

June 29, 2022

dip Corporation

Representative: Hideki Tomita,

Representative Director, President and CEO (Chief Executive Officer)

Contact: +81-3-5114-1177

Stock code: 2379

<https://www.dip-net.co.jp/en/>

Corporate governance at dip Corporation is as follows:

## I. Basic Approach to Corporate Governance and Capital Structure, Corporate Attributes and Other Basic Information

### 1. Basic Approach (Updated)

Through the provision of human resource services and DX services, and by working to solve various problems in the labor market, dip aims to realize a society in which everyone can experience the joy and happiness of work, based on a vision of becoming a “Labor force solution company” under the corporate philosophy of “tapping into dreams, ideas and passion to create a better society.”

Ensuring effective corporate governance is essential to realizing this vision. Under an appropriate corporate governance system, we aim to increase medium and long-term corporate value while fulfilling our responsibilities to all stakeholders by enhancing management transparency and conducting efficient corporate operations.

dip adopts a system of corporate governance carried out by the Board of Directors, corporate auditors and the Audit & Supervisory Board, with the aim of simultaneously achieving continuous and stable business operations and enhanced audit and internal control functions, while working to effectuate a corporate management that is able to swiftly address changes in the management environment. dip has adopted this system because it believes that it is preferable for some of its board directors to be involved in important business executions in order to make effective use of its managerial resources and maintain continuous and stable business operations. In addition, the system should, from the perspective of ensuring management soundness, preferably enable non-executive directors to supervise executive directors and corporate auditors to audit business management.

dip appoints independent outside board directors as non-executive directors and provides a system to enable such directors to fully exercise their abilities and knowledge. Assistance offered by the system includes providing extensive prior briefings of the agendas of Board of Director meetings. dip has also established the Nomination and Compensation Committee as a voluntary advisory body to

the Board of Directors. Entrusted by the Board of Directors, the Committee determines individual director compensation (base amount and coefficients determined for each position) and also deliberates and reports on matters related to director nominations and compensation in response to inquiries from the Board of Directors. To ensure impartiality, the Committee comprises independent outside board directors in the majority and is chaired by an independent outside board director.

Furthermore, corporate auditors including independent outside auditors attend important meetings such as Board of Director meetings and conduct effective audits by cooperating with the accounting auditor and the Internal Audit and Control Office to enhance audit functions. In addition, dip has introduced a corporate officer system to expedite decision-making and ensure smooth execution, thereby contributing to the establishment of a system that is able to swiftly address changes in the management environment.

dip is determined to continue its efforts to pursue healthy and transparent corporate management and further improve and enhance its corporate governance in the future.

[Reason for Non-compliance with the Principles of Japan's Corporate Governance Code]

dip complies with all principles (including those for the Prime Market) of Japan's Corporate Governance Code that was revised in June 2021.

[Disclosure Based on the Principles of Japan's Corporate Governance Code] **(Updated)**

The following statements are based on the Corporate Governance Code that was revised in June 2021.

**[Principle 1.4 (Cross-Shareholdings)]**

dip does not maintain a cross-shareholdings policy simply for the objective of deepening business relationships.

**[Principle 1.7 (Related Party Transactions)]**

In the event that the Company enters into a related party transaction, a prior report to the Board of Directors is required and approval from the Board of Directors needs to be obtained in accordance with the "Related Party Transaction Guidelines" established by the Board of Directors. When approving such transactions, the Board of Directors compares the terms and conditions of the transaction with those of general transactions, etc., to prevent its deliberations from becoming arbitrary and ensures that the transaction is not significantly unfavorable to the Company.

Individuals who conduct such transactions must report the details to the Audit & Supervisory Board to receive an audit on the legality of the transaction. Furthermore, dip requires its board directors and corporate auditors to submit a Confirmation on Related Party Transactions on a quarterly basis to

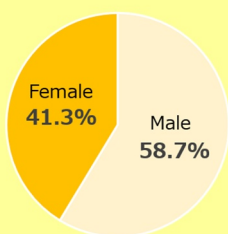
ensure the effectiveness of the above Guidelines.

**[Supplementary Principle 2.4.1 (Ensuring Diversity in Appointing Key Personnel)]**

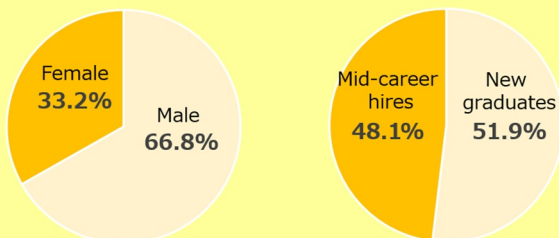
dip appoints personnel based on their capabilities and performance, irrespective of their gender or nationality. We believe that it is important to respect diverse viewpoints and values in order to realize medium and long-term increase in corporate value, and we are actively recruiting human resources with different experiences and skills while creating a workplace environment that facilitates their activities.

In addition, we have welcomed many new graduates every year, placing great importance on their development, and giving them opportunities to play an active role regardless of gender. Consequently, as of February 2022, the percentage of women in management positions is 41.3% for employees promoted from new graduates to management positions, and 33.2% overall, including mid-career hires. Going forward, we will continue to set important management indicators for promoting the activities of female managers, such as employee satisfaction regarding the working styles of female managers, with the goal of first increasing the ratio of women among employees promoted from new graduates to managers to 50%. We are also actively promoting mid-career hires to management positions, and as of February 2022, mid-career hires accounted for 48.1% of all management positions. We will continue to create an environment in which all employees, regardless of whether they are new graduates or mid-career hires, can play an active role. We will also be more proactive in promoting foreign nationals to management positions.

・ Sex ratio of employees promoted from new graduates to managers



・ Sex ratio and ratio of employees promoted to managers from new graduates and mid-career hires



Given the decrease in the working-age population associated with an aging population and a declining birth rate, as well as increasing diversity in terms of the need for workers to balance their

childcare/nursing care responsibilities with their work, it has become important in recent years for corporations to create working environments that are able to accommodate diverse working styles. Efforts are underway at dip to promote work style reforms, including the achievement of work-life balance and diversity at work, with the aim of enabling employees to work flexibly according to their lifestyles and establishing a work environment in which every employee can demonstrate their job performance to the fullest. The status of our efforts in these areas is posted on our corporate website at the following URL.

(Promotion of Work Style Reforms and Diversity at Work)

<https://www.dip-net.co.jp/en/esg/society/S004>

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

dip has not introduced corporate pension funds.

**[Principle 3.1 (Full Disclosure)]**

dip actively discloses information, recognizing the disclosure of useful information for shareholders and other stakeholders as an important managerial issue.

(1) Through the provision of human resource services and DX services, and by working to solve various problems in the labor market based on a vision of becoming a “Labor force solution company,” dip aims to realize a society in which everyone can experience the joy and happiness of work. Under a corporate philosophy of “tapping into dreams, ideas and passion to create a better society,” dip will strive to realize a sustainable society through its business activities.

Please refer to the following link for dip’s vision and corporate philosophy.

<Vision, Corporate Philosophy>

<https://www.dip-net.co.jp/en/company/philosophy>

(2) Please see “1. Basic Approach” above for dip’s basic approach and basic policy on corporate governance.

(3) The policy and specific procedures of the Board of Directors for determining the compensation for senior management and board directors are disclosed in dip’s convocation notices for ordinary general meetings of shareholders and Securities Reports.

(4) The appointment of board directors and corporate auditors is decided by a resolution of the general meeting of shareholders in response to a proposal of candidates nominated by a resolution of the Board of Directors after the Representative Director, President and Chief Executive Officer (CEO) or

another board director refers the candidates to the Board of Directors following confirmation that the candidates meet the basic policy for appointment as stated below.

The nomination of board director candidates takes into account the opinions of the Nomination and Compensation Committee, a voluntary advisory body to the Board of Directors where independent outside board directors account for a majority of the members.

Proposals on the appointment of corporate auditors are submitted to the general meeting of shareholders after obtaining the consent of the Audit & Supervisory Board. The basic policy for appointment is as stated below.

**<Board director>**

dip's basic policy for appointing executive directors requires the candidates to, among others, possess the broad knowledge and experience necessary for making corporate managerial decisions.

In appointing outside board directors, the candidates are required to be able to oversee and supervise business management of the Company through important decision-making at the Board of Directors meetings, oversee whether there is any conflict of interest between the Company, management and controlling shareholders, and actively make recommendations concerning management policies and management improvements in order to advance medium/long-term corporate value. In addition, the basic policy is to decide the candidates after considering the appropriate balance of the diverse knowledge and experience expected of such directors and appoint independent outside board directors so that they account for at least a third of the members of the Board of Directors. As of May 25, 2022, independent outside board directors account for half of the members of the Board of Directors, with board directors Ms. Eriko Tanabe, Mr. Kuniyoshi Mabuchi and Ms. Kanae Takeuchi appointed as such directors.

**<Corporate auditor>**

With the aim of reinforcing oversight and supervisory functions, dip's basic policy for appointing corporate auditors is to appoint individuals with experience in corporate management, individuals with knowledge and experience in corporate finance, accounting and legal affairs as a certified public accountant, tax accountant or lawyer, or individuals with considerable knowledge and experience in risk management.

The dismissal of board directors is decided by a resolution of the general meeting of shareholders after timely and appropriate deliberation by the Board of Directors in view of the basic policy on the appointment of board directors. The dismissal of corporate auditors is also decided by a special resolution of the general meeting of shareholders after timely and appropriate deliberation by the Board of Directors in view of the basic policy on the appointment of corporate auditors.

(5) The reasons for the appointment or dismissal of board directors or corporate auditors are disclosed

in the Notice of Convocation of the Annual General Meeting of Shareholders and the Securities Reports, among others.

**[Supplementary Principle 3.1.3 (Initiatives on Sustainability)]**

<Initiatives on Sustainability>

By working to solve various problems in the labor market towards the sustainable development of society, dip aims to realize a society in which everyone can experience the joy and happiness of work. dip has established the Sustainability Promotion Council, chaired by the COO and consisting of all corporate officers, to promote company-wide efforts toward the realization of a sustainable society. In addition to proposals from the Sustainability Promotion Council, ideas from employees and other parties are also considered when formulating sustainability-related measures.

For dip's initiatives on sustainability, please refer to its corporate website (<https://www.dip-net.co.jp/en/esg/>)

<Initiatives Concerning Human Resources>

dip considers managing the health of its employees as an important theme that has a direct effect on work productivity and employees' well-being. It is aimed not only at "preventing illness" but also at "becoming more vigorous and happier." With this in mind, dip promotes health and productivity management based on a concept of "conditioning the mind and body." dip has assigned the Representative Director, President and CEO as the health and productivity management officer and the Representative Director and COO as the health and productivity management promotion officer, and established the Health and Productivity Promotion Committee (operation manager: corporate officer and CHO) under their direct control. The details of the discussions by the Committee are reported to the Board of Directors and the Management Meeting on a regular basis. With the aim of enabling its health and productivity management to reflect the opinions of its employees, dip has also appointed a Health and Productivity Management Promotion Leader from each office as members of the Committee.

<Disclosure Based on the TCFD Framework>

dip has expressed its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Based on the recommendations of the TCFD, dip will analyze the risks and opportunities to its business posed by climate change, reflect them in its management strategies, disclose information from the four perspectives of governance, strategy, risk management, and indicators, and further strengthen and promote its environmental initiatives. dip will also promote dialogue with its stakeholders and contribute to the creation of a sustainable society.

**[Supplementary Principle 4.1.1 (Matters for Resolution by the Board and Scope of Delegation)]**

dip specifies in its Board of Director Regulations which matters must be decided by a resolution of the Board of Directors. Specifically, they include matters concerning the general meeting of shareholders, results, board directors, shares, bonds and stock acquisition rights, budgets and business plans, human resources and the organization, disposal or succession of important properties beyond a certain amount, significant assets and funds such as investment and loans, subsidiaries, and other matters stipulated by law such as the Companies Act or any equivalent matters.

dip conducts prompt and bold decision-making by delegating authority over business execution to its Representative Director, President and CEO, Representative Director and COO, and executive directors. It has introduced a corporate officer system and has established a Corporate Officer Meeting consisting mainly of board directors and corporate officers to expedite decision-making and facilitate business execution. The Corporate Officer Meeting is held on a weekly basis in principle to expedite and streamline decision-making and business execution by sharing information and exchanging opinions on important matters. dip will continue to improve its business execution system by revising which matters should be delegated and the scope of delegation in accordance with the scale, importance and risks of the transaction.

Matters concerning business strategies are decided by the Board of Directors after the Corporate Officer Meeting mentioned above and councils consisting of division heads identify managerial issues at an early stage and hold in-depth discussions through information sharing and exchange of opinions.

**[Principle 4.9 (Independence Standards and Qualification for Independent Outside Board Directors)]**

To ensure that oversight and supervision are appropriately performed by independent outside board directors, dip has established Standards on Independence of Outside Officers and nominates candidates for independent outside board directors who are not only independent but also possess the expertise and experience in business strategy to enable them to actively offer frank and constructive recommendations at Board of Directors meetings.

The Standards on Independence of Outside Officers are disclosed in this Corporate Governance Report.

**[Supplementary Principle 4.10.1 (Independence of Composition, Authority, Roles, etc. of Nomination and Compensation Committee)]**

In order to strengthen the independence, objectivity and accountability of the Board of Directors' functions, the Company has established the Nominating and Compensation Committee, which is an independent, voluntary advisory body to the Board of Directors, comprising independent outside directors in the majority. Entrusted by the Board of Directors, the Committee determines individual

director compensation (base amount and coefficients determined for each position) and also deliberates and reports on matters related to director candidate nominations and director compensation in response to inquiries from the Board of Directors.

**[Supplementary Principle 4.11.1 (Preconditions for Board Effectiveness)]**

Based on a deliberation of the diversity and appropriate size of the Board of Directors, dip's Board of Directors consists of executive directors, who have deep knowledge of dip's business and operations and can conduct agile business execution, and independent outside board directors, who can be expected to provide appropriate advice and supervision concerning business management of the Company based on a high level of expertise as well as a breadth of knowledge and experience.

The basic policy for appointing executive directors requires the candidates to, among others, possess the broad knowledge and experience necessary for making corporate managerial decisions.

With regard to outside board directors, dip appoints individuals who can fulfill management oversight and supervisory functions through important decision-making at Board of Directors meetings as well as oversee any conflict of interest between the Company and its management and controlling shareholders, and actively make recommendations concerning management policies and management improvements to improve medium/long-term corporate value. Furthermore, dip's basic policy is to decide the candidates after considering the appropriate balance of the diverse knowledge and experience expected of such directors and appoint independent outside board directors so that they account for at least a third of the members of the Board of Directors.

dip's Board of Directors is well balanced and also diverse in terms of knowledge, experience and capabilities as a result of appointing individuals with diverse and extensive experience as directors. In-depth examinations and swift decision-making through active discussions have enabled the Board to function effectively and efficiently.

The skill matrix of the Board of Directors and the Audit & Supervisory Board is disclosed in the Notice of Convocation of Annual General Meeting of Shareholders and on the final page of this Corporate Governance Report.

**[Supplementary Principle 4.11.2 (Concurrent Positions of Outside Officers)]**

Independent Outside Director Ms. Eriko Tanabe does not concurrently serve as an officer of other listed companies. Independent Outside Director Mr. Kuniyoshi Mabuchi concurrently serves as outside board director of three listed companies; however, we believe this to be a reasonable number of listed companies at which to concurrently serve as an officer. Ms. Tanabe and Mr. Mabuchi are vigorously engaged in their duties at the Company, such as actively making recommendations on the Company's business and operations at the Board of Directors meetings and the Nomination and Compensation Committee. Ms. Kanae Takeuchi, who was newly appointed as an outside board director at the 25th Annual General Meeting of Shareholders held on May 24, 2022, concurrently



serves as outside board director of one listed company; however, we believe this to be a reasonable number of listed companies at which to concurrently serve as an officer.

Outside Auditor Mr. Koichi Kobayashi does not concurrently serve as an officer of other listed companies. He vigorously works to improve dip's corporate value through supervisory or audit operations. Ms. Yukiko Imazu, who was newly appointed as an outside auditor at the 25th Annual General Meeting of Shareholders held on May 24, 2022, concurrently serves as an outside auditor of one listed company; however, we believe this to be a reasonable number of listed companies at which to concurrently serve as an officer.

The concurrent positions held by dip's directors and auditors as officers in other listed companies are stated in the Notice of Convocation of Annual General Meeting of Shareholders and Securities Reports.

**[Supplementary Principle 4.11.3 (Evaluation of Board Effectiveness)]**

dip evaluates the performance of its Board of Directors to improve its effectiveness. On March 2021, a questionnaire survey of, and interviews with, all board directors and corporate auditors were conducted to analyze issues surrounding the current effectiveness of dip's Board of Directors. Based on the results of the analysis, dip has formulated measures to improve the effectiveness of the Board. Going forward, dip will implement the measures as soon as possible in an attempt to further enhance the effectiveness of the Board.

**[Supplementary Principle 4.14.2 (Disclosure of Training Policy for Directors and Auditors)]**

dip provides its board directors with the opportunity to participate in internal training programs offered by dip as well as external seminars on corporate governance. In the internal training sessions, board directors and corporate auditors strive to acquire and enhance their knowledge to enable continuous growth at dip through lectures by experts and discussions on themes that could become medium/long-term issues.

Board directors—outside board directors in particular—also strive to acquire and enhance their knowledge through discussions on management strategies and social conditions.

Furthermore, dip assists corporate auditors in joining the Japan Audit & Supervisory Board Members Association so that they can enhance their expertise and better enable them to perform the roles and functions required of their position by obtaining the latest information provided by the Association.

**[Principle 5.1 (Disclosure of Policies concerning Organizational Structures and Measures for Constructive Dialogue with Shareholders)]**

dip recognizes interactive communication with shareholders and investors, its key stakeholders, to

be essential for dip's continuous growth and medium/long-term corporate value improvement. Based on this recognition, dip has been enhancing information disclosure on its corporate website and actively disseminates information related to its management strategies and business environment to deepen stakeholders' understanding. Furthermore, the CEO, COO, and CFO provide briefings to investors on dip's business situation and strategies at results presentations and individual meetings. The opinions and requests obtained through such dialogue with shareholders and investors are compiled by the IR section, reported to management, and shared with the Company's employees on a regular basis.

## 2. Capital Structure

Percentage of shares held by foreign investors	Less than 30%
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### [Major Shareholders] (Updated)

Name	Number of shares held	Percentage
EKYT Co., Ltd.	20,340,000	35.42
The Master Trust Bank of Japan, Ltd. (Trust account)	9,640,000	16.79
SSBTC CLIENT OMNIBUS ACCOUNT	2,995,418	5.22
Custody Bank of Japan, Ltd. (Trust account)	2,366,000	4.12
The Master Trust Bank of Japan, Ltd. (ESOP trust account 75525)	1,562,485	2.72
SMBC Nikko Securities Inc.	1,482,000	2.58
THE BANK OF NEW YORK MELLON 140044	1,368,400	2.38
Northern TRUST CO. (AVFC) RE FIDELITY FUNDS	685,100	1.19
THE BANK OF NEW YORK MELLON SA/NV 10	570,000	0.99
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	493,100	0.86

Existence of controlling shareholders (excluding parent company)	—
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Existence of parent company	None
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Supplementary Information

1. It is stated in the change report that is open to the public as of April 21, 2021, that Nomura Asset Management Co., Ltd. and one other company that is a co-owner of Nomura Asset Management Co., Ltd. own the following shares as of April 15, 2021. However, since the number of shares actually owned as of the date of submission of this Corporate Governance Report cannot be confirmed by the Company, they are not included in the list of major shareholders above.

The details stated in the change report are as follows.

Name	Address	Number of share certificates held (shares)	Shareholding ratio (%)
Nomura Asset Management Co., Ltd.	2-2-1 Toyosu, Koto-ku, Tokyo	2,276,200	3.78
Nomura International PLC	1 Angel Lane, London EC4R 3AB, United Kingdom	146,200	0.24

2. It is stated in the change report that is open to the public as of April 22, 2021, that FMR LLC owns the following shares as of April 15, 2021. However, since the number of shares actually owned as of the date of submission of this Corporate Governance Report cannot be confirmed by the Company, it is not included in the list of major shareholders above.

The details stated in the change report are as follows.

Name	Address	Number of share certificates held (shares)	Shareholding ratio (%)
FMR LLC	245 Summer Street, Boston, Massachusetts 02210, USA	3,967,401	6.60

3. It is stated in the change report that is open to the public as of July 20, 2021, that AllianceBernstein L.P. owns the following shares as of July 15, 2021. However, since the number of shares actually owned as of the date of submission of this Corporate Governance Report cannot be confirmed by the Company, it is not included in the list of major shareholders above.

The details stated in the change report are as follows.

Name	Address	Number of share certificates held (shares)	Shareholding ratio (%)
AllianceBernstein L.P.	501 Commerce Street, Nashville, TN 37203, U.S.A.	3,329,020	5.54

4. It is stated in the change report that is open to the public as of January 21, 2022, that FIL Investments (Japan) Limited owns the following shares as of January 14, 2022. However, since the number of shares actually owned as of the date of submission of this Corporate Governance Report cannot be confirmed by the Company, it is not included in the list of major shareholders above.

The details stated in the change report are as follows.

Name	Address	Number of share certificates held (shares)	Shareholding ratio (%)
FIL Investments (Japan) Limited	7-7-7 Roppongi, Minato-ku, Tokyo	4,224,100	7.02

5. It is stated in the change report that is open to the public as of February 7, 2022, that Capital Research and Management Company and three other companies that are co-owners of Capital Research and Management Company own the following shares as of January 31, 2022. However, since the number of shares actually owned as of the date of submission of this Corporate Governance Report cannot be confirmed by the Company, they are not included in the list of the major shareholders above.

The details stated in the change report are as follows.

Name	Address	Number of share certificates held (shares)	Shareholding ratio (%)
Capital Research and Management Company	333 South Hope Street, Los Angeles, CA 90071, U.S.A.	2,807,500	4.67
Capital International Inc.	11100 Santa Monica Boulevard, 15th Fl., Los Angeles, CA 90025, U.S.A.	205,000	0.34
Capital International Sarl	3 Place des Bergues, 1201 Geneva, Switzerland	187,100	0.31
Capital International K.K.	14F Meiji Yasuda Life Insurance Building, 2-1-1 Marunouchi, Chiyoda-ku, Tokyo	2,208,100	3.67

### 3. Corporate Attributes

Stock exchange and section	Prime Market of the Tokyo Stock Exchange
Fiscal year-end	February

Industry	Services
Number of employees at the end of the previous fiscal year (consolidated)	More than 1,000
Net sales during the previous fiscal year (consolidated)	More than ¥10 billion but less than ¥100 billion
Number of consolidated subsidiaries at the end of the previous fiscal year	Less than 10

**4. Guidelines for Measures to Protect Minority Shareholders When Conducting Transactions with Controlling Shareholder**

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**5. Other Particular Conditions That May Materially Affect Corporate Governance**

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**II. Management Organization and Other Corporate Governance Systems concerning Management Decision-Making, Execution and Supervision**

**1. Matters related to Organization Structures and Organizational Operations**

Organizational form	Company with Audit & Supervisory Board
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[Board Directors] (Updated)

Number of board directors in Articles of Incorporation	12
Term of office for board directors in Articles of Incorporation	1 year
Chairperson of the Board of Directors	President
Number of board directors	6
Appointment of outside board director	Appointed
Number of outside board directors	3
Number of outside board directors designated as independent officer	3

Relationship with the Company (1)

Name	Association	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k

Eriko Tanabe	From another company																		
Kuniyoshi Mabuchi	From another company																		
Kanae Takeuchi	From another company																		

- Choices regarding relationship with the Company.
  - For (a) through (k), a circle (○) indicates the current or recent status of the individual, and a triangle (△) indicates the past status of the individual.
  - For (a) through (k), a filled-in circle (●) indicates the current or recent status of a close relative of the individual, and a filled-in triangle (▲) indicates the past status of a close relative of the individual.
- a. An executive of a listed company or its subsidiary
  - b. An executive or a non-executive director of the parent company of a listed company
  - c. An executive of a sister company of a listed company
  - d. An individual whose major business client is a listed company or an executive of such individual
  - e. A major business client of a listed company or an executive of such business client
  - f. A consultant, accounting specialist, or legal professional who receives a substantial amount of money or assets in addition to the customary remuneration from a listed company
  - g. A major shareholder of a listed company (In the case that such major shareholder is a corporation, an executive thereof)
  - h. An executive of a business client (that does not fall under any of (d), (e), or (f)) of a listed company [This applies to the individual only.]
  - i. An executive of a company whose outside officers are mutually assigned [This applies to the individual only.]
  - j. An executive of a company to which a listed company donates products, services, or money (This applies to the individual only.)
  - k. Other

Relationship with the Company (2)

Name	Independent director	Supplementary information	Reason for appointment
Eriko Tanabe	○	No material fact to report	Having engaged in numerous projects centering on the IT field at TEMPSTAFF CO., LTD. (currently PERSOL TEMPSTAFF CO., LTD.), including the construction of websites and online systems provided by said company,

			<p>Ms. Eriko Tanabe has extensive management experience. dip believes that she can be expected to provide valuable advice and perform oversight and supervisory functions for dip by utilizing her unique perspective as a woman on businesses related to personnel recruiting services and the Internet in the management of dip as well as in product development. For these reasons, dip has judged her to be suitable for the position of outside board director and appointed her to the post.</p> <p>Ms. Tanabe has also been designated as an independent officer of dip since there is no risk of a conflict of interest with general shareholders as she is not involved in dip's business and does not receive remuneration from dip as a consultant, accounting specialist, or legal professional in addition to the customary remuneration.</p>
Kuniyoshi Mabuchi	○	No material fact to report	Mr. Kuniyoshi Mabuchi has extensive management experience as the manager

			<p>of multiple business corporations including global companies. Along with his extensive experience and a high level of knowledge in the latest technologies, such as digital marketing and AI/blockchain, dip believes that he can be expected to provide valuable advice and perform oversight and supervisory functions. For these reasons, dip has judged him to be suitable for the position of outside board director and appointed him to the post.</p> <p>Mr. Mabuchi has also been designated as an independent officer of dip since there is no risk of a conflict of interest with general shareholders as he is not involved in dip's business and does not receive remuneration from dip as a consultant, accounting specialist, or legal professional in addition to the customary remuneration.</p>
Kanae Takeuchi	○	No material fact to report	<p>Ms. Kanae Takeuchi has a high level of insight in a broad range of social issues through her extensive experience as a broadcaster</p>



			<p>for news programs and interviewer of corporate executives. Along with her deep knowledge in matters such as the advancement of women in the workplace, dip believes that she can be expected to provide valuable advice on social issues that dip strives to tackle and perform oversight and supervisory functions. Ms. Takeuchi has also been designated as an independent officer of dip since there is no risk of a conflict of interest with general shareholders as she is not involved in dip's business and does not receive remuneration from dip as a consultant, accounting specialist, or legal professional in addition to the customary remuneration.</p>
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[Voluntary Committee] (Updated)

Existence of voluntary committee equivalent to a nominating committee or compensation committee	Yes
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Establishment of Voluntary Committee, Composition of Committee Members and Attribute of Chairperson

Voluntary committee equivalent to nominating committee

Name of committee			Nomination and Compensation Committee			
No. of	No. of full-	No. of	No. of	No. of	No. of	Chairperson

committee members	time committee members	internal board directors	outside board directors	internal experts	other persons	
4	0	1	3	0	0	Outside board director

Voluntary committee equivalent to compensation committee

Name of committee			Nomination and Compensation Committee			
No. of committee members	No. of full-time committee members	No. of internal board directors	No. of outside board directors	No. of internal experts	No. of other persons	Chairperson
4	0	1	3	0	0	Outside board director

Supplementary Information

Entrusted by the Board of Directors, the Nomination and Compensation Committee determines individual director compensation (base amount and coefficient determined for each position) and also deliberates and reports on matters related to director nominations and compensation in response to inquiries from the Board of Directors. The Committee is composed of the Representative Director, President and CEO and independent outside board directors, who shall account for the majority of the members. The current members are Hideki Tomita, Representative Director, President and CEO, Eriko Tanabe, Kuniyoshi Mabuchi and Kanae Takeuchi, Independent Outside Directors. An independent outside board director is to serve as chairperson.

Each member's attendance at Nomination and Compensation Committee meeting is as follows:  
(Attendance at Nomination and Compensation Committee meetings during the fiscal year ended February 2022)

	No. of meetings attended	Attendance rate
Hideki Tomita	3 out of 3	100%
Eriko Tanabe	3 out of 3	100%
Kuniyoshi Mabuchi	1 out of 1	100%

Note: Mr. Kuniyoshi Mabuchi was newly elected as board director at the 24th Annual General

Meeting of Shareholders held on May 26, 2021, and assumed the posts of board director and Nomination and Compensation Committee member on the same day. Therefore, the number of meetings he attended is the number of meetings held on and after said date.

[Corporate Auditors] (Updated)

Establishment of Audit & Supervisory Board	Established
Number of corporate auditors in Articles of Incorporation	4
Number of corporate auditors	4

Cooperation among Corporate Auditor, Accounting Auditor and Internal Audit Section

Corporate auditors hold meetings with the accounting auditor or the Internal Audit and Control Office on a timely basis to exchange opinions and share information as well as request a report from the accounting auditor or the Internal Audit and Control Office as needed. During the process of and after the completion of audit by the accounting auditor, the corporate auditors receive a report on the findings of the audit.

Appointment of outside auditor	Appointed
Number of outside auditors	2
Number of outside auditors designated as independent officer	2

Relationship with the Company (1)

Name	Association	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Koichi Kobayashi	Certified public accountant													
Yukiko Imazu	Lawyer													

\*Choices regarding relationship with the Company

- a. An executive of a listed company or its subsidiary
- b. A non-executive director or accounting advisor of a listed company or its subsidiary
- c. An executive or a non-executive director of the parent company of a listed company
- d. An auditor of the parent company of a listed company
- e. An executive of a sister company of a listed company
- f. An individual whose major business client is a listed company or an executive of such individual

- g. A major business client of a listed company or an executive of such business client
- h. A consultant, accounting specialist, or legal professional who receives a substantial amount of money or assets in addition to the customary remuneration from a listed company
- i. A major shareholder of a listed company (In the case that such major shareholder is a corporation, an executive thereof)
- j. An executive of a business client (that does not fall under any of (f), (g), or (h)) of a listed company [This applies to the individual only.]
- k. An executive of a company whose outside officers are mutually assigned [This applies to the individual only.]
- l. An executive of a company to which a listed company donates products, services, or money (This applies to the individual only.)
- m. Other

Relationship with the Company (2)

Name	Independent auditor	Supplementary information	Reason for appointment
Koichi Kobayashi	○	No material fact to report	dip believes Mr. Koichi Kobayashi can be expected to provide valuable advice and perform oversight and supervisory functions because of his extensive insight in overseeing and supervising corporate management based on his deep knowledge of finance, legal affairs and tax affairs gained from his career as a certified public accountant and tax accountant. Mr. Kobayashi has also

			<p>been designated as an independent officer of dip since he has been deemed to pose no risk of a conflict of interest with general shareholders as he is not involved in dip's business and does not receive remuneration from dip as a consultant, accounting specialist, or legal professional in addition to the customary remuneration.</p>
Yukiko Imazu	○	No material fact to report	<p>Ms. Yukiko Imazu has extensive experience and a high level of knowledge in corporate legal affairs, especially in the personnel and labor affairs areas, through her career as a lawyer. As a female partner at the law firm she belongs to, she is also engaged in the promotion of the advancement of women in the workplace. Due to the above reasons, dip believes she can be expected to provide valuable oversight,</p>

			<p>supervision and advice, and nominated her as candidate for outside auditor. Although Ms. Imazu has had no direct involvement in corporate management, dip deems her to be capable of executing her duties due to the above reasons and to her track record as outside auditor of another company. Ms. Imazu has been designated as an independent officer of dip. Ms. Imazu has also been designated as an independent officer of dip since she has been deemed to pose no risk of a conflict of interest with general shareholders as she is not involved in dip's business and does not receive remuneration from dip as a consultant, accounting specialist, or legal professional in addition to the customary remuneration.</p>
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[Independent Officers] (Updated)

Number of independent officers	5
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Other Matters related to Independent Officers

dip and its subsidiaries (the “Group”) have established the Standards on Independence of Outside Officers (outside board directors and outside auditors) as outlined below. If an outside officer does not fall under any of the following, such outside officer is deemed to be independent of the Group and have no risk of a conflict of interest with general shareholders.

1. An executive (as stipulated in Item 6, paragraph 3, Article 2 of the Regulation for Enforcement of the Companies Act. Includes not only executive directors but also employees. Does not include auditors.) of the Group or an individual who was an executive of the Group within the past 10 years (for individuals who were a non-executive director or auditor of the Group at any point of time within the past 10 years, 10 years prior to appointment of such post).
2. A major shareholder of the Group (an individual who holds 10% or more of total voting rights at the end of the previous fiscal year), or an executive thereof.
3. An individual whose major business client\* is the Group or an executive of such individual
4. A major business client\* of the Group or an executive of such business client
5. An accounting auditor of the Group or an individual in charge of the Company’s audit operations as an employee of the accounting auditor
6. A consultant, accounting specialist, or legal professional who receives money of more than 10 million yen per year or other assets in addition to the customary remuneration from the Group; provided, however, that in the case that the individual receiving such assets is an organization such as a corporation or a union, this shall be limited to an individual who is an executive of an organization whose assets received from the Group account for more than 2% of annual income.
7. An individual who fell under any of 2 to 6 above in the past three years.
8. A relation within the second degree of an individual listed in any of 1 to 7 above (limited, however, to a significant individual)
9. In addition to those stated in the above items, an individual with a special reason that prevents him or her from fulfilling the duties as an independent outside board director, such as a risk of a conflict of interest with the Group

\*A major business client refers to a client whose transaction amount in the previous fiscal year accounted for more than 2% of consolidated net sales for the year.

In addition to the above criteria, outside officers are required to possess extensive knowledge and experience necessary for auditing and supervising the status of Group directors’ compliance with laws

and business management.

[Incentives]

Implementation of measures on incentive provision to board directors	Adoption of performance-linked compensation plan
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Supplementary Information

dip has established a BIP (Board Incentive Plan) trust for executive directors as a performance-linked compensation. It also offers restricted stock to executive directors.

Decisions regarding the levels of performance-linked compensation, and its percentage relative to base compensation, are taken after a comprehensive review of the medium/long-term ratio of performance-linked compensation to annual compensation and the difficulty of achieving performance targets, after conducting an objective benchmark comparison that takes into account the scale of dip's business, and utilizing a remuneration database aggregated and analyzed by a specialist external institution.

The BIP trust adopts net sales and operating income, which are dip's key managerial indicators, at a 1:1 ratio as performance indicators. The number of shares granted ranges between 0% and 150% based on the achievement of performance targets.

The restricted stock compensation adopts net sales and operating income, which are dip's key managerial indicators, as performance indicators.

The restrictions will be lifted in accordance with the achievement of performance targets, which will be disclosed in the financial results report for the fiscal year ending February 28, 2025. The planned target figures are 100 billion yen for net sales and 30 billion yen for operating income.

Grantees of stock options	Employees
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Supplementary Information

dip issues stock options to its employees with the aim of further bolstering employees' morale and motivation to contribute to long-term improvement in corporate value.

[Directors' Compensation] **(Updated)**

Disclosure status	Individual compensation for only some of the board directors is disclosed.
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Supplementary Information

The compensation of those whose total amount of compensation, etc. is 100 million yen or more is individually disclosed in the Securities Report. Securities Reports and Business Reports are available for public inspection on dip's corporate website (available in Japanese only).



Existence of a policy for determining the amount or calculation of compensation	Yes
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Disclosure of Policy for Determining the Amount or Calculation of Compensation

The basic policy of the compensation system for dip's management and board directors, which excludes that for independent outside board directors and auditors who are expected to perform oversight and supervisory functions with impartiality, is to share value with shareholders, taking into consideration a sufficient level for employing and retaining competent personnel while maintaining objectivity and transparency that enable full accountability, and promote continuous growth of the Company and as well as a medium/long-term increase in its corporate value through a sound entrepreneurial spirit.

<Executive directors>

The compensation system for executive directors consists of cash compensation as the base compensation and performance-linked compensation. Said performance-linked compensation is aimed at emphasizing the link with dip's share value and bolstering executive directors' awareness toward contributing to medium/long-term performance and corporate value improvement.

<Independent outside board directors and auditors>

Compensation for independent outside board directors and auditors consists solely of cash compensation as the base compensation, in principle, to ensure the effectiveness and impartiality of supervision and audit.

<Policy for each managerial position>

Compensation for the different managerial positions is derived by multiplying the base amount, which is the base compensation for the Representative Director, President and CEO, by a coefficient for each managerial position prescribed by internal rules. The Board of Directors entrusts the determination of the base amount and the coefficient for each managerial position to the Nomination and Compensation Committee.

[Support System for Outside Board Directors (Outside Auditors)]

The secretariat of the Board of Directors is in charge of supporting outside board directors. Support staff for outside auditors are assigned if requested. In this case, the auditor's opinions are respected when conducting personnel changes and evaluations of the assigned staff members. If briefings to outside board directors or auditors are required before meetings of the Board of Directors, the necessary information is communicated by the secretariat of the Board of Directors. A system has also been established to enable outside board directors and outside auditors to gather information using an internal communication tool.

[Status of Individuals that Have Retired from Positions such as President]

Information including the names of counselors, advisors, etc. who previously held positions such as president

Name	Title and Position	Description of Position	Form and Conditions of Employment (Full-Time or Part-Time, Paid or Unpaid, etc.)	Date of Retirement as President, etc.	Term
—	—	—	—	—	—

Total number of counselors, advisors, etc. who previously held positions such as president	0
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Other Matters

dip has not appointed a counselor presently. It commissions a former board director or corporate auditor as counselor through the required internal procedures if the Board of Directors finds it particularly necessary for business. The counselor provides advice for and implements the matters necessary for managing the Company as commissioned by the Board of Directors. Commissioning a counselor requires a resolution of the Board of Directors. The term of office is one year.

**2. Matters related to Functions of Execution of Business, Audit and Supervision, Appointment and Decisions regarding Compensation, etc. (Outline of the Current Corporate Governance System)**

**(Updated)**

The Board of Directors, which is the management decision-making organ, consists of six directors who possess a high degree of expertise and broad knowledge based on extensive experience. Board meetings are held on a monthly basis, in principle, and extraordinary Board meetings are held when needed to discuss and decide important management matters. Three of the six directors are outside board directors, who provide well-balanced recommendations based on their experience in corporate management, etc. from standpoints independent of the management and controlling shareholders to enhance supervisory functions toward management.

The Board of Directors comprises Hideki Tomita, Representative Director, President and CEO, Masatsugu Shidachi, Director, COO and CIO, Kazuhisa Iwata, Director and CBO, and Eriko Tanabe, Kuniyoshi Mabuchi and Kanae Takeuchi, Outside Directors.

Matters concerning business strategies are deliberated at regular Corporate Officer Meetings attended by executive directors as well as at councils consisting of division heads to ensure efficient decision-making by the Board of Directors, CEO, COO, and heads of groups by recognizing managerial issues at an early stage.

The appointment of board directors and corporate auditors is decided by a resolution of the general meeting of shareholders in response to a proposal of candidates nominated by a resolution of the Board of Directors, after the Representative Director, President and CEO or another board director refers the candidates to the Board of Directors following confirmation that the candidates meet the basic policy for appointment stated below.

The nomination of board director candidates takes into account the opinions of the Nomination and Compensation Committee, a voluntary advisory body to the Board of Directors where independent outside board directors account for a majority of the members.

The proposal on the appointment of corporate auditors is submitted to the general meeting of shareholders after obtaining the consent of the Audit & Supervisory Board. The basic policy for appointment is as stated below.

<Board director>

dip's basic policy for appointing executive directors requires the candidates to, among others, possess the broad knowledge and experience necessary for making corporate managerial decisions.

In appointing outside board directors, the candidates are required to be able to oversee and supervise business management of the Company through important decision-making at the Board of Directors meetings, oversee whether there is any conflict of interest between the Company, management and controlling shareholders, and actively make recommendations concerning management policies and management improvements in order to advance medium/long-term corporate value. In addition, the basic policy is to appoint at least two independent outside board directors after considering the appropriate balance of the diverse knowledge and experience expected of such directors.

<Corporate auditor>

With the aim of reinforcing oversight and supervisory functions, dip's basic policy for appointing corporate auditors is to appoint individuals with experience in corporate management, certified public accountants, tax accountants or lawyers who possess knowledge and experience in corporate finance, accounting and legal affairs, or individuals with considerable knowledge and experience in risk management.

The basic policy of the compensation system for dip's management and board directors, which excludes that for independent outside board directors and auditors who are expected to perform oversight and supervisory functions with impartiality, is to share value with shareholders, taking into consideration a sufficient level for employing and retaining competent personnel while maintaining objectivity and transparency that enable full accountability, and promote continuous growth of the Company as well as a medium/long-term increase in its corporate value through a sound entrepreneurial spirit.

<Executive directors>

The compensation system for executive directors consists of cash compensation as the base compensation and performance-linked compensation. Said performance-linked compensation is aimed at emphasizing the link with dip's share value and bolstering executive directors' awareness toward contributing to medium/long-term performance and corporate value improvement.

<Independent outside board directors and auditors>

Compensation for independent outside board directors and auditors consists solely of cash compensation as the base compensation, in principle, to ensure the effectiveness and impartiality of supervision and audit.

<Policy for each managerial position>

Compensation for the different managerial positions is derived by multiplying the base amount, which is the base compensation for the Representative Director, President and CEO, by a coefficient for each managerial position prescribed by internal rules. The Board of Directors entrusts the determination of the base amount and the coefficient for each managerial position to the Nomination and Compensation Committee.

dip's Audit & Supervisory Board comprises four corporate auditors, half of whom are outside auditors. The constituent members are Tsuneyo Otomo, Full-Time Corporate Auditor, Koichi Kobayashi, Independent Outside Auditor, Akihiko Mochizuki, Auditor, and Yukiko Imazu, Independent Outside Auditor. The appointed corporate auditors have experience in corporate management at dip, knowledge and experience in corporate finance, accounting and legal affairs as a certified public accountant, tax accountant or lawyer, and considerable knowledge and experience in risk management.

All corporate auditors attend Board of Directors meetings, in principle, to oversee and supervise the execution of duties by the Board of Directors and board directors from the standpoints of legality and soundness of corporate management, as well as auditing legality by performing corporate auditor's audits.

dip also performs an internal audit by the Internal Audit Office, which was established as an independent auditing body directly under the Representative Director, President and CEO. The corporate auditors and the Internal Audit Office share information and exchange opinions on a timely basis and also cooperate with the accounting auditor to enhance the effectiveness of audit.

The certified public accountants who were involved in auditing during the fiscal year ended February 2021 were as follows:

Certified public accountants involved in auditing: Nobuyuki Ishii, Hiroshi Uekusa

Affiliated auditing firm: KPMG AZSA LLC

Assistants involved in auditing: 24 certified public accountants; 5 others

The consecutive period of auditing is 11 years.

**3. Reason for Selecting the Current Corporate Governance System**

dip adopts a system of corporate governance carried out by the Board of Directors, corporate auditors and the Audit & Supervisory Board, with the aim of simultaneously achieving continuous and stable business operations and enhanced audit and internal control functions, while working to effectuate a corporate management that is able to swiftly address changes in the management environment.

dip has adopted this system because it believes that it is preferable for some of its board directors to be involved in important business executions in order to make effective use of its managerial resources and maintain sustainable business operations. In addition, the system should, from the perspective of ensuring management soundness, preferably enable non-executive directors to supervise executive directors and corporate auditors to audit business management.

Furthermore, to ensure that oversight and supervision are appropriately performed by independent outside board directors, dip has established Standards on Independence of Outside Officers and nominates candidates for independent outside board directors who are not only independent but also possess the expertise and experience in business strategy to enable them to actively offer frank and constructive recommendations at Board of Directors meetings.

Due to the above initiatives to achieve sustainable business operations and enhance audit and control functions, dip deems its current corporate governance system to be effective. Furthermore, dip strives to expedite decision-making and strengthen its smooth execution by introducing a corporate officer system.

**III. Implementation of Measures for Shareholders and Other Stakeholders**

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

**(Updated)**

	Supplementary information
Early delivery of notice of convocation of general meeting of shareholders	dip sends out notices of convocation of its general meeting of shareholders at least 18 days prior to the date of the meeting to ensure that shareholders have sufficient time to examine the agendas of the meeting, while simultaneously making efforts to guarantee the accuracy of the information. It also discloses the contents of the notice of convocation on TDnet and the Company's corporate website at least 25 days prior to the date of the meeting.
Setting the date to avoid conflict with other shareholders'	dip sets the date of its general meetings of shareholders to avoid conflict with other shareholders' meetings.

meetings	
Exercise of voting rights by electronic means	dip uses the electronic voting system operated by Mitsubishi UFJ Trust and Banking.
Participation in electronic voting platforms and other initiatives to improve institutional investors' voting environment	dip participates in electronic voting platforms to facilitate the exercise of voting rights by institutional investors and overseas investors.
Provision of notice of convocation (summary) in English	dip discloses a summary convocation notice in English on TDnet and the Company's corporate website at least 25 days prior to the date of the meeting, simultaneously with the Japanese version.

## 2. Investor Relations (IR) Activities

	Supplementary information	Explanation by the representative of dip
Creation and announcement of disclosure policy	dip has created an IR policy in order to engage in constructive dialogue with its shareholders. Details of the policy are posted on dip's corporate website. <a href="https://www.dip-net.co.jp/en/ir/attention/disclosure">https://www.dip-net.co.jp/en/ir/attention/disclosure</a>	
Holding regular meetings for analysts and institutional investors	dip holds results presentations for analysts and institutional investors on a quarterly basis on the day of the results announcement.	Yes
Disclosure of IR materials on website	dip has set up a page dedicated to IR on its corporate website where the latest and past timely disclosure materials, such as financial results, and materials related to results announcements (presentation materials, fact sheets, etc.) can be found. <a href="https://www.dip-net.co.jp/en/ir">https://www.dip-net.co.jp/en/ir</a>	

	English versions of the timely disclosure materials and materials related to results announcements are also disclosed simultaneously with the Japanese versions. <a href="https://www.dip-net.co.jp/en/ir">https://www.dip-net.co.jp/en/ir</a>
Establishment of IR department (officer)	dip has established the IR Team under the Business Planning Division, Corporate Management Group as the department in charge of IR.

### 3. Status of Initiatives to Respect the Standpoint of Stakeholders

	Supplementary information
Internal regulations for respecting the standpoint of stakeholders	dip's brand statement, "One to One Satisfaction," also serves as a guideline for the Company to satisfy all of its stakeholders. dip declares this brand statement on its corporate website, etc.
Promotion of environmental conservation activities and CSR activities	Based on its corporate philosophy, "Here at dip, we want to tap into dreams, ideas and passion to create a better society," dip has established an environmental policy as a guideline to reduce the environmental impact of its business activities and to fulfill its responsibilities toward the realization of a sustainable society. <Environmental Policy> <a href="https://www.dip-net.co.jp/en/esg/environment/E003">https://www.dip-net.co.jp/en/esg/environment/E003</a>

## IV. Matters concerning the Internal Control System

### 1. Basic Concept and Status of the Internal Control System (Updated)

1. Ensuring Director and Employee Compliance with Laws, Regulations and Articles of Incorporation
  - (1) dip has established a Basic Policy on Compliance and takes steps to instill the policy among all board directors and employees to ensure that their execution of duties complies with laws, regulations and the Articles of Incorporation as well as enabling them to execute their duties while respecting social responsibilities and corporate ethics.
  - (2) dip includes at least three independent outside board directors in its Board of Directors to strengthen oversight functions concerning the fairness of execution of duties.
  - (3) The Legal Affairs Office, Corporate Management Group is responsible for compliance and the maintenance and improvement of the compliance system. Specifically, it offers regular training programs as well as creating and distributing manuals to board directors and employees in order to improve knowledge and awareness related to compliance.
  - (4) dip has developed a whistle-blowing system for employees with the aim of detecting violations of

laws and the Articles of Incorporation quickly and redressing them.

(5) dip rejects all relationships with anti-social forces. To ensure this, it designates the Business Support Department, Personnel & General Affairs Group as the responsible section for responding to anti-social forces and establishes rules for responses. It is also prepared to respond resolutely to emergencies by cooperating with specialized external agencies such as the police.

(6) The corporate auditors and the Internal Audit Office work in conjunction with each other to audit the status of the compliance system on a regular basis and report to the Board of Directors.

## 2. Retention and Management of Information regarding the Execution of Duties by Board Directors

Information regarding the execution of duties by board directors shall be appropriately and surely retained and managed over a prescribed period of time and also made searchable and viewable in accordance with the Document Management Rules and other internal rules.

## 3. Rules and Other Systems for Risk Management

dip establishes a system for business risk management based on the Corporate Risk Management Rules. In the event of a critical situation in business activities, dip sets up a task force under the CEO's command to make swift and accurate responses as well as a system to minimize loss or damage. Against risks related to the handling of personal information, in particular, dip has set up a department and manager responsible for information management, who carry out trainings of employees and internal audits on a regular basis as well as maintaining and improving the management system based on the Privacy Mark and Information Security Management System (ISMS) certifications dip has already acquired.

## 4. Ensuring Efficiency in the Execution of Duties by Board Directors

Board of Directors meetings are held on a monthly basis to make important decisions on business execution. Furthermore, the CEO, COO, CBO and heads of groups conduct careful and flexible decision-making according to the decision-making authority stipulated in internal rules. In addition, dip ensures efficient decision-making by the Board of Directors, the CEO, COO, CBO and heads of groups by deliberating matters at Corporate Officer Meetings and councils consisting of division heads to identify managerial issues at an early stage.

Efficient and swift business execution is pursued through the introduction of a corporate officer system and a group system and in accordance with the Organization Regulations and Rules on the Division of Duties and Authority.

## 5. Ensuring Appropriate Operations of the Corporate Group consisting of the Company and its Subsidiaries

(1) The Group emphasizes the importance of the Basic Policy on Compliance stipulated by dip to all



employees in order to establish a compliance system for the entire Group.

(2) dip dispatches board directors or corporate auditors to subsidiaries, who will oversee and supervise the execution of duties by board directors at the subsidiaries.

(3) Prior reporting to the Board of Directors and the approval thereof are required when carrying out transactions with Group companies. Upon approving said transactions, they are compared with general business conditions to prevent the deliberations of the Board of Directors from being arbitrary and the transactions from being significantly disadvantageous to dip. Experts are consulted as needed.

(4) The Internal Audit Office conducts internal audits of subsidiaries to ensure the propriety of their overall operations.

(5) dip and its subsidiaries hold regular meetings to share important information on the Group's overall corporate management. dip approves or receives reports on important business executions at the subsidiaries in accordance with rules on subsidiary management.

#### 6. Ensuring the Reliability of Financial Reporting

In order to ensure the propriety of the Group's financial reporting, the Group establishes an internal control system for valid and appropriate submission of internal control reports in accordance with the Financial Instruments and Exchange Act. It also continuously evaluates whether the system functions properly and makes amendments as needed.

#### 7. Matters concerning Employees Who Support the Duties of Auditors where Required by Corporate Auditors, the Independence of Such Employees from Directors and Ensuring the Effectiveness of Instructions to Such Employees

dip assigns personnel to support the execution of duties of the Audit & Supervisory Board or corporate auditors as needed at their request or instruction. In such cases, the impartiality of such personnel will be retained so that they will not be subject to instructions or orders from anyone other than corporate auditors and to ensure the effectiveness of the auditors' instructions. The opinions of the Audit & Supervisory Board are respected when conducting personnel changes or evaluations of such personnel.

#### 8. Systems Designed to Enable Directors and Employees to Report to Corporate Auditors and Other Systems concerning the Reporting to Auditors

All corporate auditors attend Board of Director meetings, in principle. At the Board of Director meetings, matters for deliberation at important councils such as the Corporate Officer Meeting are reported. In the event of an emergence of a fact that causes substantial damage to the Group or a risk thereof, or an occurrence of a situation that significantly discredits the Group, a material defect or

problem concerning the system or procedures of internal control, a violation of law or other illegal act, or a material unjust act, the board directors and employees of the Group immediately report to corporate auditors in writing or orally. Furthermore, corporate auditors are allowed to inspect the minutes and proceedings documents of various meetings such as the Corporate Officer Meeting and request reports from the Group's board directors and employees. The Internal Audit Office, which is in charge of the whistleblowing system, reports to corporate auditors on the status of whistleblowing within the Group on a regular basis.

9. Ensuring the Prevention of Unfavorable Treatment of Informants of the Preceding Paragraph Due to Reporting

dip stipulates in regulations and responds appropriately so that the Group's board directors and employees will not be treated unfavorably due to making a report of the nature described in the preceding paragraph to corporate auditors.

10. Matters concerning Policies on the Handling of Expenses or Debts Resulting from the Execution of Duties by Corporate Auditors, including Procedures for Advance Payment or Indemnification of Expenses

When a corporate auditor requests dip indemnification of expenses resulting from the execution of his/her duties pursuant to Article 388 of the Companies Act, dip responds to such request except in cases where it proves that such request is not necessary for the execution of the duties of such corporate auditor.

11. Ensuring Effective Auditing by Corporate Auditors

(1) Audit & Supervisory Board meetings are held at least once a month.

(2) In addition to Audit & Supervisory Board meetings, the corporate auditors hold meetings as needed.

(3) Corporate auditors meet with the accounting auditor or the Internal Audit and Control Office on a timely basis to exchange opinions and information and request a report from the accounting auditor or the Internal Audit and Control Office as needed.

(4) Corporate auditors receive reports from external experts (lawyers, tax accountants, etc.) on risks facing the Group in meetings with such parties.

**2. Basic Approach toward the Exclusion of Anti-Social Forces and Establishment of Internal Structures**

1. Basic Approach toward the Exclusion of Anti-Social Forces

dip rejects all relationships with anti-social forces and groups that pose a threat to social order and

security.

2. Establishment of Internal Structures for the Exclusion of Anti-Social Forces

dip has designated the Business Support Department, Personnel & General Affairs Group to supervise responses to anti-social forces and appointed a person in charge of preventing undue demands. It has established a network for cooperation with specialized external agencies such as the police and lawyers for its daily information gathering and responding to any incidents that occur. Guidelines for addressing undue demands have already been established but will be appropriately revised according to changes in the environment. At the same time, dip has added clauses for the exclusion of anti-social forces in basic transaction agreements to prevent transactions with anti-social forces in its ordinary business and to immediately stop any unforeseen transaction it discovers.

**V. Others**

**1. Adoption of Anti-Takeover Measures**

Adoption of anti-takeover measures	No
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Supplementary Information

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**2. Other Matters related to Corporate Governance System, etc.**

<System for Information Disclosure>

1. Basic Approach to Timely Disclosure

dip defines information on its business, operations and results that has a significant impact on securities investment decisions as “material information” and discloses it on a timely basis in compliance with relevant laws and regulations including the Companies Act and the Financial Instruments and Exchange Act as well as the Timely Disclosure Rules of the Tokyo Stock Exchange.

Furthermore, dip goes beyond the Timely Disclosure Rules, etc., and will voluntarily and actively disclose information that is deemed to affect stock prices and investment decisions through the Tokyo Stock Exchange (TDnet) and dip’s corporate site.

Information disclosed at briefings or individual meetings will be limited to facts disclosed to the public, facts that are in the public domain, facts pertaining to the general business environment and the like. No reference whatsoever will be made to undisclosed "material information".

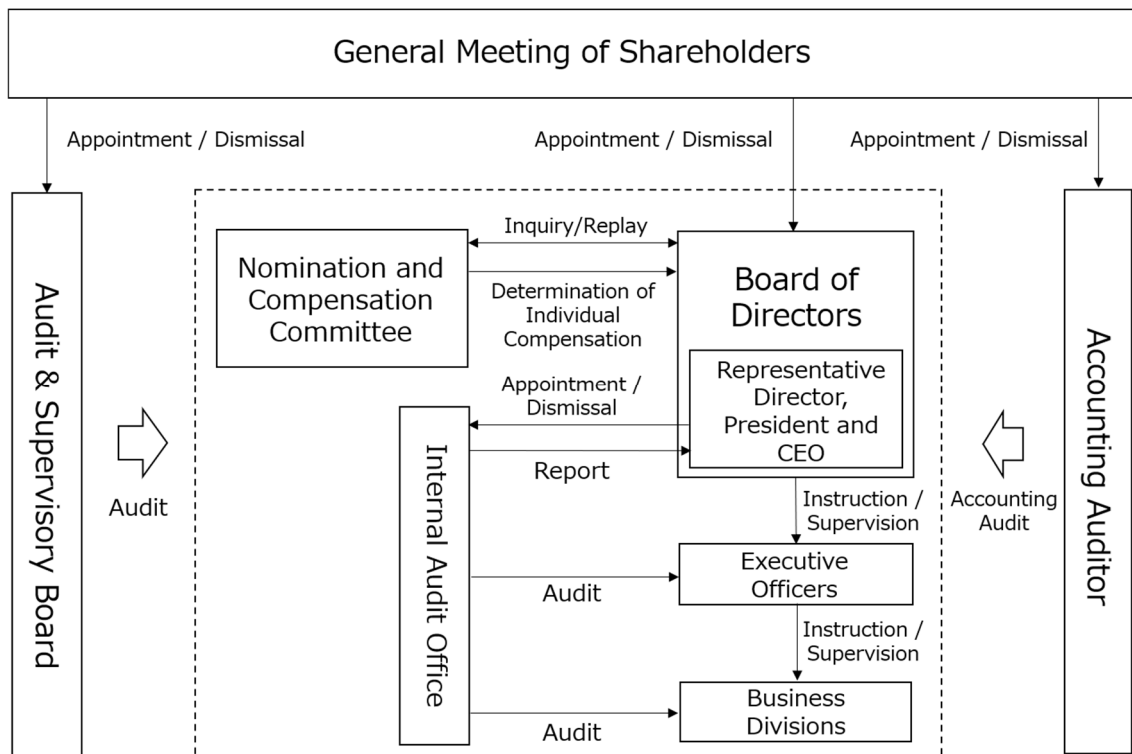
2. System for Timely Disclosure

Whenever a decision is made or an event occurs that may be subject to timely disclosure, the department in charge consults in advance with the IR Team of the Business Planning Division, Corporate Management Group. The IR Team determines whether or not timely disclosure is necessary, and if it is determined that timely disclosure is necessary, prepares the appropriate

materials in cooperation with relevant departments such as the Accounting and Finance Division and the Legal Affairs Office before disclosing them following a review by the Information Handling Officer.

With regard to results information, the Accounting and Finance Division of the Corporate Management Group will take the initiative in preparing disclosure materials, which will be disclosed by the IR Team following approval from the Board of Directors and a review by the Information Handling Officer.

[Flow Chart (Reference Material)]



[Skill Matrix of Board of Directors and Audit & Supervisory Board (Reference Material)] (Updated)

# コーポレートガバナンス

## CORPORATE GOVERNANCE

	Name	Current position and responsibilities	Outside officer	Independent officer	Diversity (Female, internationality)	Particular experience, field in which expertise is applicable							
						Corporate management	HR development, women's advancement	Sales	Service development	Marketing, promotion	Technology	Finance, accounting	Risk management
Board of Directors	Hideki Tomita	Representative Director, President and CEO				●	●	●	●	●			●
	Masatsugu Shidachi	Representative Director, COO, CIO and Head of Service Development Group				●	●		●	●	●		●
	Kazuhiwa Iwata	Director, CBO				●	●	●	●				●
	Eriko Tanabe	Director	●	●	●	●	●				●		●
	Kuniyoshi Mabuchi	Director	●	●		●			●	●	●		
	Kanae Takeuchi	-	●	●	●		●						●
Audit & Supervisory Board	Tsuneyo Otomo	Full-time Corporate Auditor				●	●	●					●
	Koichi Kobayashi	Auditor	●	●								●	
	Akihiko Mochizuki	Auditor										●	
	Yukiko Imazu	-	●	●	●		●						●

Notes: Ms. Eriko Tanabe, Ms. Kanae Takeuchi and Ms. Yukiko Imazu are female officers. Ms. Kanae Takeuchi is internationally minded from her many years of living abroad and through her extensive experience as a broadcaster for new programs and interviewer of corporate executives.

The chart above is not necessarily a representation of all the relevant experience and expertise held by each officer.

(Note) English documents are prepared as a courtesy to our stakeholders. In the event of any inconsistency between English-language documents and the Japanese-language documents, the Japanese-language documents will prevail.