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Corporate Governance Report

CORPORATE GOVERNANCE

VISION INC.

Last Update: April 13, 2023

Vision Inc.

Kenichi Sano, Chairman and CEO

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Securities Code: 9416

<https://www.vision-net.co.jp/ir/>

The corporate governance of Vision Inc. (the “Company”) is described below.

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

1. Basic Views

Our Group always strives to improve ourselves, to realize our ideals, to take on the challenge of change without hesitation, and to always be grateful for the support of our many stakeholders as we conduct our business activities with a sense of humility in order to go above and beyond our customers’ expectations. We strive to comply with laws, regulations, internal rules, and policies, work with integrity, and build optimal corporate governance in accordance with this code of conduct.

Reasons for Non-compliance with the Principles of the Corporate Governance Code **Updated**

Principle 2-4-1 Ensuring diversity when promoting core personnel

We actively employ a diverse range of human assets (human resources) regardless of educational background, work experience, gender, nationality, or disability. Based on the belief that making the most of each employee's individuality will lead to the creation of diverse products and services and the growth of the Company, we are working to create a fulfilling work environment in which all people working for the Company can grow. The majority of management positions in our group are held by mid-career hires, of which approximately 8% are held by women. As for the promotion of foreign nationals and women to management positions, we have not yet established measurable numerical targets at this time because the ratio of candidate personnel to the total workforce is not large. We will continue to work on the formation of a population by strengthening recruitment to secure candidate human resources that will serve as the population.

Our website (Diversity Promotion Policy): <https://www.vision-net.co.jp/company/diversity.html>

Supplementary principle 3-1-3 Sustainability initiatives

From the viewpoint of increasing corporate value over the medium to long term, we recognize that addressing issues related to sustainability is an important element of our management strategy. We disclose our sustainability initiatives on our website and in financial results presentation materials. In addition to matters related to the environment, we will also disclose information in light of the importance of social factors such as investment in human capital and intellectual property.

Our website (Vision's ESG and SDGs Initiatives): <https://www.vision-net.co.jp/company/esg.html>

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Principle 4-1-3 Roles and responsibilities of the Board of Directors (1) (Supervision of succession planning by the CEO and others)

Although the Company has not established a specific succession plan for the Chairman of the Board of Directors and the President and CEO, the Chairman of the Board of Directors and the President and CEO are responsible for selecting a successor to the CEO. The Board of Directors selects the most suitable person for the position after thorough information sharing and discussion with the outside directors and corporate auditors regarding his/her qualifications.

Supplementary principle 4-3-3 Roles and responsibilities of the Board of Directors (CEO dismissal procedure)

The Company has not established uniform evaluation criteria or requirements for the removal of the CEO.

In cases where the dismissal of the CEO is objectively deemed appropriate, such as when the CEO is found to have violated laws, regulations, the Articles of Incorporation, and significantly damaged the Company's corporate value, a resolution will be passed after thorough deliberation at a meeting of the Board of Directors attended by the independent outside directors. This will be an issue for future consideration along with the supervision of the succession plan of the CEO.

Supplementary principle 4-10-1 Involvement and advice of independent external directors on nominating, remuneration, and other matters through the establishment of voluntary advisory committees

The Company's Board of Directors consists of 3 out of 6 for Directors and 3 out of 4 for Corporate Auditors. All these outside officers actively express their opinions at meetings of the Board of Directors from an independent and objective standpoint. Nomination and appointment of candidates for directors and corporate auditors are decided by the Board of Directors through deliberation, taking into consideration their knowledge, experience, and abilities, and compensation is decided by the chairman of the Board of Directors, within the limit of the total amount of compensation resolved at the General Meeting of Shareholders. Therefore, the Company has not established a voluntary advisory committee on nomination and remuneration separately from the Board of Directors, and this is an issue to be considered in the future.

Disclosure Based on the Principles of the Corporate Governance Code Updated

Principle 1-4 Cross-shareholdings

Our basic policy is not to hold any strategic stock holdings in principle, except in cases where it is recognized that such holdings will contribute to medium to long term improvement in corporate value. In cases where listed shares are held as policy stockholdings, the Board of Directors will review all shares on a quarterly basis and sell shares of companies that the Board of Directors determines cannot be expected to increase corporate value over the medium to long term, taking into consideration factors such as share price and market trends. With respect to the exercise of voting rights, we will make decisions on a case-by-case basis, taking into consideration whether the exercise of voting rights will contribute to the enhancement of our corporate value over the medium to long term.

We do not disclose the results of verifying the purpose of holding shares held by policy holdings, as it is related to our business strategy and disclosure may damage the interests of the Company and its shareholders.

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Principle 1-7 Related party transactions

From the standpoint of sound corporate management, we recognize that there is a high need for caution when entering into transactions with related parties, and therefore, we ask ourselves whether the transaction will not impair the soundness of our group's management, whether the transaction is valid in light of our rational judgment, and whether the terms of the transaction are appropriate compared to other outside transactions. The Company pays particular attention to whether the approval of the Board of Directors is appropriate, such as by a resolution of the Board of Directors, in accordance with the Company's internal rules for approval and rules on administrative authority. In order to identify related party transactions, the Company requires all directors and officers to submit a list of related parties and a survey sheet regarding the existence of such transactions at the time of their appointment and at the end of the fiscal year.

Principle 2-6 Demonstration of functions as asset owner of corporate pension plan

The Company does not have a corporate pension fund plan.

Principle 3-1 Full disclosure

- (1) The Company discloses its management philosophy and management strategies on our website.
- (2) The Company discloses its basic philosophy and policies on corporate governance in our Corporate Governance Report and Annual Securities Report.
- (3) The amount of remuneration for each director is determined by the representative director based on delegation by chairman of the Board of Directors, within the limit of the total amount of remuneration resolved at the general meeting of shareholders, taking into consideration the Company's business performance and his/her contribution to the Company. The design of the compensation system is reviewed by the Board of Directors, as necessary.
- (4) In nominating candidates for Directors and Corporate Auditors, the Company comprehensively considers the knowledge, experience, and abilities of each individual, and the Board of Directors makes a resolution and submits the nomination to the General Meeting of Shareholders. In addition, the Board of Directors passes a resolution on the nomination of corporate auditor candidates proposed by directors, after deliberation and consent by the Board of Corporate Auditors, of which more than half are outside corporate auditors, and submits the resolution to the General Meeting of Shareholders for deliberation. In cases where the dismissal of a senior management member is objectively deemed appropriate, such as when it is recognized that the member has violated laws, regulations, the Articles of Incorporation, etc., and significantly damaged the Company's corporate value, the Board of Directors meeting attended by independent outside directors will make a resolution after thorough deliberation.
- (5) The reasons for the appointment of each candidate for outside director are disclosed in the reference documents of the Notice of Convocation of the Ordinary General Meeting of Shareholders.

Supplementary principle 4-1-1 Roles and responsibilities of the Board of Directors (1) (Scope of delegation to management)

The Board of Directors makes decisions on matters prescribed by law, the Articles of Incorporation, and the Regulations of the Board of Directors. The scope of authority delegated to the management team is clarified in the Rules of Authority and other regulations.

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Principle 4-8 Effective utilization of independent outside directors

In the company, three of the six directors are independent outside directors. We believe that the three independent outside directors will contribute to strengthening our corporate governance by utilizing their extensive experience in web marketing, inbound business, the financial industry, global business, and other areas, as well as their experience as corporate managers, to monitor the company's management, and provide advice on the company's overall management.

Principle 4-9 Criteria for judging the independence of independent outside directors and their qualifications

The company selects its directors with reference to the Companies Act and the standards established by the Tokyo Stock Exchange. In addition, the company has selected individuals who can provide advice on all aspects of the company's management based on their extensive experience and knowledge.

Supplementary principle 4-11-1 Prerequisites for Ensuring the Effectiveness of the Board of Directors and Board of Corporate Auditors (Approach to Diversity of the Board of Directors, etc.)

The Company's Board of Directors is composed of a diverse range of directors with different backgrounds, including gender, expertise, and experience. In addition, half of the Company's Board of Directors consists of outside directors, who provide their opinions from an independent and objective standpoint at meetings of the Board of Directors, thereby ensuring the Company's management oversight system.

The skill matrix of the Company's directors is stated in the Notice of Convocation of the Ordinary General Meeting of Shareholders.

Supplementary principle 4-11-2 Preconditions for ensuring the effectiveness of the Board of Directors and Board of Corporate Auditors (concurrent positions of directors and corporate auditors)

In the event that outside directors and outside corporate auditors concurrently serve as directors or corporate auditors of other companies, the Company will disclose the status of their concurrent positions in the Notice of the Ordinary General Meeting of Shareholders, to the extent that it is possible to secure the time necessary for them to fulfill their duties for the Company.

Supplementary principle 4-11-3 Preconditions for ensuring the effectiveness of the Board of Directors and Board of Corporate Auditors (analysis and evaluation related to the effectiveness of the Board of Directors)

Based on the current status of comments and discussions on the board including the outside directors and outside corporate auditors, we believe that the effectiveness of the company's Board of Directors is maintained. In addition, each director is asked to complete a self-evaluation questionnaire, the results of which are confirmed by the external auditors, in an effort to further improve the effectiveness and functions of the system.

Supplementary principle 4-14-2 Policy for training for directors and audit & supervisory board members

Directors and corporate auditors continuously acquire the knowledge necessary for their respective positions and businesses by participating in seminars, study groups, and social gatherings of their affiliated organizations at their own discretion, and the Company provides financial support as necessary.

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Principle 5-1 Policy for constructive dialogue with shareholders

If shareholders or others want to have a dialogue with Vision, the company will respond positively within a reasonable range, to contribute to the sustainable growth of the company and the medium to long-term improvement in corporate value. As of now, Vision holds financial results briefings 4 times a year, meetings with institutional investors domestic and foreign, briefing sessions for individual investors several times a year, and so on. The information on their results is properly shared through meetings of the Board of Directors, etc. In addition, Vision takes thoroughgoing measures for preventing the leakage of insider information.

2. Capital Structure Updated

Foreign Shareholding Ratio More than 30%

Status of Major Shareholders Updated

Name or Company Name	Number of Shares Owned	Percentage (%)
Kenichi Sano	11,507,500	23.52
Custody Bank of Japan, Ltd. (Investment Trust)	6,752,300	13.80
The Master Trust Bank of Japan, Ltd. (Investment Trust)	6,404,400	13.09
INTERACTIVE BROKERS LLC (Standing proxy: Interactive Brokers Securities Japan Inc.)	2,507,300	5.13
STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Settlement Sales Division, Mizuho Bank, Ltd.)	1,366,742	2.79
GOVERNMENT OF NORWAY (Standing proxy: Citibank, N.A., Tokyo Branch)	1,226,516	2.51
MSCO CUSTOMER SECURITIES (Standing proxy: Morgan Stanley MUFJ Securities)	795,173	1.63
The Nomura Trust and Banking Co., Ltd. (Investment Trust)	788,600	1.61
THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT (Standing proxy: Mitsubishi UFJ Securities Holdings Co., Ltd.)	676,300	1.38
GOLDMAN SACHS INTERNATIONAL (Standing proxy: Goldman Sachs Securities)	564,800	1.15

Name of Controlling Shareholder, if applicable
(excluding Parent Company) _____

Name of Parent Company, if applicable None

Supplementary Explanation Updated

1. The above list of major shareholders is based on the shareholders as of December 31, 2022.

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2. The Company holds 1,501,642 shares of treasury stock but is excluded from the above list of major shareholders.
3. Shareholding ratio is calculated excluding treasury stock.

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Prime Market
Fiscal Year-End	December
Business Sector	Information & Communication
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	500 or more and fewer than 1,000
Net Sales (Consolidated) as of the End of the Previous Fiscal Year	¥10 billion or more and less than ¥100 billion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	10 or more and fewer than 50

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

5. Other Special Circumstances which May have Material Impact on Corporate Governance

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

1. Organizational Composition and Operation

Corporate Governance System	Company with Audit and Supervisory Board*
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*Referred to in the Corporate Governance Code reference translation as "Company with *Kansayaku* Board"

Directors

Number of Directors Stipulated in Articles of Incorporation	8
Directors' Term of Office Stipulated in Articles of Incorporation	2 years
Chairperson of the Board Updated	Chairman (except when concurrently serving as President)
Number of Directors	6
Election of Outside Directors	Elected
Number of Outside Directors	3

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Number of Independent Directors 3

Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Shinichiro Naito	From another company											
Shiori Harada	From another company											
Michimasa Naka	From another company											

*Categories for "Relationship with the Company".

(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

- a. Person who executes business of the Company or a subsidiary
- b. Person who executes business or a non-executive director of a parent company
- c. Person who executes business of a fellow subsidiary
- d. Person/entity for which the Company is a major client or a person who executes business for such person/entity
- e. Major client of the Company or a person who executes business for such client
- f. Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets in addition to director/Audit and Supervisory Board Member compensation from the Company
- g. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business of the corporation)
- h. Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to self only)
- i. Person who executes business for another company holding cross-directorships/cross-auditorships with the Company (applies to self only)
- j. Person who executes business for an entity receiving contributions from the Company (applies to self only)
- k. Other

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Applicable Relationship	Reasons for Appointment
Shinichiro Naito	○	_____	Shinichiro Naito is an outside director and has a wealth of experience from web marketing, advanced knowledge from many years as a corporate manager, as well as a vast range of insight. We hope to make use of these experiences and knowledge to monitor management and contribute to the strengthening of corporate governance by receiving advice on the overall management of the Company. There is no special interest between the Company and him, and he has been designated as an independent officer as a neutral and impartial person.
Shiori Harada	○	_____	Shiori Harada is an outside director and has a wealth of experience in the inbound travel business, advanced knowledge

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			from many years as a corporate manager, and a vast range of insight. We hope to make use of these experiences and knowledge to monitor management and contribute to the strengthening of corporate governance by receiving advice on the overall management of the Company. There is no special interest between the Company and her, and she has been designated as an independent officer as a neutral and impartial person.
Michimasa Naka	○	—	Michimasa Naka is an outside director and has a wealth of experience in the financial industry and global business sectors, advanced knowledge from many years as a corporate manager, and a vast range of insight. We hope to make use of these experiences and knowledge to monitor management and contribute to the strengthening of corporate governance by receiving advice on the overall management of the Company. There is no special interest between the Company and him, and he has been designated as an independent officer as a neutral and impartial person.

Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee	Not Established
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Audit and Supervisory Board Member*

*Referred to in Corporate Governance Code reference translation as "kansayaku"

Establishment of Audit and Supervisory Board	Established
Number of Audit and Supervisory Board Members Stipulated in Articles of Incorporation	4
Number of Audit and Supervisory Board Members	4

Cooperation among Audit and Supervisory Board Members, Accounting Auditors and Internal Audit Departments **Updated**

Corporate auditors, the internal audit division, and the accounting auditor share the audit environment and problems specific to the Company by mutually sharing audit plans, explaining, and reporting on them, and conducting periodic interviews.

Appointment of Outside Audit and Supervisory Board Members	Appointed
Number of Outside Audit and Supervisory Board Members Updated	3

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Number of Independent Audit and Supervisory Board Members **Updated** 3

Outside Audit and Supervisory Board Members' Relationship with the Company (1) **Updated**

Name	Attributes	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Kazuhiko Umehara	From another company													
Junichi Motai	Certified Public Accountant													
Jun Houzumi	Certified Public Accountant													

*Categories for "Relationship with the Company".

(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

- Person who executes business of the Company or a subsidiary
- A non-executive director or an accounting advisor of the Company or its subsidiaries
- Person who executes business or a non-executive director of a parent company
- An Audit and Supervisory Board Member of a parent company of the Company
- Person who executes business of a fellow subsidiary
- Person/entity for which the Company is a major client or a person who executes business for such person/entity
- Major client of the Company or a person who executes business for such client
- Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets in addition to director/Audit and Supervisory Board Member compensation from the Company
- Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business of the corporation)
- Person who executes business for a client of the Company (excluding persons categorized as any of f, g, or h above) (applies to self only)
- Person who executes business for another company holding cross-directorships/cross-auditorships with the Company (applies to self only)
- Person who executes business for an entity receiving contributions from the Company (applies to self only)
- Other

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Applicable Relationship	Reasons for Appointment
Kazuhiko Umehara	○	_____	Kazuhiko Umehara was appointed as an outside corporate auditor and has a wealth of experience, high level of insight at financial institutions, and is expected to provide objective and neutral auditing services to the Company based on his experience as a corporate manager. There is no special interest between the Company and him, and he has been designated as an independent officer as a neutral and

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			impartial person.
Junichi Motai	○	_____	Junichi Motai was appointed as an outside corporate auditor and has a wealth of experience, high level of insight as a certified public accountant, and is expected to provide objective and neutral auditing services to the Company based on his experience as a corporate manager. Also, we have appointed an outside auditor to contribute to the strengthening of corporate governance by providing support to the overall management of the Company. There is no special interest between the Company and him, and he has been designated as an independent officer as a neutral and impartial person.
Jun Houzumi	○	_____	Jun Houzumi was appointed as an outside corporate auditor and has a wealth of experience, high level of insight as a certified public accountant, and is expected to provide objective and neutral auditing services to the Company based on his experience as a corporate manager. Also, we have appointed an outside auditor to contribute to the strengthening of corporate governance by providing support to the overall management of the Company. There is no special interest between the Company and him, and he has been designated as an independent officer as a neutral and impartial person.

Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members

Updated

Number of Independent Directors and Independent
Audit and Supervisory Board Members

6

Other Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members

The Company designates as independent director all persons who meet the qualifications of independent directors.

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Incentives

Implementation Status of Measures related to Incentives Granted to Directors	Introduction of Stock Options Scheme
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Supplementary Explanation for Applicable Items

The purpose of the introduction of this system is to further increase morale and motivation to improve business performance.

Persons Eligible for Stock Options	Internal Directors, Employees, Subsidiaries' Directors, Subsidiaries' Employees, Other
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Supplementary Explanation for Applicable Items

The purpose of this program is to motivate and encourage internal directors and employees to improve their performance. Others are former employees of the Company.

Director Remuneration

Status of Disclosure of Individual Directors' Remuneration	No Disclosure for any Directors
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Supplementary Explanation for Applicable Items

Individual remuneration is not disclosed because there are no persons whose total amount of remuneration is 100 million yen or more. The total amount of remuneration for directors is disclosed.

Policy on Determining Remuneration Amounts and the Calculation Methods Thereof Updated	Established
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Disclosure of Policy on Determining Remuneration Amounts and the Calculation Methods Thereof

The Board of Directors has resolved that the remuneration of directors shall be left to the discretion of the Chairman of the Board of Directors, within the limits of the total amount resolved at the General Meeting of Shareholders.

Support System for Outside Directors and/or Outside Audit and Supervisory Board Members **Updated**

The director in charge and the secretariat of the Board of Directors provide advance notice of agenda items and advance explanations as necessary prior to the Board of Directors meetings. In addition, when outside directors and outside corporate auditors request information, the secretariat of the Board of Directors serves as a contact point and collects and reports necessary information.

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

The Company's corporate governance structure is outlined below. Please refer to the attached for a diagram of these systems.

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a. Board of Directors

The Board of Directors consists of six directors (including three outside directors) and in addition to the regular monthly meetings, special meetings are held as necessary.

The Company makes decisions on important matters related to overall management and supervises the execution of business operations.

b. Management Committee

The Management Committee, consisting of representative directors and other internal directors, full-time corporate auditors, executive officers, and business managers and other executives, meets at least once a month.

In addition to reviewing matters to be discussed at the Board of Directors meetings, the Committee also confirms the day-to-day execution of business operations and speeds up decision-making in order to improve the efficiency of management activities.

c. Board of Corporate Auditors

The Board of Auditors consists of three auditors (all of whom are outside auditors) and audits the daily activities of directors, including the execution of their duties, to enhance the effectiveness of corporate governance in accordance with the audit policy and plan.

d. Internal Audit Office

The Internal Audit Office, consisting of two members, verifies, evaluates, and advises on whether the Group's organization, systems, and operations are being managed efficiently and in compliance with management policies, laws, regulations, and rules. Through this process, the Internal Audit Office strives to prevent legal violations, fraud, and errors, provide accurate management information, preserve assets, and improve business activities.

e. Accounting Auditor

The Company has entered an audit contract with KPMG AZSA LLC and appropriate audits are conducted.

f. Compliance Committee

The Compliance Committee has been established as a body to ensure compliance. The committee is composed of the president, directors in charge of administrative divisions, full-time corporate auditors, and other department managers and above, and meets regularly twice a year and whenever necessary. The Compliance Committee has been established as an organization to ensure compliance and is composed of representative directors and other internal directors, full-time corporate auditors, executive officers, and business managers and other executives, and meets regularly twice a year and whenever necessary.

g. Policy on Determination of Amounts of Remuneration, etc. for Directors and Corporate Auditors

The Company's policy for determining compensation for individual directors was resolved and decided at a meeting of the Board of Directors held on March 30, 2023. The Company's basic policy is to link the remuneration system to shareholders' profits so that it can fully function as an incentive to sustainably increase corporate value, and to ensure objectivity and transparency by obtaining the opinions of the Board of Directors, of which the majority is composed of outside directors. The amount of remuneration, etc. of Directors is determined by the Chairman of the Board of Directors based on delegation by resolution of the Board of Directors, within the limit of the total amount of remuneration resolved at the General Meeting of Shareholders, taking into consideration the Company's performance, contribution, and other factors.

The Board of Directors confirms that the remuneration, etc. of each director is consistent with the decision-making policy.

The total amount of remuneration for directors was resolved at the Ordinary General Meeting of Shareholders held on March 30, 2023 to be no more than 300 million yen per year (not including employee salaries for directors who concurrently serve as

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employees), and the amount of individual remuneration is determined by the Board of Directors, taking into consideration factors such as the Company's business performance and their contribution to the Company. The total amount of remuneration for corporate auditors was resolved at the Ordinary General Meeting of Shareholders held on March 30, 2023 to be no more than 40 million yen per year, and the amount of individual remuneration is determined by the Board of Auditors.

3. Reasons for Adoption of Current Corporate Governance System

The Company has introduced an executive officer system to strengthen its management structure by separating the business execution function from the management decision-making function to increase the efficiency and speed of each, and has appointed outside directors to enhance the function of management supervision. In addition, in order to ensure the effectiveness of audits, corporate auditors, the Internal Audit Office, and the accounting auditor actively exchange information through such means as holding regular reporting meetings in order to maintain close mutual cooperation, thereby enhancing the effectiveness and efficiency of audits. We believe that the fairness and transparency of management are sufficiently ensured by this current system.

III. Implementation of Measures for Shareholders and Other Stakeholders

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

Updated

	Supplementary Explanation
Early Posting of Notice of the General Shareholders Meeting	The Company will make every effort to send out the Notice of Convocation of the Ordinary General Meeting of Shareholders as early as possible so that shareholders will have sufficient time to consider the proposals necessary for exercising their voting rights.
Scheduling of the General Shareholders Meeting During Non-Peak Days	The Company's fiscal year ends on December 31 and the annual general meeting of shareholders is held in March. Therefore, we recognize that we have been able to avoid the concentration date.
Electronic Exercise of Voting Rights	The Company allows shareholders to exercise their voting rights via the Internet.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	The Company participates in an electronic voting platform.
Provision of Notice (or Summary of Notice) of the General Shareholders Meeting in English	Considering the composition of the Company's shareholders, the Company recognizes the need to provide information in English to its overseas shareholders and has disclosed an English translation of the convocation notice on the Company's and financial instruments exchange's websites.
Other	The Company will make every effort to send out the Notice of Convocation of the Ordinary General Meeting of Shareholders as early as possible so that shareholders will have sufficient time to consider the proposals for voting.

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2. Status of IR-related Activities **Updated**

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	Our disclosure policy is posted on our website. Please refer to the following URL: https://www.vision-net.co.jp/ir/guide/policy.html	
Regular Investor Briefings held for Individual Investors	Company information sessions are held on a regular basis.	Held
Regular Investor Briefings held for Analysts and Institutional Investors	Financial results briefings are held four times a year on a quarterly basis to explain financial results and answer questions. In addition, small meetings and individual meetings are held as needed.	Held
Regular Investor Briefings held for Overseas Investors	The Company regularly visits Europe, North America, Asia, and other regions on a regular basis to continue dialogue with shareholders and investors. In addition, we regularly participate in conferences hosted by securities firms in Japan to explain our management policies to overseas investors and to promote understanding of our company through Q&A sessions.	Held
Online Disclosure of IR Information	We have created an IR site, which is available in both Japanese (https://www.vision-net.co.jp/ir/) and English (https://www.vision-net.co.jp/en/ir_information). The IR materials include financial statements, financial results briefing materials, timely disclosure materials other than financial results information, securities reports, quarterly reports, notice of convocation of the ordinary general meeting of shareholders, and this report.	
Establishment of Department and/or Placement of a Manager in Charge of IR	Investor relations is handled by the Director and CFO, who is in charge of investor relations.	

3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	We have established and adhere to standards of conduct to respect the position of each stakeholder in accordance with compliance regulations.
Implementation of Environmental Preservation Activities and CSR Activities, etc.	We have expanded into Saga City, Saga Prefecture, and established a customer support desk to contribute to local development and regional revitalization. In addition, we have acquired an environmental certification (Green Site License)

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Formulation of Policies on Provision of Information to Stakeholders

for the prevention of global warming through "green power" as part of our website's CO2 reduction activities, and we support an organization (specified nonprofit organization) that disseminates information, provides support in the disaster areas, and supports various activities with the aim of "creating a society in which as many people as possible can be saved in times of disaster". We support and cooperate with the activities of the Earthquake Disaster Regain Corporation.

Our environmental preservation activities, CSR activities, and other initiatives are posted on our website. Please refer to the following URL
<https://www.vision-net.co.jp/company/esg.html>

Our basic policy is to provide all stakeholders, including shareholders and investors, with information on our management policies, business activities, and financial information in an easy-to-understand, fair, timely, and appropriate manner.

IV. Matters Concerning the Internal Control System

1. Basic Views on Internal Control System and Status of Development

As a system to ensure the appropriateness of business operations, the Company's Board of Directors, at its meeting held in March 2015, established and resolved the "Basic Policy for the Establishment of an Internal Control System". The outline of the policy is as follows

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

(a) The "Compliance Regulations" shall be established to ensure that the execution of duties by Directors and employees comply with laws, regulations, the Articles of Incorporation, and the Company's management philosophy, which is positioned as the highest priority in corporate management.

(b) In order to ensure thorough compliance activities, the Company shall establish a Compliance Committee with the President as the officer in charge, and shall make company-wide efforts.

(c) The Internal Audit Office shall be established to conduct internal audits of all activities of the business execution divisions in accordance with the audit plan approved by the Representative Director, and shall report the audit results to the Representative Director and to the Corporate Auditors.

(d) The Company shall ensure that there is a means for directors and employees to directly report violations or suspicious activities, etc., and as one such means, the Company shall establish and operate a compliance reporting and consultation service that allows directors and employees to report directly to outside parties. In this case, the name of the whistleblower shall not be disclosed without the consent of the whistleblower (guarantee of anonymity), and it shall be ensured that the whistleblower shall not be disadvantaged.

(e) The Board of Directors recognizes that the preparation of appropriate financial reports is extremely important for the maintenance and improvement of public trust, and in order to ensure the appropriateness of financial reporting, the Board of Directors shall establish effective internal controls to prevent misstatements and errors in the process of preparing financial

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reports.

b. System for storage and management of information related to the execution of duties by Directors

(a) In accordance with the Document Management Regulations, the chief administrator shall preserve the documents (including electronic records; the same shall apply hereinafter) specified in the following items together with related materials.

I. Minutes of general meetings of shareholders and related materials

II. Minutes of Board of Directors meetings and related materials

II. Management meeting minutes and related materials

IV. Minutes and related materials of other important meetings organized by directors

V. Other important documents related to the execution of duties by directors

(b) In addition to the above, documents related to the Company's business operations shall be properly stored and managed in accordance with the "Document Management Regulations" and the "Document Retention Period Table".

(c) Electronic records stored or managed by the Company shall be secured in accordance with the "Information Security Regulations", "Information Security Management Regulations", and "Information Security Management Regulations" to prevent information damage or leakage to outside parties.

(d) Directors and corporate auditors shall always have direct access to inspect, copy, or duplicate information stored and managed by each business execution division.

c. Regulations and other systems for loss risk management

(a) With respect to risk management, the Company shall establish "Risk Management Regulations" and designate the President as the Chief Risk Management Officer, and at the same time, establish a Risk Management Committee to implement risk management effectively and efficiently.

(b) Policies for dealing with major management risks and other important matters from the viewpoint of risk management shall be fully discussed at the Executive Committee and particularly important matters shall be reported to the Board of Directors.

d. System to ensure the efficient execution of duties by directors

(a) In principle, the Board of Directors shall meet once a month on a regular basis and on an as-needed basis on an ad hoc basis to facilitate flexible decision-making.

(b) The status of execution of duties by Directors shall be reported to the Board of Directors as appropriate.

(c) Directors and employees shall exercise their authority in an appropriate and efficient manner in accordance with the "Regulations on Administrative Authority."

e. System to ensure the appropriateness of operations of the corporate group consisting of the Company and its subsidiaries

(a) With respect to the management of group companies, while respecting the autonomy of each company, the Company shall require compliance with the "Affiliate Company Management Regulations" established by the Company.

(b) Internal audits shall be conducted by the Internal Audit Office to monitor the proper execution of business by group companies as appropriate.

f. Matters concerning employees to assist the Statutory Auditors in performing their duties when the Statutory Auditors request such assistance, and matters concerning the independence of such employees from the Directors

(a) The appointment of employees to assist the duties of the Corporate Auditors and, if appointed, the number of such employees shall be determined upon consultation between the Corporate Auditors and the Board of Directors.

(b) When the employees mentioned in the preceding paragraph assist the duties of Corporate Auditors, they shall not be subject to

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the instructions and orders of Directors.

g. System for reporting to Corporate Auditors by directors and employees, and other systems for reporting to Corporate Auditors

(a) Directors and employees shall report from time to time on the status of execution of their duties and other matters as requested by the Corporate Auditors.

(b) The General Manager of the Accounting Department, etc., shall periodically report to the Corporate Auditors in accordance with the nature of his/her duties.

(c) Corporate Auditors shall attend meetings of the Board of Directors and other important meetings such as the Management Committee, which shall be attended by Corporate Auditors appointed by the Board of Corporate Auditors.

h. Other systems to ensure the effective execution of audits by Corporate Auditors

The corporate auditors shall hold a regular meeting of the Board of Corporate Auditors once a month, as well as extraordinary meetings as necessary, to exchange information and discuss the status of audits, etc., and receive regular reports on audits from the Internal Audit Office and the accounting auditors and exchange opinions with them.

i. Basic Policy and Status of Prevention of Transactions with Anti-Social Forces

(a) The Company's compliance policy is to have no relationship with antisocial forces and to take a firm stand against them.

(b) In the event of unjustified demands by antisocial forces, the Legal Department shall be the department responsible for responding to such demands, in cooperation with the police and other related agencies.

(c) When concluding a contract related to business, confirm that the counterparty is not an antisocial force or an individual or corporation that is involved with antisocial forces.

(d) When concluding a business contract, both parties agree that they are not involved with antisocial forces or related individuals or corporations, etc. If a breach of contract is later discovered, the contract shall be terminated and the parties shall sign a written agreement that includes provisions for the elimination of antisocial forces, such as the obligation to claim compensation for damages.

2. Basic Views on Measures for Eliminating Anti-Social Forces and Status of Development

a. Basic Policy on Elimination of Antisocial Forces

In our compliance regulations, we state that "compliance is our management policy and we will not have any relationship with antisocial forces".

b. Status of Maintenance for Elimination of Antisocial Forces

(a) Status of Internal Regulations

Each relevant regulation stipulates that no transactions with antisocial forces are permitted.

(b) Methods of Eliminating Antisocial Forces

Based on the "Guidelines for Investigation of Anti-Social Forces," we confirm that new business partners have no relationship with anti-social forces by searching for articles in newspapers and other media from the past. For continuing business partners, periodic checks are conducted at least once a year. In addition, the Company includes a clause for elimination of organized crime groups in the basic contract when transactions are initiated.

(c) Cooperation with Outside Specialized Agencies and Collection of Information

The Company is using the "Violence Hotline", a consultation service under the jurisdiction of the Tokyo Metropolitan Police Department and has joined the "Metropolitan Center for the Elimination of Anti-Social Forces" (a public interest incorporated foundation) to collect information.

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(d) Status of Implementation of Training Activities

Regular internal study sessions are held by outside lecturers.

V. Other

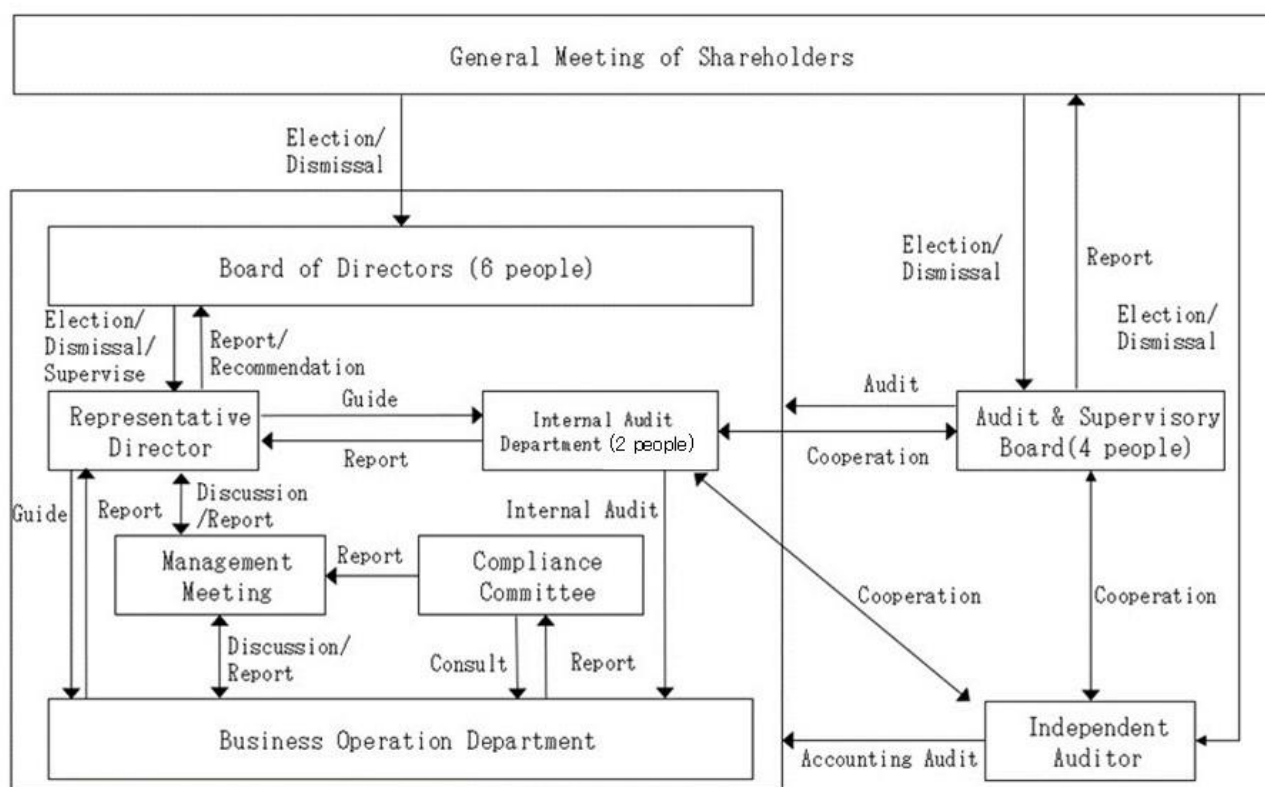
1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures Not adopted

Supplementary Explanation for Applicable Items

The Company has no current plans to introduce anti-takeover measures, but this may become an issue requiring consideration in the future.

2. Other Matters Concerning the Corporate Governance System



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Internal System for Timely Information Disclosure (Organizational Chart)

