

May 31, 2023

dip Corporation

Representative: Hideki Tomita,

Representative Director, President and CEO (Chief Executive Officer)

Contact: +81-3-5114-1177

Stock code: 2379

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

Corporate governance at dip Corporation is as follows:

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

### 1. Basic Approach (Updated)

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

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

dip has transitioned from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee with the resolution of the 26th Annual General Meeting of Shareholders held on May 24, 2023. Its aim is to strengthen the auditing and supervision of executive directors and further enhance its system of corporate governance by making Audit & Supervisory Committee members, who are responsible for auditing the execution of duties by board directors, members of the Board of Directors.

#### (1) Board of Directors

The Board of Directors, which is the management decision-making organ, consists of nine directors who possess a high degree of expertise and broad knowledge based on extensive experience. Board meetings are held on a monthly basis, in principle, and extraordinary Board meetings are held when needed to discuss and decide important management matters. By having two-thirds of the Board (six of the nine board directors) consist of outside directors, whose standpoints are independent of the management and controlling shareholders, we will strive to enhance supervision of management.

Chairperson: Hideki Tomita, Representative Director, President and CEO

Board members: Masatsugu Shidachi, Representative Director and COO; Kuniyoshi Mabuchi, Kanae Takeuchi, and Yuka Shimada, Outside Directors; Tsuneyo Otomo, Director Full-Time Corporate Auditor; and Eriko Tanabe, Yukiko Imazu, and Misae Maruyama, Outside Director Audit & Supervisory Committee Members

### (2) Audit & Supervisory Committee

The Audit & Supervisory Committee consists of four Audit & Supervisory Committee members who possess a high degree of expertise and broad knowledge based on extensive experience. Three of the four members are outside board director Audit & Supervisory Committee members. Committee meetings are held on a monthly basis, in principle, and extraordinary Committee meetings are held when needed. The Audit & Supervisory Committee discusses matters stipulated by law and the Articles of Incorporation and significant audit operations in accordance with the audit policy set forth by the Committee. It also strives to enhance the system for audit and supervision, Board directors who are Audit & Supervisory Committee members attend important meetings, such as Board meetings, to audit the legality and supervise the adequacy of board directors' execution of duties.

Chairperson: Tsuneyo Otomo, Director Full-Time Audit & Supervisory Committee Member

Committee members: Eriko Tanabe, Yukiko Imazu, and Misae Maruyama, Outside Director Audit & Supervisory Committee Members

### (3) Voluntary Nomination and Compensation Committee

The Nomination and Compensation Committee, a voluntary advisory body to the Board of Directors, deliberates and reports on matters related to director nominations and compensation in response to inquiries from the Board of Directors.

The Committee comprises the representative director, president and CEO and independent outside board directors. The latter must account for a majority of the Committee members, and the Committee must be chaired by an independent outside board director.

Chairperson: Kuniyoshi Mabuchi, Independent Outside Director

Committee members: Hideki Tomita, Representative Director, President and CEO; Kanae Takeuchi and Yuka Shimada, Independent Outside Directors; and Eriko Tanabe, Yukiko Imazu, and Misae Maruyama, Independent Outside Director Audit & Supervisory Committee Members

### (4) Corporate Officers Meeting

dip has introduced a corporate officer system to expedite decision-making and ensure smooth

execution and has established the Corporate Officers Meeting, which primarily comprises executive directors, the board director full-time Audit & Supervisory Committee member, and corporate officers. The Corporate Officers Meeting meets every week, in principle, to share information and discuss key matters.

### (5) Strategy Promotion Council

dip has established the Strategy Promotion Council, which discusses the agenda of the Corporate Officers Meeting in advance, to support swift management decision-making. It is attended by executive directors and the board director full-time Audit & Supervisory Committee member. The Strategy Promotion Council meets every week, in principle, to share information and discuss business execution matters.

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

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

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

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

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

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

dip does not have cross-shareholdings with listed companies simply for the objective of deepening business relationships.

dip holds two investment shares for other than pure investment purposes. dip reports on matters such as the business performance and outlook of each issuer of its shares in possession to the Board of Directors, etc. on a regular basis to examine the relevance of the shareholdings.

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

When dip enters into a related party transaction, a prior report to the Board of Directors is made, and approval from the Board of Directors must be obtained in accordance with the "Related Party Transaction Guidelines" established by the Board of Directors. When approving such transactions, the Board of Directors compares the terms and conditions of the transaction with those of general transactions, etc., to prevent its deliberations from becoming arbitrary and ensures that the transaction

is not unfavorable to the Company.

Individuals who conduct such transactions must report the details to the Audit & Supervisory Committee to receive an audit on the legality of the transaction.

Furthermore, dip requires its board directors to submit a “Confirmation on Related Party Transactions” on a quarterly basis to ensure the effectiveness of the above Guidelines.

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

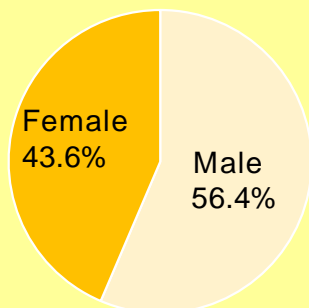
dip appoints personnel based on their capabilities and performance, irrespective of their gender or nationality. We believe that it is important to respect diverse viewpoints and values in order to realize medium and long-term increase in corporate value, and we are actively recruiting human resources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

In addition, we have welcomed many new graduates every year, placing great importance on their development, and giving them opportunities to play an active role regardless of gender. Consequently, as of February 2023, the percentage of women in management positions is 43.6% for employees promoted from new graduates to management positions, and 34.5% overall, including mid-career hires. Going forward, we will continue to set important management indicators for promoting the activities of female managers, such as employee satisfaction regarding the working styles of female managers, with the goal of first increasing the ratio of women among employees promoted from new graduates to managers to 50%.

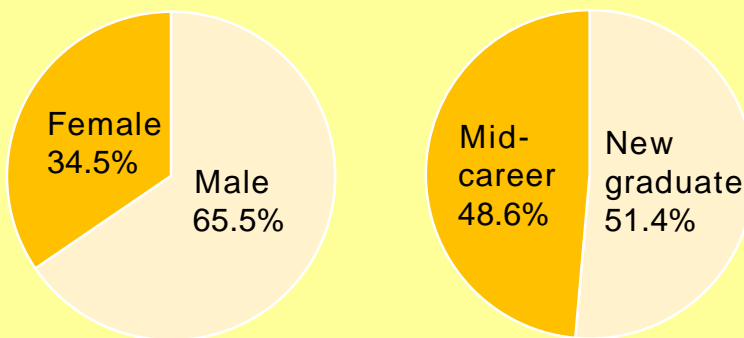
We are also actively promoting mid-career hires to management positions, and as of February 2023, mid-career hires accounted for 48.6% of all management positions. We will continue to create an environment in which all employees, regardless of whether they are new graduates or mid-career hires, can play an active role.

We will also be more proactive in promoting foreign nationals to management positions.

- Gender Ratio of Employees Promoted from New Graduate to Management Post



• Gender Ratio and New Graduate/Mid-Career Ratio of All Management Posts



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

(Promotion of Work Style Reforms and Diversity at Work)

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

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

dip has not introduced corporate pension funds. Note that dip has introduced a defined contribution pension plan for its employees' stable asset formation, and provides employees with education and training, such as internal seminars on asset formation and investment management.

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

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

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

Please refer to the following link for dip's philosophy.

< Philosophy >

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

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

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

(4) The appointment of board directors and Audit & Supervisory Committee members is decided by a resolution of the general meeting of shareholders in response to a proposal of candidates nominated by a resolution of the Board of Directors after the Representative Director, President and Chief Executive Officer (CEO) or another board director refers the candidates to the Board of Directors following confirmation that the candidates meet the basic policy for appointment as stated below.

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

Proposals on the appointment of Audit & Supervisory Committee members are submitted to the general meeting of shareholders after obtaining the consent of the Committee.

The Board of Directors decides the candidates after considering the appropriate balance of the diverse knowledge and experience expected of such board directors and Audit & Supervisory Committee members. It ensures that outside board directors account for at least two-thirds of the Board of Directors.

The basic policy for appointment is as stated below.

**<Executive directors and outside board directors (excluding those who are Audit & Supervisory Committee members ) >**

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

dip’s basic policy for appointing outside board directors requires the candidates to be able to oversee and supervise business management of the Company through important decision-making at the Board of Directors meetings, oversee whether there is any conflict of interest between the Company, management and controlling shareholders, and actively make recommendations concerning management policies and management improvements in order to advance medium/long-term corporate value. As of May 24, 2023, Mr. Kuniyoshi Mabuchi, Ms. Kanae Takeuchi, and Ms. Yuka

Shimada were appointed as outside board directors (excluding board directors who are Audit & Supervisory Committee members).

The dismissal of board directors (excluding those who are Audit & Supervisory Committee members) is decided by a resolution of the general meeting of shareholders after the Board of Directors passes a resolution on the candidate for dismissal following timely and appropriate deliberation in light of the basic policies on the appointment of executive directors and outside board directors.

### **<Board directors who are Audit & Supervisory Committee members>**

With the aim of reinforcing audit and supervisory functions, dip's basic policy for appointing board directors who are Audit & Supervisory Committee members is to appoint individuals with experience in corporate management, individuals with knowledge and experience in corporate finance, accounting and legal affairs as a certified public accountant, tax accountant or lawyer, or individuals with considerable knowledge and experience in risk management. As of May 24, 2023, Ms. Eriko Tanabe, Ms. Yukiko Imazu, and Ms. Misae Maruyama have been appointed as outside board director Audit & Supervisory Committee members.

The dismissal of board directors who are Audit & Supervisory Committee members is decided by a resolution of the general meeting of shareholders after the candidate for dismissal is decided by a resolution of the Board of Directors following its timely and appropriate deliberation in view of the basic policies on the appointment of board directors who are Audit & Supervisory Committee members.

(5) The reasons for the appointment of board directors (excluding those who are Audit & Supervisory Committee members) and board directors who are Audit & Supervisory Committee members are disclosed in the Notice of Convocation of the Annual General Meeting of Shareholders and the Securities Reports, among others.

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

<Initiatives on Sustainability>

Since our founding, we have been contributing to society by solving social issues through our business activities under our corporate philosophy of "tapping into dreams, ideas and passion to create a better society." In addition to our efforts to improve social issues related to employment in general, whether fixed term and permanent, and labor productivity, we will work to develop human resources, promote the advancement of women in the workplace, protect human rights, ensure DEI (diversity, equity, and inclusion), and address climate change to achieve continuous growth and advance corporate value further. By doing so, we will contribute to solving social issues and realize a

sustainable society.

Since 2019, we have proactively disclosed information on our activities concerning ESG (environment, society and governance). As a result, dip has been included in FTSE Blossom Japan Index, a stock index composed of Japanese companies that meet global ESG standards, for three consecutive years.

In March 2022, dip was included in the FTSE Blossom Japan Sector Relative Index, a new index created by FTSE Russell to evaluate companies' environmental load and initiatives to promote the transition to a decarbonized economy and address climate change. In June 2022, dip was selected as a constituent of MSCI Japan ESG Select Leaders Index, a major ESG index, and MSCI Japan Empowering Women Index (WIN) for the first time. This inclusion makes dip a constituent of all five indexes that have been adopted by the Government Pension Investment Fund (GPIF) for fund management. Furthermore, dip has been rated AA, the second highest, in MSCI's ESG rating.

For further details on dip's approach and initiatives on sustainability, please refer to our corporate website (<https://www.dip-net.co.jp/en/esg/>), Integrated Report, and Securities Report (available in Japanese only).

### <Initiatives Concerning Human Capital>

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

In March 2023, dip was recognized as one of the "White 500 Corporations for Excellent Health Management 2023," the top 500 "Corporations for Excellent Health Management 2023" selected by the Ministry of Economy, Trade and Industry and the Japan Health Council in recognition of their initiatives in health management.

For further details on dip's approach and initiatives on human capital, please refer to our corporate website (<https://www.dip-net.co.jp/en/esg/society/S003>), Integrated Report, and Securities Report (available in Japanese only).



<Disclosure Based on the TCFD Framework>

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

For further details on dip's TCFD initiatives, please refer to our corporate website (<https://www.dip-net.co.jp/en/esg/environment/E004>), Integrated Report, and Securities Report (available in Japanese only).

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

dip specifies in its Board of Director Regulations which matters must be decided by a resolution of the Board of Directors. Specifically, they include matters concerning the general meeting of shareholders, results, board directors, shares and bonds, basic management policies, human resources and the organization, assets and funds, subsidiaries, and other matters stipulated by law such as the Companies Act or any equivalent matters.

Following its transition to a company with an Audit & Supervisory Committee on May 24, 2023, dip has reviewed its scope of delegating authority over business execution to executive directors to establish a system that expedites decision-making and facilitates business execution by the executive directors. dip will continue to improve its business execution system by revising which matters should be delegated and the scope of delegation in accordance with the scale, importance and risks of the transaction.

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

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

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

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

In order to strengthen the independence, objectivity and accountability of the Board of Directors' functions, the Company has established the Nominating and Compensation Committee, which is an independent, voluntary advisory body to the Board of Directors, comprising independent outside directors in the majority. Entrusted by the Board of Directors, the Committee determines individual director compensation (excluding that for board directors who are Audit & Supervisory Committee members) and also deliberates and reports on matters related to director candidate nominations and director compensation in response to inquiries from the Board of Directors.

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

Based on a deliberation of the diversity and appropriate size of the Board of Directors, dip's Board of Directors consists of executive directors, who have deep knowledge of dip's business and operations and can conduct agile business execution, outside board directors (excluding board directors who are Audit & Supervisory Committee members), who can be expected to provide appropriate advice and supervision concerning business management of the Company based on a high level of expertise as well as a breadth of knowledge and experience, and board directors who are Audit & Supervisory Committee members, who can perform appropriate audits and supervision of the execution of duties by executive directors based on a high level of expertise as well as a breadth of knowledge and experience.

The basic policy concerning the Board of Directors is to decide the candidates upon considering the appropriate balance of the diverse knowledge and experience expected of the board directors and to have independent outside board directors account for at least two-thirds of the Board.

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

The basic policy for appointing independent outside board directors is to appoint individuals who can fulfill management oversight and supervisory functions through important decision-making at Board of Directors meetings as well as oversee any conflict of interest between the Company and its management and controlling shareholders, and actively make recommendations concerning management policies and management improvements to improve medium/long-term corporate value.

The basic policy for appointing board directors who are Audit & Supervisory Committee members is to appoint individuals with experience in corporate management, individuals with knowledge and experience in corporate finance, accounting, and legal affairs as a certified public accountant, tax accountant, or attorney, and individuals with considerable knowledge and experience in risk management, in order to reinforce audit and supervisory of executive directors' execution of duties.

dip's Board of Directors is well balanced and diverse in terms of knowledge, experience and capabilities as a result of appointing individuals with diverse and extensive experience as directors. We will strive to ensure that the Board functions effectively and efficiently by promoting in-depth

examinations and swift decision-making through active discussions.

The skill matrix of the Board of Directors and the Audit & Supervisory Committee is disclosed in the Notice of Convocation of Annual General Meeting of Shareholders, Securities Report (available in Japanese only), and on the final page of this Corporate Governance Report.

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

Outside Director Mr. Kuniyoshi Mabuchi concurrently serves as an outside board director of one listed company and outside board director who is an Audit & Supervisory Committee member of another listed company; however, we believe this to be a reasonable number of listed companies at which to concurrently serve as an officer. Outside Director Ms. Kanae Takeuchi concurrently serves as an outside board director of one listed company; however, we believe this to be a reasonable number of listed companies at which to concurrently serve as an officer. Mr. Mabuchi and Ms. Takeuchi are vigorously engaged in their duties at the Company, such as actively making recommendations on the Company's business and operations at the Board of Directors meetings and the Nomination and Compensation Committee.

Ms. Yuka Shimada, who was newly appointed as an outside board director at the 26th Annual General Meeting of Shareholders held on May 24, 2023, does not concurrently serve as an officer of other listed companies.

Ms. Eriko Tanabe, who was newly appointed as an outside board director who is an Audit & Supervisory Committee member at the 26th Annual General Meeting of Shareholders held on May 24, 2023, does not concurrently serve as an officer of other listed companies. Ms. Yukiko Imazu, who was newly appointed as an outside board director who is an Audit & Supervisory Committee member on the same date, concurrently serves as an outside auditor of one listed company and an outside board director of another listed company. Ms. Misae Maruyama, who was newly appointed as an outside board director who is an Audit & Supervisory Committee member on the same date, concurrently serves as an outside full-time auditor of one listed company; however, we believe the above to be a reasonable number of listed companies at which to concurrently serve as an officer.

The concurrent positions held by dip's board directors (excluding those who are Audit & Supervisory Committee members) and board directors who are Audit & Supervisory Committee members as officers in other listed companies are stated in the Notice of Convocation of Annual General Meeting of Shareholders and Securities Reports (available in Japanese only).

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

In order to improve the effectiveness of our Board of Directors, an evaluation is carried out on a yearly basis. In May 2022, interviews with all board directors and corporate auditors were conducted to evaluate the effectiveness of dip's Board of Directors and analyze issues surrounding the current

situation. As a result, the Board of Directors has been evaluated to be highly effective, fulfilling appropriate roles and responsibilities in supervision and decision-making relating to the execution of duties. Based on the results of the analysis, dip has formulated and implemented measures to further improve the effectiveness of the Board. The specific initiatives based on the effectiveness evaluation in May 2022 are as detailed below. Going forward, dip will strive to improve the effectiveness of the Board by considering, formulating, and implementing measures by around June 2023 for further improvement of the Board's effectiveness.

<Initiatives based on the effectiveness evaluation in May 2022>

- Consideration of the corporate governance structure

- (1) dip has transitioned from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee with the resolution of the 26th Annual General Meeting of Shareholders held on May 24, 2023. Its aim is to strengthen the auditing and supervision of executive directors and further enhance its system of corporate governance by making Audit & Supervisory Committee members, who are responsible for auditing the execution of duties by board directors, members of the Board of Directors.
- (2) Based on a deliberation of the diversity and appropriate size of the Board of Directors, dip's Board of Directors consists of executive directors, who have deep knowledge of dip's business and operations and can conduct agile business execution, outside board directors (excluding board directors who are Audit & Supervisory Committee members), who can be expected to provide appropriate advice and supervision concerning business management of the Company based on a high level of expertise as well as a breadth of knowledge and experience, and board directors who are Audit & Supervisory Committee members, who can perform appropriate audits and supervision of the execution of duties by executive directors based on a high level of expertise as well as a breadth of knowledge and experience. We have ensured that independent outside board directors account for two-thirds of the Board of Directors by appointing six outside board directors among the nine board directors.
- (3) We have reinforced the involvement of independent outside board directors in the nomination of board directors and the decision of their compensation by making all independent outside board directors members of the voluntary Nomination and Compensation Committee.

- Establishment of an internal control and risk-taking environment

We have established risk assessment items to perform appropriate risk assessment of information assets held by the Company.

- Support for discussion and the enhancement of discussions at Board meetings

We have developed an environment that facilitates in-depth discussions at Board meetings by establishing discussion items as agenda items of the Board of Directors.

- Practical operation of successor plans

We have selected candidates for corporate officers and provided training to reinforce the executive system.

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

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

Outside board directors also strive to acquire and enhance their knowledge by conducting meetings with corporate officers and discussing business strategies and service development.

dip assists board directors who are Audit & Supervisory Committee members in joining the Japan Audit & Supervisory Board Members Association so that they can enhance their expertise and better enable them to perform the roles and functions required of their position by obtaining the latest information provided by the Association.

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

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

## 2. Capital Structure

Percentage of shares held by foreign investors	20% or more but less than 30%
--	-------------------------------

### [Major Shareholders] (Updated)

Name	Number of shares held	Percentage
Authenticity Inc.	20,340,000	35.44
The Master Trust Bank of Japan, Ltd. (Trust account)	10,785,000	18.79

## CORPORATE GOVERNANCE

Custody Bank of Japan, Ltd. (Trust account)	2,988,900	5.21
SSBTC CLIENT OMNIBUS ACCOUNT	1,682,164	2.93
SMBC Nikko Securities Inc.	1,673,611	2.92
The Master Trust Bank of Japan, Ltd. (ESOP trust account 75525)	1,477,075	2.57
THE BANK OF NEW YORK MELLON 140044	952,830	1.66
Custody Bank of Japan, Ltd. (Pension & tokkin account)	572,500	1.00
NORTHERN TRUST CO. (AVFC) RE FIDELITY FUNDS	542,600	0.95
STATE STREET LONDON CARE OF STATE STREET BANK AND TRUST, BOSTON SSBTC A/C UK LONDON BRANCH CLIENTS – UNITED KINGDOM	535,700	0.93

Name of controlling shareholder (excluding parent company)	—
--	---

Existence of parent company	None
-----------------------------	------

### Supplementary Information

- In addition to the above, there are 2,744,528 shares of treasury stock held by the Company. Treasury stock has been deducted from the calculation of the percentage of shares held indicated under “Major Shareholders.”
- 2,744,528 shares of treasury stock do not include 1,568,537 dip shares held by the Master Trust Bank of Japan, Ltd. (1,477,075 shares held in the ESOP trust account and 91,462 shares held in the BIP trust account).
- Authenticity Inc. is an asset management company of Hideki Tomita, Representative Director, President and CEO. The company was renamed from EKYT Co., Ltd. on October 3, 2022.
- It is stated in the change report that is open to the public as of May 20, 2022, that FMR LLC owns the following shares as of May 13, 2022. However, since the number of shares actually owned as of February 28, 2023, cannot be confirmed by the Company, it is not included in the list of major shareholders above.

The details stated in the change report are as follows.

Name	Address	Number of share certificates held	Shareholding ratio
------	---------	-----------------------------------	--------------------

## CORPORATE GOVERNANCE

		(shares)	(%)
FMR LLC	245 Summer Street, Boston, Massachusetts 02210, USA	2,573,297	4.28

5. It is stated in the change report that is open to the public as of September 29, 2022, that Capital Research and Management Company and four other joint holders own the following shares as of September 21, 2022. However, since the number of shares actually owned as of February 28, 2023, cannot be confirmed by the Company, they are not included in the list of major shareholders above.

The details stated in the change report are as follows.

Name	Address	Number of share certificates held (shares)	Shareholding ratio (%)
Capital Research and Management Company	333 South Hope Street, Los Angeles, CA 90071, U.S.A.	3,341,000	5.56
Capital International Inc.	11100 Santa Monica Boulevard, 15th Fl., Los Angeles, CA 90025, U.S.A.	243,500	0.40
Capital International Sarl	3 Place des Bergues, 1201 Geneva, Switzerland	315,300	0.52
Capital International K.K.	Meiji Yasuda Seimei Building 2-1-1, Marunouchi, Chiyoda-ku, Tokyo	2,486,200	4.13
Capital Group Investment Management Pte. Ltd.	1 Raffles Quay, #43-00, Singapore (048583)	145,200	0.24

6. It is stated in the change report that is open to the public as of October 19, 2022, that AllianceBernstein L.P. owns the following shares as of October 14, 2022. However, since the number of shares actually owned as of February 28, 2023, cannot be confirmed by the Company, it is not included in the list of major shareholders above.

The details stated in the change report are as follows.

Name	Address	Number of share certificates held (shares)	Shareholding ratio (%)
AllianceBernstein L.P.	501 Commerce Street,	2,348,541	3.91

## CORPORATE GOVERNANCE

	Nashville, TN 37203, U.S.A.		
<p>7. It is stated in the change report that is open to the public as of February 22, 2023, that FIL Investments (Japan) Limited owns the following shares as of February 15, 2023. However, since the number of shares actually owned as of February 28, 2023, cannot be confirmed by the Company, it is not included in the list of the major shareholders above.</p> <p>The details stated in the change report are as follows.</p>			
Name	Address	Number of share certificates held (shares)	Shareholding ratio (%)
FIL Investments (Japan) Limited	7-7-7 Roppongi, Minato-ku, Tokyo	4,186,400	6.96

### 3. Corporate Attributes

Stock exchange and section	Prime Market
Fiscal year-end	February
Industry	Services
Number of employees at the end of the previous fiscal year (consolidated)	More than 1,000
Net sales during the previous fiscal year (consolidated)	More than ¥10 billion but less than ¥100 billion
Number of consolidated subsidiaries at the end of the previous fiscal year	Less than 10

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

—

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

—

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

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

Organizational form	Company with Audit & Supervisory Committee
---------------------	--



## CORPORATE GOVERNANCE

### [Board Directors]

Number of board directors in Articles of Incorporation (Updated)	Board directors (excluding those who are Audit & Supervisory Committee members): 11 Board directors who are Audit & Supervisory Committee members: 5
Term of office for board directors in Articles of Incorporation (Updated)	Board directors (excluding those who are Audit & Supervisory Committee members): 1 year Board directors who are Audit & Supervisory Committee members: 2 years
Chairperson of the Board of Directors	President
Number of board directors (Updated)	9
Appointment of outside board director	Appointed
Number of outside board directors (Updated)	6
Number of outside board directors designated as independent officer (Updated)	6

### Relationship with the Company (1) (Updated)

Name	Association	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k		
Kuniyoshi Mabuchi	From another company													
Kanae Takeuchi	From another company													
Yuka Shimada	From another company													
Eriko Tanabe	From another company													
Yukiko Imazu	Attorney													
Misae Maruyama	Certified public accountant													

\* Choices regarding relationship with the Company.

- An executive of a listed company or its subsidiary
- An executive or a non-executive director of the parent company of a listed company
- An executive of a sister company of a listed company
- An individual whose major business client is a listed company or an executive of such individual
- A major business client of a listed company or an executive of such business client
- A consultant, accounting specialist, or legal professional who receives a substantial amount of money or assets in addition to the customary remuneration from a listed company
- A major shareholder of a listed company (In the case that such major shareholder is a corporation, an executive thereof)
- An executive of a business client (that does not fall under any of (d), (e), or (f)) of a listed company [This applies to

## CORPORATE GOVERNANCE

the individual only.]

i. An executive of a company whose outside officers are mutually assigned [This applies to the individual only.]

j. An executive of a company to which a listed company donates products, services, or money (This applies to the individual only.)

k. Other

### Relationship with the Company (2) (Updated)

Name	Independent director	Supplementary information	Reason for appointment
Kuniyoshi Mabuchi	○	No material fact to report	Mr. Kuniyoshi Mabuchi promotes the reinforcement of the corporate governance system based on his extensive management experience and profound insight as the manager of multiple business corporations, including global companies. He also has extensive experience and a high level of knowledge in the latest technologies, such as digital marketing, AI/metaverse, and web 3. In addition to oversight and supervisory functions as outside board director, we expect him continue leveraging his extensive experience in corporate management to provide advice and recommendations on ensuring transparency of the management system and in the areas of marketing and technology.

## CORPORATE GOVERNANCE

			<p>Mr. Mabuchi has been designated as an independent officer of dip since there is no risk of a conflict of interest with general shareholders as he meets the Tokyo Stock Exchange's criteria for independence.</p>
Kanae Takeuchi	○	No material fact to report	<p>Ms. Kanae Takeuchi has a high level of knowledge in a broad range of social issues, including the advancement of women in the workplace, through her extensive experience as a broadcaster for news programs and interviewer of corporate executives. She contributes to active discussions at Board meetings by pointing out issues and providing recommendations on compliance and risk management from an objective standpoint fostered by her extensive experience. In addition to oversight and supervisory functions as an outside board director, we expect her to continue leveraging her extensive insight in social issues to provide valuable advice on social issues that dip strives to tackle, as well as advice</p>

## CORPORATE GOVERNANCE

			<p>and recommendations for reinforcing compliance and risk management.</p> <p>Ms. Takeuchi has been designated as an independent officer of dip since there is no risk of a conflict of interest with general shareholders as she meets the Tokyo Stock Exchange's criteria for independence.</p>
Yuka Shimada	○	No material fact to report	<p>Ms. Yuka Shimada has been supporting the establishment of a corporate culture as a personnel and administration manager of a global firm. As a manager of a company, she also works to instill well-being (a healthy and sound state of mind and body) throughout Japanese companies and society, and has extensive experience and profound insight in the matter. In addition to oversight and supervisory functions as an outside board director, we expect her to provide valuable advice and recommendations on health and productivity management and our initiatives to enhance the well-being of our employees</p>

## CORPORATE GOVERNANCE

			<p>so that we can hire many people now and in the future and continue to grow sustainably.</p> <p>Ms. Yuka Shimada has been designated as an independent officer of dip since there is no risk of a conflict of interest with general shareholders as she meets the Tokyo Stock Exchange's criteria for independence.</p>
Eriko Tanabe	○	No material fact to report	<p>Having engaged in numerous projects centering on the IT field at TEMPSTAFF CO., LTD. (now PERSOL TEMPSTAFF CO., LTD.), including the construction of websites and online systems provided by said company, Ms. Eriko Tanabe has extensive experience in business and risk management. Since May 2019, she has, as an outside board director of dip, provided advice and recommendations and exercised oversight and supervisory functions on technology, risk management, and corporate management in general, including the advancement of women in the workplace.</p>

## CORPORATE GOVERNANCE

			<p>We expect her to continue leveraging her broad insight gained through her past experience and roles in the supervision of dip's business management to strengthen the decision-making functions of the Board of Directors and audit and supervisory functions from an independent standpoint. Ms. Tanabe has been designated as an independent officer of dip since there is no risk of a conflict of interest with general shareholders as she meets the Tokyo Stock Exchange's criteria for independence.</p>
Yukiko Imazu		No material fact to report	<p>As an attorney, Ms. Yukiko Imazu has extensive experience and profound insight in personnel and labor affairs as well as corporate legal affairs, such as in the governance area, and risk management. As a female partner of her law firm, she is also engaged in the advancement of women in the workplace. Since May 2022, she has, as an outside board director of dip, exercised oversight and supervisory over corporate</p>

## CORPORATE GOVERNANCE

			<p>management in general based on her extensive experience and profound insight. We expect her to continue providing advice and recommendations on corporate governance, risk management, and the advancement of women in the workplace from an independent standpoint and strengthening audit and supervisory functions.</p> <p>Ms. Imazu has been designated as an independent officer of dip since we have deemed that there is no risk of a conflict of interest with general shareholders as she is not involved in dip's business and does not receive remuneration from dip as a consultant, accounting specialist, or legal professional in addition to the customary remuneration.</p>
Misae Maruyama		No material fact to report	<p>As a certified public accountant, Ms. Misae Maruyama maintains a fair and unbiased attitude at all times and possesses a high level of expertise and practical experience. She also has deep knowledge in corporate finance,</p>

## CORPORATE GOVERNANCE

			<p>accounting, and tax affairs through her experience of serving as outside auditors of other companies. We expect her to leverage her broad insight gained through her past experience and roles in the supervision of dip's business management to strengthen the decision-making functions of the Board of Directors and audit and supervisory functions. Ms. Maruyama has been designated as an independent officer of dip since there is no risk of a conflict of interest with general shareholders as she meets the Tokyo Stock Exchange's criteria for independence.</p>
--	--	--	--

[Audit & Supervisory Committee]

Composition of Committee Members and Attribute of Chairperson (Updated)

	No. of committee members	No. of full-time committee members	No. of internal board directors	No. of outside board directors	Chairperson
Audit & Supervisory Committee	4	1	1	3	Internal board director

Existence of a board director and employee to support the duties of the Audit & Supervisory Committee (Updated)	Yes
---	-----



## CORPORATE GOVERNANCE

Matter Concerning the Independence of Said Board Director and Employee from Executive Directors

(Updated)

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

Cooperation among the Audit & Supervisory Committee, Accounting Auditor and Internal Audit Section

(Updated)

The Audit & Supervisory Committee holds meetings with the accounting auditor or the Internal Audit and Control Office on a timely basis to exchange opinions and share information as well as request a report from the accounting auditor or the Internal Audit and Control Office as needed. During the process of and after the completion of audit by the accounting auditor, the Audit & Supervisory Committee receives a report on the findings of the audit.

[Voluntary Committee]

Existence of voluntary committee equivalent to a nominating committee or compensation committee	Yes
---	-----

Establishment of Voluntary Committee, Composition of Committee Members and Attribute of Chairperson

Voluntary committee equivalent to nominating committee (Updated)

Name of committee			Nomination and Compensation Committee			
No. of committee members	No. of full-time committee members	No. of internal board directors	No. of outside board directors	No. of internal experts	No. of other persons	Chairperson
7	0	1	6	0	0	Outside board director

Voluntary committee equivalent to compensation committee

Name of committee			Nomination and Compensation Committee			
No. of committee	No. of full-time	No. of internal	No. of outside	No. of internal	No. of other	Chairperson

## CORPORATE GOVERNANCE

members	committee members	board directors	board directors	experts	persons	
7	0	1	6	0	0	Outside board director

### Supplementary Information (Updated)

Entrusted by the Board of Directors, the Nomination and Compensation Committee determines individual director compensation (excluding that for board directors who are Audit & Supervisory Committee members) and also deliberates and reports on matters related to director nominations and compensation in response to inquiries from the Board of Directors. The Committee is composed of the Representative Director, President and CEO and independent outside board directors, who shall account for the majority of the members. The Committee members as of May 24, 2023, are Hideki Tomita, Representative Director, President and CEO; Kuniyoshi Mabuchi, Kanae Takeuchi, and Yuka Shimada, Independent Outside Directors; and Eriko Tanabe, Yukiko Imazu, and Misae Maruyama, Independent Outside Director Audit & Supervisory Committee Members. An independent outside board director is to serve as chairperson.

Attendance at Nomination and Compensation Committee meetings during the fiscal year ended February 2023 is as follows:

(Attendance at Nomination and Compensation Committee meetings during the fiscal year ended February 2023)

	No. of meetings attended	Attendance rate
Hideki Tomita	4 out of 4	100%
Eriko Tanabe	4 out of 4	100%
Kuniyoshi Mabuchi	4 out of 4	100%
Kanae Takeuchi	1 out of 1	100%

Note: Ms. Kanae Takeuchi was newly elected as board director at the 25th Annual General Meeting of Shareholders held on May 24, 2022, and assumed the posts of board director and Nomination and Compensation Committee member on the same day. Therefore, the number of meetings she attended is the number of meetings held on and after said date.

### [Independent Officers]

Number of independent officers (Updated)	6
--	---

Other Matters related to Independent Officers

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

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

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

In addition to the above criteria, outside board directors are required to possess extensive knowledge and experience necessary for auditing and supervising the status of Group directors' compliance with laws and business management.

[Incentives]

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

Supplementary Information (Updated)

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

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

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

We have established a Malus clause, which cancels the right of an eligible director to receive said performance-linked, share-based compensation in the event of a serious violation of duties or internal regulations during the term of office of the director. In addition, a clawback clause has been established, enabling the Company to demand the return of said share-based compensation if the fact of said violation is discovered after the compensation has been provided.

The restricted stock compensation adopts net sales and operating income, which are dip's key managerial indicators, as performance indicators. The restrictions will be lifted in accordance with the achievement of performance targets, which will be disclosed in the financial results report for the fiscal year ending February 28, 2027.

A clawback clause has been established, enabling the Company to demand the return of said restricted stock compensation in the event of a serious violation of duties or internal regulations during the term of office of the eligible director.

Grantees of stock options	Employees
---------------------------	-----------

Supplementary Information

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

[Directors' Compensation]

Disclosure status	Individual compensation for only some of the board
-------------------	--

	directors is disclosed.
--	-------------------------

Supplementary Information (Updated)

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

<p>Existence of a policy for determining the amount or calculation of compensation (Updated)</p>	<p>Yes</p>
--	------------

Disclosure of Policy for Determining the Amount or Calculation of Compensation

(1) Basic policy

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

The policy for determining the amount of compensation for individual board directors is set forth under the above basic policy. The outline is as described below. Said determination policy is decided by resolution of the Board of Directors based on a report by the Nomination and Compensation Committee, an advisory body to the Board of Directors chaired by an independent outside board director and consists of independent outside board directors in the majority.

The Board of Directors has confirmed that the determination method and the determined details of board directors' individual compensation for the fiscal year under review are consistent with the determination policy and deems that they are in line with the determination policy.

<Executive directors>

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

The base amount of the base compensation is the base compensation of the representative director, president and CEO. The base compensation and is determined by multiplying the base amount by a coefficient for each managerial position prescribed by internal rules.

<Outside board directors and Audit & Supervisory Committee members>

Compensation for outside board directors and Audit & Supervisory Committee members consists solely of cash compensation as the base compensation, in principle, to ensure the effectiveness and

impartiality of supervision and audit.

<Policy for each managerial position>

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

(2) Policy concerning performance-linked compensation (non-cash compensation) and its percentage relative to base compensation

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

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

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

The restricted stock compensation adopts net sales and operating income, which are dip's key managerial indicators, as performance indicators. The restrictions will be lifted in accordance with the achievement of performance targets, which will be disclosed in the financial results report for the fiscal year ending February 28, 2027.

(Target and actual performance for the fiscal year under review)

The target and actual net sales and operating income used for calculating performance-linked compensation (BIP trust) are as follows:

Indicator	Target	Actual
Net sales (million yen)	51,953	49,378
Operating income (million yen)	12,303	11,991

(3) Policy concerning the timing and conditions for granting compensation

- Timing of granting compensation

Type of compensation		Timing
Base compensation		Annual salary (monthly payment)
Performance-linked compensation	BIP trust	At retirement
	Restricted stock compensation	When restrictions have been lifted

• Conditions for compensation

(BIP trust)

Regarding the BIP trust, eligible directors who have satisfied the prescribed requirements are granted 50% of the dip shares that correspond to their stock delivery points and cash equivalent to the amount converted to cash within the trust for the remaining 50% of dip shares as said performance-linked share-based compensation.

We have established a Malus clause, which cancels the right of an eligible director to receive said performance-linked, share-based compensation in the event of a serious violation of duties or internal regulations during the term of office of the director. In addition, a clawback clause has been established, enabling the Company to demand the return of said share-based compensation if the fact of said violation is discovered after the compensation has been provided.

(Restricted stock compensation)

Enrollment conditions and performance-linked conditions are imposed on restricted stock compensation until the lifting of restrictions.

A clawback clause has been established, enabling the Company to demand the return of said restricted stock compensation in the event of a serious violation of duties or internal regulations during the term of office of the eligible director.

(4) Matters concerning the delegation of the determination of compensation

• Determination of customary remuneration for officers

dip's policy for officers' customary remuneration is determined by its Board of Directors in view of a report by the Nomination and Compensation Committee.

• Determination of the base compensation amount

From the perspective of improving objectivity and transparency, the base compensation is determined by the Nomination and Compensation Committee, which is entrusted by dip's Board of Directors, within the limit of compensation established by resolution of the general meeting of shareholders, taking into consideration the officer's managerial position (including the coefficient prescribed by internal rules), responsibilities, and contribution to business performance. The constituents of the Committee are Hideki Tomita, Representative Director, President and CEO; Kuniyoshi Mabuchi, Kanae Takeuchi, and Yuka Shimada, Independent Outside Directors; and Eriko

Tanabe, Yukiko Imazu, and Misae Maruyama, Independent Outside Director Audit & Supervisory Committee Members.

- Determination of performance-linked compensation

The BIP trust is determined separately from the base compensation by resolution of the Board of Directors within the limit of resolution of the general meeting of shareholders.

The restricted stock compensation is determined separately from the base compensation by resolution of the Board of Directors within the limit of resolution of the general meeting of shareholders.

#### (5) Procedures of the Nomination and Compensation Committee

Entrusted by the Board of Directors, the voluntary Nomination and Compensation Committee determines individual director compensation (base amount and coefficients determined for each position) and also deliberates and reports on matters related to director nominations and compensation in response to inquiries from the Board of Directors. The Committee comprises the representative director, president and CEO and independent outside board directors, who must account for a majority.

#### [Support System for Outside Board Directors]

The secretariat of the Board of Directors is in charge of supporting outside board directors. If briefings to outside board directors are required before meetings of the Board of Directors, the necessary information is communicated by the secretariat of the Board of Directors. A system has also been established to enable outside board directors to gather information using an internal communication tool.

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

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

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

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

Other Matters



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

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

(Updated)

dip has transitioned from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee with the resolution of the 26th Annual General Meeting of Shareholders held on May 24, 2023. Its aim is to strengthen the auditing and supervision of executive directors and further enhance its system of corporate governance by making Audit & Supervisory Committee members, who are responsible for auditing the execution of duties by board directors, members of the Board of Directors.

#### (1) Board of Directors

The Board of Directors, which is the management decision-making organ, consists of nine directors who possess a high degree of expertise and broad knowledge based on extensive experience. Board meetings are held on a monthly basis, in principle, and extraordinary Board meetings are held when needed to discuss and decide important management matters. By having two-thirds of the Board (six of the nine board directors) consist of outside directors, whose standpoints are independent of the management and controlling shareholders, we will strive to enhance supervision of management.

Chairperson: Hideki Tomita, Representative Director, President and CEO

Board members: Masatsugu Shidachi, Representative Director and COO; Kuniyoshi Mabuchi, Kanae Takeuchi, and Yuka Shimada, Outside Directors; Tsuneyo Otomo, Director Full-Time Corporate Auditor; and Eriko Tanabe, Yukiko Imazu, and Misae Maruyama, Outside Director Audit & Supervisory Committee Members

#### (2) Audit & Supervisory Committee

The Audit & Supervisory Committee consists of four Audit & Supervisory Committee members who possess a high degree of expertise and broad knowledge based on extensive experience. Three of the four members are outside board director Audit & Supervisory Committee members. Committee meetings are held on a monthly basis, in principle, and extraordinary Committee meetings are held when needed. The Audit & Supervisory Committee discusses matters stipulated by law and the Articles of Incorporation and significant audit operations in accordance with the audit policy set forth

by the Committee. It also strives to enhance the system for audit and supervision, Board directors who are Audit & Supervisory Committee members attend important meetings, such as Board meetings, to audit the legality and supervise the adequacy of board directors' execution of duties.

Chairperson: Tsuneyo Otomo, Director Full-Time Audit & Supervisory Committee Member

Committee members: Eriko Tanabe, Yukiko Imazu, and Misae Maruyama, Outside Director Audit & Supervisory Committee Members

### (3) Voluntary Nomination and Compensation Committee

The Nomination and Compensation Committee, a voluntary advisory body to the Board of Directors, deliberates and reports on matters related to director nominations and compensation in response to inquiries from the Board of Directors.

The Committee comprises the representative director, president and CEO and independent outside board directors. The latter must account for a majority of the Committee members, and the Committee must be chaired by an independent outside board director.

Chairperson: Kuniyoshi Mabuchi, Independent Outside Director

Committee members: Hideki Tomita, Representative Director, President and CEO; Kanae Takeuchi and Yuka Shimada, Independent Outside Directors; and Eriko Tanabe, Yukiko Imazu, and Misae Maruyama, Independent Outside Director Audit & Supervisory Committee Members

### (4) Accounting auditor

- Name of audit firm: KPMG AZSA LLC
- Consecutive period of auditing: 13
- Names of certified public accountants involved in auditing:

Nobuyuki Ishii, Partner

Hiroshi Uekusa, Partner

### 3. Reason for Selecting the Current Corporate Governance System (Updated)

dip has selected the system of a company with an Audit & Supervisory Committee to strengthen the auditing and supervision of executive directors and further enhance its system of corporate governance by making Audit & Supervisory Committee members, who are responsible for auditing the execution of duties by board directors, members of the Board of Directors.

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

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

## CORPORATE GOVERNANCE

(Updated)

	Supplementary information
Early delivery of notice of convocation of general meeting of shareholders	dip sends out notices of convocation of its general meeting of shareholders at least 22 days prior to the date of the meeting to ensure that shareholders have sufficient time to examine the agendas of the meeting, while simultaneously making efforts to guarantee the accuracy of the information. It discloses the contents of the notice of convocation on TDnet and the Company's corporate website.
Setting the date to avoid conflict with other shareholders' meetings	dip sets the date of its general meetings of shareholders to avoid conflict with other shareholders' meetings.
Exercise of voting rights by electronic means	dip uses the electronic voting system operated by Mitsubishi UFJ Trust and Banking.
Participation in electronic voting platforms and other initiatives to improve institutional investors' voting environment	dip participates in electronic voting platforms to facilitate the exercise of voting rights by institutional investors and overseas investors.
Provision of notice of convocation (summary) in English	dip discloses a summary convocation notice in English on TDnet and the Company's corporate website at least 22 days prior to the date of the meeting, simultaneously with the Japanese version.

### 2. Investor Relations (IR) Activities (Updated)

	Supplementary information	Explanation by the representative of dip
Creation and announcement of disclosure policy	dip has created an IR policy in order to engage in constructive dialogue with its shareholders. Details of the policy are posted on dip's corporate website. <a href="https://www.dip-net.co.jp/en/ir/attention/disclosure">https://www.dip-net.co.jp/en/ir/attention/disclosure</a>	

## CORPORATE GOVERNANCE

Holding regular meetings for analysts and institutional investors	dip holds results presentations for analysts and institutional investors on a quarterly basis on the day of the results announcement.	Yes
Disclosure of IR materials on website	dip has set up a page dedicated to IR on its corporate website where the latest and past timely disclosure materials, such as financial results, and materials related to results announcements (presentation materials, fact sheets, etc.) can be found. <a href="https://www.dip-net.co.jp/en/ir">https://www.dip-net.co.jp/en/ir</a> English versions of the timely disclosure materials and materials related to results announcements are also disclosed simultaneously with the Japanese versions. <a href="https://www.dip-net.co.jp/en/ir">https://www.dip-net.co.jp/en/ir</a>	
Establishment of IR department (officer)	dip has established the IR Team under the Business Planning Division, Corporate Management Group as the department in charge of IR.	

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

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

## IV. Matters concerning the Internal Control System

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

1. Ensuring Director and Employee Compliance with Laws, Regulations and Articles of Incorporation

(1) dip has established a Basic Policy on Compliance and takes steps to instill the policy among all board directors and employees to ensure that their execution of duties complies with laws, regulations and the Articles of Incorporation as well as enabling them to execute their duties while respecting social responsibilities and corporate ethics.

(2) dip has independent outside board directors account for two-thirds of its Board of Directors to strengthen oversight functions concerning the fairness of execution of duties.

(3) The Legal Affairs Division, Corporate Management Group is responsible for compliance and the maintenance and improvement of the compliance system. Specifically, it offers regular training programs as well as creating and distributing manuals to board directors and employees in order to improve knowledge and awareness related to compliance.

(4) dip has developed a whistle-blowing system for employees with the aim of detecting violations of laws and the Articles of Incorporation quickly and redressing them.

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

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

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

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

### 3. Rules and Other Systems for Risk Management

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

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

The CEO, COO, CBO, CIO, CTO, CHO, CFO, Service Officer, and heads of groups conduct careful and flexible decision-making according to the decision-making authority stipulated in internal rules. In addition, dip ensures efficient decision-making by the Board of Directors, the CEO, COO, CBO, CIO, CTO, CHO, CFO, Service Officer, and heads of groups by deliberating matters at Corporate Officers Meetings and Strategy Promotion Council meetings to identify managerial issues at an early stage.

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

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

(1) The Group emphasizes the importance of the Basic Policy on Compliance stipulated by dip to all employees in order to establish a compliance system for the entire Group.

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

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

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

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

### 6. Ensuring the Reliability of Financial Reporting

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

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

dip assigns personnel to support the execution of duties of the Audit & Supervisory Committee at the Committee's request or instruction. In such cases, the impartiality of such personnel will be retained so that they will not be subject to instructions or orders from anyone other than Audit &

Supervisory Committee members and to ensure the effectiveness of the auditors' instructions. The opinions of the Audit & Supervisory Committee are respected when conducting personnel changes or evaluations of such personnel.

### 8. Systems Designed to Enable Directors and Employees to Report to the Audit & Supervisory Committee and Other Systems concerning the Reporting to the Audit & Supervisory Committee

In the event of an emergence of a fact that causes substantial damage to the Group or a risk thereof, or an occurrence of a situation that significantly discredits the Group, a material defect or problem concerning the system or procedures of internal control, a violation of law or other illegal act, or a material unjust act, the board directors and employees of the Group immediately report to the Audit & Supervisory Committee in writing or orally. Furthermore, Audit & Supervisory Committee members are allowed to inspect the minutes and proceedings documents of various meetings such as the Corporate Officers Meeting and request reports from the Group's board directors and employees.

The Internal Audit Office, which is in charge of the whistleblowing system, reports to the Audit & Supervisory Committee on the status of whistleblowing within the Group on a regular basis.

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

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

### 10. Matters concerning Policies on the Handling of Expenses or Debts Resulting from the Execution of Duties by Audit & Supervisory Committee Members, including Procedures for Advance Payment or Indemnification of Expenses

When a Audit & Supervisory Committee member requests dip indemnification of expenses resulting from the execution of his/her duties pursuant to Article 399-2, paragraph (4) of the Companies Act, dip responds to such request except in cases where it proves that such request is not necessary for the execution of the duties of such Audit & Supervisory Committee member.

### 11. Ensuring Effective Auditing by the Audit & Supervisory Committee

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

(2) In addition to Audit & Supervisory Committee meetings, the Audit & Supervisory Committee members hold meetings as needed.

(3) The Audit & Supervisory Committee meets with the accounting auditor or the Internal Audit and Control Office on a timely basis to exchange opinions and information and request a report from the

accounting auditor or the Internal Audit and Control Office as needed.

(4) The Audit & Supervisory Committee receives reports from external experts (lawyers, tax accountants, etc.) on risks facing the Group in meetings with such parties.

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

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

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

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

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

**V. Others**

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

Adoption of anti-takeover measures	No
------------------------------------	----

Supplementary Information

—
---

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

<System for Information Disclosure>

**1. Basic Approach to Timely Disclosure**

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

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

Information disclosed at briefings or individual meetings will be limited to facts disclosed to the



# CORPORATE GOVERNANCE

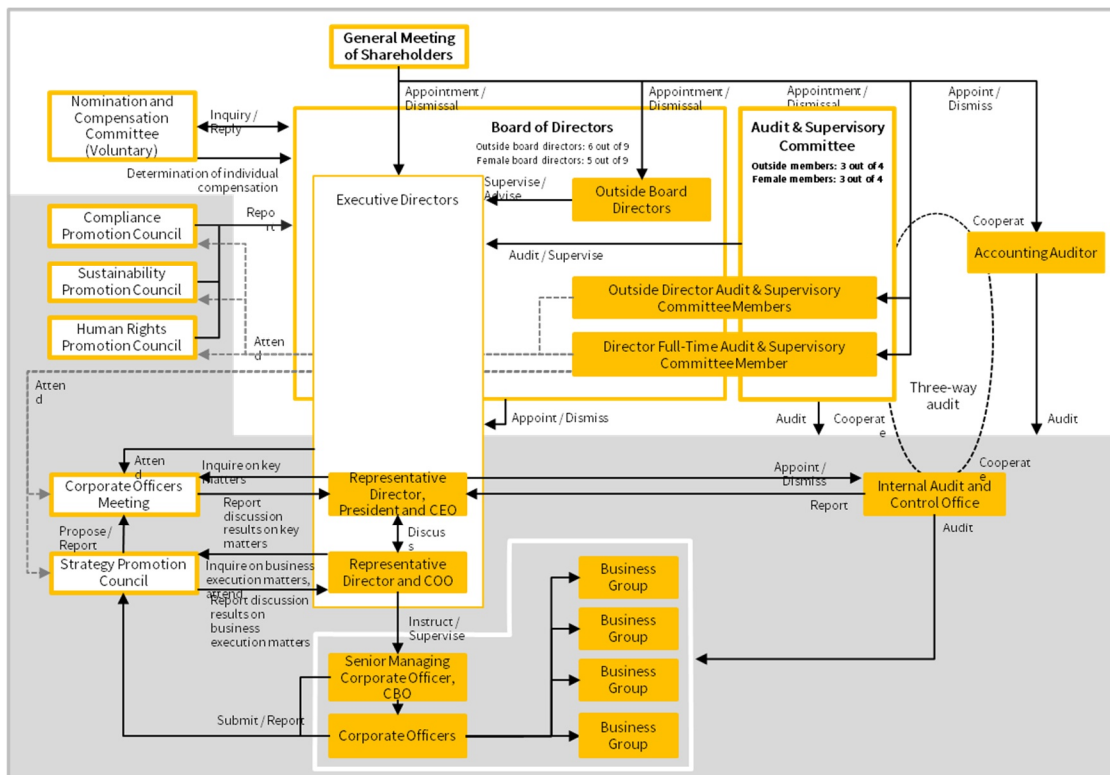
public, facts that are in the public domain, facts pertaining to the general business environment and the like. No reference whatsoever will be made to undisclosed "material information".

## 2. System for Timely Disclosure

Whenever a decision is made or an event occurs that may be subject to timely disclosure, the department in charge consults in advance with the IR Team of the Business Planning Division, Corporate Management Group. The IR Team determines whether or not timely disclosure is necessary, and if it is determined that timely disclosure is necessary, prepares the appropriate materials in cooperation with relevant departments such as the Accounting and Finance Division and the Legal Affairs Division before disclosing them following a review by the Information Handling Officer.

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

[Flow Chart (Reference Material)] (Updated)



## CORPORATE GOVERNANCE

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

Name	Position/Responsibility	External Directors/ Corporate Auditors	Independent Directors	Diversity (Female/ International)	Highly specialized areas of expertise									
					Corporate Management	Human Resource Development / Promotion of Women's Participation	Sales	Service Development	Marketing/ Promotion	Technology	Finance/ Accounting	Risk Management	Sustainability/ ESG	
Hideki Tomita	Representative Director, President and CEO													
Masatsugu Shidachi	Representative Director, COO													
Kuniyoshi Mabuchi	Director													
Kanae Takeuchi*	Director													
Yuka Shimada*	Director													
Tsuneyo Otomo	Director (Audit & Supervisory Committee Member)													
Eriko Tanabe*	Director (Audit & Supervisory Committee Member)													
Yukiko Imazu*	Director (Audit & Supervisory Committee Member)													
Misae Maruyama*	Director (Audit & Supervisory Committee Member)													

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

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

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