

# CORPORATE GOVERNANCE

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**Snow Peak, Inc.**

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<https://www.snowpeak.co.jp/>

The state of corporate governance of Snow Peak, Inc. (“the Company”) is described below.

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

### **1. Basic Approach**

The Company regards the establishment, maintenance and improvement of an organizational structure capable of responding swiftly to changes in the management environment, and a fair and equitable system of management emphasizing the interests of shareholders and other stakeholders, as extremely important management issues, in order to ensure the soundness, transparency, reliability and agility of management, and enhance corporate governance.

The Company also works to fulfill its accountability obligations, strengthen shareholder trust, and ensure compliance by engaging in close communication with shareholders through IR activities and forums such as the General Meeting of Shareholders.

#### [Basic Policy]

Taking each of the principles of Japan’s Corporate Governance Code into consideration, the Company has established a basic policy on corporate governance as follows.

#### (Ensuring shareholders’ rights and equality)

The Company shall ensure the equitable treatment of all shareholders, including minority and foreign shareholders, and shall also disclose information promptly and develop an environment to secure shareholders’ rights and to help shareholders appropriately exercise their rights.

#### (Work together appropriately with stakeholders other than shareholders)

The Company recognizes that appropriate collaboration with all stakeholders including shareholders is essential for sustainable growth and enhancement of corporate value in the medium and long term.

To ensure appropriate collaboration with stakeholders in practice, the Company’s Representative Director and top management shall lead efforts to develop a corporate culture that respects the rights and standpoints of stakeholders, as well as sound business ethics.

#### (Ensuring appropriate information disclosure and transparency)

The Company recognizes that information disclosure is an important management issue and that disclosing information in an appropriate manner is essential in order to obtain the understanding of shareholders and other stakeholders. Based on this recognition, the Company shall actively disclose information judged to be important (including non-financial information), in addition to disclosures required by law.

#### (Responsibilities of the Board of Directors, etc.)

Based on the system of a company with an Audit and Supervisory Committee, the Company shall seek to establish an efficient business management and execution structure and shall also focus on realizing highly transparent management. The Company shall also develop a structure for independently supervising the execution of duties by Directors through the appointment of multiple Outside Directors.

#### (Dialogue with shareholders)

The Company recognizes that proactively engaging in dialogue with shareholders and other investors on a daily basis and reflecting their opinions and requests in corporate management to achieve growth is important for sustainable growth and enhancement of corporate value in the medium and long term.

Accordingly, the Company’s Corporate Planning Department shall play a central role in developing the IR structure and creating opportunities to engage in dialogue with shareholders and investors and positively responding to their requests for interviews where appropriate, to ensure that they understand the Company’s business strategies and plans.

## **[Reasons for Non-compliance with Principles of Japan's Corporate Governance Code]**

[Supplementary Principle 2-4-1 Ensuring diversity in the promotion of core human resources, etc.]

(Guidelines on Ensuring Diversity)

The Company and its subsidiaries have been developing systems and environments which are employee oriented and which will allow everyone to feel safe and secure at work and have equal opportunities to take on challenges and develop their skills regardless of race, nationality, gender, age or other personal characteristic. All employees take part in workplace surveys and career development surveys and there has been no negative feedback regarding matters such as work issues or inequality in the workplace arising from differences in race, nationality, gender or age. Taking into consideration employees who will be under greater work pressure as business expands and the possibility of further diversification in their lifestyles, the Company recognizes that investment in human capital is an important issue for the sustainable growth of the Company and for the enhancement of corporate value. Based on this recognition, the Company intends to introduce and use a human capital database (talent management) and to conduct regular career development surveys and workplace surveys of employees more systematically. The Company will continue developing the working environment and encouraging employees to advance their careers and achieve a work-life balance, whilst listening to feedback from employees. The Company included "develop human resource strategies" based on the "power of camping" as one of the measures for strengthening the management base in its Medium-term Management Plan (Fiscal Year Ended December 31, 2023-Fiscal Year Ended December 31, 2025) and is focusing on the development of human resources and the improvement of work environments as areas to be strengthened.

(Voluntary measurable targets for ensuring diversity)

The Company is currently considering specific numerical targets for its diversity initiatives. Going forward, efforts to ensure the diversity of core human resources will be further stepped up. The Company believes that capable employees should be appointed to positions based on merit regardless of race, nationality, age, gender or other personal characteristic. By continuing to offer the same career development opportunities globally to all employees, developing a pleasant and comfortable work environment, and enhancing systems to support career development, the Company aims to facilitate the recruitment and development of talent and become an inclusive company where diverse human resources can demonstrate their skills and strengths. The Company encourages anyone wishing to take childcare leave to take leave as desired regardless of nationality or gender and aims to ensure that 100% of those employees wishing to take childcare leave do so. The Company will also consider setting a target for the percentage of employees actually taking childcare leave. To ensure that the lives of all employees are enhanced and enriched at every life stage, the Company will focus on further improving working conditions, developing systems and environments that give employees equal opportunities to take on challenges and develop skills, encouraging employees to take the initiative in managing their own careers, and offering them the opportunities to realize their ambitions.

(Status of initiatives to ensure diversity)

The Company is considering disclosing the status of internal initiatives to ensure diversity alongside measurable numerical targets. The Company will continue considering disclosing information such as the actual diversity of core employees including the ratio of women or foreign nationals in managerial positions on a groupwide and global basis, and the percentage of employees taking childcare leave.

(Establishment of policies to cultivate human resources and develop an internal environment to ensure diversity)

The Company believes it has a responsibility to realize its corporate philosophy and continuously provide value to stakeholders and that communicating the attraction of camping to users with diverse lifestyles is the source of its corporate value. Accordingly, the Company considers it important that diverse employees with different backgrounds in terms of nationality, race, gender and religion properly understand the power of camping and continue working with enthusiasm for many years, continuously developing their skills and growing along the way so that they play an active part in positions of responsibility and collaboratively create new value.

A key initiative for achieving such an outcome is to strengthen recruitment activities, which are the starting point. By increasing its appeal through Takibi (firepit) talks for students and the use of social media, the Company plans to promote the formation of diverse groups of candidates including women, foreign nationals and midcareer hires with various career backgrounds. At the same time, it will incorporate elements of camping into its selection process and strengthen recruitment of individuals who empathize with the Company's corporate philosophy. After joining the company, all employees are given the same training opportunities and are provided with training programs that will allow them to master the knowledge and skills needed to perform their duties and to grow as campers. The Company gives its employees equal opportunities to take on challenges and advance their careers and facilitates their growth into individuals who can take on core roles in the future. By rolling a similar recruitment process and training program out as a global system in the future, the Company will instill its core values and encourage

employees to grow all around the world and actively appoint them to key positions. The Company's goal is that all its employees around the world provide value to users through camping.

Meanwhile, the Company believes that a work environment in which employees can manage their own careers and continue working with peace of mind for many years is a prerequisite for ensuring the diversity of core human resources in the medium and long term. The Company uses a talent management system and conducts a career development survey on a regular basis. By aggregating and analyzing the information about employees such as the results of the career development survey, evaluations, career history and transfer history, the Company will strategically develop human resources and put the right people in the right places based on their wishes and strengths. This fiscal year, the Company also plans to gradually introduce employee-led work style reform initiatives. Harnessing the "power of camping," which involves coming up with ways of turning a field into a more comfortable environment, the Company will implement Snow Peak style workstyle reform, rallying employees to take the initiative in creating comfortable workstyles and work environments. The Company will continue working to attract and retain talented human resources by continuously considering improvements to the work environment and developing an environment in which all employees can work with peace of mind at every life stage.

[Supplementary Principle 4-1-3 Succession Plan for the CEO and Other Top Executives]

The Company has not clearly set out a succession plan for the Representative Director and Directors but endeavors to cultivate human resources with the good character and insights required of a Representative Director and Directors. Regarding the nomination of Director candidates, the Company has put in place a transparent and fair system for nominating successors through the evaluation of Directors and candidates by its Nomination Committee, which is an advisory body to the Board of Directors.

#### **[Disclosure Based on Principles of Japan's Corporate Governance Code]**

[Principle 1-4 Cross-Shareholdings]

(Policy on cross-shareholdings)

The Company holds shares of other listed companies as cross-shareholdings only if it determines from the viewpoint of economic rationale and validity in terms of strategy that the cross-shareholdings will enhance the Company's corporate value over the medium and long term and will contribute to sustainable improvement in corporate value.

(Verification of the rationality of cross-holdings)

Every year, the Board of Directors determines whether or not each individual cross-shareholding is necessary based on comprehensive verification of quantitative and qualitative factors including the purpose of holding, the benefits and risks of holding, and the cost of capital. If, as a result of verification and in light of the importance of business transactions and other factors, the Company concludes that a cross-shareholding is unnecessary, the shares are sold in an expedient manner.

(Policy on exercising voting rights related to cross-shareholding)

The Company decides how to exercise voting rights based on whether a proposal will lead to improvement of the corporate value of the investee company in the medium and long term and whether a proposal will cause the Company's cross-shareholding to lose significance.

[Principle 1-7 Related Party Transactions]

Conflict of interest transactions or competitive transactions between the Company and the Company's Directors require the approval of the Board of Directors in accordance with the provisions of the Companies Act to protect the interests of the Company and shareholders. The Company's decision process for a transaction with a major shareholder, etc. is the same as the decision process for transactions with third parties.

[Principle 2-6 Roles of Corporate Pension Funds as Asset Owners]

The Company does not have a corporate pension plan but has introduced a defined contribution pension plan for the steady build-up of employees' assets. In addition to selecting the investment manager and the investment products and providing information to employees, the Company explains the plan to employees when they first join the Company and also reminds them to review their investment products on a regular basis.

[Principle 3-1 Full Disclosure]

(i) The Company's corporate philosophy is the "The Snow Peak Way". By "creating" the goods and services we want as users ourselves and by individually "connecting" directly with customers, we aim to have a positive impact on the planet and achieve global leadership, elevating the essential life values inspired by being with nature.

In terms of medium-term management strategies, the Company's priorities in FY2023 are to 1. create new campers and build customer loyalty by enhancing experiential events, 2. achieve global supply chain optimization, 3. enhance the corporate management structure, 4. strengthen human resource strategies, and 5. review the sales network.

Further details can be found on the Company's website.

Corporate philosophy: <https://www.snowpeak.co.jp/about/message/>

Medium-term Management Plan: <http://ir.snowpeak.co.jp>

(ii) Basic approach and basic policy on corporate governance are described in "1.1. Basic Approach" of this Corporate Governance Report.

(iii) In accordance with the policy for determining the details of compensation, etc. of individual Directors, the compensation of Directors (excluding Directors who are Audit & Supervisory Committee members) is deliberated carefully by the Officers' Compensation Advisory Committee, which is a voluntary committee composed entirely of independent outside directors who are Audit & Supervisory Committee members, taking into consideration the position and responsibilities of each director, compensation paid previously, compensation levels at other companies and business results. The committee reports the results of its deliberations to the Board of Directors along with amounts of compensation, etc. for individual directors, and compensation is then determined by the Board of Directors. For further details, please refer to "1. Disclosure of Policy on Determining Compensation Amounts and Calculation Methods" under "1. Organizational Composition and Operation" of "II. Business Management Organization and Other Corporate Governance Systems regarding Decision Making, Execution of Business, and Oversight" in the Corporate Governance Report.

(iv) Personnel matters of Directors (excluding Directors who are Audit & Supervisory Committee members) are deliberated by the Nomination Committee convened to comprehensively evaluate and determine the experience, insights and expertise of Directors. The committee reports to the Board of Directors which makes an informal decision prior to the election of Directors at a General Meeting of Shareholders. The personnel matters of Directors who are Audit & Supervisory Committee Members are informally decided by the Board of Directors, with the prior approval of the Audit & Supervisory Committee, and then elected at a General Meeting of Shareholders.

(v) The career histories and reasons for appointment of Directors (including Directors who are Audit & Supervisory Committee Members) are stated in the Reference Documents for the General Meeting of Shareholders.

[Supplementary Principle 3-1-3 Initiatives on Sustainability, etc.]

Since its foundation, Snow Peak has aspired to help even more people restore their sense of humanity through contact with nature and outdoor recreation. Today, the movement towards a sustainable society is gathering pace around the world; however, complex issues such as climate change, the biodiversity crisis, and increasing social division stand in the way. To solve these issues, everyone needs to realize that humans are also a part of nature and to wake up to the importance of environmental sustainability. We believe that the recovery of humanity is a first step towards achieving this awareness.

At a meeting of the Board of Directors held on March 15, 2022, the Company formulated a basic policy on sustainability and determined Snow Peak's material issues (materiality) based on the six perspectives of "spirit of harmony and coexistence with nature," "mending and repairing instead of throwing away," "ultimate sustainability - from one person to the next," "recovering humanity in EARTH FIELDS," "environmental initiatives" and "supporting the employment of persons with disabilities". The Company then announced this policy and Snow Peak's materiality. The Company sees sustainability as an important issue for management and will continue implementing sustainability initiatives. (<https://ir.snowpeak.co.jp/materiality/>)

(Disclose information based on the TCFD recommendations or an equivalent framework at present)

The Company believes that climate change will considerably impact its business and, in terms of disclosure based on the TCFD recommendations, has published climate-related information on four themes (governance, strategy, risk management, and metrics and targets) on its website (<https://ir.snowpeak.co.jp/tcfid/>). The Company will consider performance indicators related to climate change in the future and, in terms of GHG emissions, plans to calculate and disclose its greenhouse gas emissions (Scope 3) going forward.

[Supplementary Principle 4-1-1 Clarification of Scope of Management Responsibility]

The Company clearly sets out matters to be resolved and reported in the Board of Directors' Regulations and seek to speed up management by delegating management to executives. The Company's top management consists of the Representative Director, Executive Directors and Executive Officers and each Executive Director is assigned a division to oversee to enable close cooperation with executive officers and realize supervision of business execution

and speed up management. The Company has put in place a structure for information sharing to ensure that Independent Outside Directors fully demonstrate their supervisory function at meetings of the Board of Directors. The Board of Directors' Regulations set out matters to be decided by the Board of Directors such as decisions on basic management policies, approval of medium-term management plans and fiscal year plans and approval of new business plans. Meanwhile, the Official Authority Regulations clarify the scope of delegation to executives by setting out matters to be delegated to executives in order to expedite the implementation of sales measures and product development, such as expenditure of less than a certain amount.

[Principle 4-8 Effective Use of Independent Outside Directors]

Five out of the Company's 11 Directors are Independent Outside Directors. The Independent Outside Directors bring high levels of expertise and diverse experience into the mix and take part in deliberations at Board meetings from an objective perspective, thus enabling lively discussion and helping to strengthen the supervision of management.

[Principle 4-9 Criteria and Qualifications for Determining the Independence of Independent Outside Directors]

The Company selects Independent Outside Directors who are judged unlikely to have a conflict of interest with general shareholder based on the independence criteria specified by the Tokyo Stock Exchange.

[Supplementary Principle 4-10-1 Use of Optional Systems]

In accordance with the policy for determining the details of compensation, etc. of individual Directors, the compensation of Directors (excluding Directors who are Audit & Supervisory Committee members) is deliberated carefully by the Officers' Compensation Advisory Committee, which is a voluntary committee composed entirely of independent outside directors who are Audit & Supervisory Committee members. The committee reports the results of its deliberations to the Board of Directors along with amounts of compensation, etc. for individual directors, and compensation is then determined by the Board of Directors. The Officers' Compensation Advisory Committee met twice during the fiscal year under review to ensure sufficient time for deliberation.

The Company has established a Nomination Committee of which the majority of members are Independent Outside Directors. The Committee develops criteria for the appointment and dismissal of Directors (excluding Directors who are Audit & Supervisory Committee members) and deliberates proposals relating to the appointment and dismissal of Directors to be submitted to the General Meeting of Shareholders based on such criteria, and reports the results of its deliberations to the Board of Directors. The Nomination Committee met three times during the fiscal year under review to ensure sufficient time for deliberation.

[Supplementary Principle 4-11-1 View on balance, diversity and appropriate board size]

The Company's basic view is that its Board of Directors shall consist of individuals who are deemed appropriate, taking knowledge and experience of each business and a balance of abilities into consideration, within the limits stipulated in the Articles of Incorporation, which state that the Company shall have no more than ten (10) Directors (excluding Directors who are Audit & Supervisory Committee Members), and five (5) Directors who are Audit & Supervisory Committee Members.

Directors are appointed based on a comprehensive evaluation and judgment of their experience, insights, expertise and other factors.

Outside Directors are appointed on the basis that they meet the qualifying criteria for independent officers established by the Tokyo Stock Exchange in addition to the requirements for Outside Directors in the Companies Act and that they are unlikely to give rise to a conflict of interest with general shareholders.

For a matrix showing the skills of each Director (including Directors who are Audit & Supervisory Committee Members), please refer to the skills matrix at the end of this report.

[Supplementary Principle 4-11-2 Concurrent Positions Held by Directors]

Directors including Outside Directors allocate to their duties as Directors and Audit & Supervisory Committee members the time and effort that is necessary to properly fulfil their roles and responsibilities, and hold concurrent positions within reason. Concurrent positions held are disclosed in the convocation notice and other materials.

[Supplementary Principle 4-11-3 Evaluation of Effectiveness of the Board of Directors as a Whole]

The Company's Board of Directors conducted a questionnaire survey of all Directors including Outside Directors in December 2022 to evaluate the effectiveness of the Board of Directors as a whole. The survey asked about the composition of the Board of Directors, the operation of the Board of Directors, discussions at Board meetings, the monitoring function of the Board of Directors, the support structure and training for Directors (including Directors who are Audit & Supervisory Committee members), dialogue with shareholders (investors) and Directors' own initiatives. The third party organization was entrusted with the task of summarizing and analyzing the aggregated survey results for the purpose of getting each Director to give their candid opinions and ensuring objectivity.

The analysis results indicated that a majority of the answers to almost all questions were positive, which leads to the conclusion that the effectiveness of the Board of Directors was largely ensured.

However, specific verification of individual cross-shareholdings taking into consideration factors such as the cost of capital, which had been raised as an issue last year, was once again identified as a problem, and it was decided to develop a structure for regularly reporting on this issue at Board Meetings and a structure for managing such verification. Speeding up the provision of materials for Board meetings and sorting out the number of proposals were also raised as issues. In response to these findings, the Company's Board of Directors will continue working to improve its effectiveness, thereby strengthening the structure for the Board of Directors' supervision of management with the aim of improving corporate value.

[Supplementary Principle 4-14-2 Policy on Training for Directors]

The Company provides Directors with training and appropriate information as necessary to give them the knowledge they need to fulfil their roles and responsibilities and it also offers or mediates in necessary learning opportunities through the use of outside organizations or otherwise and provides financial support for this. In particular, the Company is working to enhance information provision opportunities to help Outside Directors and newly appointed Directors understand the Company's business and its general management. Internal Directors are given the opportunity to take part in training run by outside organizations and Outside Directors are also invited to participate if they so wish. Starting from this fiscal year, internal Directors and Executive Officers have the opportunity once every quarter to gain a wide range of knowledge and wisdom through knowledge-sharing sessions with Outside Directors.

<Details of major initiatives in FY2022>

- Internal Directors were given the opportunity to take part in corporate governance training run by an outside organization, and Outside Directors were also invited to participate if they wished.
- Various submissions and reports at Board meetings and management meetings gave a bird's-eye view of management in general
- e-learning on insider training and information management was provided
- Board meeting proposals were explained in advance and those in charge provided supplementary explanations where necessary
- Directors participated in Snow Peak LIFE EXPO 2022, an experiential business concept exhibition event
- Through the participation of Outside Directors in the Company's general meeting "Snow Peak Next Way 2022", the Company sought to promote each function's understanding of the Medium-term Management Plan and offer an opportunity for greater engagement with employees, thus deepening understanding of the Company's business and outlook and enhancing discussions at Board Meetings.

[Principle 5-1 Policy for Constructive Dialogue with Shareholders]

The Vice President Head of Corporate Planning, Finance, Human Resources, General Affairs Department seeks to collaborate with Corporate Officer, Chief Financial Officer to realize constructive dialogue with shareholders and investors. In addition to the Director and Vice President and the Vice President Head of Corporate Planning, Finance, Human Resources, General Affairs Department all Directors below the Representative Director attend meetings where necessary in response to requests for dialogue from shareholders and investors and provide clear and easy to understand explanations to shareholders and investors on matters such as capital policy and the medium-term management plan.

Business administration and general affairs divisions cooperate with each other and provide assistance in the interests of reasonable and smooth dialogue with shareholders and investors.

In addition to one-to-one dialogue with shareholders and institutional investors, the Company also holds a medium-term management plan briefing and quarterly financial briefings once a quarter (including online briefing) and holds briefings for individual investors several times a year. The Company also publishes the presentation materials for its management plan and financial results briefings on its website.

The Vice President Head of Corporate Planning, Finance, Human Resources, General Affairs Department reports the results of dialogue with shareholders and investors to the Board of Directors as appropriate and these results are then properly reflected in business management, leading to the Group's sustainable growth and enhancement of its corporate value in the medium and long term. The status of the exercise of voting rights on each proposal at general meeting of shareholders is also analyzed and reported at Board meetings.

In measures to manage insider information, the Company endeavors to disclose appropriate information fairly and promptly whilst giving due care to the management of insider information in accordance with the Company's disclosure policy. The Company also provides training, etc. to raise awareness about the management of insider trading among officers and employees. The Company verifies that information provided in meetings with shareholders and investors does not fall under insider information before providing it. The Company defines the

period from the day after the closing date of each quarter to the date of the financial results announcement as a quiet period during which it refrains from engaging in dialogue about financial information.

## 2. Capital Structure

Percentage of Foreign Shareholders	From 20% to less than 30%
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### [Status of Major Shareholders]

Name	Number of Shares Owned (Shares)	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	5,606,000	14.70
Tohru Yamai	5,413,980	14.20
Custody Bank of Japan, Ltd. (Trust account)	2,649,734	6.90
Tokyo Small and Medium Business Investment & Consultation CO., LTD.	2,112,000	5.50
Seppousha, Inc.	1,118,800	2.90
THE BANK OF NEW YORK 133652 (Standing proxy: GM, Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	1,115,300	2.90
Ryusuke Yamai	939,840	2.50
STATE STREET LONDON CARE OF STATE STREET BANK AND TRUST, BOSTON SSBTC A/C UK LONDON BRANCH CLIENTS - UNITED KINGDOM (Standing proxy: Tokyo Branch, The Hongkong and Shanghai Banking Corporation)	897,000	2.40
Lisa Yamai	755,636	2.00
Natsumi Yamai	734,080	1.90

Controlling Shareholder (except for Parent Company)	-
Parent Company	No

### Supplementary Explanation

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## 3. Corporate Attributes

Listed Exchange and Market Division	Tokyo Stock Exchange, Prime Market
Fiscal Year-End	December
Sector Classification	Other products
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	From 500 to less than 1,000
Revenue (consolidated) for the Previous Fiscal Year	From ¥10 billion to less than ¥100 billion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 10 to less than 50

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

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## 5. Special Circumstances which may have Material Impact on Corporate Governance

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## II. Business Management Organization and Other Corporate Governance Systems regarding Decision Making, Execution of Business, and Oversight

### 1. Organizational Composition and Operation

Organization Form	Company with an Audit and Supervisory Committee
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#### [Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	15
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	11
Appointment of Outside Directors	Appointed
Number of Outside Directors	5
Number of Independent Officers Designated from among Outside Directors	5

#### Relationship with the Company (1)

Name	Attribute	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	
Takafumi Minaguchi	From another company												○
Masahiro Ito	From another company												○
Shinji Tanabe	From another company												○
Yoshihiro Wakatsuki	From another company												○
Eriko Uematsu	From another company												○

\* Categories for “Relationship with the Company”

\* “○” indicates that the director currently falls under the category, or did so recently, and “△” indicates that the director fell under the category in the past.

\* “●” indicates that a close relation falls under the category, or did so recently, and “▲” indicates that a close relation fell under the category in the past.

- Business executive (a person who executes business; hereinafter the same) of the Company or its subsidiaries
- Non-executive director or business executive of a parent company of the Company
- Business executive of a fellow subsidiary of the Company
- Person whose major client or supplier is the Company or a business executive thereof
- Major business partner of the Company or a business executive thereof
- Consultant, accountant or legal professional who receives significant amounts of monetary consideration or other property from the Company other than remuneration as an officer
- Major shareholder of the Company (or if such shareholder is a corporation, business executive of such corporation)
- Business executive of a business partner of the Company (which does not correspond to any of d., e., or f.) (the Director himself/herself only)
- Business executive of a company, which has a reciprocal dispatch relationship with the Company for the dispatch of Outside Directors (the Director himself/herself only)
- Business executive of a recipient of donations from the Company (the Director himself/herself only)
- Other

Relationship with the Company (2)

Name	Audit and Supervisory Committee Member	Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Takafumi Minaguchi		○	Designated as independent officer.	As Representative Director and Chief Executive Officer (CEO) of Starbucks Coffee Japan K.K., Mr. Takafumi Minaguchi has an extensive business track record and vast professional experience. He is profoundly knowledgeable about branding and has a great deal of experience in doing business globally. The Company expects him to draw on his knowledge and experience to make recommendations and supervise decision-making by the Board of Directors. He has been designated as an independent officer as he is in a position independent of management and there is no risk of a conflict of interest with regular shareholders.
Masahiro Ito		○	Designated as independent officer.	As Director, Representative Executive Officer, President and CEO of PowerX, Inc., Mr. Masahiro Ito is involved in promoting renewable energy and has an extensive business track record and vast professional experience. He also has a great deal of experience in launching technologies and new businesses. The Company expects him to draw on his knowledge and experience to make recommendations and supervise decision-making by the Board of Directors. He has been designated as an independent officer as he is in a position independent of management and there is no risk of a conflict of interest with regular shareholders.
Shinji Tanabe	○	○	Designated as independent officer.	Mr. Shinji Tanabe has experience and insights gained from many years working as a certified public accountant. He has a proven track record and vast experience of conducting audits as an expert from a big-picture perspective and giving useful, frank opinions and recommendations from accounting and tax standpoints as well as contributing to the soundness and transparency of the Company's decision-making. The Company expects him to draw on his knowledge and experience to contribute to greater soundness, transparency and compliance within Snow Peak management. He has been designated as an independent officer as he is in a position independent of management and there is no risk of a conflict of interest with regular shareholders.

Yoshihiro Wakatsuki	○	○	Designated as independent officer.	Mr. Yoshihiro Wakatsuki has vast experience and deep insights and expertise about legal affairs gained through many years working as a lawyer. He has a proven track record and vast experience of giving useful, frank opinions and recommendations from a legal standpoint as well as contributing to the soundness and transparency of the Company's decision-making. The Company expects him to draw on his knowledge and experience to contribute to fair and equitable decisions within Snow Peak management and ensure management soundness. He has been designated as an independent officer as he is in a position independent of management and there is no risk of a conflict of interest with regular shareholders.
Eriko Uematsu	○	○	Designated as independent officer.	Based her experience teaching in schools, Ms. Eriko Uematsu has gathered information and conducted research about learning and is an expert in the field of education. The Company expects her to draw on her expertise to contribute to fair and equitable decisions within the Company's business activities and to ensure management soundness from the standpoint of an Audit and Supervisory Committee member who is independent from management. He has been designated as an independent officer as he is in a position independent of management and there is no risk of a conflict of interest with regular shareholders.

#### [Audit and Supervisory Committee]

##### Member Composition and Chairperson's Attribute

	Total Members (persons)	Full-time Members (persons)	Internal Directors (persons)	Outside Directors (persons)	Chairperson
Audit and Supervisory Committee	3	0	0	3	Outside Director

Directors or Employees Responsible for Assisting the Audit and Supervisory Committee in Fulfilling Its Duties	None
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##### Reasons for Adoption of Current System

The Company has an Audit and Supervisory Committee secretariat to assist the Audit and Supervisory Committee members in their duties, and this secretariat concurrently serves as the Internal Audit Department. When assisting Audit and Supervisory Committee members with their duties, the Internal Audit Department shall be under the command of the Audit and Supervisory Committee and shall not take directors or orders from Directors who are not Audit and Supervisory Committee members.

Cooperation among the Audit and Supervisory Committee, Accounting Auditors and Internal Audit Department

The Internal Audit Department and the Audit and Supervisory Committee regularly share information about matters such as the implementation status of internal audits and also seek to share information through attendance at important meetings. As for the exchange of information and exchange of opinions between the Internal Audit Department and the Audit and Supervisory Committee and the Accounting Auditor, information is shared through the attendance of the Internal Audit Department and Audit and Supervisory Committee members at audit reviews, which are held whenever the Accounting Auditor carries out an audit, and opinions are also exchanged as necessary on any audit-related problems and issues that need addressing in the future.

**[Voluntary Committees]**

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Yes
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Status of Establishment of Voluntary Committees, Composition and Attributes of Chairperson

	Committee's Name	Total Members (persons)	Full-time Members (persons)	Internal Directors (persons)	Outside Directors (persons)	Outside Experts (persons)	Other (persons)	Chairperson
Committee Corresponding to Nomination Committee	Nomination Committee Member	5	0	2	3	0	0	Outside Director
Committee Corresponding to Remuneration Committee	Officers' Remuneration Advisory Committee	3	0	0	3	0	0	Outside Director

Supplementary Explanation

A majority of the members of both the Nomination Committee and the Officers' Remuneration Advisory Committee are Independent Outside Directors and the Officers' Remuneration Committee consists entirely of Audit and Supervisory Committee members, to ensure independence and objectivity. The Nomination Committee currently consists of two Senior Managing Directors and three Audit and Supervisory Committee Members, making five members in total (three of whom are Independent Outside Directors).

**[Independent Officers]**

Number of Independent Officers	5
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Matters Related to Independent Officers

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**[Incentives]**

Implementation of Measures to Provide Incentives to Directors	Introduction of a Performance-linked Remuneration System
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Supplementary Explanation

The 52nd Ordinary General Meeting of Shareholders held on March 30, 2016 approved the introduction of a performance-linked stock remuneration plan for Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) and the 55th Ordinary General Meeting of Shareholders held on March 27, 2019 approved the introduction of a performance-linked stock remuneration plan for Directors who are Standing Audit and Supervisory Committee Members. The purpose of the plan is to increase Directors' motivation to contribute to improvement of business results and enhancement of corporate value in the medium and long term by clarifying the link between Directors' remuneration and the Company's performance and stock price and having Directors share with shareholders not only the benefits of higher share prices but also the risks of lower share prices.

Recipients of Stock Options	
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Supplementary Explanation	
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**[Remuneration for Directors]**

Disclosure of Individual Directors' Remuneration	Selected Directors
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Supplementary Explanation	
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<p>Details of officers' remuneration in the fiscal year ended December 31, 2022 are as follows.</p> <ul style="list-style-type: none"> <li>- Total amount of remuneration, etc. for Directors (excluding Directors who are Audit and Supervisory Committee Members): 314,766,000 yen for nine Directors</li> <li>- Total amount of remuneration, etc. for Outside Directors: 29,700,000 yen for six Directors</li> </ul> <p>Regarding the total remuneration, etc. of persons receiving total remuneration, etc. of 100 million yen or more, the total remuneration, etc. of Toru Yamai, the Representative Director, Chairman and President/Executive Officer of the Company, is 115,298,000 yen (fixed remuneration of 61,656,000 yen from the Company, performance-linked remuneration of 17,661,000 yen from the Company, and fixed remuneration of 35,980,000 yen from a consolidated subsidiary(of which, 17,661,000 yen is non-monetary remuneration)).</p>
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Policy on Determining Remuneration Amounts and Calculation Methods	Yes
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Disclosure of Policies on Determining Remuneration Amounts and Calculation Methods	
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<p>1. Matters pertaining to the policy on determining the content of remuneration, etc. for individual Directors</p> <p>a. Basic policy</p> <p>At a meeting of the Board of Directors held on February 24, 2021, the Board resolved the policy on determining details of remuneration etc. for individual Directors (hereinafter the "policy"), and determines the amount of remuneration, etc. for individual Directors (excluding Directors who are Audit and Supervisory Committee Members) based on the policy. The basic remuneration (monetary remuneration) of Directors who are Audit and Supervisory Committee Members is determined through consultation of the Audit and Supervisory Committee.</p> <p>b. Policy for determining the amount of basic remuneration (monetary remuneration) for individual Directors (including the policy for determining the time or conditions for giving remuneration, etc.)Fixed remuneration is determined based on comprehensive consideration of a wide range of factors including the operating environment, and the position, responsibilities, management skills and achievements of each Director. Remuneration can be vary among Directors with similar positions and responsibilities depending on the achievements, etc. of each Director in the previous fiscal year.</p> <p>c. Policy for determining details and amounts of performance-linked remuneration and non-monetary remuneration and determining their calculation methods (including the policy for determining the time or conditions for giving remuneration)The Company has introduced performance-based stock remuneration (includes monetary remuneration in place of the delivery of shares in an amount equal to the shares to be delivered; the same applies hereinafter). The purpose of the plan is to increase Directors' motivation to contribute to improvement of business results and enhancement of corporate value in the medium and long term by clarifying the link between Directors' remuneration and the Company's performance and stock price and having Directors share with shareholders not only the benefits of higher share prices but also the risks of lower share prices.</p> <p>Performance-based stock remuneration is determined as follows. The Company grants points to each Director based on a Directors' position and the degree of business performance attainment in accordance with the Regulations on Delivery of Shares to Directors, etc.</p> <p>The Company uses the consolidated operating margin during the assessment period for each point granting date as the indicator for the degree of business performance attainment. This is because, given that the Group is in a growth phase, the Company assumes expansion in sales, which demonstrates most clearly the Group's connection with its customers, and is aiming for medium and long-term improvement in management efficiency whilst at the same time striking a balance with its investment. The performance-linked component is set according to the degree of achievement of the consolidated operating margin target and is determined within a range of 0-150%.</p>
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However, the total number of points granted to Directors (excludes Directors who are Audit and Supervisory Committee Members) by the Company shall not exceed 46,500 points per fiscal year. Further, the total number of points granted to Directors who are Standing Audit and Supervisory Committee Members by the Company shall not exceed 2,000 points per fiscal year. In FY2022, the achievement rate of the consolidated operating margin in the initial forecast announced on February 14, 2022 was 75%.

d. Matters concerning decisions on the details of remuneration paid to individual Directors

The amount of remuneration paid to individual Directors (excluding Directors who are Audit and Supervisory Committee Members) is resolved by the Board of Directors based on the report of the Officers' Remuneration Advisory Committee.

e. The reason why the Board of Directors has decided that details of remuneration paid to individual Directors who are not Audit and Supervisory Committee Members for the fiscal year under review is in line with the policy

The Board of Directors has judged that details of remuneration paid to individual Directors who are not Audit and Supervisory Committee Members are in line with the policy because the details were determined by the Board of Directors based on the report of the Officers' Remuneration Advisory Committee in light of the basic policy on remuneration for Directors.

2. Matters related to resolutions of the General Meeting of Shareholders about remuneration, etc. for Directors

Regarding the amount of monetary remuneration for Directors (excluding Audit and Supervisory Committee Members) and Directors who are Audit and Supervisory Committee Members, the 52nd Ordinary General Meeting of Shareholders held on March 30, 2016 resolved that the amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) should be no more than 350,000,000 yen per year and the amount of remuneration for Directors who are Audit and Supervisory Committee Members should be no more than 70,000,000 yen per year. The number of Directors (excluding Directors who are Audit and Supervisory Committee Members) at the closing of the 52nd Ordinary General Meeting of Shareholders was five, while the number of Directors who are Audit and Supervisory Committee Members was three (the number of Directors who are Standing Audit and Supervisory Committee Members was zero). Separate from this monetary remuneration, the 55th Ordinary General Meeting of Shareholders held on March 27, 2019 resolved that the maximum amount of money to be contributed to a trust to be established by the Company as funds for acquiring the shares of the Company needed for delivery to eligible Directors as performance-based stock remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) should be 288,000,000 yen over the three-year period from the fiscal year ending December 31, 2019 to the fiscal year ending December 31, 2021 (12,000,000 yen for Directors who are Standing Audit and Supervisory Committee Members). The subject period was later extended to include the fiscal year ending December 31, 2024 through a decision of the Board of Directors (consultation of the Directors who are Audit and Supervisory Committee Members in the case of the portion relating to Directors who are Audit and Supervisory Committee Members) at a meeting on March 25, 2022. The number of Directors (excluding Directors who are Audit and Supervisory Committee Members) at the closing of the 55th Ordinary General Meeting of Shareholders was seven, while the number of Directors who are Audit and Supervisory Committee Members was three (the number of Directors who are Standing Audit and Supervisory Committee Members was zero).

#### [Supporting System for Outside Directors]

There is no section dedicated to assisting Outside Directors; however, the Company has established the Board of Directors' Secretariat which consists of corporate divisions as a structure for supporting the Board of Directors and provides sufficient information by distributing materials for Board meetings in advance and providing explanations to Outside Directors in advance where necessary. The Company has also established the Audit and Supervisory Committee Secretariat to assist the Audit and Supervisory Committee, which consists of Outside Directors, in its duties, and the Internal Audit Department concurrently serves as this secretariat, providing assistance and communicating information.

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

(1) Corporate governance system

From the viewpoint of strengthening the supervisory function of the Board of Directors and enhancing corporate governance, the Company transitioned to a Company with an Audit and Supervisory Committee based on a resolution of the 52nd Ordinary General Meeting of Shareholders held on March 30, 2016. The Company's Board

of Directors consists of eight Directors (excluding Directors who are Audit and Supervisory Committee Members) (two of whom are Outside Directors) and three Directors who are Audit and Supervisory Committee Members (of whom three are Outside Directors). The Board of Directors holds regular meetings once a month and ad-hoc meetings whenever necessary. It makes decisions on important matters and checks the status of business execution, and Directors supervise each other's execution of duties. Important management matters are deliberated at the Managed Meeting and put before the Board of Directors.

Important meetings at the Company are as follows.

a. Board of Directors

The Company's Board of Directors consists of eight Directors (excluding Directors who are Audit and Supervisory Committee Members) (two of whom are Outside Directors) and three Directors who are Audit and Supervisory Committee Members (of whom three are Outside Directors). The Board of Directors holds regular meetings once a month and ad-hoc meetings whenever necessary. It makes decisions on important matters and checks the status of business execution, and Directors supervise each other's execution of duties.

b. Audit and Supervisory Committee

The Company's Audit and Supervisory Committee consists of three Audit and Supervisory Committee Members (three of whom are Outside Directors). The Audit and Supervisory Committee Members work to enhance the effectiveness of corporate governance, through activities such as attending and expressing opinions at meetings of the Board of Directors and other important meetings. The Company aims to ensure the effectiveness of corporate governance through the organic fusion of auditing work by the Audit and Supervisory Committee, the Internal Audit Office and the Accounting Auditor.

c. Nomination Committee and Officers' Remuneration Advisory Committee

A majority of the members of both the Company's Nomination Committee and Officers' Remuneration Advisory Committee are Independent Outside Directors to ensure independence and objectivity.

The Nomination Committee currently consists of two Senior Managing Directors and three Independent Outside Directors who are Audit and Supervisory Committee Members, making a total of five members. The committee deliberates personnel matters of Directors (excluding Directors who are Audit and Supervisory Committee members), comprehensively evaluating and determining the experience, insights and expertise of Directors, verifying their execution of duties by checking their attendance at meetings and other materials and interviewing Director candidates where necessary and then reports to the Board of Directors. The Board of Directors then makes an informal decision prior to the election of Directors at a General Meeting of Shareholders. The personnel matters of Directors who are Audit and Supervisory Committee Members are informally decided by the Board of Directors, with the prior approval of the Audit and Supervisory Committee, and Directors who are Audit and Supervisory Committee Members are then elected at a General Meeting of Shareholders.

In accordance with the policy for determining the details of remuneration, etc. of individual Directors, the remuneration of Directors (excluding Directors who are Audit and Supervisory Committee Members) is deliberated carefully by the Officers' Remuneration Advisory Committee, which is a voluntary committee composed entirely of independent Outside Directors who are Audit and Supervisory Committee Members, taking into consideration the position and responsibilities of each Director, remuneration paid previously, remuneration levels at other companies and business results. The committee reports the results of its deliberations to the Board of Directors along with amounts of remuneration, etc. for individual Directors, and remuneration is then determined by the Board of Directors.

d. Management Meeting

The Company has established a Management Meeting, which is attended by executive officers (Directors who are Audit and Supervisory Committee Members participate as observers) and, where necessary, managerial employees nominated by the President/Executive Officer. As a rule, the Management Meeting is held at least twice a month. The Management Meeting has the official authority to function as a decision-making organ for the purpose of expediting achievement of management plans and important company business.

(2) Internal audits and audits of the Audit and Supervisory Committee

Internal audits of the Company objectively evaluate and assess the actual state of business operations and property management at the Company and its subsidiaries in accordance with the Internal Audit Regulations. Their purpose is to help rationalize management and improve business efficiency through the offering of opinions and the recommendation of measures to each division. The Company's Internal Audit Department is responsible for internal audits. The department has two members and provides a structure under which support can be provided internally by competent individuals where necessary in accordance with the Internal Audit Regulations. The Company also

endeavors to ensure supervision and checks and balances over its internal control organizations through the exchange of information with Audit and Supervisory Committee Members and the Accounting Auditor.

(3) Status of accounting audits

The Company has entered into an audit agreement with Grant Thornton Taiyo LLC and undergoes audits under the Companies Act and the Financial Instruments and Exchange Act. The auditing firm and its managing partners that conduct the audit for the Company have no interests in the Company, and the auditing firm voluntarily takes measures to ensure that its managing partners are not involved in the Company's audits for more than a certain period. The Company develops an appropriate environment for the conduct of audits and consults the auditing firm over matters such as its accounting methods and disclosure methods for the purpose of providing useful information for shareholders and investors. The auditing firm has conducted audits for four consecutive years.

The names of the certified public accountants who execute operations are as follows.

Designated and Engagement Partner: Takefumi Sato (Number of consecutive years conducting audits for Grant Thornton Taiyo: 4 years)

Designated and Engagement Partner: Shinichiro Shimazu (Number of consecutive years conducting audits for Grant Thornton Taiyo: 4 years)

### **3. Reasons for Adoption of Current Corporate Governance System**

The Company has an Audit and Supervisory Committee of which the majority of members are Outside Directors and has enhanced the supervisory function of the Board of Directors through the appointment of multiple Outside Directors. The Company has also endeavored to ensure that decisions on the especially important matters of nomination and remuneration are given sufficient consideration through the voluntary establishment of a Nomination Committee and an Officers' Remuneration Committee, both of which consist of a majority of Independent Outside Directors. Through these measures, the Company intends to realize even stronger corporate governance and expedite management decision-making by delegating business execution to top executives, thereby achieving further enhancement of its corporate value, and it is for these reasons that it has selected its current corporate governance structure.



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

#### 1. Measures to Vitalize the General Meeting of Shareholders and Smooth Exercise of Voting Rights

	Supplementary Explanation
Early Notification of General Meeting of Shareholders	The Company sends notification early to give shareholders sufficient time to consider the proposals being voted on.
Scheduling General Meeting of Shareholders Avoiding the Peak Day	With a fiscal year ending on December 31, the Company does not convene its ordinary general meeting of shareholders on a peak day. This year, the Company held the Ordinary General Meeting of Shareholders on March 29, 2023.
Allowing Electronic Exercise of Voting Rights	The Company allows the exercise of voting rights via the Internet and the Electronic Voting Platform operated by Investor Communications Japan Inc. (ICJ, Inc.).
Participation in Electronic Voting Platform and Other Initiatives to Enhance the Environment for Institutional Investors to Exercise Their Voting Rights	The Company participates in the Electronic Voting Platform for institutional investors operated by ICJ Incorporated.
Submission of Convocation Notice in English	Convocation notices are translated into English and posted to the Company website.
Other	The Company discloses the information contained in the Convocation Notice of the General Meeting of Shareholders on its own website and the website of the Tokyo Stock Exchange before the convocation notice is dispatched, from the viewpoint of providing information early.

#### 2. IR Activities

	Supplementary Explanation	Explanation by Representative
Preparation and Publication of Disclosure Policy	The Company discloses information and publishes information about its disclosure standards, method of information disclosure, the prevention of insider trading, the silent period, and the handling of business forecasts and other forward-looking statements in the IR section of its website. For further details, please visit the Company's website ( <a href="https://ir.snowpeak.co.jp/disclosure_policy/">https://ir.snowpeak.co.jp/disclosure_policy/</a> ).	
Regular Investor Briefings for Individual Investors	The Company's policy is to hold financial briefings on a regular basis, taking COVID-19 cases into consideration.	No
Regular Investor Briefings for Analysts and Institutional Investors	Every quarter, the Company holds a financial briefing (including online briefing) for analysts and institutional investors at which the Representative Director and the officer in charge of finance/IR make presentations. The Representative Director, Directors/Vice Presidents, the Executive Officer responsible for Business Administration and other officers also hold one-on-one meetings through regular visits to major investors and conferences, etc.	Yes
Regular Investor Briefings for Overseas Investors	Regular briefings for overseas investors are not held; however, the Company regularly participates in conferences held by securities firms and the Representative Director, Directors/Vice Presidents, the Executive Officer responsible for Business Administration and other officers also hold one-on-one meetings with overseas investors.	Yes
Posting of IR Materials on Website	The Company publishes financial information, non-financial disclosures, company briefing materials and other IR materials on its website.	
Establishment of Department and/or Manager in Charge of IR	The Corporate Planning Department is the department in charge of IR.	

### 3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Internal Rules Stipulated for Respecting the Position of Stakeholders	The Company's Mission Statement "The Snow Peak Way" encourages respect for all stakeholders. The Company has also established a Corporate Code of Conduct, which includes provisions on respect for stakeholders.
Implementation of Environmental Activities, CSR Activities, etc.	The Company has been a member of the Conservation Alliance Japan since 2003. The Conservation Alliance Japan contributes to environmental conservation by using funds gathered from participating companies.
Development of Policies on Information Provision to Stakeholders	The Company makes timely and appropriate disclosures in accordance with the Rules on Timely Disclosure to ensure transparency and fairness in relation to every stakeholder. The Company will also endeavor to disclose as far as possible information that it considers necessary or useful for understanding the Company even if the information is not subject to the Rules on Timely Disclosure.

## **IV. Matters Related to the Internal Control System**

### **1. Fundamental Views on Internal Control System and the Progress of System Development**

The Company's Board of Directors passed a resolution as follows on a Basic Policy for the Establishment of an Internal Control System, aiming to establish a system to ensure that the execution of duties by its directors conforms to laws, regulations, and the articles of incorporation, as well as other systems to ensure the appropriateness of operations conducted by the Company as a stock company.

a. System to ensure the adherence to laws, regulations, and the articles of incorporation by Directors and employees in their execution of duties

(1) Directors and employees (hereinafter "officers and employees") shall report and share information about important managerial matters and the status of the execution of business to the Board of Directors, and the Board shall, through the exchange of opinions, enhance the supervision of the Directors' execution of their duties.

(2) The Board of Directors shall establish a system that allows for the adequate deliberation of agenda items referred to the Board in accordance with the Rules of the Board of Directors and ensure that decision making regarding the execution of business operations complies with laws and regulations and the Articles of Incorporation.

(3) The Representative Directors shall engage in the execution of business in accordance with laws and regulations and as entrusted by the Board of Directors and execute their duties based on the decisions and resolutions of the Board, internal rules, etc.

(4) The Company shall establish Compliance Rules as standards of behavior which employees and officers should observe in performing their duties. The Company shall also establish an internal point of contact for whistleblowers to prevent violations of the Compliance Rules.

(5) Officers and employees shall be given education and training with the goal of promoting compliance with and understanding of relevant laws and regulations and the Articles of Incorporation.

(6) The Company shall promptly make its officers and employees aware of events of significant misconduct and incidents that have occurred at other companies and shall provide training as necessary.

b. System regarding storage and management of information on Directors' execution of duties

(1) The Company shall prepare, retain and manage documents regarding the Directors' execution of their duties and other important information in accordance with laws and regulations, Document Management Rules and other internal rules.

(2) The Company shall establish systems for preventing the illegal use or leakage of information and promote information security measures.

c. Regulations concerning the management of risk of loss and other systems

(1) The Company shall establish Risk Management Rules that systematically define risk the management framework.

(2) The chair of the Risk and Compliance Committee shall work to mitigate risk and develop systems enabling prompt and appropriate information communication in an emergency in response to anticipated risks based on the Risk Management Rules (including the establishment of an emergency headquarters in the event of a major incident, disaster or misconduct).

(3) A Compliance and Risk Management Committee Secretariat shall be established within the Legal Affairs Section of the Administration Department within the General Affairs Division as the business unit in charge of running the Risk and Compliance Committee.

(4) In accordance with the Risk Management Rules, each business unit shall have a person responsible for risk and compliance operations, who shall continuously supervise risk in each business units.

(5) The Internal Audit Office shall audit the status of the controlling a range of risks in coordination with the Audit and Supervisory Committee.

(6) An internal point of contact for whistleblowers shall be established to enable officers and employees who have identified risks that have occurred or may occur inside the Company to contact the Risk and Compliance Committee directly.

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

(1) The Company shall ensure the efficient execution of business by clearly defining the division of duties for the execution of business as determined by the Board of Directors in accordance with the Rules Regarding the Division of Duties and the Rules Regarding Administrative Authorities.

(2) The Board of Directors shall formulate medium-term plans, fiscal year plans and performance targets for each business unit and each store and manage the results that are achieved through the performance of duties by the Representative Director, Directors and Executive Officers.

(3) The Board of Directors shall meet no less than once every month, determine important matters, report on the status of the Directors and Executive Officers performance of their duties, and monitor and supervise the Directors and Executive Officers execution of their duties. The Management Meeting shall also meet no less than once every month to discuss important managerial matters and complement the Directors, Executive Officers and employees' efficient execution of their duties.

e. Systems to ensure the adequacy of operations in the Group

(1) Subsidiaries shall be encouraged to develop effective legal compliance systems, taking into consideration their specific circumstances, and shall be required to report on important compliance-related matters.

(2) The Internal Audit Department shall conduct audits of the important business operations of subsidiaries, etc., and shall report the audit results to the Board of Directors, the Management Meeting, and the Audit and Supervisory Committee.

f. Matters related to Directors and employees to assist the duties of the Audit and Supervisory Committee

The Audit and Supervisory Committee may designate any specific Director or employee who needs to be appointed to assist Audit and Supervisory Committee Members with their duties.

g. Matters related to the independence of the Director or employee (excluding Directors who are Audit and Supervisory Committee Members) specified in f., and matters intended to ensure the effectiveness of instructions given to such Director or employee

Any Director or employee who takes directions or instructions about their duties from the Audit and Supervisory Committee shall not take directions or instructions from Directors (excluding Directors who are Audit and Supervisory Committee members) or the head of the business unit they belong to. The Audit & Supervisory Committee shall also be asked for its opinion on personnel changes and personnel assessments involving any such Director or employee and its opinion shall be fully respected in such personnel changes and personnel assessments.

h. System for reporting by officers and employees of the Group to the Audit and Supervisory Committee and other systems concerning reporting to the Audit and Supervisory Committee

(1) Officers and employees shall report on the status of their performance of their duties at meetings of the Board of Directors and other important meetings, as needed.

(2) Officers and employees of the Group shall report on the status of the execution of the Company's business upon request from the Audit and Supervisory Committee.

(3) Officers and employees who have discovered a fact that may significantly damage the Company or received a report from a whistleblower shall promptly report the relevant information to the Audit and Supervisory Committee.

(4) The Company strictly prohibits the disadvantageous treatment of officers or employees of the Group who make reports to the Audit and Supervisory Committee on the basis that they made such reports.

i. Matters regarding policy on handling advance payment or repayment of expenses resulting from execution of duties by Audit and Supervisory Committee Members (only expenses related to the execution of duties of the Audit and Supervisory Committee) or other expenses or debts arising from said execution of duties

When an Audit and Supervisory Committee member requests the advance payment, etc. of expenses necessary for the execution of their duties (only those related to the execution of duties of the Audit and Supervisory Committee), these expenses or debts shall promptly be paid except in cases in which it is recognized that the expenses or debt relating to the request are not necessary for the Committee's execution of its duties.

j. Other systems for ensuring the effective audit by the Audit and Supervisory Committee

(1) The Audit and Supervisory Committee shall meet regularly with Representative Directors and exchange opinions concerning important audit matters.

(2) The Audit and Supervisory Committee shall meet regularly with the accounting auditor, exchange opinions and information, and request reports from the Accounting Auditor as necessary.

(3) Internal Audit Office shall develop a framework for the implementation of audits in accordance with the Internal Audit Rules and enhance mutual coordination with the Audit and Supervisory Committee.

k. System for the elimination of antisocial forces

In accordance with the "Guidelines for Enterprises to Prevent Damage Caused by Antisocial Forces," the Company shall have no relationship with antisocial forces and groups who may threaten the order or safety of the civil society. The business unit and the individual responsible for dealing with any obstruction or damage to operating activities or slander, libel or other attack from antisocial forces shall be the Legal Affairs Section of the Administration Department within the General Affairs Division and the General Manager of the General Affairs Division

respectively and they shall deal with such demands resolutely as an organization in cooperation with the police and other relevant bodies.

1. System for ensuring appropriate financial reporting

The Company shall establish a “Basic Policy on Internal Control over Financial Reporting” and seek to establish, maintain and improve systems for effective internal control over financial reporting.

## **2. Fundamental Approach to Eliminating Antisocial Forces and State of Related Efforts**

The Company has established Rules for Measures to Address Anti-Social Forces and a Manual for Responding to Anti-Social Forces and it is implementing companywide initiatives in line with its policy of taking a consistently resolute stance towards antisocial forces in both preventative and follow-up action and not yielding to threats. At the start of transactions with a new business partner, the General Affairs Section of the General Affairs Division investigates whether the business partner has a relationship with antisocial forces by using resources such as Nikkei Telecom 21 and starts transactions only after confirming that the other party to the transaction is not related to an antisocial force. The Company also includes provisions on the exclusion of organized crime groups in its basic agreement template to ensure that, in the worst case scenario, it can quickly cancel its agreement with a business partner and break off the business relationship.

The Company is a member of the Niigata Prefecture Violence Expulsion Movement Promotion Center and the Sanjo District Workplace Police Liaison Council and adopts a firm stance on the elimination of antisocial forces. The Legal Affairs Section of the Administration Department within the General Affairs Division shall be the business unit responsible for dealing with any unjust demands received from antisocial forces and it shall deal with such demands in cooperation with the police, legal counsel and other outside specialist organizations.

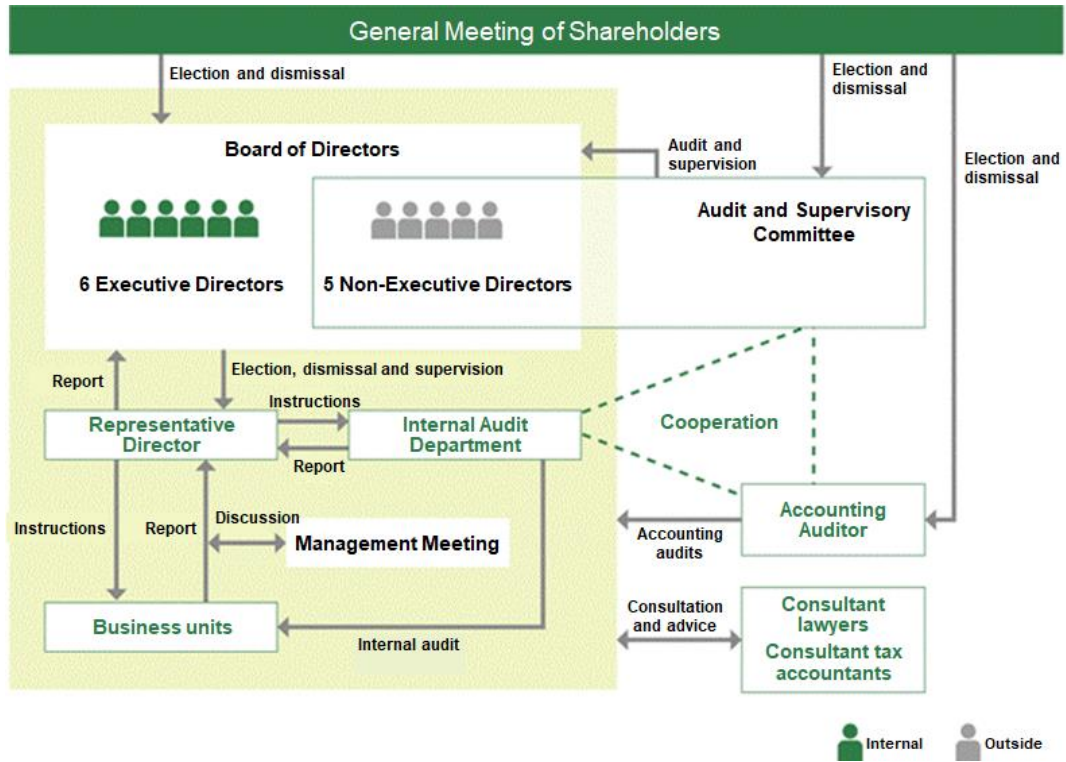
**V. Other**

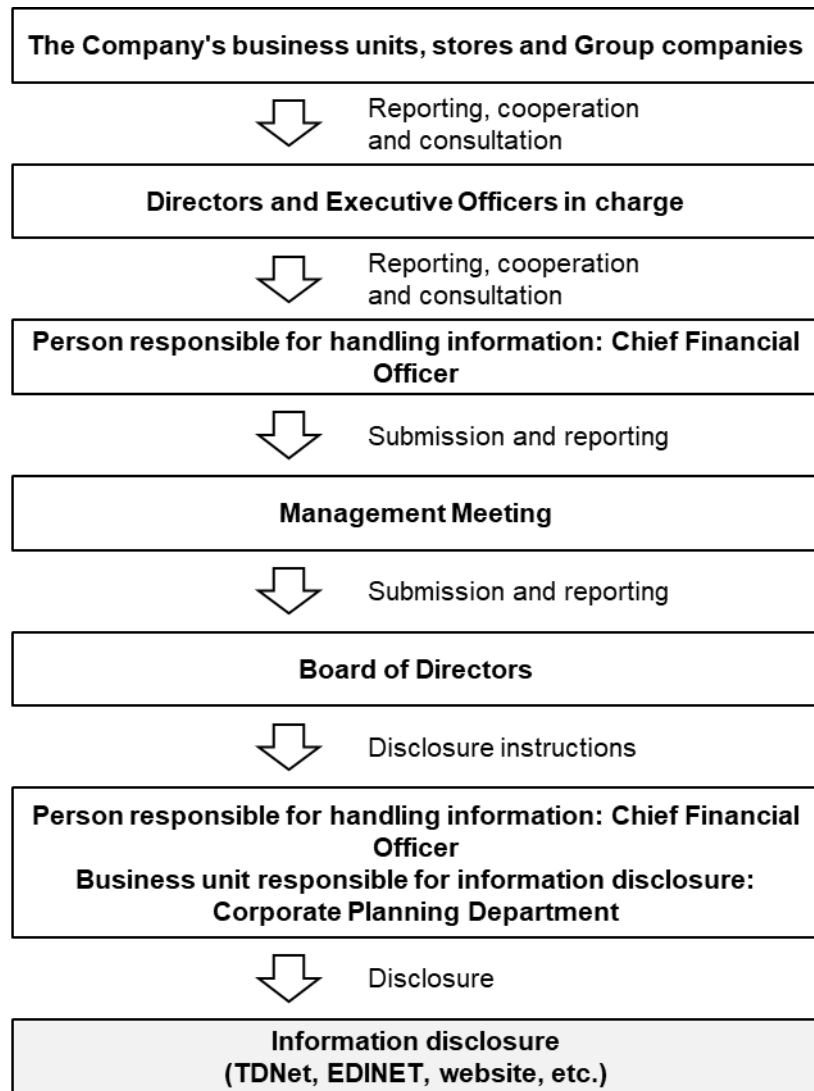
**1. Adoption of Anti-Takeover Measures**

Adoption of Anti-Takeover Measures	No
Supplementary Explanation	
-	

**2. Other Matters Concerning the Corporate Governance System**

Figure Showing the Timely Disclosure System and Figure Showing the Timely Disclosure System





(Reference) Skill Matrix

Expected skills and experience (◎ indicates noteworthy skills or experience)

	Name	Skills necessary for mission management	Skills necessary for design management			Skills necessary for realization of business strategies (Medium-term Management Plan)			Skills necessary for corporate activities									Basic skills defined independently by the Company
		Management	Creating future	Organizational culture	Customer creation	Overseas business	ICT/DX	Human resources development	Sales	Business creation	Planning and development	Branding	Communication skills	SCM (Purchase and procurement)	Legal affairs	ESG/SDGs	Finance	Regional revitalization
Internal	Tohru Yamai	◎	◎	◎	◎	◎		◎	◎	◎	◎	◎	○	◎	○	◎	◎	◎
Internal	Fumihiko Takai	○	○	◎	◎			◎	◎				○		○		○	◎
Internal	Nobu Sakamoto	○	○	◎	○		○	◎	◎	○		○		◎	◎	◎		◎
Internal	Ryo Murase	○	○	◎	○		◎	○	○	◎	○	○			◎	○		◎
Internal	Noah Reis	○		○	○	◎	○		○	○			◎		○	◎		○
Internal	Kim Nam Hyung	○	○	◎	◎	◎		○	◎	◎	○	○	○		○	○		◎
Outside	Takafumi Minaguchi	◎	◎	◎	◎	◎	◎	○	◎	○	◎	○		○	○	○	○	○
Outside	Masahiro Ito	◎	◎	○		○	◎	○		◎	○	◎	○	○	◎	◎	○	
Audit	Shinji Tanabe	○												◎		◎		
Audit	Yoshihiro Wakatsuki	○												◎	◎	○		○
Audit	Eriko Uematsu			○			◎	◎				◎			○		○	○