

December, 6, 2022

coconala Inc.

Ayumu Suzuki, Chief Executive Officer

Inquiries: Business Administration Department 03-6712-7771

The status of the Company's corporate governance is as follows.

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

### 1. Basic stance

In order to continue to be a company building a world where each of us can live their "own story", we recognize that enhancing the mobility, transparency, and soundness of management by improving corporate governance is the most important management issue, and we are working to strengthen and enhance our corporate governance system to increase corporate value.

We also believe that it is essential to earn the trust of all stakeholders, and we will conduct transparent management through timely disclosure of management information.

### [Reasons for not implementing the principles of the Corporate Governance Code]

The Company has implemented all the basic principles.

### [Disclosure based on the principles of the Corporate Governance Code]

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## 2 Capital structure

Ratio of foreign shareholdings	30% or more
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### [Status of major shareholders]

Name or title	Number of shares owned (shares)	Ratio (%)
Akiyuki Minami	2,190,000	9.30
Satoshi Shinmyo	2,136,100	9.07
PERSHING-DIV, OF DLJ SECS. CORP.	1,574,400	6.69
BBH (LUX) FOR FIDELITY FUNDS PACIFIC FUND— PACIFIC POOL	1,480,600	6.29
Custody Bank of Japan, Ltd. (Trust Account)	1,246,700	5.29
MLI FOR CLIENT GENERAL OMNI NON	926,863	3.94

COLLATERAL NON TREATY — PB		
GIC PRIVATE LIMITED — C	900,000	3.82
JP MORGAN CHASE BANK 380621	757,400	3.22
The Nomura Trust and Banking Co., Ltd. (Investment unit)	523,600	2.22
Nippon Life Insurance Company	497,800	2.11

Name of controlling shareholder (excluding the parent company)	None
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Name of parent company	None
Stock exchange on which the parent company is listed	None

## Supplementary explanation

1. “Status of Major Shareholders” is as of the end of August 2022

## 3. Corporate attributes

Market classification	Growth
Fiscal year end	August
Industry	IT and telecommunications
Number of (consolidated) employees at the end of the previous fiscal year	More than 100 employees and less than 500 employees
Net sales (consolidated) for the most recent fiscal year	Less than 10 billion yen
Number of consolidated subsidiaries at the end of the previous fiscal year	Less than 10 companies

## 4. Guidelines regarding policies to protect minority shareholders when dealing with controlling shareholders

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## 5. Other special circumstances that may have a significant impact on corporate governance

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## II. Status of management control organization and other corporate governance systems related to management decision-

making, execution, and supervision

1. Matters related to institutional structure and organizational management, etc.

Organizational structure	Company with Audit and Supervisory Committee
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[Directors]

Number of Directors under the Articles of Incorporation	12
Term of office of Directors as stipulated in the Articles of Incorporation	1 year
Chair of the Board of Directors	Chairman
Number of Directors	6
Appointment of Outside Directors	Outside Directors are appointed.
Number of Outside Directors	4
Number of Outside Directors designated as Independent Officers	4

Relationship with the company (1)

Name	Attributes	Relationship with the company (*1)											
		a	b	c	d	e	f	g	h	i	j	k	
Atsushi Akaike	People from other companies												
Kentaro Yadomi	Certified Public Accountants												
Yuka Higo	People from other companies												
Yuki Sunada	Attorney												

\*1. Selections regarding the relationship with the company

a. Business executor of the listed company or its subsidiaries

b. Business executor or non-executive Director of the parent company of the listed company

c. Business executor of a sister company of the listed company

d. A person who has a listed company as a major business partner or a business executor of such a person

e. Major business partner of the listed company or its business executor

f. Consultant, accounting expert, or legal expert who receive a large amount of money or other assets from the listed company other than executive compensation

g. Major shareholder of the listed company (in the case where the major shareholder is a corporation, the business executor of the corporation)

h. Business executor (concerned individual only) of the listed company's business partner (not falling under any of d, e, and f)

i. Business executor (concerned individual only) of a company with which an outside officer has a relationship of mutual appointment

j. Business executor (concerned individual only) to which the listed company has made donations

k. Other

Relationship with the company (2)

Name	Audit and Supervisory Committee Member	Independent Officer	Supplementary explanation for conformity items	Reasons for appointment
Atsushi Akaike		○	—	Atsushi Akaike has extensive experience in management consulting, M&A, and fund-raising gained at consulting firms and investment funds, as well as many years of management experience as the representative director of a global investment fund. We have elected him as an outside director because we believe that he will continue to play an effective role in supervising the Company's management. In addition, we have designated him as an independent director because he satisfies the requirements for independent directors stipulated by the Tokyo Stock Exchange and we believe that there is no risk of a conflict of interest with general shareholders.
Kentaro Yadomi	○	○	—	Kentaro Yadomi is appointed as an outside director as a member of the Audit and Supervisory Committee because he is a certified public accountant with abundant experience and broad knowledge of finance and accounting, and is expected to play an adequate role in the effective supervision of the Company's

				management from an independent and objective standpoint. In addition, he is designated as an independent director because he does not fall under the category of matters that may cause conflicts of interest with general shareholders as stipulated by the Tokyo Stock Exchange, and he is independent.
Yuka Higo	○	○	—	Yuka Higo as an outside director nominee who is a member of the Audit and Supervisory Committee because she is a manager of a company engaged in the incubation business and has abundant experience in management, and we believe that she can play a sufficient role in effectively supervising the Company's management from an independent and objective standpoint. The Company has elected him as an outside director as a member of the Audit and Supervisory Committee. In addition, she is designated as an independent director because she does not fall under any of the items that may cause conflicts of interest with general shareholders as stipulated by the Tokyo Stock Exchange, and she has independence.
Yuki Sunada	○	○	—	Yuki Sunada has no experience of being involved in the management of a company other than as an outside director or outside corporate officer, but she has long experience in the fields of corporate transactions,

				<p>finance, and capital markets, and has a deep understanding and legal expertise in technology, having been active as an attorney in the financial field, including M&amp;A and various fund formation, as well as serving as legal counsel to technology venture companies. We have elected him as an outside director as a member of the Audit and Supervisory Committee based on our judgment that she can be expected to continue to play a sufficient role in providing highly effective supervision of the Company's management. In addition, she is designated as an independent director because she does not fall under the category of matters that may cause conflicts of interest with general shareholders as stipulated by the Tokyo Stock Exchange, and she has independence.</p>
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[Audit and Supervisory Committee]

Composition of Committee Members and Attributes of the Chairperson

	All members	Full-time members	Internal Directors	Outside Directors	Chairperson
Audit and Supervisory Committee	3	0	0	3	Outside Directors

Existence or non-existence of directors and employees to assist the Audit and Supervisory Committee in its duties	Yes
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Matters concerning independence of directors and employees from executive directors

We believe that an adequate system has been established based on the following points.
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(a) The Internal Audit Department has a chain of command not only from the Representative Director but also from the Audit and Supervisory Committee, and the results of audits are reported to the Representative Director and the Audit and Supervisory Committee.

(b) If the Audit and Supervisory Committee requests that employees be assigned to assist the Audit and Supervisory Committee in the performance of its duties, the Company will assign employees to assist the Audit and Supervisory Committee as necessary, and instructions from the Audit and Supervisory Committee to such assistants will not be directed or ordered by the Company's directors or their managers. The Company's Basic Policy for Internal Control System stipulates that the consent of the Audit and Supervisory Committee shall be obtained with respect to the transfer, evaluation, and disciplinary action of such assistant employees.

Cooperation between Audit and Supervisory Committee, Accounting Auditor, and Internal Audit Department

In order to enhance the effectiveness of audits, the Audit and Supervisory Committee, the Accounting Auditor, and the Internal Audit Office regularly exchange opinions and collaborate with each other, including sharing their respective audit plans and audit results, and discussing specific ways to improve operations.

[Voluntary committees]

Presence of voluntary committee equivalent to the nomination committee or the remuneration committee	Yes
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Establishment of Voluntary Committees, Members, and Attributes of the Chairperson

	Title of the committee	All members	Full-time members	Internal Directors	Outside Directors	Outside experts	Others	Chairperson
Voluntary Committee equivalent to Nominating Committee	Nominating and Remuneration Committee	4	0	1	3	0	0	Internal Directors
Voluntary Committee equivalent to remuneration Committee	Nominating and Remuneration Committee	4	0	1	3	0	0	Internal Directors

Supplementary Explanation

The Nomination and Remuneration Committee has been established to strengthen the fairness, transparency, and objectivity of the Board of Directors' functions concerning the nomination and compensation of directors. The majority of the members of the committee shall be independent outside directors.

[Independent Officers]

Number of Independent Officers	4
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Other matters concerning Independent Officers

All four outside directors who fulfill the qualifications of independent directors are designated as independent directors.

[Incentives]

Implementation status of measures to provide incentives to Directors	Introduction of stock option system, Others
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Supplementary explanation for applicable items

The Company has introduced a stock option plan with the aim of increasing the willingness of option holders to contribute to the Company by linking the Company's continued growth and improvement in corporate value with the benefits received by option holders. And the Company has also introduced a restricted stock compensation plan (RS) for directors (excluding directors who are members of the Audit and Supervisory Committee and outside directors).

Persons to whom stock options are granted	Internal Directors, Outside Directors, and employees
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Supplementary explanation for applicable items

The Company has introduced a stock option plan with the aim of increasing the willingness of option holders to contribute to the Company by linking the Company's continued growth and improvement in corporate value with the benefits received by option holders.

The number of shares to be granted is determined by comprehensively taking into account factors including the number of years of service and past performance.

[Compensation for Directors]

Status of disclosure	Individual compensation is not disclosed.
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Supplementary explanation for applicable items

As there is no one whose total amount of compensation, is 100 million yen or more, individual compensation is not disclosed, but the total amount of compensation, etc. of Directors is disclosed.



Presence of the policy on determining compensation amounts or the method of calculating those amounts	Yes
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Details of the disclosure of the policy on determining compensation amounts or the method of calculating those amounts

The Company's Board of Directors passed a resolution at its meeting held on August 12, 2022 to adopt a policy for determining the details of compensation, etc. for each individual Director. The details of the decision policy regarding the details of individual compensation, etc. for Directors are as follows.

(Basic policy)

The Company's basic policy is that the compensation of Directors shall be a compensation system that functions as an incentive for the sustainable enhancement of corporate value, and that the compensation of each Director shall be determined at an appropriate level based on the responsibilities of each position.

(Policy regarding the determination of the amount of compensation, etc. for each individual for basic compensation (monetary compensation) (including the policy regarding the determination of the timing or conditions for granting compensation, etc.))

The basic compensation for Directors of the Company shall be fixed monthly compensation within the scope of the total amount of compensation to be determined by the General Meeting of Shareholders, and shall be determined based on comprehensive consideration of the level of other companies, the business performance of the Company, and the level of employee salaries in accordance with the position, responsibilities, and years in office.

(Policy on the determination of the Contents and Amount or Number of Non-monetary compensation (Including policies on the determination of the timing or conditions for granting compensation etc.) Non-monetary compensation, etc., shall be paid in the form of restricted transferable shares within the maximum amount of compensation, etc., approved separately from basic compensation, etc., at the general meeting of shareholders based on the business results, etc., for each fiscal year, and the payment thereof shall be reviewed and decided at the Board of Directors meeting to be held within two months from the end of each fiscal year to be held after the annual general meeting of shareholders.

(Policy on determining the ratio of the amount of monetary compensation, performance-based compensation, etc., or non-monetary compensation, etc., to the amount of compensation, etc., for each individual director)

The Company's policy for determining the payment ratio of monetary or non-monetary remuneration, etc., for each individual director is to determine the most appropriate payment ratio to contribute to the continuous enhancement of corporate value, in accordance with the director's position and role. The Company does not pay performance-based compensation, etc.

(Matters Concerning Determination of Details of Individual Remuneration, etc. of Directors)

The Company's policy is that the amount of Remuneration for each individual is determined by a resolution of the Board of Directors after a voluntary Nominating and Remuneration Committee formulates or consults on a compensation proposal.

(Other important matters)

In addition to the above compensation framework, the Company issues paid stock options to Directors. Although the said stock options do not fall under the compensation under the Companies Act because the Directors acquire stock acquisition rights based on their own investment decisions, the Company believes that they are meaningful for the purpose of sustainably enhancing corporate value by providing incentives linked to shareholder profits.

[Support system for Outside Directors (Outside Audit & Supervisory Board Members)]

Support for outside directors is provided by the Corporate Administration Department. In principle, the Company holds a regular meeting of the Board of Directors once a month, and a notice of convocation is sent out in advance to inform the Board of Directors of agenda items, matters to be reported, and other matters. In addition, the Corporate Administration Department shares information with the outside directors as necessary.

2. Matters related to functions such as business execution, auditing and supervision, nomination, and determination of compensation (overview of the current corporate governance system)

The Company has established the General Meeting of Shareholders, the Board of Directors, the Audit and Supervisory Committee, and the Independent Auditors as the bodies under the Companies Act of Japan. The Board of Directors makes decisions on the execution of important operations in a timely and appropriate manner and supervises the execution of duties by individual directors, while the Audit and Supervisory Committee, composed entirely of outside directors, conducts audits from a fair and independent standpoint. Furthermore, the Risk Compliance Committee has been established as an organ to strengthen the Company's internal governance.

a. Board of Directors

The Company's Board of Directors consists of three directors (excluding Audit and Supervisory Committee members). As a management decision-making body, the Board of Directors makes decisions on important matters in accordance with the Board of Directors Regulations and supervises the execution of business by the directors. The Board of Directors meets regularly once a month, and extraordinary meetings are held as necessary.

b. Audit and Supervisory Committee

The Audit and Supervisory Committee of the Company consists of three outside directors and conducts audits in accordance with the audit plan resolved by the Audit and Supervisory Committee. The Audit and Supervisory Committee meets regularly once a month, and extraordinary meetings of the Audit and Supervisory Committee are held as necessary. Audit and Supervisory Committee members attend meetings of the Board of Directors and other important meetings, and audit the execution of duties by directors by requesting reports on operations from directors and visiting all departments to investigate the status of operations and assets. In addition, the

accounting auditor and the internal audit staff of the Internal Audit Office have regular opportunities to share information and collaborate with each other on the status of their respective audits.

c. Internal Audits

Internal audits of the Company are conducted by one person in charge of internal audits in the Internal Audit Office. Audits are conducted on all departments, and the Company has established a system for systematic and comprehensive audits. The Company audits whether each internal operation is properly managed in accordance with internal regulations and rules, and strives to strengthen internal controls. The results of the audits are also forwarded to the President and Representative Director and Audit Committee members. If the results indicate a need for improvement, instructions for improvement are given to the audited department.

d. Risk and Compliance Committee

d. Risk Compliance Committee

The Company has established the Risk Compliance Committee in accordance with the Compliance Regulations and Risk Management Regulations. The Risk Compliance Committee is chaired by the Chairman of the Board and consists of executive directors, including the Representative Director, Audit and Supervisory Committee members, executive officers, department managers, general managers, members of the Corporate Management Department, and other members requested by the Risk Compliance Committee to participate in the committee as deemed necessary. The committee is responsible for the overall compliance of the Company, and is also responsible for the company-wide promotion of risk management and the sharing of information necessary for risk management. The Risk Compliance Committee meets semiannually and as needed.

e. Accounting Auditor

The Company has entered into an audit contract with Deloitte Touche Tohmatsu LLC, which ensures that audits are conducted appropriately and that accounting issues are discussed in a timely manner to ensure proper accounting treatment.

f. Nominating and Remuneration Committee (Voluntary Committee)

The Company has established the Nominating and Remuneration Committee as a voluntary committee for the purpose of ensuring objectivity and transparency regarding the nomination and remuneration of directors. The Nominating and Remuneration Committee consists of four directors (three outside directors) and is chaired by the Chairman of the Board. It is primarily responsible for appointing directors and formulating their remuneration. Proposals for the appointment and remuneration of directors are resolved by the Board of Directors after consultation with the Nominating and Remuneration Committee..

3. Reasons for choosing the current corporate governance system

The Company is a company with a Board of Directors consisting of three Directors (excluding Audit and Supervisory Committee Members) (including one Outside Director) and three Directors who are Audit and Supervisory Committee Members (including three Outside Directors), and a company with an Audit and Supervisory Committee consisting of three Directors who are Audit and Supervisory Committee Members (including three Outside Directors). The Company is a company with an Audit Committee consisting of three Directors (including three Outside Directors) who are members of the Audit Committee. The Board of Directors, which is the highest decision-making body of management, concentrates the authority and responsibility for business execution and its supervision in the Board of Directors, while the Audit and Supervisory Committee Members, who are independent of business execution and the Board of Directors, assume the function of auditing the Board of Directors, thereby achieving appropriate management decision-making and business execution, as well as a sufficiently effective organizational check and balance system. The Company believes that having directors who are independent from the Board of Directors and are Audit & Supervisory Committee members perform audit functions for the Board of Directors will enable appropriate management decision-making and business execution, as well as a corporate governance system with sufficient organizational checks and balances. All three members of the Audit and Supervisory Committee are outside directors, and the Company has adopted this system based on the judgment that the management oversight function from an outside perspective is functioning effectively.

### III. Status of implementation of measures concerning shareholders and other stakeholders

#### 1. Measures to revitalize the General Meeting of Shareholders and facilitate the exercise of voting rights

	Supplementary explanation
Early dispatch of the convocation notice for the General Meeting of Shareholders	The Company strives to send out convocation notices for General Meetings of Shareholders as early as possible (at least two weeks prior to the date of the meeting) so that shareholders can have sufficient time to consider the proposals.
Setting of General Meetings of Shareholders to avoid concentrated holding of meetings	It is our policy to schedule the meeting so as to avoid the concentration of other companies' General Meetings of Shareholders in order to allow more shareholders to attend.
Exercise of voting rights by digital means	The Company allows shareholders to exercise their voting rights via the Internet, etc.
Participation in a digital voting rights exercise platform and other initiatives aimed at	The Company has introduced a platform for the digital exercise of voting rights from the annual general meeting of shareholders for the fiscal year ending August 31, 2021.

improving the voting rights exercise environment for institutional investors	
Provision of the notice of convocation (summary) in English	Starting with the annual General Meeting of Shareholders for the fiscal year ending August 31, 2021, the Company has prepared a convocation notice (summary) in English and posted it on the Company's website ( <a href="https://coconala.co.jp/en/ir/">https://coconala.co.jp/en/ir/</a> ).

## 2. Status of activities related to IR

	Supplementary explanation	Availability of explanation by the representatives themselves
Preparation and publication of disclosure policy	The policy is published on the Company's website ( <a href="https://coconala.co.jp/ir/disclosure/">https://coconala.co.jp/ir/disclosure/</a> ).	
Holding of regular briefings for individual investors	The Company will consider holding briefings for individual investors as necessary.	None
Regular briefings for analysts and institutional investors	It is the Company's policy to hold financial results briefings after the announcement of annual and quarterly financial results and as necessary. Meetings with institutional investors are also considered.	Yes
Holding of regular briefings for overseas investors	The Company holds individual meetings with overseas institutional investors multiple times each year.	Yes
Posting of IR materials on our website	Timely disclosure materials, statutory disclosure materials, voluntary disclosure information, and materials used at financial results briefings are posted on the Company's website ( <a href="https://coconala.co.jp/ir/">https://coconala.co.jp/ir/</a> ).	
Establishment of a department (person in charge) for IR	The Business Administration Department is in charge of IR.	

## 3. Status of efforts to respect the position of stakeholders

	Supplementary explanation
Respect for the position of stakeholders is stipulated in internal regulations, etc.	The Company believes it is important to earn the trust of our various stakeholders, including shareholders, investors, and customers, and it provides timely, appropriate, and fair information to its stakeholders in accordance with

	the Timely Disclosure Manual and the Fair Disclosure Rules Compliance Manual.
Implementation environmental conservation activities, CSR activities, etc.	We believe this is an issue for future consideration.
Formulation of a policy on information provision for stakeholders	It is our policy to provide our shareholders, investors, and other stakeholders with opportunities to receive information in a timely and appropriate manner through our IR website and briefings following the announcement of financial results.

#### IV. Matters related to the internal control system, etc.

##### 1. Basic policy on the internal control system and status of its development

The Company has established the "Basic Policy for Internal Control System" and is currently operating an internal control system based on this basic policy. The purpose of the "Basic Policies for Internal Control System" is to establish appropriate internal control in business activities, and the outline is as follows

a. System to ensure that the execution of duties by directors and employees of the Company and its subsidiaries complies with laws, regulations, and the Articles of Incorporation

(a) The Company shall establish "Compliance Regulations" for the purpose of compliance with laws and regulations, the Articles of Incorporation, and social norms, etc., and promote necessary awareness and education of the directors and employees of the Company and its subsidiaries through the Company's Risk Compliance Committee, which meets regularly, as compliance risks with respect to laws and regulations necessary for business operations. (b) Internal reporting system

(b) The Company shall establish an internal reporting system for the prevention and early detection of misconduct, etc.

(c) The Audit and Supervisory Committee of the Company (hereinafter referred to as the "Audit and Supervisory Committee") shall be responsible for the management of the Company and its subsidiaries. (c) The Company's Audit Committee (hereinafter referred to as the "Audit Committee"; the same shall apply hereinafter with respect to these Guidelines) shall establish a "Audit Committee Audit" system. (c) The Audit and Supervisory Committee of the Company (the "Audit and Supervisory Committee") shall audit the execution of duties by the directors of the Company and its subsidiaries from an independent standpoint in accordance with the "Audit and Supervisory Committee Standards," and if it finds any doubt concerning legality, it shall point out such fact and request the Company's directors and the Board of Directors (the "Board of Directors") to make improvements.

The same shall apply hereinafter to these guidelines.) (d) The internal audit staff shall be in charge of the internal audit of the Company.

(d) In accordance with the "Internal Audit Regulations," the person in charge of internal audit shall investigate the actual status of business operations and property management, confirm that the execution of duties by the directors and employees of the Company is in compliance with laws and regulations, the Articles of Incorporation, and the Company's regulations, and report to the representative director of the Company ("Representative Director"). The same shall apply hereinafter to this policy. (e) "Anti-Social Activities" shall be reported to the Representative Director of the Company ("Representative Director").

(e) The Company shall establish "Regulations Concerning Exclusion of Anti-Social Forces" and various manuals, and shall make it known to all employees that under no circumstances shall any monetary or other economic benefits be provided to them.

b. System for storage and management of information related to the execution of duties by the Company's Directors, and system for reporting to the Company of matters related to the duties of Directors of subsidiaries

(a) In accordance with the "Document Management Regulations," the Company's Directors shall record and store information related to the execution of duties by the Company's Directors in documents or electromagnetic media. Directors and Audit & Supervisory Committee members may inspect these documents as necessary.

(b) In addition, the Company shall ensure confidentiality and prevent loss of confidential information in data form by appropriately restricting access, managing passwords, and establishing a backup system in accordance with the Company's "Information Security Management Regulations" and various manuals.

(c) The Company shall require directors of subsidiaries to report necessary matters to the Company in accordance with the various rules and regulations established by the Company, and to immediately report to the Company in the event of an important event occurring at the subsidiary.

c. Regulations and other systems for managing risk of loss of the Company and its subsidiaries

(a) The Company shall establish "Risk Management Regulations" for the purpose of appropriately identifying and educating the public about corporate risks, and organize a Risk Compliance Committee chaired by the Representative Director that meets regularly in accordance with the said regulations.

(b) The Risk Compliance Committee shall meet on a regular basis to identify risks in the promotion of the Company and its subsidiaries' business operations and to discuss countermeasures against such risks, and the results of such meetings shall be communicated internally as necessary.

(c) In the event that a risk materializes, the Company and its subsidiaries shall establish an Emergency Response Office, headed by a representative director, and endeavor to recover from the risk as soon as possible.

d. System to ensure that the directors of the Company and its subsidiaries execute their duties efficiently

(a) The Company shall strive for efficient execution of duties by holding a regular monthly meeting of the Board

of Directors to pass resolutions on statutory matters, make decisions on important management matters, and supervise the execution of business operations in a flexible manner. In addition, extraordinary meetings of the Board of Directors shall be held as necessary.

(b) The Company and its subsidiaries shall ensure prompt and efficient decision-making by delegating authority to directors, general managers, office managers, and group managers in charge of each division or department in accordance with the "Rules on Administrative Authority" and the "Rules on Division of Duties."

(c) Subsidiaries must obtain the approval of the Board of Directors of the Company for matters stated in the "Table of Administrative Authority" that require the approval of the Board of Directors in accordance with the "Regulations Concerning Affiliate Company Administration".

(e) Matters concerning employees who are to assist the Audit and Supervisory Committee in the performance of its duties, and matters concerning the relationship between such employees and the directors (Audit and Supervisory Committee members (the "Audit and Supervisory Committee Members")). The same shall apply hereinafter in these guidelines). (excluding the Company's Directors who are members of the Audit Committee ("Audit Committee Members"). The same shall apply hereinafter in this paragraph.) (a) Matters concerning the independence of such employees from directors (excluding directors of the Company who are members of the Audit and Supervisory Committee (hereinafter the "Audit and Supervisory Committee")); and

(a) If the Audit and Supervisory Committee requests the appointment of employees to assist the Audit and Supervisory Committee in the performance of its duties, such employees shall be assigned to assist the Audit and Supervisory Committee as necessary.

(b) Instructions from the Audit and Supervisory Committee to such assistant employees shall not be directed by the Company's Directors or the Group Manager to whom the assistant employee belongs.

(c) The consent of the Audit and Supervisory Committee shall be obtained with respect to the transfer, evaluation, and disciplinary action of such assistant employees. f. Directors of the Company and its subsidiaries (including the Audit and Supervisory Committee) may appoint assistant employees to assist in the execution of duties of the Company and its subsidiaries.

(f) Directors of the Company and its subsidiaries (excluding Directors who are members of the Audit and Supervisory Committee. The same shall apply hereinafter in this paragraph) and employees of the Company and its subsidiaries. (f) Systems for reporting to the Audit and Supervisory Committee by Directors (excluding Directors who are members of the Audit and Supervisory Committee) and employees of the Company and its subsidiaries, systems to ensure that persons making such reports are not treated disadvantageously because of their reporting, and systems to ensure that the Company's Directors and employees do not receive any disadvantageous treatment because of their reporting

(a) Directors and employees of the Company and its subsidiaries shall report to the Audit and Supervisory Committee without delay in the event of the occurrence or potential occurrence of a fact that may cause



significant damage to the Company, or the occurrence of a material fact in violation of laws, regulations, or the Articles of Incorporation.

(b) Representative Directors and other Directors and Audit Committee members of the Company shall exchange information, whether periodically or irregularly, on the status of compliance and risk management efforts and other management issues with the Company, and shall communicate with each other as Directors and Audit Committee members of the Company.

(c) The Audit and Supervisory Committee may request explanations from the Directors and employees of the Company and its subsidiaries as necessary.

(d) The Company's Directors shall establish a system to report to the Audit and Supervisory Committee on matters that may have a material impact on the Company's operations or business performance, the status of internal audits, and the status and content of reports made through the internal reporting system, in addition to legally required matters, and shall cooperate in the appropriate collection and exchange of information by the Audit Committee.

(e) The Audit and Supervisory Committee shall regularly exchange information with the person in charge of the whistle-blowing service and confirm the details of any event that raises serious compliance concerns.

(f) Representative directors and other managers shall not treat directors and employees of the Company and its subsidiaries who report to the Audit and Supervisory Committee in a disadvantageous manner by reason of the fact that such reports have been made.

(g) The Company and its subsidiary directors and employees who execute duties of Audit Committee members (limited to those related to the execution of duties of Audit Committee members) shall not be treated unfairly by the Company and its subsidiary directors and employees due to the fact that they have made such reports. g. Matters concerning procedures for prepayment or reimbursement of expenses incurred in connection with the execution of duties by Audit and Supervisory Committee Members (limited to those related to the execution of duties by Audit and Supervisory Committee Members) and other policies concerning the treatment of expenses or liabilities incurred in connection with the execution of such duties

(a) The Audit and Supervisory Committee shall present to the Corporate Management Division a forecast of the expenses necessary for the Audit and Supervisory Committee's audits, etc., at the time the budget for each fiscal year is prepared. The Company shall pay such expenses as necessary for the operation of the Company.

(b) For expenses exceeding the budgeted amount, the Audit and Supervisory Committee shall submit a request with the reason for the request in advance, and payment shall be made after the necessary procedures are completed.

(c) The above payments may be made either in advance or at a later date.

h. Other Systems to Ensure Effective Audit and Supervisory Committee

(a) In order for the Audit and Supervisory Committee to understand the Board of Directors' and other important

decision-making processes and the status of business execution, the Company's Directors shall create an environment in which the Audit and Supervisory Committee members can attend important meetings and collaborate with internal auditors, accounting auditors, and outside experts, as necessary.

(b) Audit Committee members shall meet regularly with accounting auditors and persons in charge of internal audits to ensure effective and efficient audits.

i. System to ensure the reliability of financial reporting

In order to ensure the reliability of financial reporting, the Company shall develop and establish an internal control system for financial reporting, and establish a system to regularly and continuously evaluate that the system is effective and functions appropriately.

2. Basic stance towards the elimination of elimination of antisocial influences and the current state of related systems

The Company has established the Regulations Concerning the Elimination of Antisocial Forces as its policy and standards, and has set the basic policy as follows: "The Company will not provide antisocial forces with monetary or other economic benefits under any circumstances." We use the opportunity of major meetings, such as the weekly meeting, to ensure that the content of the policy is thoroughly understood, and we always conduct an anti-social company check before entering into a contract with a new business partner (subcontractor) to determine whether or not to start doing business with them.

In addition, since our service is a platform that includes CtoC transactions and, like the retail industry, has an unspecified number of users, no benefits are provided to antisocial forces. However, because money is delivered and received between the Company and exhibitor, the Company has introduced an antisocial company check in consideration of the purpose of eliminating anti-social forces as a listed company. In addition, as an antisocial check on exhibitors, we require individuals to register their personal information before their first withdrawal, and we require corporations to register their corporate information before their first listing, and we conduct antisocial checks based on this information.

In addition, as a check of continuing exhibitors, antisocial information checks are conducted once every six months for a certain area, and a system is in place to prevent omissions in the event of new antisocial information.

Furthermore, the Representative Director, officers, and employees of related departments are actively encouraged to participate in seminars on the elimination of antisocial forces held by police departments and other related organizations, in order to ensure thorough awareness and to gather information.

The Company is strengthening its relationship with consultation counters at police stations and establishing an emergency system with legal advisors.

V. Other

1. Presence of anti-takeover measures

Introduction of anti-takeover measures	None
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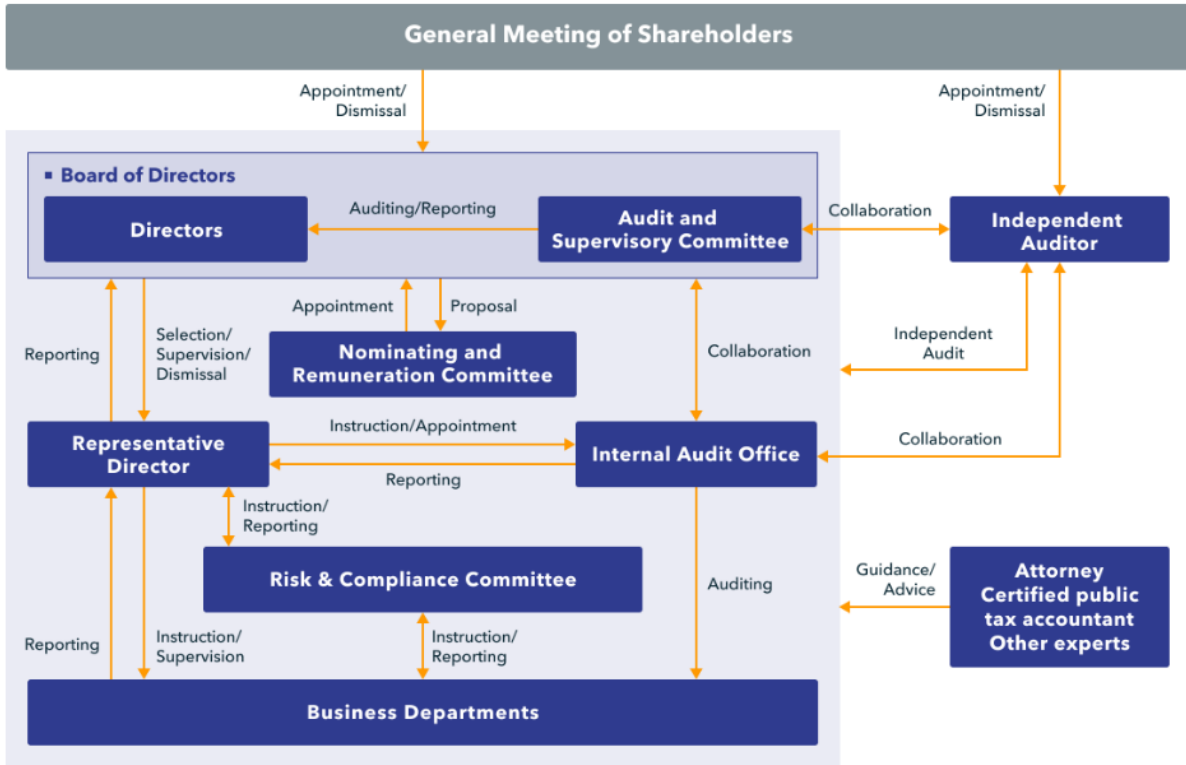
Supplementary explanation for applicable items

There are no plans to introduce anti-takeover measures at this time.

2. Other matters related to corporate governance system, etc.

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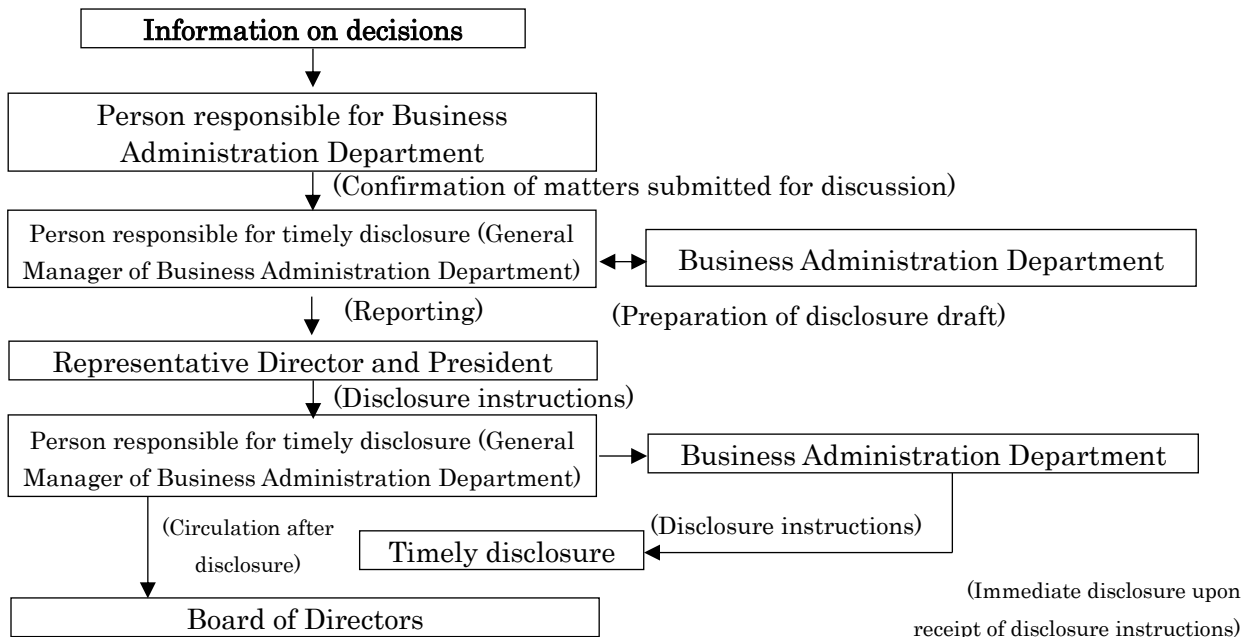
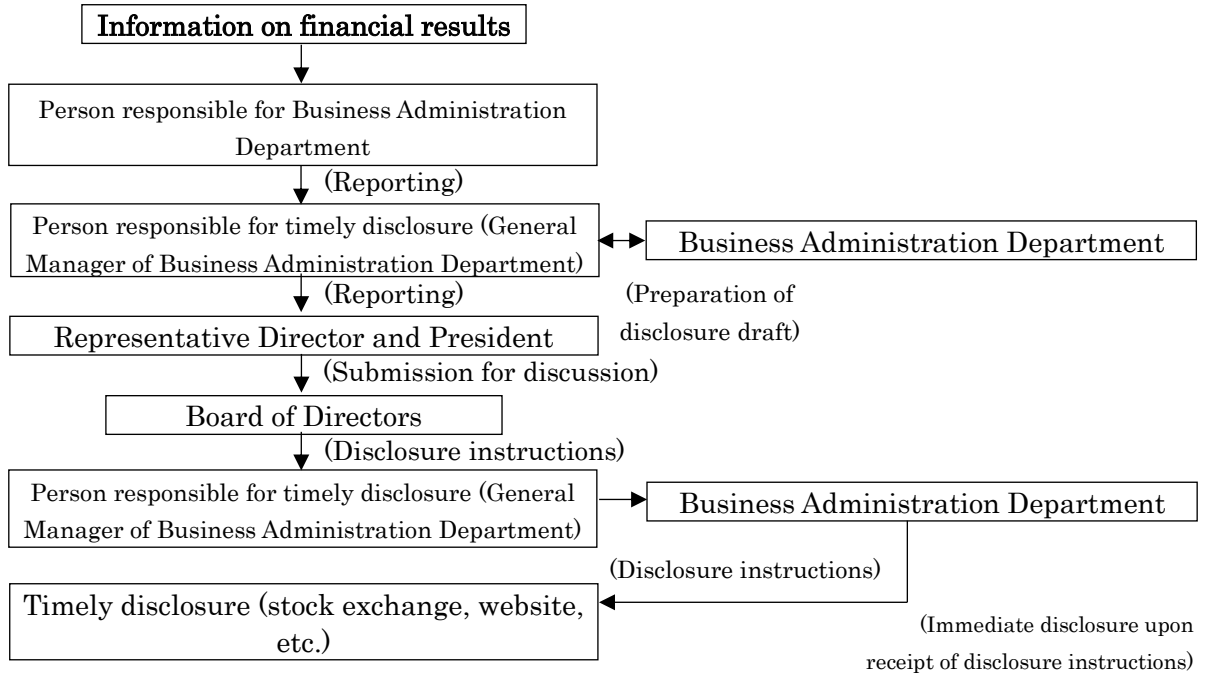
[Schematic Diagram (Reference Materials)]

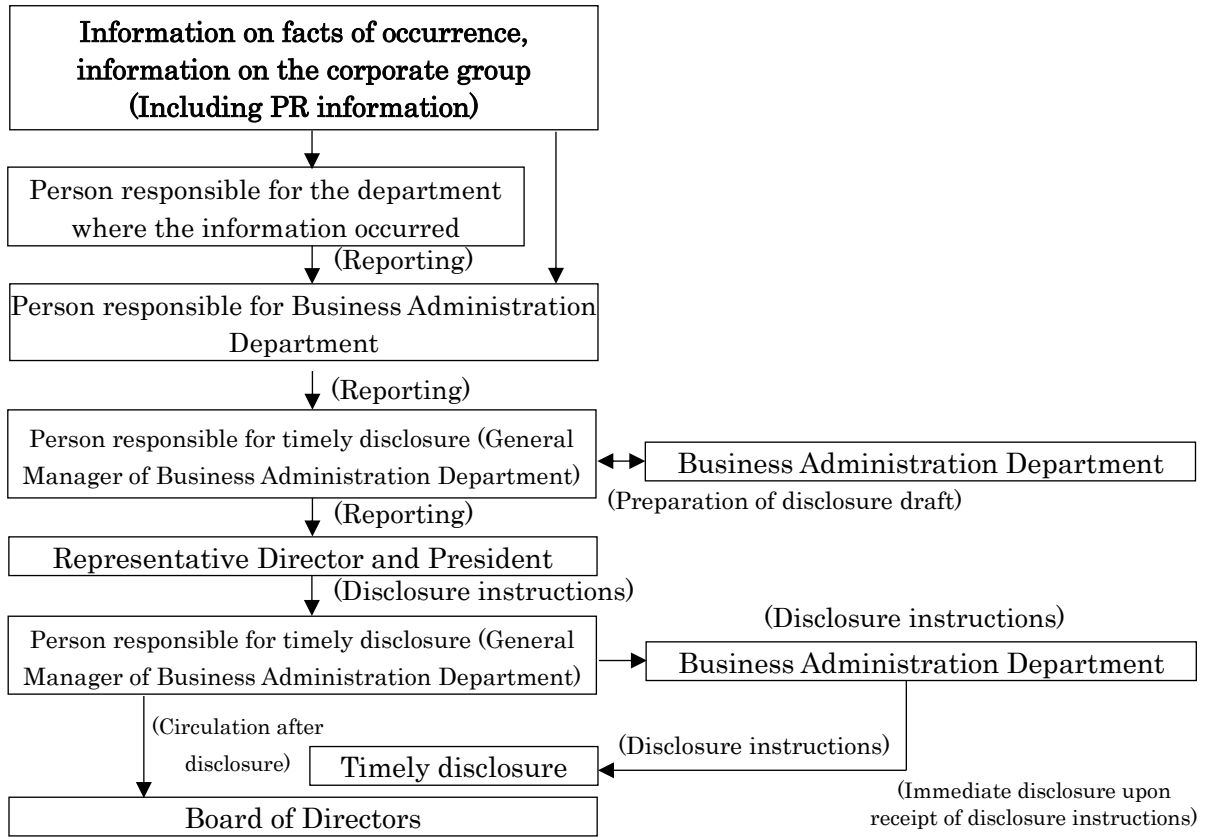


[Outline of the Timely Disclosure System (Schematic Diagram)]

[Flow of information transmission]

[Flow of preparation of disclosure documents]





End