averaging 10 million yen annually for an individual, or exceeding 2% of an organization's consolidated net sales for an organization over the past three fiscal years.

[Incentives]

Incentive Policies for Directors	Performance-linked Remuneration
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Supplementary Explanation

A portion of bonuses for internal directors are determined based on a quantitative evaluation (performance-linked remuneration) linked to the Company's performance.
The Company has also introduced a restricted stock compensation plan for internal directors.

- * The Company has introduced restricted stock compensation for internal directors since FY2021, in place of the previous stock option compensation, in order to provide an incentive to continuously improve the corporate value of the Company and promote further sharing of value with shareholders. The Company has abolished the stock option system for directors and corporate auditors except for those already granted.

Recipients of Stock Options	
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Supplementary Explanation

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[Director Remuneration]

Disclosure of Individual Directors' Remuneration	No Individual Disclosure
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Supplementary Explanation

The total amount of compensation for all Directors and Corporate Auditors is disclosed in the Annual Securities Report and Business Report in accordance with relevant laws and regulations, and is made available for public inspection by posting on the Company's website.

The total amount of compensation paid to directors in FY2020 was 199 million yen, of which compensation paid to outside directors was 24 million yen.

The following are the details.

[Compensation of Directors]

Total amount of compensation: 199 million yen (including 24 million yen for outside directors)

Basic compensation: 139 million yen (including 24 million yen for outside directors)

Bonus: Fixed portion: 10 million yen

Variable portion (performance-linked compensation, etc.): 48 million yen

Non-monetary compensation: Less than 1 million yen

Number of Eligible Directors: 9 people (including 4 outside directors)

* The above includes two directors (including one outside director) who retired at the conclusion of the 52nd Ordinary General Shareholders' Meeting held on June 25, 2020.

* At the 47th Ordinary General Meeting of Shareholders held on June 26, 2015, the maximum amount of remuneration for directors was resolved to be within 320 million yen per year (excluding employee salaries). The number of directors at the conclusion of the General Shareholders' Meeting was seven.

Policy on Determining Remuneration Amounts and Calculation Methods	Established
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Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods
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<Policy concerning decisions on executive compensation>

We believe it appropriate that individual compensation for directors be determined by the Nomination, Evaluation, and Compensation Committee, which is comprised of a majority of outside directors. As such, the Board of Directors consigns decision-making authority concerning individual compensation for directors to the Nomination, Evaluation, and Compensation Committee, which deliberates on adequacy based on outlined decision-making policy.

Details of our decision-making policy on individual compensation for directors are as follows.

a. Basic policy

Compensation for directors (excluding outside directors) is based on a compensation structure designed to function sufficiently as an incentive for contributing to sustainable improvements to our corporate value. Our basic policy concerning decisions on compensation for individual directors is to maintain a balance between industry standards, Company performance, and employee wage standards.

Compensation for directors (excluding outside directors) is comprised of base compensation, bonuses, and restricted stock. Basic compensation is comprised of director's compensation and executive compensation, which are paid monthly. Bonuses are comprised of a director's bonus and an executive bonus, which are determined based on the director's role paid out at a prescribed timing. Executive compensation is comprised of fixed compensation and variable compensation. Variable compensation is determined based on a qualitative assessment and a quantitative assessment that is linked to company performance (performance-linked remuneration).

In light of their roles, compensation for outside directors is limited to base compensation only. Base compensation is comprised of director's compensation and committee allowances, and is paid monthly.

b. Policy concerning performance-linked remuneration

Performance-linked remuneration is calculated based on the net sales and operating profit KPI outlined in VISION2030, our Management Vision. We set the achievement of annual targets for each KPI as a goal, and the rate of achievement for each goal is used to determine the payout rate for performance-linked remuneration. For

directors in charge of specific departments, the relevant KPI of the managed department are used. For the company president and other directors, consolidated KPI are used.

c. Policy concerning non-monetary compensation

To provide incentive to make sustainable improvements to our corporate value and increase the sharing of value with our shareholders, the amount of restricted stock is determined based on factors such as performance and role within the company.

Allocated stock is also subject to transfer restrictions for a stipulated period of time, which is determined by the Board of Directors.

d. Policy on decisions concerning compensation for individual directors

To supplement the functions of the Board of Directors, the Nomination, Evaluation, and Compensation Committee deliberates and then makes decisions concerning compensation for each director, with the final decision on individual compensation being consigned to the company president. Furthermore, we outline that the company president must make final decisions on individual compensation based on a sufficient evaluation of the results of deliberations held by the Nomination, Evaluation, and Compensation Committee.

The Nomination, Evaluation, and Compensation Committee reports to the Board of Directors and is comprised of Director Yoshikazu Fujikawa and Outside Directors Yukio Kubota, Kenji Chishiki, and Toru Noda. The Committee is chaired by Outside Director Yukio Kubota. By appointing outside directors as the committee chair and a majority of members, we have established a structure that provides the advantages of being a company with a Nomination Committee, etc.

e. Policy concerning compensation ratios

Director's compensation ratios are comprised so that compensation for senior directors and directors overseeing designated business divisions is based on a higher ratio of bonus compensation, with final decisions made by the Nomination Committee, etc.

[Supporting System for Outside Directors and/or Outside Corporate Auditors]

General Affairs Department provides support to outside directors, and Internal Audit Office and General Affairs Department provide support to outside corporate auditors.

In principle, materials for the Board of Directors are distributed in advance by the Secretariat of the Board of Directors to ensure that outside directors and outside corporate auditors have time to consider them. They also provide advance explanations as necessary.

Materials for important meetings are distributed to outside directors from the secretariat of the Board of Directors and other bodies. Full-time corporate auditors share information on corporate auditors' audits, accounting audits and internal audits to outside corporate auditors.

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

Solasto has chosen to be a company with Board of Corporate Auditors as defined by the Companies Act. Additionally, to enhance the functions of our Board of Directors, under the Board of Directors we have established a Nomination, Evaluation, and Compensation Committee. The committee is chaired by an outside director as well as the majority of the members are outside directors. This enables us to create and maintain a system that takes advantage of the beneficial aspects of a company with nominating committee, etc.

<Board of Directors>

Our Board of Directors consists of eight directors (of whom, four are outside directors), and is chaired by the President. In principle, the Board of Directors holds monthly regular meetings as well as extraordinary meetings as necessary. The duties of the Board of Directors include the selection of candidates for directors and, corporate auditors and corporate officers, supervision and making decisions on proposals related to annual budget, our medium-term management plan, and other important strategies, and making decisions on the execution of important business matters. Through their activities, the Board of Directors serves in a supervisory role for all business activities to ensure both management effectiveness and transparency. To ensure the clarification of management responsibilities and enable rapid responses to changing operating environments, the term of appointment for Solasto directors is one year.

<Board of Corporate Auditors>

The Board of Corporate Auditors consists of three corporate auditors (of whom, two are outside corporate auditors) and is chaired by the Auditor who is selected by the resolution of the Board of Corporate Auditors to create a system that ensures the effectiveness of audits by each corporate auditor. Corporate auditors conduct audits on the status of business execution by directors and the fulfillment of supervisory duties by the Board of Directors by attending Board of Directors meetings and other important meetings. Board of Corporate Auditors work with the Board of Directors

to hold monthly Board of Corporate Auditors meeting where members outline audit policy and audit plans as well as receive reports on important matters related to audits from each member, deliberate on matters, and make decisions.

<Nomination, Evaluation, and Compensation Committee>

The Nomination, Evaluation, and Compensation Committee is chaired by an outside officer. The committee advises the Board of Directors on matters related to the nomination and evaluation of and compensation for corporate management personnel, including making proposals to the Board of Directors regarding candidates for president and corporate officers.

<Corporate Governance Committee>

The Corporate Governance Committee is chaired by an outside officer. The Committee supports the function of the Board of Directors by discussing and suggesting to the Board of Directors on the matters and measures related to the increased corporate governance and the evaluation of the effectiveness of the Board of Directors, as well as initiatives to enhance the transparency and fairness of management.

<Other Committees>

In addition to the above, Solasto has established a Management Committee, the purpose of which is to promote rapid and efficient decision-making by the Board of Directors by serving as an entity that deliberates and decides on important matters related to business execution. The Management Committee is comprised by President, and Corporate Officers in management positions. In principle, the committee meets twice per month. Also, Corporate Officers' Meeting, which is comprised by all the Corporate Officers including President, is held at least once per month. Its purpose is to discuss and share the important matters for the business execution. Furthermore, Divisional Strategy Meeting, which is comprised by the President and the Managers of related divisions, is held monthly to report and discuss the progress in strategic measures by divisions and changes in business environment. Through those activities, Solasto endeavors to strengthen its structure with improved business execution and further transparency. Solasto has also established Risk & Compliance Committee which serves as a general management entity for risk response and compliance for the entire company, and Investment Management Committee which evaluates investment efficiency on investment projects and monitors post-investment.

<General Policies and Procedures for Appointing Management Team and Nominating Directors and Corporate Auditors>

Solasto selects candidates with the knowledge and experience required to execute the authority and responsibilities deemed required of Corporate Officers and Directors. Candidates are nominated for the position of Corporate Officer and Director by our Nomination, Evaluation, and Compensation Committee and submitted to the Board of Directors for approval. Corporate Officer candidates must be appointed by the Board of Directors. Director candidates must be approved by the Board of Directors, after which they are appointed by the General Meeting of Shareholders. Corporate Auditor candidates are subject to consent by the Board of Corporate Auditors and approval by the Board of Directors before candidates can be appointed by the General Meeting of Shareholders.

3. Reasons for Adoption of Current Corporate Governance System

The Company believe that the Board of Directors (eight members, including four outside directors) receives opinions from an external perspective, thereby ensuring transparency and objectivity in corporate management. In addition, the Board of Directors can make appropriate decisions by receiving appropriate advice based on abundant experience and broad insight.

Furthermore, the Company believes that an effective auditing system realized through mutual collaboration among Board of Corporate Auditors members, accounting auditors, and the audit department, which is the internal audit department, ensures legality and appropriate audits in a reasonable manner.

For the reasons stated above, the Company has adopted the current corporate governance system.

At the Ordinary General Meeting of Shareholders to be held in June 2022, the Nomination, Evaluation, and Compensation Committee is working to increase the number of independent outside directors to at least one-third.

III. Implementation of Measures for Shareholders and Other Stakeholders

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

	Supplementary Explanations
Early Notification of General Shareholder Meeting	The notice of the Ordinary General Meeting of Shareholders held in June 2021 was sent 20 days prior to the date of the meeting. And 27 days prior to that, the company made an electronic disclosure.
Scheduling AGMs Avoiding the Peak Day	The Ordinary General Meeting of Shareholders held in June 2021 was set to avoid on the day of maximum concentration.

Allowing Electronic Exercise of Voting Rights	Since fiscal 2021, the Company has exercised its voting rights electronically.
Participation in Electronic Voting Platform	The Company participates in the electronic voting platform operated by ICJ, Inc. In addition, in order to secure sufficient time for institutional investors to consider proposals, the Company electronically disclosed the notice of the Ordinary General Meeting of Shareholders (in Japanese and English) 27 days prior to the date of the Ordinary General Meeting of Shareholders.
Providing Convocation Notice in English	The Notice of the Ordinary General Meeting of Shareholders (in a narrow sense), the Reference Documents for the General Meeting of Shareholders, and the Business Report (summary) are posted in English on the Company's website.

2. IR Activities **UPDATED**

	Supplementary Explanations	Explanations by Representatives
Preparation and Publication of Disclosure Policy	The Company discloses its basic policy on investor relations in Japanese and English on the Company's website. The policy on the system, development, and initiatives to promote constructive dialogue with shareholders was reviewed and approved by the Board of Directors. (https://www.solasto.co.jp/ir/jp/corporate/basic_policy.html) (https://www.solasto.co.jp/ir/en/basic_policy.html)	
Regular Investor Briefings for Analysts and Institutional Investors	The Company holds quarterly financial results briefing meetings. We also hold small meetings and one-on-one with sell-side analysts and institutional investors.	Yes
Posting of IR Materials on Website	The Company's website actively discloses all important information that contributes to investment decisions in English as well as Japanese.	
Establishment of Department and/or Manager in Charge of IR	Investor Relations Office, Management Division	

3. Measures to Ensure Due Respect for Stakeholders **UPDATED**

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	The Company has set "Promise to Stakeholders" as our commitment to the realization of our Management Philosophy. "Promise to Stakeholders" specifies our stakeholders and declares our commitments to customers, business partners, colleagues we work with, local communities, society, and shareholders. This Promise to Stakeholders, along with the Management Philosophy, serves as the basis for the code of conduct for all employees. "Management Philosophy" and "Promise to Stakeholders" are described in "1.1. Basic Views."
Implementation of Environmental Activities, CSR Activities etc.	The Company provides medical outsourcing, elderly care, and child care services, as well as education and training to those engaged in these services, and is closely related to the welfare and employment of local communities. As mentioned in the Management Philosophy, the Company's CSR is to contribute to the continuous development of local communities through these businesses. In the conduct of its business, it is also to contribute to the continuous development of local communities through these businesses. In 2021, the Solasto Group identified key issues to be addressed on a priority basis through its business activities, and established them as five sustainability themes. Details of these initiatives are posted on our website. (https://www.solasto.co.jp/ir/en/sustainability/index.html)

Development of Policies on Information Provision to Stakeholders	<p>The Company's business is deeply related to the welfare and employment of local communities, and the Company has many stakeholders, including local communities. The Company recognizes that it is an important responsibility for these diverse stakeholders to deepen their understanding not only of management information but also of various initiatives of the Company, such as productivity improvement, safety and security, and human resource development. The Company uses media and other media to disseminate information widely.</p>
Other	<p>The Company's management vision calls for " To create professional career for Japanese working women" and its corporate vision calls for " Through talent development and 2X compensation, supporting employees on work-life balance and to build professional life-time careers." The Company places a high priority on the work style and career development of human resources, especially female employees, who account for approximately 90% of the total.</p> <p>Based on the belief that enhancing employee satisfaction leads to improving customer satisfaction and business performance, the Company has worked to improve various systems that consider work-life balance and to create an environment in which employees can work longer with peace of mind while raising children and caring for their family.</p> <p>In April 2021, in order to grow together with society, the Company identified particularly important issues to be addressed with priority, and formulated five sustainability themes: "Contributing to an Aging Society and Local Communities," "Innovation and Contribution to Optimizing Social Security Expenditures," "Human Capital (Human Resources Development, Compensation Improvement, and Diversity)," "Compliance and Governance," and "Consideration for the Environment and Resources."</p> <p>The Company actively promotes information disclosure through its website and various materials and dialogues with stakeholders with regard to initiatives on sustainability themes and ESG (environment, society and governance).</p> <p>Solast's Diversity Policy Solasto has established its diversity policy within the Solasto Group Code of Conduct.</p> <p><Basic Policy> We strive to create workplaces that can participate in work while reflecting individual characteristics and attractiveness.</p> <p><Concrete Behavior></p> <ul style="list-style-type: none"> - We respect diversity and individuality and deepen understanding regardless of race, age, gender self-recognition, sexual orientation, disability, etc. - By responding without diversity, we prevent others from becoming uncomfortable and prevent others from doing so. - When we receive responses that we feel are unpleasant, or when we hear them, we take the courage to take action, such as consulting with the head of the department or the consultation desk at the workplace. - We do not allow employees who consult with us to suffer any disadvantages due to the consultation. - We contribute to a social that respects diversity by applying the above matters, both inside and outside the workplace. <p>The information concerning our diversity initiatives (https://www.solasto.co.jp/ir/en/sustainability/hizaimu.html)</p> <p>[External Evaluations]</p> <ul style="list-style-type: none"> - Certified of "Eruboshi (third)" based on the Law Concerning the Promotion of Women's Participation and Advancement in the Workplace in 2021. - Complied with the certification standards based on the Law for Promotion of Measures to Support the Development of the Next Generation and acquisition of the Kurumin certification mark by the Ministry of Health, Labour and Welfare in 2008, 2011 and 2015 <p>[Current Status of Promotion of Female Employees] Female managers: 46.2% (as of December 31, 2020) * Section managers and above</p>

IV. Matters Related to the Internal Control System

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

The Company believes that it is important to establish an effective internal control system in order to enhance the soundness and transparency of its management. The Board of Directors has resolved to establish the necessary systems to ensure the suitability of its operations as the basis for this system.

1) Structure for ensuring work execution by directors and employees is compliant with law and our Articles of Incorporation

- (1) To fulfill society's expectations of our company and to clarify our basic stance on corporate ethics and legal compliance, we have outlined the Solasto Group Code of Conduct as basic guidelines for all Group employees. We work to promote awareness among all executives and employees.
- (2) In accordance with our Compliance Regulations, we established a Risk Compliance Committee to create and promote a groupwide compliance structure.
- (3) In accordance with our Whistleblowing Regulations, we operate a whistleblowing system to promote the early discovery and correction of legal, regulatory, or rule violations.
- (4) We reject all relations with anti-social forces that serve to threaten the order and safety of society. Our entire organization works closely with relevant administrative agencies and attorneys to ensure we respond appropriately.

2) Structure for storing and managing information related to business execution by directors

- (1) Information concerning business execution by directors is stored and managed appropriately in accordance with our internal regulations and other document management regulations.

3) Regulations and other structures concerning loss risk management

- (1) In accordance with our Basic Regulations on Risk Management, our Board of Directors works to mitigate and prevent Group risks in order to ensure the survival of the company and our ability to engage in healthy business operations.
- (2) In accordance with our Basic Regulations on Risk Management, we have established a Risk Compliance Committee to build and promote a Group risk management structure.
- (3) The risk management supervisor of each department implements risk management for their respective department. The risk management supervisor makes regular risk management reports to the department in charge of risk management and coordinates on risk management.

4) Structure for ensuring efficient business implementation by directors

- (1) As the foundation of our structure for ensuring efficient business implementation by directors, we hold Regular Board of Directors' meetings and impromptu Board of Directors' meetings once per month to conduct rapid and accurate decision-making on critical matters.
- (2) Details on authority, responsibilities, and procedures related to business decisions by the Board of Directors are outlined in organization regulations, division of labor rules, and work authority regulations.
- (3) In order to clarify the management responsibilities of directors and enable rapid responses to change in our operating environment, the term of each director shall be one year.

5) Structure for ensuring proper business practices by the company, parent company, and subsidiaries that comprise our Group

- (1) We outlined the Solasto Group Code of Conduct and work to build a Group compliance structure to ensure proper business practices by Group companies.
- (2) Departments responsible for the administration of subsidiaries and other affiliates conduct necessary management in accordance with Affiliate Management Regulations to promote workflow optimization at subsidiaries.
- (3) In accordance with Affiliate Management Regulations, subsidiaries provide regular reports on performance and other important matters.
- (4) In accordance with our Basic Regulations on Risk Management, we appropriately build and operate a risk assessment and management structure for our entire Group.

6) Matters concerning employees when a corporate auditor requests an employee assistant, matters concerning independence from directors, and matters concerning ensuring the efficacy of instructions by corporate auditors to said employee(s)

- (1) The company shall establish a corporate auditor department and assign dedicated staff to assist in the work of corporate auditors.
- (2) Dedicated staff shall not be subject to instructions or orders from directors.
- (3) Personnel reassignments, personnel evaluations, and any punishment of dedicated staff shall be subject to prior approval by the Board of Corporate Auditors.
- (4) Dedicated staff works to maintain close collaboration with corporate auditors by regularly engaging in discussions and exchanging opinions concerning audit results, etc.

7) Structure for directors and employees to report to corporate auditors, structures for other reporting to corporate auditors, and other structures for ensuring effective audits by corporate auditors

- (1) A director or employee, or a director, corporate auditor, or employee of a subsidiary, or persons who have received reports from said persons shall report to the Board of Corporate Auditors concerning any incident that has occurred or is at risk of occurring that could cause significant losses to the company, when it is discovered that an employee or executive has committed a legal violation or fraud, or in the event of other matter deemed requiring reporting by the Board of Corporate Auditors. Said persons shall also report any other matters deemed subject to reporting by the Board of Corporate Auditors. Notwithstanding the above, a corporate auditor may, as necessary, demand a report from a director or employee, or a director, corporate auditor, or employee of a subsidiary.
- (2) The company prohibits any unfair treatment of persons making the aforementioned reports to the Board of Corporate Auditors in response to having made such a report. The prohibition of such treatment shall be reinforced among company directors and employees, as well as subsidiary directors, corporate auditors, and employees.
- (3) Corporate auditors shall attend Board of Directors' meetings, management meetings, and any other important conferences and committee meetings necessary to ascertain processes related to important decision-making and business execution. As necessary, corporate auditors may request explanations from directors and employees. Furthermore, corporate auditors shall regularly hold meetings with the representative director to exchange opinions, promote communication, and ensure the maintenance of an appropriate reporting structure.
- (4) In accordance with our Whistleblowing Regulations, the company shall ensure an appropriate structure for reporting legal infractions and other compliance issues to the corporate auditors.
- (5) When a corporate auditor requests the prepayment or reimbursement of expenses related to their execution of duties, said expenses and liabilities shall be handled immediately excluding when it is deemed that said expenses were not necessary to the execution of duties by said corporate auditors.

2. Basic Views on Eliminating Anti-Social Forces

No member of our Group, special interest affiliates, shareholders, or business partners, etc. shall have any relations with anti-social forces.

(1) Basic approach to the elimination of anti-social forces

Acting in accordance with the Solasto Group Code of Conduct, our Group rejects any and all relations with anti-social forces and we prohibit any acts that work to assist the activities of anti-social forces.

We have created an Anti-Social Forces Response Manual to outline specific response policies and standards. Furthermore, to verify that no Group executive or employee constitutes any anti-social force, employees are required to submit a pledge upon hiring and are required to take necessary training.

(2) Status of structure for eliminating anti-social forces

We designate the Human Resources & General Affairs Division as the division of operations related to anti-social forces. We also assign compliance management supervisors to each business division to gather information from our worksites and engage in uniform measures throughout our Group. Our cooperation with external organizations includes membership in the Tokyo Center for Removal of Criminal Organizations. We have registered the General Manager of our Human Resources & General Affairs Division as the Unjust Claims Prevention Supervisor and participate in regular training. The Unjust Claims Prevention Supervisor works to gather information related to anti-social forces and build a structure for cooperating with police.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
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Supplementary Explanation

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2. Other Matters Concerning to Corporate Governance System

<Initiatives to Establish a Timely Disclosure System>

The Group considers timely and appropriate disclosure to be an important element of corporate governance and a significant responsibility to shareholders. The Company's policy is to promptly disclose financial results and other information that may have a significant impact on business results.

The basic policy for timely disclosure is to follow the internal procedures.

