

Last Update: July 3, 2023

**Ubicom Holdings, Inc.**

Masayuki Aoki, CEO

Contact: Corporate Strategy  
Division  
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Securities code: 3937

The corporate governance of Ubicom Holdings, Inc. (the “Company”) is described below.

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

### 1. Basic Views

The corporate ethos of the Company is “to remain a one-of-a-kind business innovation company,” “global business operation,” and “co-prosperity based on a win-win model.” We recognize that it is essential to enrich and strengthen our corporate governance, in order to further improve our corporate value and maintain our global competitiveness under this ethos. In detail, our basic policy is “to aim to enhance our profitability and maximize the profits for shareholders by conducting more efficient, sound business activities” and put importance on compliance. Under this policy, we strive to strengthen our corporate governance, while considering that it is essential to fulfill our social responsibilities toward all kinds of stakeholders, including shareholders, employees, business partners, and local communities, and achieve sustainable growth and expansion.

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

[Supplementary Principle 4.1.3: Supervision of Succession Planning for the CEO and Other Top Executives]

The Board of Directors currently does not specifically supervise succession planning for the CEO and other top executives.

The person considered most suitable in accordance with the circumstances and issues facing the Company at each point in time shall be selected to lead management as the CEO, taking into account his/her knowledge, experience, and abilities.

We will consider the formulation of succession plans in the future.

[Supplementary Principle 4.2.1: Management Remuneration and Incentives]

The term of office of Directors of the Company is one (1) year, and remuneration is therefore reviewed annually based on performance in the previous fiscal year. The Company has not established remuneration linked to medium- or long-term performance, or a remuneration system using its own shares. We recognize the need for management remuneration to reflect the Company’s medium- and long-term performance and potential risks, and to provide an incentive to encourage healthy entrepreneurship. We will continue to consider appropriate ways to achieve this in the future.

[Supplementary Principle 4.3.2: Appointment of the CEO through Objective, Timely, and Transparent Procedures]

The Company makes an appropriate determination on the appointment of the CEO through discussions at meetings of the Board of Directors, attended by independent outside officers, based on an evaluation of performance, etc., and factors such as changes

in the business environment. A person possessing the strong will and leadership needed to realize the Company's corporate ethos and achieve its management targets and judged to be appropriate is selected as CEO. The Company has not set uniform evaluation criteria or requirements for appointment, or established a nomination committee.

We will consider establishing procedures to further enhance the objectivity, timeliness, and transparency of appointment procedures in the future.

[Supplementary Principle 4.3.3: Establishment of Objective, Timely, and Transparent Procedures for the Dismissal of the CEO]

The Company has not established policies or procedures regarding the dismissal of the CEO at present, and does not have an independent nomination committee or similar body. However, if the dismissal of the CEO is objectively considered to be appropriate, in cases such as those where the CEO has violated laws, regulations, the Articles of Incorporation, or other rules, or engaged in actions that are deemed to have significantly damaged the Company's corporate value, the Board of Directors, after sufficient deliberation at a meeting attended by independent Outside Directors, will resolve to dismiss the CEO.

We will consider establishing procedures to further enhance the objectivity, timeliness, and transparency of dismissal procedures in the future.

[Supplementary Principle 4.10.1: Authority, Roles, and Other Attributes of the Nomination Committee and Remuneration Committee]

The Company is a company with an audit & supervisory board. The Board of Directors currently has a compact structure with a total of six (6) Directors, comprising three (3) internal Directors and three (3) independent Outside Directors. At present, in order to ensure swift decision-making with an emphasis on speed, the Company has not established an independent nomination committee or remuneration committee composed mainly of independent Outside Directors. However, effective consideration and appropriate decision-making on especially important matters, such as the nomination and remuneration of senior managers and Directors, is ensured through the involvement and advice of independent Outside Directors, including from the perspectives of diversity and skills. We will continue to consider the most appropriate structure to further strengthen the independence, objectivity, and accountability of the function of the Board of Directors concerning matters such as the nomination and remuneration of senior managers and Directors.

[Supplementary Principle 4.11.3: Evaluation of the Effectiveness of the Board of Directors]

The Company does not implement self-evaluation for Directors, or analysis and evaluation by the Board of Directors. While we recognize this as a topic for future consideration, at present, we are focusing on enabling Outside Directors and Outside Audit & Supervisory Board Members to make remarks freely and openly, to contribute to further enhancing the function of the Board of Directors through vigorous debate, chaired by the CEO.

Moreover, the CEO also actively collects information and exchanges opinions with Outside Directors and Outside Audit & Supervisory Board Members regarding the effectiveness and operation of the Board of Directors at forums apart from Board meetings, effectively contributing to the autonomous evaluation of the effectiveness of the Board of Directors.

We will consider implementing analysis and evaluation of the effectiveness of the Board of Directors, using methods such as self-evaluation by Directors, and disclosing an overview of the results.

## Disclosure Based on the Principles of the Corporate Governance Code

### [Principle 1.4: Strategically held shares]

The Company may hold shares strategically, if they are considered to contribute to the enhancement of the value of the Company's corporate group (hereinafter the "Group") from a medium- to long-term viewpoint. Our policy is to hold such shares, as long as we can secure the rationality of shareholding purposes, such as the maintenance and cementing of transaction relations through business alliance, collaboration, etc. For exercising the voting rights of the shares, we discuss whether or not each proposal is consistent with our shareholding policy.

There are no strategically held shares as of the day of the submission of this report.

### [Principle 1.7: Related Party Transactions]

The Company requires deliberation, resolution, and reporting at the Board of Directors on any transactions by Directors that would constitute competition or a conflict of interest. Once every year, the Company surveys and identifies related parties that may potentially influence the Company's financial position or business results, confirms whether the Company has any transactions with these related parties and how important the transactions are, and discloses any transactions requiring disclosure, in accordance with Accounting Standard for Related Party Disclosures and Guidance on Accounting Standard for Related Party Disclosures.

### [Supplementary Principle 2.4.1: Ensuring Diversity in the Promotion to Core Human Resources]

#### (1) Views on Ensuring Diversity

The Group's policies for cultivating human resources, including ensuring diversity in human resources, and for arranging an in-house environment, are as described below.

The Company expands business through mid-career recruitment based on experience, ability, etc. regardless of gender and nationality. That is why we do not set any policies or goals regarding the promotion to managerial positions tailored for women, foreigners, and mid-career recruits. Currently, two female executives, including a director at an overseas subsidiary (of foreign nationality), are advancing their successful careers. We will continue pushing forward with the promotion of diverse personnel with outstanding personalities, opinions, and management skills, regardless of gender and nationality. We will consider a human resources strategy for the medium- to long-term improvement of the corporate value, including the policy for cultivating human resources and policy for arranging an in-house environment to ensure further diversity.

### [Policy for cultivating human resources]

Our basic policy for cultivating human resources is described below.

- 1) Enhance recruitment
- 2) Retraining for new skills
- 3) Leadership education
- 4) Human resource pooling (maximize operating ratio through inter-business cooperation)

### [Engineer training in the global business]

The Company has a training and education system for nurturing truly competitive, top-tier engineers, which is something that

other companies cannot easily duplicate and thus is one of the biggest differentiators.

The in-house developed training program provided at our training center named “ACTION” in the Philippines comprises four categories of basic IT concepts, advanced technologies, interpersonal soft skills and Japanese language, and is aimed at passing the Philippine National IT Standards examination (PhilNITS) and the N4 level of the Japanese-Language Proficiency Test.

It is not until the trainees complete the program, present their achievements to the board members and go through an interview assessment that they are finally assigned to a first project. The path to work assignment is not an easy one even for students with outstanding results, and that is why the graduates of the program who have overcome these hurdles are equipped with advanced technical capabilities and abilities to perform their duties in the Japanese-speaking environment. For this reason, they demonstrate an overwhelming superiority in the Japanese IT market, serving as a powerful growth engine for the Company.

[Arranging an in-house environment]

The Company’s policy for arranging an in-house environment toward ensuring diversity is designed to create systems, as well as an environment and culture, that enable diverse human resources to select the way they work according to their personalities and changes in stages of life. The Company is implementing and promoting the following initiatives.

- Introduce a rehiring system to treat post-retirement employees based on their performance
- Introduce a work-at-home system
- Effects of the office relocation

The Company relocated its head office on July 1, 2023. The relocation consolidates employees in one floor and facilitates communication across organizations. Our aim is to have them develop themselves by learning from each other, increase the organizational strength of the Group and create a more lively, innovative corporate culture.

(2) Status of ensuring diversity and voluntary and measurable targets

In the basic policy for cultivating human resources to ensure diversity described in (1) above, the Group uses the following indicator. The target under the indicator is described below.

- Indicator: Number of annual planned hires in the global business
- Target: Recruit 350 persons or more annually from the fiscal year ending March 31, 2024 onward

[Principle 2.6: Roles of Corporate Pension Funds as Asset Owners]

The Company has established and operates a defined contribution pension plan, and is therefore not involved in the management of a corporate pension fund as an asset owner.

[Principle 3.1 Full Disclosure]

- (i) The Company presents its corporate ethos, long-term vision, etc. on its corporate website.
- (ii) The Company presents its basic views on corporate governance on its corporate website, as well as in its Corporate Governance Report and Annual Securities Report.
- (iii) The Company discloses its policy on the determination of remuneration, etc. for Directors and Audit & Supervisory Board Members in its Corporate Governance Report and Annual Securities Report.
- (iv) The Company has not designated its policy and procedures for the nomination of candidates for Director and Audit &

Supervisory Board Member in its internal regulations or other rules, but engages in nomination procedures based on a comprehensive consideration of items (1) to (3) below. Regarding the independence of outside officers, the Company considers officers with no special personal or capital relationships or other special interests in the Company to be independent, in accordance with the requirements for independence set forth by the Tokyo Stock Exchange.

The reasons for the appointment and dismissal of outside officers are presented in the Notice of the General Meeting of Shareholders and the Annual Securities Report.

- (1) Selection of candidates for Director: Candidates are selected and nominated upon comprehensive consideration of factors such as whether they can be expected to contribute to the further development, not only of the Company but of the IT industry as a whole, based on the Company's corporate ethos, and whether they will thoroughly comply with laws, regulations, and corporate ethics.
- (2) Selection of candidates for Audit & Supervisory Board Member: Candidates are selected and nominated upon comprehensive consideration of factors such as whether they will endeavor to execute and audit the duties of Directors to prevent the violation of laws, regulations, or the Articles of Incorporation, while also maintaining and improving the soundness of the Group's management and its social credibility, based on the Company's corporate ethos, and whether they are able to engage in audits from a neutral and objective perspective, to contribute to ensuring sound management.
- (3) Selection of candidates for Outside Director or Outside Audit & Supervisory Board Member: Candidates are selected and nominated based on the independence requirements set forth by the Tokyo Stock Exchange, and upon comprehensive consideration of factors such as whether they can perform a leadership role and possess abundant knowledge and experience in fields such as corporate management, legal affairs, finance and accounting, human resources and labor, and the IT industry, as well as whether they have the ability to grasp the essence of issues facing the Company and appropriately provide senior management with opinions, guidance, and supervision.
- (v) The reasons for appointment and dismissal of candidates for Director and Audit & Supervisory Board Member are presented in the notice of the General Meeting of Shareholders.

Please refer to the Company's website for further details.

- (i) Corporate ethos: <https://www.ubicom-hd.com/ja/company/philosophy.html> (in Japanese only)

Long-term vision: <https://www.ubicom-hd.com/ja/about.html>

- (ii) <https://www.ubicom-hd.com/ja/ir/management/governance.html>

"I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information 1. Basic Views"

[Supplementary Principle 3.1.3: Initiatives on Sustainability]

Keenly aware of a corporate responsibility for realizing a sustainable society, the Company has established a basic policy for sustainability in order to resolve social issues and achieve sustainable enhancement of corporate value in cooperation with all its stakeholders. We also identified issues to be addressed in terms of environment, society and governance, and initiatives to be taken by the Company.

- (1) Basic policy for sustainability

The corporate ethos of the Company is "to remain a one-of-a-kind business innovation company that creates IT solutions to

contribute to the resolution of social issues,” “global business operation,” and “co-prosperity based on a win-win model.” We have been also quick to perceive changes and challenges in social structure such as climate change, declining birthrates, an aging population, and healthcare issues. We pursue the realization of a sustainable society and the improvement of the Ubicom Group’s corporate value by providing IT solutions to contribute to the resolution of social issues and taking appropriate risk mitigation measures.

## (2) Initiatives for environment, society and governance

Issues to be addressed and initiatives to be taken by the Company are described below.

### 1) Environment: Realize carbon neutrality

- Promote resource efficiency of the Company and customers (paperless operation, etc.)
- Relocate to environment-friendly office buildings that are 100% powered by renewable energy

### 2) Society: Resolve customers’ issues through providing solutions

- DX support: Help customers’ operational reform through advanced technological assistance
- Sophisticate and enhance our solution development capability at Advanced Technology Development Center
- Increase the global competitiveness of Japanese enterprises through supporting their global development
- Develop solutions for curbing medical expenses
- Reform the work style of doctors

### 3) Governance: Realize impartial management with high transparency

- Reinforce the compliance and risk management systems based on the basic policy for sustainability
- Establish a governance system with a focus on diversity

#### [Supplementary Principle 4.1.1 Scope of Matters Delegated to Senior Management]

The Company has established the Board of Directors as a management decision-making and supervisory body, and the Management Meeting as a structure to execute business based on these decisions, with the aim of ensuring the separation of management decision-making and business execution. The Company discloses an overview of this structure in its Corporate Governance Report.

The Board of Directors decides on matters designated by law, regulation, or the Articles of Incorporation, as well as important matters concerning the Company and Group companies.

The Management Meeting is chaired by the CEO and composed of the managing directors of business divisions. It discusses the implementation of policy decided by the Board of Directors and the Company’s response to issues that span multiple business fields. The results of meetings of the Management Meeting are reported to each Director and Audit & Supervisory Board Member, and measures are in place to promptly ascertain and handle specific issues and problems arising in the workplace.

Presented in the Corporate Governance Report under:

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

#### [Principle 4.9 Independence Standards and Qualifications for Independent Outside Directors]

The Company selects candidates for independent Outside Director through deliberation and consideration by the Board of Directors, based on the Companies Act and the standards established by the Tokyo Stock Exchange.

We will consider formulating our own independence standards in the future.

[Supplementary Principle 4.10.1: Authority, Roles, and Other Attributes of the Nomination Committee and Remuneration Committee]

As stated under [Reasons for Non-compliance with the Principles of the Corporate Governance Code] above.

[Supplementary Principle 4.11.1: Basic Views on the Diversity of the Board of Directors]

For internal Directors, the Company emphasizes attributes such as overall ability across all aspects of management, with regard to the leadership necessary to vigorously promote the Company's businesses, as well as a profound understanding of the Company's business environment, strengths, and challenges. For Outside Directors, the Company considers independence, in addition to attributes for the deliberation of business strategy, etc., such as diverse experience unattainable by internal Directors, management experience at companies in different fields to the Company, and academic experience with specialized knowledge, advanced insight, etc. The Company's Articles of Incorporation stipulate a maximum of ten (10) Directors and a maximum of five (5) Audit & Supervisory Board Members. At present, the Company has six (6) Directors, including three (3) internal Directors and three (3) Outside Directors, and three (3) Audit & Supervisory Board Members.

The Company has designated "corporate management & business strategy," "international experience," "sales & marketing," "technology & R&D," "HR development & organizational operation," "SDGs & sustainability," "financial affairs & finance," and "legal & compliance" as specific fields where expertise is expected, and has presented a skills matrix in the notice of the General Meeting of Shareholders, displaying the insight and experience especially expected of Directors and Audit & Supervisory Board Members.

[Supplementary Principle 4.11.2: Concurrent Positions Held by Directors and Audit & Supervisory Board Members]

The Company discloses the concurrent positions held at other companies by Outside Directors and Outside Audit & Supervisory Board Members annually in the notice of the General Meeting of Shareholders, Annual Securities Report, Corporate Governance Report, etc.

No Directors or Audit & Supervisory Board Members, apart from Outside Directors and Outside Audit & Supervisory Board Members, hold concurrent positions as officers of other listed companies.

[Supplementary Principle 4.11.3: Evaluation of the Effectiveness of the Board of Directors]

As stated under [Reasons for Non-compliance with the Principles of the Corporate Governance Code] above.

[Supplementary Principle 4.14.2: Policy on Training for Directors and Audit & Supervisory Board Members]

The Company selects candidates for Director and Audit & Supervisory Board Member who possess specialized knowledge and are fully able to fulfill the roles and responsibilities required of them.

Newly-appointed Directors and Audit & Supervisory Board Members from outside the Company are provided with informative materials and briefed on the Company and aspects such as the issues it faces. For newly-appointed internal Directors and Audit

& Supervisory Board Members, the Company utilizes external seminars and similar forums, as appropriate, to enable them to acquire the knowledge necessary for a corporate officer.

In addition, the Company covers the expenses incurred by Directors and Audit & Supervisory Board Members when they voluntarily attend study courses, exchange meetings, and the like, as necessary for their respective roles.

[Principle 5.1 Policy for Constructive Dialogue with Shareholders]

The Company responds positively to shareholder requests for dialogue.

For IR activities, the Company has put in place an IR system the Corporate Strategy Division is in charge of, and actively welcomes IR interviews, including phone interviews with investors, small meetings, and the like.

The Company also holds a results briefing session attended personally by the CEO, and distributes a results briefing video at least twice every year.

The Company discloses information and manages insider information in accordance with its disclosure policy.

(<https://www.ubicom-hd.com/ja/ir/policy.html>).

## 2. Capital Structure

Foreign Shareholding Ratio	20% or more and less than 30%
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### Status of Major Shareholders

Name or Company Name	Number of Shares Owned	Percentage (%)
Masayuki Aoki	4,581,980	39.00
The Master Trust Bank of Japan, Ltd. (trust account)	987,400	8.41
Custody Bank of Japan, Ltd. (trust account)	876,700	7.47
JP MORGAN CHASE BANK 385839 (standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	807,100	6.88
AKIRA KONISHI (standing proxy: Ubicom Holdings, Inc.)	565,500	4.81
GOLDMAN SACHS INTERNATIONAL (standing proxy: Goldman Sachs Securities Co., Ltd.)	257,671	2.20
Junichi Matsushita	197,200	1.68
OLD WESTBURY SMALL AND MID CAP STRATEGIES FUND (standing proxy: Citibank, N.A., Tokyo Branch)	196,900	1.68
Shigeo Hatasaki	156,800	1.33
THE BANK OF NEW YORK MELLON 140042 (standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	146,000	1.24



Name of Controlling Shareholder, if applicable (excluding Parent Company)	-
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Name of Parent Company, if applicable	-
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Listed Stock Exchange of Parent Company	-
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Supplementary Explanation

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### 3. Corporate Attributes

Listed Stock Exchange and Market Segment	Tokyo Prime Market
Fiscal Year-End	March
Business Sector	Information & Communication
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) as of the End of the Previous Fiscal Year	Less than ¥10 billion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	Fewer than 10

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

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### 5. Other 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 in Management

### 1. Organizational Composition and Operation

Corporate Governance System	Company with Audit & Supervisory Board*
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\*Referred to in the Corporate Governance Code reference translation as “Company with *Kansayaku* Board”

## Directors

Number of Directors Stipulated in Articles of Incorporation	10
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	CEO
Number of Directors	6
Election of Outside Directors	Elected
Number of Outside Directors	3
Number of Independent Directors	3

### Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	
Yoshinori Hashitani	From another company												
Toshiyuki Ito	From another company												
Hiroko Saito	From another company												

\*Categories for "Relationship with the Company."

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

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

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Applicable Relationship	Reasons for Appointment
Yoshinori Hashitani	Yes	-	<p>Mr. Yoshinori Hashitani has a wealth of experience and insight as the head of operations across a wide range of fields, including IR and corporate communications strategies, at one of Japan's leading global companies. He has been appointed as an Outside Director with the expectation that he will incorporate this experience and insight into the enhancement of the Company's management structure.</p> <p>He has been designated as an independent officer as he has no special interests with the Company, and the Company considers that there is no risk of a conflict of interest with general shareholders.</p>
Toshiyuki Ito	Yes	-	<p>Mr. Toshiyuki Ito has a wealth of experience and insight as a Maritime Self-Defense Force official with various duties, including service overseas. He has been appointed as an Outside Director with the expectation that he will incorporate this experience and insight into the enhancement of the Company's management structure from the perspective of the Group's organizational innovation.</p> <p>He has been designated as an independent officer as he has no special interests with the Company, and the Company considers that there is no risk of a conflict of interest with general shareholders.</p>
Hiroko Saito	Yes	-	<p>Ms. Hiroko Saito has a wealth of experience and insight ranging from IR and corporate communications strategies and marketing strategies to management strategies at one of Japan's leading global companies. She has been appointed as an Outside Director with the expectation that she will incorporate this experience and insight into the improvement of the Company's brand value and enhancement of its management structure.</p> <p>She has been designated as an independent officer as she has no special interests with the Company, and the Company considers that there is no risk of a conflict of</p>

			interest with general shareholders.
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Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee	Not Established
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### Audit & Supervisory Board Members\*

\*Referred to in Corporate Governance Code reference translation as “kansayaku”

Establishment of Audit & Supervisory Board	Established
Number of Audit & Supervisory Board Members Stipulated in Articles of Incorporation	5
Number of Audit & Supervisory Board Members	3

#### Cooperation among Audit & Supervisory Board Members, Accounting Auditors and Internal Audit Departments

Audit & Supervisory Board Members accompany the Internal Auditing Division in the implementation of internal audits, while representatives of the Internal Auditing Division attend meetings of the Audit & Supervisory Board to report and exchange opinions on their respective audit plans and the status of audit implementation.

Audit & Supervisory Board Members and the Accounting Auditor cooperate through measures such as briefings for Audit & Supervisory Board Members by the Accounting Auditor regarding the audit plan, and regular meetings held after the conclusion of each fiscal quarter.

The Accounting Auditor and the Internal Auditing Division cooperate through measures such as regular meetings held after the conclusion of each fiscal quarter.

Appointment of Outside Audit & Supervisory Board Members	Appointed
Number of Outside Audit & Supervisory Board Members	2
Number of Independent Audit & Supervisory Board Members	2

#### Outside Audit & Supervisory Board Members' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Yasutaka Oshita	Lawyer													
Shimon Morishita	Tax Accountant													

\*Categories for “Relationship with the Company.”

(Use “○” when the Audit & Supervisory Board Member presently falls or has recently fallen under the category; “△” when the Audit & Supervisory Board Member fell under the category in the past; “●” when a close relative of the Audit & Supervisory Board Member presently falls or has recently fallen under the category; and “▲” when a close relative of the Audit & Supervisory

Board Member fell under the category in the past.)

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

Outside Audit & Supervisory Board Members' Relationship with the Company (2)

Name	Designation as Independent Audit & Supervisory Board Member	Supplementary Explanation of the Applicable Relationship	Reasons for Appointment
Yasutaka Oshita	Yes	-	<p>Mr. Yasutaka Oshita has been appointed as an Outside Audit &amp; Supervisory Board Member so that he can utilize his wealth of specialized knowledge, experience, etc. regarding corporate law as an attorney in the audit of the Company.</p> <p>He has been designated as an independent officer as he has no special interests with the Company, and the Company considers that there is no risk of a conflict of interest with general shareholders.</p>
Shimon Morishita	Yes	-	<p>Mr. Shimon Morishita has been appointed as an Outside Audit &amp; Supervisory Board Member so that he can utilize his wealth of specialized knowledge, experience, etc. regarding finance and accounting as a tax accountant in the audit of the Company.</p> <p>He has been designated as an independent officer as he has no special interests with the Company, and the Company considers that there is no risk of a conflict of interest with general shareholders.</p>

**Matters Concerning Independent Directors and Independent Audit & Supervisory Board Members**

Number of Independent Directors and Independent Audit & Supervisory Board Members

5

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

The Company has designated all persons who qualify as independent officers as Independent Directors and Independent Audit & Supervisory Board Members.

## Incentives

Implementation Status of Measures Related to Incentives Granted to Directors

Grant of stock options

Supplementary Explanation for Applicable Items

The Company grants stock options to further raise their incentive and morale to improve performance and to encourage them to engage in further developing the Company's businesses.

Persons Eligible for Stock Options

Internal Directors, Outside Directors, internal Audit & Supervisory Board Members, Outside Audit & Supervisory Board Members, employees, directors of subsidiaries, employees of subsidiaries, external supporters

Supplementary Explanation for Applicable Items

The Company grants stock options to eligible persons to further raise their incentives and morale to improve performance, secure talented human resources, and encourage them to engage in developing the Company's businesses.

## Director Remuneration

Status of Disclosure of Individual Directors' Remuneration

No disclosure of individual Directors' remuneration

Supplementary Explanation for Applicable Items

The Company does not disclose individual Directors' remuneration as there are no Directors who receive remuneration totaling ¥100 million or more per annum. The Company discloses the total amount of remuneration for Directors and the total amount of remuneration for Audit & Supervisory Board Members.

Policy on Determining Remuneration Amounts and the Calculation Methods Thereof

Established

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

1. Method used to decide on the policy

The Company decided on its policy on determining the details of remuneration, etc. for individual Directors at the Board of Directors meeting held on February 10, 2021.

2. Details of the policy

The Company's basic policy regarding remuneration for Directors is to establish a remuneration system linked to shareholder profits that functions adequately as an incentive to strive for the sustainable enhancement of corporate value, and ensures the determination of a proper level of compensation for individual Directors in accordance with their duties. Specifically, remuneration for Directors consists of basic remuneration and performance-linked remuneration.

(Basic remuneration)

Basic remuneration for Directors of the Company consists of a monthly fixed monetary remuneration, determined upon comprehensive consideration of factors such as position, responsibilities, business results, and the level of pay for employees.

(Performance-linked remuneration)

Performance-linked remuneration for Directors of the Company is cash remuneration reflecting consolidated ordinary income, designed to raise motivation to enhance performance in each fiscal year. The amount calculated based on the degree to which the target has been achieved in each fiscal year may be paid as a bonus.

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

The Admin & Human Resources Department of the Corporate Strategy Division provides support for Outside Directors and Outside Audit & Supervisory Board Members.

Materials used in meetings of the Board of Directors are, in principle, distributed by the Admin & Human Resources Department of the Corporate Strategy Division prior to each meeting, to ensure that Outside Directors and Outside Audit & Supervisory Board Members have ample time for consideration. Advance briefings are also provided as necessary. For Outside Audit & Supervisory Board Members, the Standing Audit & Supervisory Board Member promotes information sharing regarding audits by the Audit & Supervisory Board Members, the Accounting Auditor, and the Internal Auditing Division.

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

### **1. Board of Directors**

As of the date of submission of this report, the Company's Board of Directors is composed of six (6) Directors, including three (3) Outside Directors. In addition to ordinary monthly meetings, it holds extraordinary meetings as necessary. The Board of Directors deliberates and decides on matters designated by law, regulation, or the Articles of Incorporation, as well as important matters of business execution and management, and supervises the execution of duties by Directors.

The Company has entered into agreements with Outside Directors to limit their liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, in accordance with the provisions of its Articles of Incorporation. Under these agreements, the amount of liability for damages is limited to the amount prescribed by laws and regulations.

### **2. Audit & Supervisory Board**

The Audit & Supervisory Board is composed of three (3) Audit & Supervisory Board Members, including two (2) Outside Audit & Supervisory Board Members, and meets once each month, in principle. Each Audit & Supervisory Board Member attends each meeting of the Board of Directors, in principle, expresses opinions as necessary, and rigorously audits business execution by Directors.

The Company has entered into agreements with the three (3) Audit & Supervisory Board Members to limit their liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act, in accordance with the provisions of its Articles of Incorporation. Under these agreements, the amount of liability for damages is limited to the amount prescribed by laws and regulations.



### 3. Internal audit

The Company's Internal Auditing Division, under the direct control of the CEO, implements internal audits of each division in the Group. In addition to submitting and presenting reports to the CEO on the results of audits, the Internal Auditing Division provides guidance on improvements to the divisions undergoing an audit.

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

The Company believes that strengthening the management supervisory function will contribute to enhancing corporate governance. The Company has adopted the structure of a company with an audit & supervisory board, and considers that the Audit & Supervisory Board Members, including Outside Audit & Supervisory Board Members with expertise in fields such as accounting and legal affairs, provide effective monitoring of management from an independent and objective standpoint. The Company has also recruited Outside Directors with experience and insight into corporate management to strengthen supervision of the fairness of business execution. The Company aims to enhance the supervisory function of the Board of Directors through the appointment of Outside Directors who will provide the Board with advice and comments from an independent standpoint to ensure the appropriateness of decision-making.

The Company has adopted the present corporate governance structure as it believes that this structure enables the effective supervision of management from an external standpoint, as described above.

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

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

	Supplementary Explanation
Early Posting of Notice of the General Meeting of Shareholders	The Company endeavors to send notice of General Meetings of Shareholders as early as possible.
Scheduling of the General Meeting of Shareholders During Non-Peak Days	The Company endeavors to schedule General Meetings of Shareholders to avoid peak days and allow as many shareholders as possible to attend.
Electronic Exercise of Voting Rights	Beginning from the Annual General Meeting of Shareholders held on June 23, 2022, the Company uses the system provided by Sumitomo Mitsui Trust Bank, Ltd., the shareholder registry administrator.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	Beginning from the Annual General Meeting of Shareholders held on June 23, 2022, the Company participates in the voting rights exercise platform for institutional investors provided by ICJ, Inc.
Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	The Company discloses the notice and reference documents for the General Meeting of Shareholders in English on its corporate website.
Other	The Company posts the notice of the General Meeting of Shareholders on its corporate website when it sends the notice to shareholders.

## 2. Status of IR-related Activities

	Supplementary Explanation	Explanation by the CEO
Formulation and Publication of Disclosure Policies	Posted on the Company's IR website.	
Regular Investor Briefings held for Individual Investors	In addition to posting results briefing videos online when it announces its half-yearly and yearly financial results, the Company also makes irregular appearances in online briefings for individual investors held by online securities companies.	
Regular Investor Briefings held for Analysts and Institutional Investors	The Company holds regular results briefing sessions for analysts and institutional investors after announcing its half-yearly and yearly financial results.	Yes
Online Disclosure of IR Information	The Company has established an IR website within its corporate website, where it posts summaries of financial results, annual securities reports, quarterly reports, and other information for disclosure, in a timely fashion.	
Establishment of Department and/or Placement of a Manager in Charge of IR	The Corporate Strategy Division has been placed in charge of the Company's IR activities, under the direction of the General Manager of the Corporate Strategy Division.	

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

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	The Company regards this as a matter for future consideration.
Implementation of Environmental Preservation Activities, CSR Activities, etc.	<p>The Company has been quick to perceive changes and challenges in social structure such as internationalization, declining birthrates, an aging population, and healthcare issues. We have pursued the sustainable development of society and the Ubicom Group by providing IT and DX solutions to contribute to the resolution of social issues in the Company's main fields of business, including support for solving the shortage of manpower and support for healthcare optimization. Specific initiatives are presented in the following materials:</p> <ul style="list-style-type: none"> <li>The Company's website (Sustainability):  <a href="https://www.ubicom-hd.com/ja/sustainability.html">https://www.ubicom-hd.com/ja/sustainability.html</a></li> <li>Results Briefing for the Fiscal Year ended March 31, 2023 (page 29) "ESG: Towards Sustainable Development for Business, Society, and Customers"  <a href="https://www.ubicom-">https://www.ubicom-</a></li> </ul>

	<a href="https://www.fuyo-hd.com/ja/ir/news/auto_20230511566649/main/0/link/FY2022kessansetumeisiryou.pdf">hd.com/ja/ir/news/auto_20230511566649/main/0/link/FY2022kessansetumeisiryou.pdf</a> (in Japanese only)
Formulation of Policies, etc. on Provision of Information to Stakeholders	The Company's basic policy on IR activities is to build relationships of trust with its shareholders, investors, and all its stakeholders by providing them with accurate information on the Company's business activities and financial status in a fair, timely, and appropriate manner, to enable them to properly evaluate the Company.

## IV. Matters Concerning the Internal Control System

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

1. Systems to ensure that the execution of duties by Directors and employees of the Company and its subsidiaries complies with laws, regulations, and the Articles of Incorporation
  - 1) The Board of Directors decides on policies and plans for the development of internal control systems, including systems to ensure legal and regulatory compliance.
  - 2) The Company has established the Corporate Code of Conduct and the Compliance Regulations and ensures legal and regulatory compliance based on these rules.
  - 3) Audit & Supervisory Board Members audit the execution of duties by Directors, including the status of building and operation of internal control systems, from an independent standpoint.
  - 4) The Internal Auditing Division audits business operations for the status of compliance with laws, regulations, and various internal rules.
  - 5) The Company has established the Regulations on Internal Whistle-blowing and set up internal and external contact points for reporting legal or regulatory violations. The Company shall prohibit any disadvantageous treatment of whistle-blowers.
2. Systems for the preservation and management of information associated with the execution of duties by Directors
  - 1) The Company appropriately preserves and manages information associated with the execution of duties by Directors, in accordance with the applicable laws, regulations, the Document Management Regulations, and internal rules.
  - 2) Through internal audits by the Internal Auditing Division, the Company confirms that this information is appropriately preserved and managed.
3. Rules and other frameworks to manage the risk of losses to the corporate group comprising the Company and its subsidiaries (hereinafter the "Group").
  - 1) The Board of Directors has established the Risk Management Regulations and manages risk based on these regulations.
  - 2) The Company engages in Group-wide risk management through cooperation between the Company and each subsidiary.
  - 3) Through internal audits by the Internal Auditing Division, the Company ensures proper risk management systems by examining and evaluating the appropriateness and effectiveness of internal control systems in each division and promoting their improvement.
4. Frameworks to ensure the efficient execution of duties by Directors of the Company and its subsidiaries
  - 1) The Board of Directors meets monthly, and also holds extraordinary meetings as necessary, forming the foundation for frameworks to ensure the efficient execution of duties by Directors.
  - 2) The Board of Directors establishes internal regulations and other rules, builds frameworks to ensure the efficient execution of duties by Directors, and supervises the execution of duties by individual Directors.
  - 3) The composition of the Board of Directors is kept compact and authority for business execution is delegated in accordance with the Administrative Authority Regulations to facilitate efficient and agile management.

- 4) Audit & Supervisory Board Members audit the execution of duties by Directors.
- 5) The Company ensures efficient and effective business execution by designating and sharing specific management policies and business goals through the formulation of business plans and fiscal year budget.
- 6) The Company implements performance management through performance reports delivered at monthly meetings of the Board of Directors and weekly meetings of the Management Meeting, based on business plans and fiscal year budget.
- 7) The Company ensures appropriate management of subsidiaries based on the Affiliates Management Regulations.

5. Measures to ensure appropriate business operations in the Group

- 1) The Company builds close cooperation with subsidiaries, based on the Affiliates Management Regulations.
- 2) The Company formulates basic management policy and operating policy for subsidiaries based on factors such as the purpose of investment in each subsidiary.

6. Framework for reporting to the Company on matters relating to the execution of duties by directors of subsidiaries

- 1) The Company, at meetings of the Board of Directors and the Management Meeting attended by the directors of subsidiaries, receives reports from these directors regarding subsidiaries' business results, financial position, and other important information.
- 2) The Company requests relevant documents from subsidiaries as necessary, based on the Affiliates Management Regulations, for the purpose of accurately ascertaining their business details.

7. Matters regarding employees requested to be assigned to assist the duties of Audit & Supervisory Board Members, measures to ensure the independence of these employees from the influence of Directors, and measures to ensure the effectiveness of directions given to these employees by Audit & Supervisory Board Members

Employees who have received directions and orders from Audit & Supervisory Board Members concerning duties necessary for audit operations shall not receive instructions or orders from Directors regarding such directions and orders.

8. Framework to enable Directors and employees of the Company and its subsidiaries, and those to whom they have reported, to report to Audit & Supervisory Board Members, and to ensure that they are not treated disadvantageously for having conveyed this report

- 1) The Audit & Supervisory Board Members are called to attend meetings of the Board of Directors and Management Meeting, where important management matters and the status of the business execution are reported.
- 2) The Internal Auditing Division reports regularly to the Audit & Supervisory Board Members on the implementation status and results of internal audits.
- 3) Directors and employees of the Company and its subsidiaries, upon discovering any matter that would cause or may potentially cause significant damage to the Group, may directly report the matter to an Audit & Supervisory Board Member.
- 4) Notwithstanding the foregoing, Audit & Supervisory Board Members may at any time request a Director or employee of the Company or a subsidiary to report on the execution of business, as necessary.
- 5) The Company prohibits any disadvantageous treatment of a Director or employee of the Group who reported to an Audit & Supervisory Board Member on the grounds of such reporting. The Group's Directors and employees shall be fully informed of this policy.

9. Matters concerning policy on the treatment of expenses and liabilities arising from the execution of duties by Audit & Supervisory Board Members, including processes for prepaying or reimbursing such expenses

If the Company receives a prepayment or similar request for expenses incurred by an Audit & Supervisory Board Member in the execution of duties, the Company shall assume the said expenses, except where the said expenses are deemed unnecessary for the execution of the relevant duties by the Audit & Supervisory Board Member.

#### 10. Other systems to ensure effective audits by Audit & Supervisory Board Members

- 1) The CEO endeavors to deepen mutual understanding and relationships of trust with the Audit & Supervisory Board Members through discussion at meetings of the Board of Directors and Management Meeting, as well as regular interviews and other forums. The CEO implements measures necessary to enhance the environment for audits by Audit & Supervisory Board Members.
- 2) Audit & Supervisory Board Members endeavor to cooperate with the Internal Auditing Division to implement effective auditing.

#### 11. Basic views on eliminating antisocial forces and the status of implementation of associated measures

- 1) The Company maintains a clear stance firmly aimed at eliminating antisocial forces and thoroughly ensures that all of its Directors, Audit & Supervisory Board Members, and employees have no relationships with antisocial forces, including transactional relationships, and never use antisocial forces.
- 2) The Company has established the Regulations on Countermeasures against Antisocial Forces, which sets forth specific procedures including responses to antisocial forces, filing of notification with external agencies and other countermeasures, and has frameworks in place to promptly handle any case that may arise.

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

#### 1. Basic views on eliminating transactions with antisocial forces

- 1) The Company has included clearly-stated grounds for eliminating transactions with antisocial forces in its code of conduct, internal regulations, and other documents. The CEO and all parts of the organization work together to eliminate antisocial forces.
- 2) The Company shall not engage in any relationships with antisocial forces, including transactional relationships. It firmly refuses any unreasonable demands by antisocial forces.

#### 2. Establishment of measures for eliminating transactions with antisocial forces

- 1) The Company has clearly declared its “stance on antisocial forces” in the Regulations on Countermeasures against Antisocial Forces, and has designated this stance as a code of conduct for all employees.
- 2) The Company has designated the Admin & Human Resources Department of the Corporate Strategy Division as the department in charge of promoting the elimination of antisocial forces, and has appointed the General Manager of the Admin & Human Resources Department, Corporate Strategy Division, as the person responsible for responding to unreasonable demands.
- 3) The Company has established related regulations such as the Regulations on Countermeasures against Antisocial Forces and engages in building frameworks to eliminate antisocial forces.
- 4) The Company confirms with trading partners and other associates regarding any relationship with antisocial forces.
- 5) The Company engages in gathering information on antisocial forces from the relevant external agencies and other bodies for the purpose of ascertaining whether or not any trading partner falls under antisocial forces.
- 6) The Company cultivates relationships of close cooperation with the police, the National Center for Removal of Criminal Organizations, lawyers, and other external specialized agencies in preparation for unreasonable demands by antisocial forces, even under normal circumstances.

## V. Other

### 1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
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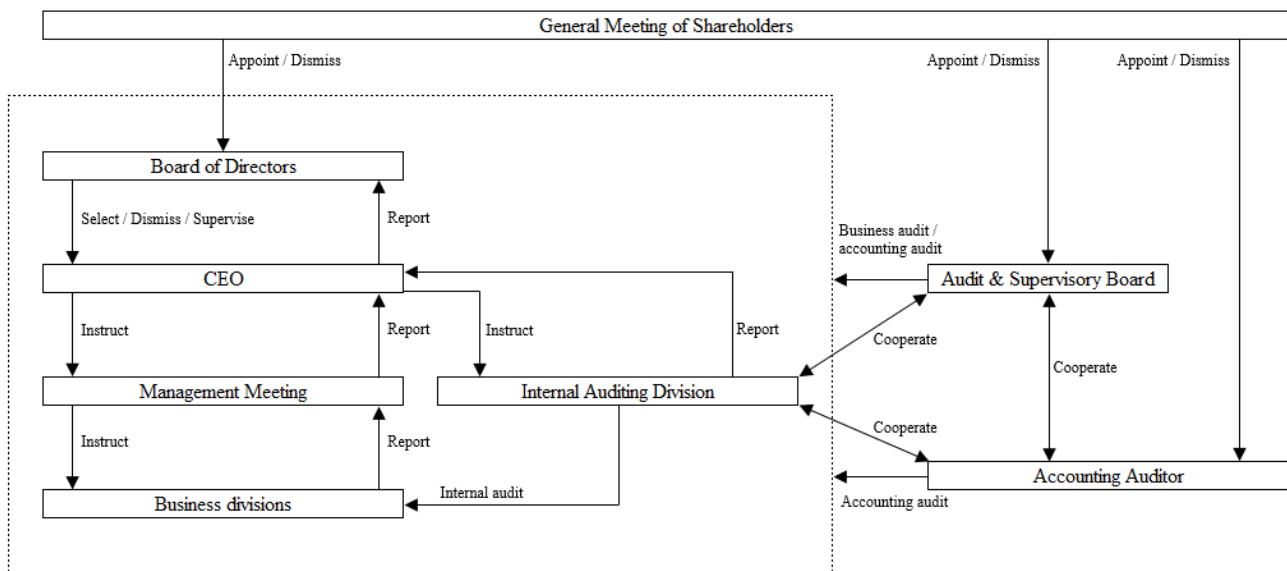
Supplementary Explanation for Applicable Items

The Company has no plans to introduce anti-takeover measures at present, but regards this as a matter requiring consideration in the future.

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

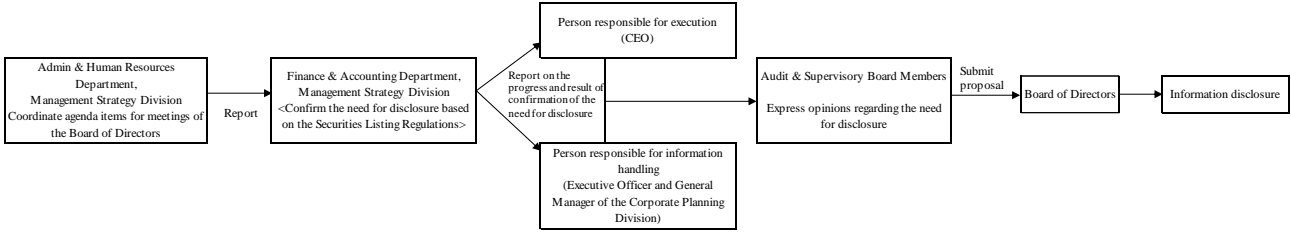
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[Diagram (Reference Materials)]

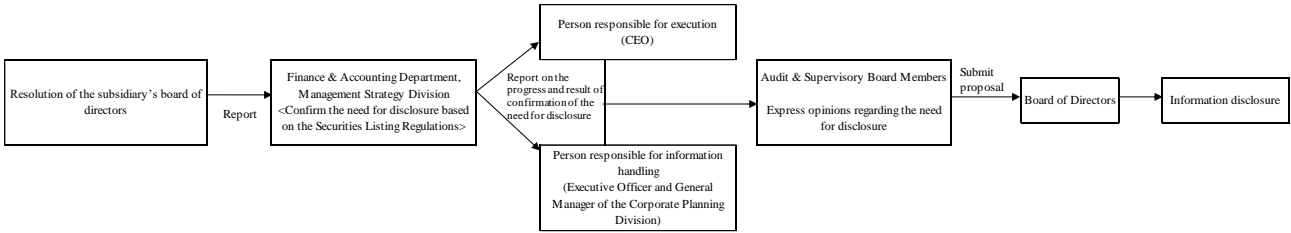


[Overview of the Timely Disclosure Framework (Diagram)]

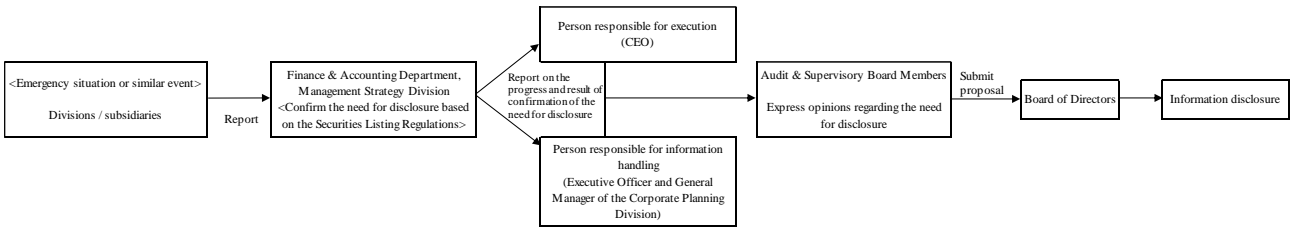
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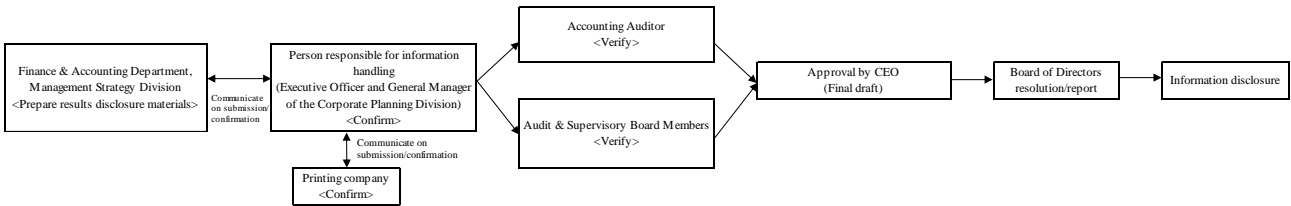
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<Events that have occurred>



<Information on financial results>



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