

## TRANSLATION

*This document is translated for reference purposes only from an original document submitted to the Tokyo Stock Exchange in Japanese. The original shall prevail in the event of any discrepancy between this translation and the Japanese original.*

## CORPORATE GOVERNANCE REPORT

Last update: December 21, 2023

### **Gurunavi, Inc.**

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The status of Gurunavi, Inc.'s corporate governance is as follows.

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

#### **1. Basic Views**

Under the principle of prioritizing shareholders' interests, Gurunavi, Inc. (hereinafter, "Gurunavi" or the "Company") maintains a keen awareness of the management responsibility of directors and upholds basic policies to enhance its corporate governance in order to prevent irregularities, clarify decision-making processes, and ensure the logical implementation of operations.

#### **[Reasons for Non-compliance with the Principles of the Corporate Governance Code] <Principle 2.4 Ensuring Diversity, Including Active Participation of Women>**

##### **Supplementary Principle 2-4 – 1**

Gurunavi established a diversity promotion department in 2015 in order to promote human resource development and establish internal environments that ensures diversity, and is working to create a corporate climate that allows diverse human resources, including women, persons with disabilities, and non-Japanese, to maximize the abilities they possess and to create environments in which they can play an active role.

Currently, Gurunavi has not set any measurable targets, as Gurunavi recognizes that the promotion of women, mid-career recruits, and non-Japanese employees in managerial positions has progressed to a certain extent. The status of ensuring diversity in the promotion of core workforce is as follows.

Regarding the promotion of women to core workforce, the ratio for women in managerial positions is 21% as of March 31, 2023. Gurunavi will continue to further support the advancement of women by expanding training and support tailored to career stages and life events, and programs to develop candidates for managerial positions.

Regarding promotion for mid-career recruits, these recruits account for the majority of total employees, and the company is actively advancing promotions of these recruits as they represent Gurunavi's core workforce, and many such human resources have been appointed to important positions such as executive officers, etc.

In addition, regarding non-Japanese employees, recruitment standards are the same as those for Japanese candidates, and they are actively working in important managerial positions according to their abilities.

Gurunavi will continue to foster a culture in which diverse human resources, not limited to women, can play an active role and create high value through the development of a flexible work environment that is not restricted by location or time.

Please refer to the following webpage for further information on our diversity promotion activities.

<https://corporate.gnavi.co.jp/profile/sustainability/diversity/> (Japanese version only)

## <Principle 4.1 Roles and Responsibilities of the Board (1)>

### Supplementary Principle 4-1 – 2

At present, a medium-term numerical plan has not been published. However, Gurunavi has formulated a medium-term business policy (March 2024 period – March 2026 period) under <Principle 3-1. Full Disclosure> hereunder, which has been posted on the Company’s website.

[https://corporate.gnavi.co.jp/en/profile/mid\\_term/](https://corporate.gnavi.co.jp/en/profile/mid_term/)

Furthermore, regarding a medium-term numerical plan, Gurunavi will review formulation and publication after the status of recovery from the impact of Covid-19 in the food service industry, which is the subject of Gurunavi services, and progress of new services based on the medium-term business policy, etc., have been taken into consideration.

## <Principle 4.2. Roles and Responsibilities of the Board (2)>

### Supplementary Principle 4-2 – 2

Based on our purpose, “Food: Satisfying People and Creating Connections”, Gurunavi upholds the basic principles of continuing to be a company that consistently provides new value to the world and contributes to the realization of a better society, and as stated in Supplementary Principle 3-1 – 3 hereunder, as well as convening the Executive Committee to conduct appropriate deliberations in relation to sustainability related risks and opportunities surrounding Gurunavi, along with the responses to such, and reporting the results of said deliberations to the Board of Directors, Gurunavi also implements various sustainability related initiatives. Furthermore, Gurunavi recognizes that the formulation of basic policy and advancement plans for the identification of important sustainability related issues and the preparation of systems for initiatives are issues for the future, and will maintain ongoing reviews of these issues.

## <Principle 5-2. Establishing and Disclosing Business Strategy and Business Plan>

At present, a medium-term numerical plan has not been published. However, Gurunavi has formulated a medium-term business policy (March 2024 period – March 2026 period) under <Principle 3-1. Full Disclosure> hereunder, which has been posted on the Company’s website.

[https://corporate.gnavi.co.jp/en/profile/mid\\_term/](https://corporate.gnavi.co.jp/en/profile/mid_term/)

Furthermore, regarding a medium-term numerical plan, Gurunavi will review formulation and publication on a renewed capital cost basis, after the status of recovery from the impact of Covid-19 in the food service industry, which is the subject of Gurunavi services, and progress of new services based on the medium-term business policy, etc., have been taken into consideration.

### Supplementary Principle 5-2 – 1

The Company will also proceed with the formulation of business portfolio related basic policies, which will be included in the aforementioned medium-term business plan and disclosed accordingly.

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

### <Principle 1-4. Cross Shareholdings>

The Gurunavi and its subsidiaries (hereinafter, “Gurunavi group”) makes investment decisions based on comprehensive considerations covering necessity for business activities, such as business alliances, and maintaining and strengthening business relations, etc. the advantages to be gained by the group through investment in such cross shareholdings, and risks associated with investment amounts and holdings, etc.

In addition, the department in charge will carefully examine suitability of cross-shareholdings retention, taking into consideration factors such as contribution to the company’s growth and business development, etc. and return on investment, and continued retention will be examined by the Board of Directors. Furthermore, where the suitability/rationality of retention is not considered appropriate, cross-shareholdings shall be suitably disposed.

Voting rights for cross shareholdings are exercised appropriately following careful examination of proposal content, by the department in charge of strategic investment, in order to determine whether the proposal will contribute to an increase in our shareholder value. Regardless of whether a proposal is put forward by the issuing company or by its shareholders, affirmative decisions will not be made in relation to proposals that impair our shareholder value.

### <Principle 1-7. Related Party Transactions>

Gurunavi holds that directors engagement in competing transactions, conflict of interest transactions,

or other transactions equivalent thereto, are subject to approval by the Board of Directors in accordance with laws and its Regulations of the Board of Directors. In addition, transaction results are disclosed in a timely and appropriate manner in accordance with applicable laws.

In addition, regarding transactions with major shareholders, companies in which the Chairman & Director of the Company serves as a director and companies in which a director of the Company executes the operations, the department in charge of compliance & risk management conducts careful examinations of terms and conditions of transactions, such as transaction price, and reasons for engaging in such transactions, etc. and the results and details of the transactions are regularly reported to an examination committee whose members include A&SBMs.

Regarding related party transactions other than the above, the Company will appropriately disclose important facts in accordance with applicable laws.

#### **<Principle 2-6. Roles of Corporate Pension Funds as Asset owners>**

Gurunavi has not adopted a corporate pension plan, and consequently does not qualify as a corporate pension asset owner. However, defined contribution pension plans have been adopted. Explanations of plans and information to assist in the selection of pension products are provided to employees via in-house portal sites, etc.

#### **<Principle 3-1. Full Disclosure>**

(1) Company objectives (e.g., business principles), business strategies, and business plans

The Gurunavi group defines its purpose as “Food: Satisfying People and Creating Connections.” This reflects our desire to continue to provide new value to the world and contribute to the realization of a better society by exploring all the possibility of food and connecting people, things and events all over the world through food, based on the spirit “Protecting and nurturing Japanese food culture” which has been with us since our founding.

With changes in behavioral patterns/values of consumers in relation to eating out following Covid-19, the harsh business environment surrounding restaurants with issues such as labor shortages and sharp rises in prices of raw materials, etc. and changing trends in Web services, etc. taken into consideration, Gurunavi believes that there is an ever greater importance attached to the transformation of restaurant management as a whole through digital means in order to continue providing enriched restaurant experiences to consumers while enhancing the productivity of restaurants.

Consequently, while continuing to uphold our existing concept of “support for restaurant management as a whole without stopping at sales promotion alone”, Gurunavi is formulating a three-year medium-term business policy for the March 2024 period to the March 2026 period with a basic strategy consisting of measures implementation focusing on DX for the two areas of “promotional activities” and “store management”, both of which are directly connected to improving restaurant productivity. During this period, Gurunavi will aim to become the “best partner for restaurant management DX”, and for the realization of this goal, we will further reinforce coordination with our business partners while simultaneously engaging in the thorough utilization of “information assets” accumulated through “human support” and “digital utilization”, which are Gurunavi’s strengths, in order to heighten the drive and effectiveness of each measure.

As a result, as well as contributing to the sustainable development of the food service industry, Gurunavi will achieve its own evolution into a business model that can withstand changes in the business environment, and will draw a new growth path.

Further details have been posted on the Gurunavi website.

[https://corporate.gnavi.co.jp/en/profile/mid\\_term/](https://corporate.gnavi.co.jp/en/profile/mid_term/)

(2) Basic views and guidelines on corporate governance

Under the principle of prioritizing shareholders’ interests, Gurunavi maintains a keen awareness of the management responsibility of directors, and upholds basic policies to enhance our corporate governance in order to prevent irregularities, clarify decision-making processes, and ensure the logical implementation of operations.

The Board of Directors is comprised of six directors including one representative director (of which four are outside directors), who are not A&SBMs, and four directors (of which three are outside directors), who are A&SBMs. In principle, it holds monthly meetings to make important management decisions and supervise the execution of duties by directors.

Gurunavi will further reinforce the audit/oversight functions of the Board of Directors, and together with aiming towards the further enrichment of corporate governance, we have opted to be a company with audit & supervisory board in order to heighten management fairness, transparency, and efficiency

through the delegation of authority for prompt decision-making and business execution. The Audit & Supervisory Board is comprised of four directors who are A&SBMs (of which three are outside directors). In principle, it holds monthly meetings. The full-time A&SBM attends important meetings such as the Executive Committee, and audits the execution of duties by directors.

In addition, as a voluntary advisory body to the Board of Directors, Gurunavi has established a Governance Committee chaired by an outside director, and the majority of members are outside directors.

Furthermore, five of the aforementioned seven outside directors have been designated as independent directors under the provisions of the Tokyo Stock Exchange, and notification of such appointment has been submitted to the TSE.

In addition, we have reinforced our governance structures by introducing an executive officer system to separate oversight functions by the Board of Directors and business execution functions undertaken by executive officers. Moreover, in accordance with the basic policies determined by the resolution of the Board of Directors, the Executive Committee has been set up to deliberate on important issues related to management and exercise general controls over business execution and is comprised of the President & Representative Director and executive officers. The meetings of the Executive Committee are held regularly with the attendance of the full-time A&SBM.

(3) Basic policies and procedures regarding remuneration for directors

Basic policies and procedures related to remuneration for directors are given under [Director Remuneration] in “II Status of Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management – 1. Matters related to Organizational Composition and Operation, etc.” in this document.

(4) Policies and procedures regarding the appointment/dismissal of senior management and the nomination of director candidates

In the appointment/dismissal of senior management and the selection of director candidates, Gurunavi considers ability, experience, character and opinion, etc. to reach a comprehensive judgment on whether the individual possesses a full understanding of Gurunavi’s corporate philosophy and the ability to put said philosophy into practice.

In view of roles such as management oversight and oversight functions, the selection of outside directors involves the comprehensive consideration of attributes such as company management experience and specialist expertise, etc. In addition, as the core business of Gurunavi is food, a woman’s perspective is important, and the appointment of female senior management is also progressing.

In the event that a member of senior management commits an act of misconduct, undertakes actions that harm the company’s reputation, or is deemed unsuitable for a senior management position, said individual shall be dismissed by resolution of the Board of Directors.

Furthermore, in the appointment/dismissal of senior management and the selection of director candidates shall be conducted after deliberation by the Governance Committee.

(5) Explanation regarding the appointment/dismissal and nomination of individual directors

Reasons for the nomination of individual director candidates are given in reference document, “Notice of Convocation of the General Meeting of Shareholders.” In addition, reasons for the appointment of outside directors are given under “[Directors] Relationship with the Company (2)” in “II Status of Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management – 1. Matters related to Organizational Composition and Operation, etc.” in this document.

### **Supplementary Principle 3-1 – 3**

The Gurunavi group’s views and initiatives concerning sustainability are as given below.

(1) Governance and Risk Management

Based on our purpose “Food: Satisfying People and Creating Connections”, Gurunavi will continue to be a company that consistently provides new value to the world and contributes to the realization of a better society. Working towards the realization of this goal, the Executive Committee conducts appropriate deliberations in relation to sustainability related risks and opportunities surrounding Gurunavi, such as changes in social issues and the utilization of human capital, etc. and the responses to such, and reports to the Board of Directors. In addition, regarding matters concerning corporate governance, the Compliance & Risk Management Committee undertakes deliberations on important

issues and reports the results to the Board of Directors, and we have established the Governance Committee as a voluntary advisory body to the Board of Directors.

Furthermore, regarding risk management, including sustainability related risk, for the Gurunavi group as a whole, an overview of basic policy and advancement systems is defined under the “Basis Risk Management Rules” established by the officer in charge of compliance & risk management. For further details, please see “IV. Matters related to the Internal Control System – 1. Basic Views on the Internal Control System and Status of Development – A. Basic Views – 3. Rules and other systems for managing risk of loss concerning the Gurunavi group”.

## (2) Strategies, Indicators, and Targets

With “food” as its business domain, Gurunavi bears responsibilities for active engagement in initiatives concerning various food related social issues. For example, regarding thorough transmission of highly reliable information to enhance the safety/security and richness of consumers’ food experiences, support for evolution into restaurant management models that can withstand environmental and social changes, and the transmission, popularization and the passing down of Japan’s excellent food culture and technologies to later generations, etc. as an operator of restaurant search and reservation media, we will simultaneously contribute to the sustainable development of the food service industry and food culture, achieve sustainable growth of restaurant support, which is our core business, and further expand Gurunavi’s corporate value through the creation of new business, by utilizing the networks with food service related parties and food service related databases created and accumulated by Gurunavi since its founding, and making full use of these to exploit and demonstrate restaurant support know-how.

In addition, since its founding, Gurunavi has prioritized connections with the people related to the food service industry, which is built upon the strengths of people, such as those involved in sales, and has developed business accordingly. The belief that “connections with people” have the strength to mutually increase value, and the importance that Gurunavi places on this, is what drives our active approaches towards the resolution of various “people” related social issues, such as the preparation of environments in which our diverse human resources can showcase their character and abilities, and discovering and nurturing the diverse talent associated with food services, and improving working environments through improved productivity in food service industry, etc.

Furthermore, the Gurunavi group’s policies on human resource development, including securing diverse human resources, and policies related to the establishment of internal environments, are as given below.

By realizing a strong organization that can continually create value in response to a changing business environment, Gurunavi initiated the “Work Style Evolution Project” in order to put our purpose into practice and achieve sustainable growth of corporate value. The “Work Style Evolution Project” adopts a “Smart Work Shift (highly productive, independent and efficient work style)” concept based on the following three “shifts”, and endeavors to improve comfortable working (establishment of internal environments), and improve job satisfaction by improving the feeling of reward (reinforcement of HR systems that include HR development).

“Smart Work Shift (highly productive, independent, and efficient work style)”

- Workstyle Shift (A working style that suits the individual)
- Ownership Shift (Each individual fulfils a leading role)
- Management Shift (Improved productivity, promotion of value creation)

The specific measures of the “Work Style Evolution Project” are as given below.

### 1) Making work more comfortable

- Measures that contribute to improved work style flexibility and diversity
  - Expansion of work sites (December 2020)
  - Introduction of remote working systems (April 2021)
  - Introduction of flextime systems (October 2021)
  - Introduction of joint commute/remote working “Hybrid workstyle” (October 2021)
- Measures that contribute to make work more comfortable
  - Creation of a guide to communication under remote working (October 2020)
  - Creation of a management book (February 2021)
  - Revitalization of internal communication such as reviews of company-wide morning meetings, etc.

(August 2021)

2) Improving the rewarding feeling

- Measures that contribute to improved feeling of growth
  - Reinforcement of internal job posting systems (as required since 2019)
  - Clarification of role definitions for all employees and management, and by job type (July 2021)
  - Company-wide introduction of the e-learning system (July 2021)
- Measures that contribute to improved feeling of contribution
  - Review of award system (as required since 2021)

In addition, pulse-survey (employee awareness survey) was introduced in December 2022.

Even for the March 2024 period, the promotion of Human capital management is positioned as an important measure for Gurunavi, and as well as implementing revisions for human resource systems in relation to assessment/remuneration in April 2023, we will also continue to reinforce human resource development structures and measures, reinforce visualization and analyses, etc. of human resources through talent management systems, and by setting quantitative indices and targets related to these measures and engaging in progress management, we will aim for sustainable improvement in corporate value through improved employee engagement, realization of diversity promotion, improved performance, and the creation of innovation.

On the other hand, since the corporate activities of Gurunavi and the food service industry, which is the subject of its business, stands upon a foundation of strong alliances with regional communities and the global environment, we recognize the roles and responsibilities Gurunavi and the food service industry must uphold as a member society and the world, such as contribution to the promotion of regional communities through food, reduction of Gurunavi's and the food service industry's environmental burden, and practicing sound and highly transparent management, etc. and we are acting accordingly. As a result, Gurunavi will reduce social and environmental risks that can inhibit business development, and tie this into the expansion of sustainable corporate value.

For specific projects and corporate activities related to the above, please see the Gurunavi website.  
<https://corporate.gnavi.co.jp/en/profile/sustainability/>

For example, soaring fuel and foodstuff costs could have an adverse impact on restaurant operations, which in turn could have an impact on our business performance. Gurunavi is therefore taking steps to disclose the impact of climate change-related risks and opportunities on its business activities and earnings, based on the framework of the TCFD (Task Force on Climate-related Financial Disclosures).

**<Principle 4-1. Roles and Responsibilities of the Board (1)>**

**Supplementary Principle 4-1 – 1**

The Board of Directors undertakes decisions on matters to be determined under applicable laws and the Articles of Incorporation of the Company, in accordance with the “Regulations of the Board of Directors.” In addition, “Executive Committee Rules” have been formulated by resolution of the Board of Directors, and the Executive Committee, which is an optional decision-making agency established in accordance with said rules, undertakes deliberations, resolutions and establishment of direction in relation to execution plans for important individual business matters and other important business execution related matters, in accordance with criteria provided under said rules, and of the agenda items discussed by the Executive Committee, items deemed necessary are submitted for further deliberation by the Board of Directors.

In addition, Gurunavi has set forth the responsibilities and authority assigned to each position in relation to the execution of company business under the “Rules on Official Authority,” which also set forth authority of final decision for matters that occur in the course of the company's business.

**<Principle 4-8. Effective Use of Independent Outside Directors>**

Gurunavi has appointed five independent outside directors in order to reinforce the oversight functions of the Board of Directors through advice and oversight from objective and neutral perspectives.

**<Principle 4-9. Independence Standards and Qualification for Independent Outside Directors>**

Gurunavi determines the independence criteria of outside directors in accordance with independence criteria set by the Tokyo Stock Exchange, and when an outside director does not fall under any of the following items, said outside director will be considered independent from Gurunavi, and have no risk of conflicts of interests with general shareholders.

- (1) A director who is not an executive of the Gurunavi Group (“executive<sup>1</sup>”) or a subsidiary.
- (2) Parties whose major suppliers are Gurunavi<sup>2</sup> or their executive.
- (3) Major clients of Gurunavi<sup>3</sup> or their executive.
- (4) Consultants, accounting experts, or legal experts who receive a large amount<sup>4</sup> of money or other assets from Gurunavi, other than remuneration for directors/A&SBMs (if the person receiving such assets is a corporation, partnership, or other organization, a person who belongs to such organization).
- (5) A major shareholder<sup>5</sup> of Gurunavi. If such major shareholder is a corporation, this means an executive, or former executive of such corporation.
- (6) A Person from other companies in a relationship of mutual appointment of an outside director or A&SBM<sup>6</sup>.
- (7) A person to whom or from whom Gurunavi has donated a large amount of money or other property.
- (8) Those who have fallen under any of the above clauses 1 through 7 in the past 3 years.
- (9) A person whose close relatives<sup>7</sup> fall under any of the above clauses 1 through 8. However, with the exception of paragraph 4, only important persons<sup>8</sup> are eligible.

\*<sup>1</sup> “Executive” means a director, executive officer, corporate officer or other similar person who is currently affiliated with a company (the same shall apply hereinafter).

\*<sup>2</sup> “Parties whose major suppliers are Gurunavi” is defined as a party to which Gurunavi has made payments in excess of 2% of the other party's consolidated sales.

\*<sup>3</sup> “Major clients of Gurunavi” are those who have made payments to us in excess of 2% of our consolidated sales or have provided loans to us in excess of 2% of our consolidated total assets.

\*<sup>4</sup> “Large amount” is defined as an amount of money or other property provided by the Gurunavi in excess of ¥10 million per year in the case of an individual, or in excess of 2% of the consolidated sales or gross income of the relevant organization in the case of a corporation, partnership, etc. in any of the past three fiscal years (the same applies hereinafter).

\*<sup>5</sup> “Major shareholder” means a person who directly or indirectly holds 10% or more of the total voting rights.

\*<sup>6</sup> “Mutual appointment of an outside director or A&SBM” means that an executive of Gurunavi is an outside director or A&SBM of another company, and that the executive of that other company is an outside director or A&SBM of Gurunavi.

\*<sup>7</sup> “Close relative” means a spouse or a relative within the second degree of kinship.

\*<sup>8</sup> “Important persons” means a director, executive officer, corporate officer, or a person who has a position and authority equivalent to or greater than that of a general manager.

#### <Principle 4-10. Use of Optional Approach>

##### Supplementary Principle 4-10 – 1

For details of the Governance Committee, which has been established as a voluntary advisory body to the Board of Directors, are given under “[Directors] Voluntary establishment of committee(s) corresponding to a nominating committee or a remuneration committee – Supplementary Explanation” in “II Status of Business Management Organization and Other Corporate Governance Systems regarding Decision- making, Execution of Business, and Oversight in Management – 1. Matters related to Organizational Composition and Operation, etc.” in this document.

#### <Principle 4-11. Preconditions for Securing the Effectiveness of the Board of Directors>

##### Supplementary Principle 4-11 – 1

In order to secure the balance of knowledge, experience, ability, and diversity within the Board of Directors as a whole, for the appointment of directors, our policy is to appoint individuals possessing the ability to realize and apply Gurunavi's corporate philosophy, excellent management skills that will support sustainable growth, and highly capable individuals possessing an abundance of knowledge and experience in specialist fields, regardless of age, gender, or nationality.

Regarding currently appointed Directors, analyses have been conducted in the manner shown in “Directors’ Skills Matrix” attached at the end of this document, and human resources have been appointed in accordance with the above policies.

Furthermore, regarding views on the size of the Board of Directors as a whole, in consideration of future business development and an appropriately balanced outside director ratio, Gurunavi believes that the current size is appropriate.

#### **Supplementary Principle 4-11 – 2**

Gurunavi annually discloses the status of major concurrent offices of candidate directors and directors in the reference documents and the business report of the “Notice of Convocation of the General Meeting of Shareholders,” and other disclosure documents such as securities reports, etc.

#### **Supplementary Principle 4-11 – 3**

As an approach taken to vitalize the Board of Directors, Gurunavi sets the schedule for meetings to be held over the course of a year in advance to improve attendance, with ample time set for these meetings to secure sufficient time for deliberations. In addition, advance notification of agenda items is implemented in order to enrich the content of deliberations. Furthermore, all directors are required to complete questionnaire surveys implemented in relation to the operation of the Board of Directors once a year, in order to analyze and evaluate the effectiveness of the Board.

With the results showing that these approaches were given a consistent level of appraisal, we conclude that, as a Board of Directors, the Board of Directors of the company is functioning effectively. In addition, opinions on further improvements in the future were put forward, and approaches to improve effectiveness will continue.

#### **<Principle 4-14. Director Training>**

##### **Supplementary Principle 4-14 – 2**

To ensure that the directors can fully perform the roles and duties demanded of them, Gurunavi provides training opportunities with external specialists in relation to the responsibilities of directors and corporate governance.

Even after appointment to office, continual training opportunities are provided in response to amendments to laws and changes to the company’s business environment.

In addition, when appointing outside directors, Gurunavi arranges opportunities to provide information such as an overview of Gurunavi’s business and business principles, etc.

#### **<Principle 5-1. Policy for Constructive Dialogue with Shareholders>**

Gurunavi believes in the importance of deepening mutual understanding through constructive dialogue with one of our important stakeholder groups, the shareholders and investors, in order to improve corporate value. To this end, systems to promote dialogue with shareholders have been prepared, and Gurunavi actively sets up opportunities for dialogue with institutional investors and individual investors.

##### **Supplementary Principle 5-1 – 1**

The President and senior management members, participate as appropriate when engaging in dialogue with shareholders and investors, in order to properly reflect the opinions, etc. of shareholders in management practice.

##### **Supplementary Principle 5-1 – 2**

- (1) The President oversees all dialogue with shareholders.
- (2) The IR Group in charge of investor relations is established under the Corporate Planning Department, and frequently holds meetings, exchanges opinions and examines the contents when preparing disclosure materials in coordination with other departments related to accounting and finance, legal affairs, etc.
- (3) In addition to statutory disclosure and timely disclosure, Gurunavi implements active disclosure of information on Gurunavi group activities in order to contribute to constructive dialogue with shareholders and investors.  
Regarding approaches related to dialogue with institutional investors, Gurunavi deals with daily meetings with domestic and overseas institutional investors as well as holding briefing sessions, etc. covering matters such as overviews of Gurunavi group business strategies, performance and business status, and returns to shareholders, etc. To the fullest extent possible, the President and



senior management members participate in direct dialogue with institutional investors, as opportunities for dialogue from long-term perspectives that look forward to improved corporate value facilitate the reflection of dialogue results in management practice.

Regarding dialogue with individual investors, the company creates opportunities for dialogue that will serve to deepen understanding of Gurunavi group business content, by allocating ample time for questions after providing explanations on business report content and business strategies, etc. through video and slide presentations in General Shareholders Meetings, which provide valuable and important opportunities for dialogue.

- (4) The details of questions posed by institutional investors and their opinions, etc. are appropriately shared among senior management members, and applied in relation to future Gurunavi group management practice.
- (5) Gurunavi has established regulations related to information disclosure and the prevention of insider trading. Information disclosure is conducted promptly, fairly and accurately, with duty of confidentiality clearly stated in relation to important information, and Gurunavi implements regular educational sessions to ensure thorough compliance.

### Supplementary Principle 5-1 – 3

Gurunavi endeavors to identify shareholder ownership structure through the implementation of regular shareholder identification surveys, etc.

### [Action to Implement Management that is Conscious of Cost of Capital and Stock Price (under consideration)]

Gurunavi will review formulating and publication the plans and targets based on cost of capital after taking into consideration the status of recovery from the impact of Covid-19 in the food service industry, which is the subject of our services, and progress of new services based on the medium-term business policy aforementioned <Principle 3-1. Full Disclosure>.

## 2. Capital Structure

Foreign stockholding ratio                      Less than 10%

### [Status of Major Shareholders]

Name/Company Name	Number of Shares Owned	Percentage (%)
Rakuten Group, Inc.	9,274,600	15.67
Hisao Taki	7,097,800	12.00
The Master Trust Bank of Japan, Ltd. (Trust account)	4,168,200	7.04
SMBCCP Investment Limited Partnership No. 1	3,400,000	5.75
SHIFT Inc.	2,257,300	3.82
Japan Traffic Culture Association	1,862,800	3.15
Akio Sugihara	1,277,858	2.16
Odakyu Electric Railway Co., Ltd.	1,128,500	1.91
Tokyo Metro Co., Ltd.	973,600	1.65
Hiroko Taki	847,000	1.43

Controlling Shareholder (except for parent Company)	—
Parent Company	None

### Supplementary Explanation

1. The above status of major shareholders is as of March 31, 2023.
2. Other than the above, there are 1,128,462 treasury stock shares. The above percentages have been calculated excluding treasury stock.

### 3. Corporate Attribute

Listed stock market and market section	Tokyo Stock Exchange/Prime Section
Fiscal year-end	March
Type of business	Services
Number of employees (consolidated) as of previous fiscal year-end	More than 1000
Net sales (consolidated) as of previous fiscal year-end	Over ¥10 billion and less than ¥100 billion
Number of consolidated subsidiaries as of previous fiscal year-end	Less than 10

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

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

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

### 1. Matters related to Organizational Composition and Operation, etc.

Organization Form	Company with Audit & Supervisory Board
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#### [Directors]

Maximum number of directors stipulated in the Articles of Incorporation	15
Term of office of directors stipulated in the Articles of Incorporation	1 year
Chairperson of the Board of Directors	President
Number of directors	10
Status of appointment of Outside Directors	Appointed
Number of Outside Directors	7
Number of Outside Directors designated as Independent Directors/A&SBMs	5

### Relationship with the Company (1)

Name	Attribute	Relationship with the Company (*)										
		a	b	c	d	e	f	g	h	i	j	k
Koichi Tsukihara	From another company											
Hirohisa Fujiwara	From another company								○			
Kazunori Takeda	From another company							○	○			
Yui Ono	From another company							○	○			
Taketeru Minaki	Lawyer											
Hidehiko Sato	Lawyer											
Yoshio Ishida	From another company								△			

\* Categories for “Relationship with the Company”

\* “○” when the director presently falls under 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 under or has recently fallen under the

category, “▲” when a close relative of the director fell under the category in the past.

- a. Executive of a listed company or its subsidiary
- b. Executive or non-executive director of a listed company’s parent company
- c. Executive of a fellow subsidiary of a listed company
- d. A person whose major client or supplier is a listed company or is an executive thereof
- e. A person who is a major client or supplier of a listed company or an executive thereof
- f. Consultant, accounting or legal professional who receives a large amount of money or other property benefit other than executive officer’s remuneration
- g. A major shareholder of a listed company (if the relevant major shareholder is a legal entity, an executive of said legal entity)
- h. An executive of a client or supplier (not corresponding to d, e or f) of a listed company (himself/herself only)
- i. An executive of a company with which Outside Officers are mutually appointed (himself/herself only)
- j. An executive of a company that receives donations from a listed company (himself/herself only)
- k. Other

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

Name	A&SBM	Independent Director	Supplementary explanation of the relationship	Reasons for appointment
Koichi Tsukihara		○	—	With a high degree of independence from senior management, Koichi Tsukihara has been appointed as an outside director and at the same time designated an independent director in order to utilize his abundance of experience and high-level insight, gained from time as a business manager and as an outside director for other companies, in the management of Gurunavi, and for his ability to perform oversight functions appropriately as an outside director.
Hirohisa Fujiwara		○	While there are currently transactions between Gurunavi and TOKYU CORPORATION, at which Hirohisa Fujiwara currently serves as Director and Senior Executive Officer, corresponding to approximately ¥62 million in relation to the distribution of sales and operational expenses for the “LIVE JAPAN PERFECT GUIDE” tourism information services for overseas visitors, jointly operated by the two companies, as this figure is less than 2% of TOKYU CORPORATION’s consolidated net sales, there is no risk of conflicts of interest with general shareholders, and no impact on independence.	With a high degree of independence from senior management, Hirohisa Fujiwara has been appointed as an outside director and at the same time designated an independent director in order to utilize his abundance of experience and high-level insight, gained through his work in the proposal and promotion of financial strategies for the TOKYU CORPORATION, in the management of Gurunavi, and for his ability to perform oversight functions appropriately as an outside director.
Kazunori Takeda			Kazunori Takeda is currently engaged as Director and Executive Vice President of Rakuten Group Inc., the largest and major shareholder of Gurunavi. The two companies currently collaborate in relation to membership ID/points- services, sales of the products and services of the two companies, and the promotion of utilization, etc.	Kazunori Takeda has been appointed as an outside director in order to utilize his abundance of experience as a business manager and high-level insight into consumer business in the management of Gurunavi, and for his ability to perform oversight functions appropriately as an outside director.
Yui Ono			Yui Ono is currently engaged as an executive of Rakuten Group Inc., the largest and major shareholder of Gurunavi. The two companies currently collaborate in relation to membership ID/points-services, sales of the products and services of the two companies, and the promotion of utilization, etc.	Yui Ono has been appointed as an outside director in order to utilize her high-level insight into e-commerce business including food-related business, and for her ability to perform oversight functions appropriately as an outside director.

Taketeru Minaki	○	○	—	While possessing no other experience of company management other than through appointment as outside director or outside A&SBM, Taketeru Minaki has logged many years of experience as an outside A&SBM for other companies, and as a lawyer, possesses high-level insight into compliance management. Consequently, he has been deemed capable of performing his duties appropriately, and has been appointed an outside director in the role of A&SBM.
Hidehiko Sato	○	○	—	While possessing no other experience of company management other than through appointment as outside director or outside A&SBM, Hidehiko Sato possesses experience as the Commissioner General of the National Police Agency and as a lawyer, and possesses specialist knowledge of legal matters. Consequently, he has been deemed capable of performing his duties appropriately, and has been appointed an outside director in the role of A&SBM from the perspectives of compliance and organizational operation.
Yoshio Ishida	○	○	Within the past ten years, Yoshio Ishida has served as Director and Vice Chairman of the East Japan Railway Company. While there are transactions between the two companies related to personnel expenses for seconded employees, promotion business and the payment of Suica e- money system usage fees, as the transaction amount is less than 2% of the East Japan Railway Company's consolidated net sales, there is no risk of conflicts of interest with general shareholders, and no impact on independence.	With a high degree of independence from senior management, Yoshio Ishida has been deemed capable of performing his duties appropriately, and has been appointed an outside director in the role of A&SBM in order to utilize his ability to offer expert advice and recommendations based on his abundance of experience and high- level insight as a business manager for other companies, his extensive knowledge and experience in the field of the public transportation, and his experience as an A&SBM for other companies as well as an outside A&SBM for Gurunavi.

**[Audit & Supervisory Board]**

**Members Constituting the Committee and Attributes of the Chairperson**

	Total Members	Full-time Members	Inside Directors	Outside Directors	Chairperson
Audit & Supervisory Board	4	1	1	3	Inside Director

Presence of directors or employees to assist in the duties of the Audit & Supervisory Board	No
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**Reasons for adopting the current system**

Since the Audit & Supervisory Board is able to conduct appropriate information gathering through directors who are full-time A&SBMs, and through cooperation with the Audit Department, which is an internal department, employees to assist in the duties of the Audit & Supervisory Board have not been appointed. Furthermore, when the Audit & Supervisory Board does require employees to assist in its duties, employees mainly from the Audit Department will be appointed as Audit Assistants and placed as necessary, following discussion with the Audit & Supervisory Board.

**Status of Cooperation between A&SBMS, Accounting Auditors, and the Internal Audit Department**

A&SBMs, Accounting Auditors, and the Audit Department maintain a high level of mutual cooperation through timely exchanges of information as necessary, including regular meetings concerning audit schedules.

**[Voluntary Committees]**

Voluntary establishment of committee(s) corresponding to a nominating committee or a remuneration committee	Established
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**Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chair (Chairperson)**

	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily established committee corresponding to a nomination committee	Governance Committee	3	—	1	2	—	—	Outside Director
Voluntarily established committee corresponding to a remuneration committee	Governance Committee	3	—	1	2	—	—	Outside Director

**Supplementary Explanation**

Gurunavi has established the Governance Committee as a voluntary advisory body to the Board of Directors to ensure transparency of nominating and determining compensation for senior managements including the Representative Director and directors, thereby enhancing the oversight function, independence, objectivity, and accountability of the Board of Directors, and enhancing the Company's corporate governance system.

In order to ensure its independence and objectivity, the Governance Committee is chaired by an outside director/A&SBM, and the majority members are outside directors/A&SBMs.

<Role of the committee >

The committee, in response to a request for advice from the Board of Directors, mainly deliberates and reports on the following matters.

- (1) Matters concerning the selection of director candidates.
- (2) Matters concerning the appointment and dismissal of the Representative Director.
- (3) Matters concerning the appointment and dismissal of directors (including directors with special titles) and senior managements.
- (4) Matters concerning the compensation for senior managements including the Representative Director and directors.
- (5) Matters concerning a succession plan (including a training plan) of the Representative Director.
- (6) Matters concerning the corporate governance.
- (7) Other important management matters deemed necessary by the Board of Directors.

<Composition of the committee and status of attendance>

Chairperson: Koichi Tsukihara, Outside Director (Once)

Member: Taketeru Minaki, Outside Director (Once)

Member: Akio Sugihara, President & Representative Director (Once)

The Governance Committee was established on December 21, 2022 by resolution of the Board of Directors. A meeting was convened once during the immediately preceding fiscal year.

**[Independent Directors/A&SBMs]**

Number of Independent Directors/A&SBMs	5
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**Other matters relating to Independent Directors/A&SBMs**

All persons meeting the requirements for independent directors/A&SBMs have been designated as independent directors/A&SBMs.

**[Incentives]**

Status of implementation of incentive policies for directors	Performance-linked Remuneration, Other
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**Supplementary explanation for relevant items**

The remuneration of Gurunavi's directors (excluding directors who are A&SBMs and outside directors) consists of "fixed basic remuneration," "short-term incentives" which are performance-linked remuneration, and "medium- to long-term incentives" which are stock-based remuneration, and details regarding the incentives are as follows.

- Short-term incentives are paid in cash once a year as an annual bonus to the directors (excluding directors who are A&SBMs and outside directors). In determining the amount to be paid, the forecast figures for consolidated net profit published in the Summary of Financial Results are used as the basic index, since it is the most appropriate measure of the contribution to the Company's performance in each fiscal year, and determines the amount by taking into consideration and evaluating the director's position and the business performance/results of the business areas under said director's charge. In addition, depending on the Company's performance in each fiscal year, the payment may not be made.
- As a "medium- to long-term incentives," a restricted stock compensation plan to the directors including outside directors (excluding directors who are A&SBMs. Hereinafter, "applicable directors") is adopted with the objective of awarding of incentives aiming for the realization of mid- to long-term improvements in the Company's business performance and increased corporate value and promoting further shared value with applicable directors and shareholders. The amount and number of shares to be granted shall be determined in consideration of the responsibilities of each applicable director, etc., and in comprehensive consideration of various performance indicators of the Company for each fiscal year and other qualitative factors, and shall be granted once a year during the term of office.

Recipients of Stock Options	Internal directors, employees of the Company
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### Supplementary explanation for relevant items

Stock options have been granted to the directors and employees of the Company for the purpose of increasing the motivation for improving the business performance and increasing corporate value of the Company.

In 2018, the Company reviewed the executive compensation system and introduced a restricted stock compensation plan in place of the compensation for stock acquisition rights as a stock option for its directors. Since then, the Company has not issued any stock acquisition rights as a stock option to Gurunavi's directors (excluding directors who are A&SBMs).

#### [Director Remuneration]

Status of disclosure of individual directors' remuneration	No individual disclosure
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### Supplementary explanation for relevant items

Total amounts for each are disclosed separately for Directors and Outside Officers.

Existence of policy determining remuneration amounts and calculation method	Yes
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### Disclosure of policy on determining remuneration amounts and calculation method

#### 1. Amount of remuneration

The amount of remuneration, etc. for the fiscal year ending March 2023 is as follows;

<Directors>

- Number of eligible officers: Five
- Total amount of remuneration: 169,134 thousand yen
- Total amount of remuneration by type:
  - Fixed basic remuneration: 155,553 thousand yen
  - Performance-linked remuneration: —
  - Stock-based remuneration: 13,580 thousand yen

<Outside directors of the above>

- Number of eligible officers: Three
- Total amount of remuneration: 18,000 thousand yen
- Total amount of remuneration by type:
  - Fixed basic remuneration: 18,000 thousand yen
  - Performance-linked remuneration: —
  - Stock-based remuneration: —

The number of directors as of the end of the fiscal year ended March 2023 was seven, and the difference from the number of persons to be paid above is due to the existence of two directors who are not paid.

#### 2. Policy on determining the calculation method

##### (1) Basic policy

The remuneration, etc. of the Company's directors (hereinafter, the "Remuneration") shall be determined based on the basic policy rewarding contributions in accordance with the roles and responsibilities required of each director in light of the economic environment and market standards, on the premise that it will contribute to the acquisition of human resources who can put the corporate philosophy into practice and realize the enhancement of corporate value.

##### (2) Remuneration system and policy on determining the amount

The remuneration of Gurunavi's directors (excluding directors who are A&SBMs and outside directors) consists of "fixed basic remuneration", "short-term incentives", which are performance linked remuneration, and "medium- to long-term incentives", which are stock-based remuneration (short-term incentives and medium- to long-term incentives hereinafter referred to collectively as "variable remuneration"). The details are given below.

- Fixed basic remuneration is paid monthly in cash to each director in a fixed amount based on their responsibilities and other factors.
- Short-term incentives are paid in cash once a year as an annual bonus to the directors (excluding directors who are A&SBMs and outside directors). In determining the amount to be paid, the forecast figures for consolidated net profit published in the Summary of Financial



Results are used as the basic index, since it is the most appropriate measure of the contribution to the Company's performance in each fiscal year, and determines the amount by taking into consideration and evaluating the director's position and the business performance/results of the business areas under said director's charge. In addition, depending on the Company's performance in each fiscal year, the payment may not be made.

- As "medium- to long-term incentives," a restricted stock compensation plan to the directors including outside directors (excluding directors who are A&SBMs. Hereinafter, "applicable directors") is adopted with the objective of awarding of incentives aiming for the realization of mid- to long-term improvements in the Company's business performance and increased corporate value and promoting further shared value with applicable directors and shareholders. The amount and number of shares to be granted shall be determined in consideration of the responsibilities of each applicable director, etc., and in comprehensive consideration of various performance indicators of the Company for each fiscal year and other qualitative factors, and shall be granted once a year during the term of office.

(3) Policy on the Composition of Remuneration

When paying variable remuneration to directors (excluding directors who are A&SBMs), payments shall be made at levels not exceeding two thirds of fixed basic remuneration.

For directors (excluding directors who are A&SBMs) who are not executive directors, from the perspective of expectations for opinions and suggestions from an objective standpoint and the exercise of appropriate supervisory functions, the Company shall basically pay the total amount as fixed basic remuneration, but shall consider and determine the payment of medium- to long-term incentives as necessary.

Directors who are A&SBMs shall be paid only fixed basic remuneration.

(4) Policy on decision-making process

The President & Representative Director, who has been entrusted by the Board of Directors with the entire decision on the content of directors' remuneration (excluding directors who are A&SBMs), shall decide the remuneration within the scope of the total amount resolved at the General Meeting of Shareholders, after deliberations with the Governance Committee and receiving its report.

Remuneration for directors who are A&SBMs shall be determined within the scope of the total amount resolved at the General Meeting of Shareholders following consultation between directors who are A&SBMs.

**[Support System for Outside Directors/A&SBMs]**

In relation to outside directors, Gurunavi guarantees opportunities to attend important meetings, and has established systems to support information-gathering activities. This allows oversight or audit related information of outside directors, internal audit related information, accounting audit related information and information related to internal control departments to be shared between outside directors, internal auditors, accounting auditors and internal control departments, with the aim of enabling the effective use of such information by all parties.

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

1. Status of business management organization and other systems related to decision-making execution, and oversight by Gurunavi

<Board of Directors>

- The Board of Directors is comprised of ten directors (nine men and one woman), including the representative director. Of these, seven are outside directors.
- In principle, a meeting of the Board of Directors is convened once a month to make decisions on important management related matters and supervise business executions.

<Governance Committee>

- Gurunavi establishes the Governance Committee as a voluntary advisory body to the Board of Directors to ensure transparency of nominating and determining compensation for senior managements including the Representative Director and directors, thereby enhancing the oversight function, independence, objectivity, and accountability of the Board of Directors, and enhancing the Company's corporate governance system.

#### <Audit & Supervisory Board>

- The Audit & Supervisory Board is comprised of four A&SBMs (all men) including one full-time A&SBM, of which three are outside directors.
- Each A&SBM attends important meetings such as meetings of the Board of Directors, as well as Audit & Supervisory Board meetings, which are in principle convened once a month, and audits the status of each director's execution of duties.
- Attributes such as ability, experience, character and insight, etc. are considered in the appointment/dismissal of senior management and the appointment of director candidates, to reach a comprehensive judgment on whether an individual possesses a full understanding of Gurunavi's corporate philosophy and the ability to put said philosophy into practice. In addition, as the core business of Gurunavi is food, a woman's perspective is important, and the appointment of female directors is also progressing. In view of roles such as management oversight and oversight functions, the selection of outside directors involves the comprehensive consideration of attributes such as company management experience and specialist expertise, etc.
- In the event that a member of senior management commits an act of misconduct, undertakes actions that harm the company's reputation, or is deemed unsuitable for a senior management position, said individual shall be dismissed by resolution of the Board of Directors.
- Basic policies and procedures related to remuneration for directors are given under [Director Remuneration] in "II Status of Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management – 1. Matters related to Organizational Composition and Operation, etc." in this document.

#### <Executive Officer System>

- Gurunavi reinforces governance structures by introducing an executive officer system to separate oversight functions by the Board of Directors and business execution functions undertaken by executive officers.
- Twelve executive officers, eleven male and one female, are appointed from employees.

#### <Executive Committee>

- In accordance with the basic policies determined by resolution of the Board of Directors, the Executive Committee is set up to deliberate on important issues related to management and exercise general controls over business execution.
- The Executive Committee is comprised of the President & Representative Director and executive officers, and the meetings of the Executive Committee are held regularly with the attendance of the full-time A&SBM.

#### <Compliance & Risk Management Committee>

- Gurunavi establishes the Compliance & Risk Management Committee, which deliberates on important issues of compliance and reports the results to the Board of Directors.

#### <Internal Audit>

- Gurunavi's Audit Department, comprised of four officers, is in charge of internal audits.

#### <Accounting Audit>

- Name of audit corporation: KPMG AZSA LLC
- Continuous audit period: 24 years
- CPA performing audit: Kentaro Mikuriya, Auditing Accountant of designated LLC  
Yoshiaki Takeda, Auditing Accountant of designated LLC
- Composition of assistants related to auditing duties: seven CPAs, six other officers

### 2. Status of approaches to reinforce the functions of the Audit & Supervisory Board

Gurunavi aims to heighten audit effectiveness and reinforce the functions of A&SBMs by enhancing opportunities to gather business related information through A&SBMs' attendance in meetings such as the Executive Committee (convened on a regular basis), which serve as platforms for deliberation on important management related matters.

### 3. Status of execution of limited liability agreements

- In accordance with the provisions set forth in Article 426-1 of the Companies Act, Gurunavi has set forth provisions in the Articles of Incorporation allowing directors (including former directors) and former auditors to be exempted from liability for damages due to neglect of duties, within the scope allowed by applicable laws and regulations, through a resolution of the Board of Directors, in order to enable directors to fully perform the roles expected of them.

- In accordance with the provisions set forth in the Articles of Incorporation and Article 427- 1 of the Companies Act, Gurunavi and its directors (excluding those who are executive directors, etc.), have, in relation to cases that correspond to the requirements of laws and regulations, executed agreements that limit liability for damages as stipulated in Article 423-1 of said Act. The amount of liability under said agreements is the total of amounts stipulated by laws and regulations.
- In addition, the Company has executed an agreement with KPMG AZSA LLC in relation to audits conducted in accordance with the Companies Act and the Financial Instruments and Exchange Act. At the same time, an agreement that limits liability stipulated in Article 423- 1 of the Companies Act was executed in accordance with the provisions set forth in the Articles of Incorporation and Article 427-1 of said Act. Furthermore, the amount of liability under said agreement is set at ¥86 million or the amount determined under applicable laws and regulations, whichever is the higher.

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

With the addition to Gurunavi’s senior management of the current President & Representative Director, appointed from a major shareholder and the current Chairman and Director, a major shareholder, the company endeavors to improve corporate value through the implementation of management practice that applies its corporate philosophies with the perspectives of shareholders taken into consideration. We believe that, depending on the approaches taken to improve corporate value, the interests of general shareholders are also protected. However, from the perspective of general shareholders, there is a possibility that concerns may arise over damage to general shareholders’ interests due to a bias towards major shareholders’ interests. Consequently, in order to eliminate such concerns, Gurunavi has opted for the company with audit & supervisory board system, whereby four directors who are A&SBMs (of which three are independent directors) impose controls on business execution in general from a background of exercise of voting rights at meetings of the Board of Directors and audit/oversight of legality/validity, and ensure process transparency in the determination of nomination and remuneration for senior management including the Representative Director and directors in order to reinforce the oversight functions, independence, objectivity, and accountability of the Board of Directors, and with the aim of contributing to the reinforcement of Gurunavi’s corporate governance, we have established the Governance Committee, a voluntary advisory body to the Board of Directors, in order to fully protect the interests of general shareholders.

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

### **1. Measures to ensure General Shareholders Meetings and Smooth Exercise of Voting Rights**

	Supplementary Explanation
Early notification of General Shareholders Meetings	Notification is sent in advance of the date stipulated by law.
Scheduling GSMs avoiding the peak day	To allow many shareholders to attend, Gurunavi avoids holding GSMs on peak days.
Allowing electronic exercise of voting rights	Shareholders can exercise voting rights electronically via the internet by accessing the “e-vote” exercise of voting rights website specified by Gurunavi, operated by IR Japan, Inc., using PCs, smartphones or mobile phones.
Participation in electronic voting platforms and other approaches to improving environments for institutional investors to exercise their voting rights	In cases where advance applications are received for the utilization of the electronic voting platform for institutional investors operated by ICJ Inc., said platform can be used as a means of exercising voting rights in the company’s General Shareholders Meeting.
Providing convocation notice (summary) in English	An English language convocation notice will be prepared and posted on our website and on the electronic voting platform for institutional investors.

Other	<ul style="list-style-type: none"> <li>- The convocation notice of the General Shareholders Meeting will be disclosed on our website as well as stock exchanges.</li> <li>- Immediately after the General Shareholders Meeting, a movie explaining the business report given in the General Shareholders Meeting will be usually posted on our website for general distribution.</li> </ul>
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## 2. Status of IR Activities

	Supplementary Explanation	Explanation by Representative
Preparation and publication of disclosure policy	The disclosure policy is published on the company's website. <a href="https://corporate.gnavi.co.jp/en/ir/management/disclosure.html">https://corporate.gnavi.co.jp/en/ir/management/disclosure.html</a>	
Regular investor briefings for analysts and institutional investors	Quarterly financial results briefings are held four times a year. Presentation materials are posted on the company website. In addition, a video of the presentation at the briefings are also provided on the company website for a certain period for general distribution.	Yes
Posting of IR materials on the website	Information such as the summary of financial results, timely disclosure documents, IR calendar, and content for individual investors, etc. is posted on the website.	
Establishment of department (personnel) in charge of investor relations	The IR Group established under the Corporate Planning Department is in charge.	

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

	Supplementary Explanation
Stipulation of internal rules for respecting the position of stakeholders	Details are stipulated in the corporate philosophy and compliance guidelines in order to earn the trust of the people involved with Gurunavi and to fulfil social responsibilities.

## IV. Matters related to the Internal Control System

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

#### A. Basic views

In accordance with the Companies Act and the Ordinance for Enforcement of the Companies Act, Gurunavi is developing the system outlined below (hereinafter, "internal controls") to ensure the propriety of business conducted by Gurunavi and its subsidiaries.

1. A system that ensures that the execution of duties undertaken by the directors and employees of the company and its subsidiaries comply with laws and Articles of Incorporation.
- (1) Gurunavi has established the following basic policies related to compliance for the Gurunavi group (corporate group comprised of Gurunavi and its subsidiaries. Same hereinafter), and through repeated transmission of the spirit of these basic policies by the President & Representative Director to all Gurunavi group company directors and employees, Gurunavi has thoroughly entrenched compliance with laws and its Articles of Incorporation and compliance with social ethics as the prerequisites for corporate activities.

Based on our PURPOSE defined as "Food: Satisfying People and Creating Connections", the Gurunavi group, believes in the potential of food, and exists as a company that will connect people,

things, and events, to create places where people will be satisfied.

In order to maximize the value of our existence, as well as each director and employee's compliance with laws and social standards, it is essential for Gurunavi to live up to the trust of all who surround the Gurunavi group, and to fulfil the social responsibilities expected of a corporate citizen.

Consequently, Gurunavi has set forth the items of the following paragraph as "Gurunavi Compliance Guidelines", which we promise to uphold.

1. We will take the customer's point of view, provide services that satisfy the customer, and strive to improve trust.

We will sincerely listen to our customers' opinions and use them to improve our services. We will strive to provide correct information to our customers and will not infringe on the intellectual property rights of others.

2. We will respect the human rights and personal dignity of our employees, and strive to create a comfortable workplace.

We will observe the three "Promises to Employees" set forth under our Corporate Philosophy, and respect diversity. We will deal strictly with discrimination and harassment, and aim to be a company where employees can work with peace of mind.

3. We will always maintain an equal relationship with our business partners and practice fair trade.

We will maintain fair and equitable relationships with our business partners, and strive for mutual growth. We will engage in sound competition and aim for the further development of all food-related industries.

We will not have any relationship with any antisocial forces.

4. We will appropriately manage and utilize information.

We will build an advanced information security environment and protect our information from those who try to obtain it through illegal means.

We will obtain information through appropriate procedures, and use it to provide safe and useful services.

5. We will strive for highly transparent corporate management.

We will comply with proper procedures to promote our business. We will practice appropriate financial reporting in compliance with accounting laws and regulations.

We will disclose information to investors in a timely and appropriate manner, and strive to prevent insider trading.

We will manage funds provided by the government and financial institutions, etc. (subsidies, grants, competitive research funds) for prescribed objectives in an appropriate manner, and strive to prevent fraud.

- (2) Gurunavi has appointed an officer in charge of compliance & risk management and has also established the Compliance & Risk Management department, which works to develop compliance structures and an understanding of issues for the whole Gurunavi group.

In addition, a Compliance & Risk Management Committee has been set up with the President & Representative Director as the committee chairman and the officer in charge of compliance & risk management as the vice-chairman. This committee deliberates on important issues of compliance and reports the results to the Board of Directors.

- (3) Gurunavi has established a system whereby all Gurunavi group directors and employees can immediately forward reports to the Compliance & Risk Management department when they encounter a compliance related issue.

Gurunavi has established Compliance Consultation Desk Operation Rules, and has established a consultation desk that allows all Gurunavi group employees to report directly to the Compliance & Risk Management Department or an external agency.

Upon receiving a report or notification, the Compliance & Risk Management department examines the details, submits a report to the full-time A&SBM, and following discussions concerning the prevention of recurrence with the department in charge, makes decisions on the issue and implements measures to prevent recurrence across the whole Gurunavi group.

- (4) Gurunavi has set forth, "Gurunavi will not have any relations whatsoever with antisocial forces" within the basic policy for compliance, and based on this policy, Gurunavi group uphold the severance of ties with antisocial forces that threaten the order and safety of civil society, and stands resolutely against unreasonable demands, etc.

- (5) Gurunavi has established an internal control reporting system in order to ensure the reliability of financial reports created in accordance with the Financial Instruments and Exchange Act, and this system is operated and evaluated.
  - (6) For the Gurunavi group directors and employees, training sessions related to compliance with laws, etc. are conducted more than once a year by Gurunavi's personnel in charge of compliance, with the aim of entrenching thorough compliance awareness.
  - (7) In accordance with audit plans based on its Internal Audit Rules and its Affiliate Management Rules, internal audit departments implement internal audits of Gurunavi's subsidiaries.
2. Systems for the storage and management of information concerning execution of duties by directors of the company
    - (1) Gurunavi has established Management Rules of Management Information for information concerning the execution of duties by Directors.
    - (2) The following documents (including electronic records.), together with related materials, shall be stored and managed appropriately in accordance with the Management Rules of Management Information.
      - Minutes of General Shareholders Meetings
      - Minutes of meetings of the Board of Directors
      - Financial statements
      - Annexed detailed statements of financial statements
      - Managerial approval documents
      - Other documents and reports, etc. specified by the President & Representative Director
  3. Rules and other systems for managing risk of loss concerning of the Gurunavi group
    - (1) The officer in charge of compliance & risk management, appointed in accordance with the aforementioned 1 (2), establishes the basic risk management rules for the whole Gurunavi group. These rules determine the responsible department for each risk category, provide comprehensive/overall risk management for the whole Gurunavi group, and clarify the risk management system.
    - (2) The Compliance & Risk Management department, established in accordance with the aforementioned 1 (2), oversees risk management related affairs for the whole Gurunavi group.
    - (3) Gurunavi's internal audit department undertakes internal audits on status of risk management across the whole Gurunavi group.
    - (4) The Compliance & Risk Management Committee, established in accordance with the aforementioned 1 (2), deliberates on important risk management issues, and on receiving the results of the aforementioned internal audits, conducts reviews on the progress status of risk management across the whole Gurunavi group.
    - (5) In preparation for the occurrence of unforeseen circumstances or crises, Gurunavi has defined Basic Crisis Management Rules and Large-scale Disaster Response Procedures for the whole Gurunavi group, and ensured that these rules and procedures are widely disseminated among the directors and employees of each company in the Gurunavi group.
  4. Systems to ensure the effective execution of duties by the directors of the Gurunavi group
 

In accordance with scale or circumstances, etc. each Gurunavi group company uses the following management control systems, as necessary, in order to improve the effectiveness of execution of duties by its directors, etc.

    - 1) Formulation of rules on decision-making such as Rules on Official Authority, Rules on Division of Duties, Rules for Managerial Approval, etc.
    - 2) Establishment of an Executive Committee comprised of the President & Representative Director, and other executive officers.
    - 3) Setting of budgets and implementation of monthly and quarterly performance management by the Boards of Directors of each Gurunavi group company.
    - 4) Implementation of monthly performance reviews and measures for improvement by the Boards of Directors of each Gurunavi group company.
  5. System for ensuring appropriate conduct of business within the Gurunavi group
    - (1) With the aim of establishing internal controls for the whole Gurunavi group, the Gurunavi group has designated the Gurunavi Compliance & Risk Management department as the department

responsible for the internal controls for the whole Gurunavi group, and have established systems that include discussion on internal controls, information sharing, and systems that enable the efficient transmission of instructions and requests, etc. between Gurunavi and its subsidiaries.

- (2) Gurunavi's directors and the presidents of Gurunavi's subsidiaries bear the responsibility and authority concerning the establishment and operation of internal controls that ensure the propriety of operations in each department.
  - (3) Gurunavi's internal audit department implements internal audits for each Gurunavi group company. The results are reported to the Compliance & Risk Management department and the officer in charge of compliance & risk management, and where necessary, the Compliance & Risk Management department provides guidance on measures to improve internal controls, and support and advice on the implementation of such measures, to Gurunavi's directors and the presidents of its subsidiaries.
  - (4) The directors, etc. of Gurunavi's subsidiaries report to Gurunavi without delay on matters concerning the subsidiary's acquisition of Gurunavi's prior approval in relation to important matters, and the subsidiary's operating results, financial status and other important information, as defined under Gurunavi Affiliate Management Rules.
6. Matters regarding directors and employees required to assist in the duties of the Audit & Supervisory Board, matters regarding the independence of such directors and employees from other directors (excluding directors who are A&SBMs), and matters regarding ensuring the Audit & Supervisory Board's issuance of effective instructions to such directors and employees.
- (1) When the Audit & Supervisory Board requires employees to assist in its duties, following consultation with the Audit & Supervisory Board, Audit Assistants will be appointed, principally from among employees in the Audit Department, and the necessary personnel will be placed. Audit Assistants shall provide assistance for said duties under the sole instruction of the Audit & Supervisory Board.
  - (2) In order to allow Audit Assistants to execute duties indicated through instructions issued by the Audit & Supervisory Board, Gurunavi's directors must give due consideration to the other tasks said Audit Assistants.
  - (3) Regarding matters related to the employment terms of Audit Assistants, such as dismissal, transfer, evaluation, pay and other remuneration, etc. the prior approval of the Audit & Supervisory Board must be obtained.
7. Systems for directors (excluding directors who are A&SBMs) and employees, etc. of the Gurunavi group, and persons who have received reports from said parties, to report to the Audit & Supervisory Board, and systems to ensure that parties submitting reports to the Audit & Supervisory Board are not subsequently treated in a disadvantageous manner due to said report
- (1) The directors of Gurunavi (excluding directors who are A&SBMs) shall report the following matters, etc. related to the Gurunavi group to the Audit & Supervisory Board. However, such reports may be omitted for meetings attended by the full-time A&SBM or an A&SBM designated by the full-time A&SBM.
    - 1) Important matters deliberated by the Executive Committee
    - 2) Matters that may cause significant damage to the Company
    - 3) Important matters related to internal audits
    - 4) Matters related to serious violations of laws and its Articles of Incorporation
    - 5) Other important matters related to compliance & risk management
  - (2) If the directors or employees of each Gurunavi group company discover any important facts related to items 2), 4) and 5) in above (1), or when receiving a report of such from another director or employee, they may report the matter via the compliance & risk management related consultation desk of Paragraph 1.(3) or directly to the Audit & Supervisory Board.
  - (3) To ensure that employees tendering a report pursuant to above (2) are not subsequently treated in a disadvantageous manner due to said report, measures to protect said employees will be implemented in accordance with "Compliance Consultation Desk Operation Rules".
8. Matters regarding procedures for the advance payment or reimbursement of expenses arising from the execution of duties of A&SBMs (limited to the execution of duties of the Audit & Supervisory Board), and matters regarding policies for the processing of other expenses or obligations incurred through the execution of such duties.
- (1) When an A&SBM submits a request to Gurunavi for advance payment of expenses in relation to

the execution of duties, Gurunavi shall immediately process the relevant expenses or obligations, except in cases where Gurunavi deems the expenses or obligations related to said request to be unnecessary for the execution of duties by said A&SBM.

- (2) When the Audit & Supervisory Board seeks to independently appoint an external expert (lawyer, certified public accountant, etc.) as an advisor for the Audit & Supervisory Board, Gurunavi shall bear the expenses, except in cases where Gurunavi deems such appointment unnecessary for the execution of duties by said A&SBM.
9. Other systems to ensure the effective implementation of audits by the Audit & Supervisory Board
- (1) The full-time A&SBM conducts regular exchanges of opinions with the President & Representative Director along with the Audit Department's internal audit reports. In addition, forums for regular discussions with the officer in charge of compliance & risk management are arranged in order to achieve mutual understanding and to confirm that there are no omissions in reports, etc. submitted to the Audit & Supervisory Board.
  - (2) The full-time A&SBM attends the Compliance & Risk Management Committee in order to reflect opinions from an audit perspective. For internal audits, Gurunavi group audits are conducted in accordance with audit plans based on "Internal Audit Rules" and "Affiliate Management Rules", and the results are reported to the President and Representative Director.

B. Development status

1. As given in "A. Basic views" above.
2. Other specific development status items
  - (1) Establishing compliance guidelines  
Gurunavi has established compliance guidelines in order to earn the trust of the people involved with Gurunavi and to fulfil its social responsibilities.
  - (2) Establishment of consultation desks  
Internal and external compliance consultation desks have been established, allowing employees to report directly when any issues are discovered. Furthermore, upon receiving a report or notification, the Compliance & Risk Management department examines the details, reports to the full-time A&SBM, and following discussions concerning the prevention of recurrence with the department in charge, makes decisions on the issue and implements companywide measures to prevent recurrence. In a similar manner, an external Sexual Harassment Consultation Desk has been established.  
Furthermore, Consultation Desk Usage Guides have been posted on groupware, and all employees are educated in the appropriate use of these consultation desks.

Reference: Please see "Organizational diagram" at the end of this document.

## **2. Basic Views on Eliminating Antisocial Forces and Status of Development**

### **1. Basic views on eliminating antisocial forces**

Gurunavi has set forth specific items as compliance guidelines in order to fulfil its social responsibilities when undertaking corporate activities. These include a declaration by Gurunavi stating, "Gurunavi will not have any relations whatsoever with antisocial forces," with which Gurunavi upholds the severance of ties with antisocial forces that threaten the order and safety of civil society, and stands resolutely against unreasonable demands, etc.

### **2. Status of development towards eliminating antisocial forces**

As shown below, Gurunavi has adopted systems that do not yield to unreasonable demands by antisocial forces, and that eliminate antisocial forces.

- (1) Establishment status of a General Response department and appointment of officers in charge of responses  
Gurunavi has adopted a system of not yielding to unreasonable demands by antisocial forces, by designating the Operations Management Department General Affairs Group as the General Response department, appointing officers in charge of responses, and by holding discussions with the Compliance & Risk Management department as necessary, when undertaking responses.
- (2) Status of cooperation with specialized external agencies  
Gurunavi has established a system whereby, in the unlikely event of an unreasonable intervention by antisocial forces, either direct or indirect, such as unreasonable demands, etc. Gurunavi will



respond appropriately by cooperating with the relevant government agencies such as the police, and corporate attorneys.

(3) Status of information gathering/management in relation to antisocial forces

The Operations Management Department General Affairs Group and the Compliance & Risk Management department gather/manage information from related external agencies, etc. and use these materials to confirm the identity of antisocial forces.

(4) Status of response manual development

With the declaration in the compliance guidelines on the severance of any relations with antisocial forces, Gurunavi established Antisocial Force Countermeasure Rules that set forth specific responses for when an unreasonable demand, etc. by antisocial forces actually occurs.

(5) Status of training activity implementation

Compliance guidelines are posted on the Company's website to enable all executive officers and all employees to maintain a constant awareness of the guidelines. Moreover, compliance training is implemented on joining the company and at regular intervals, and educational activities on the elimination of antisocial forces are conducted.

(6) Checks on business partners

To ensure that antisocial forces cannot become business partners, Gurunavi always implements investigations into relations with antisocial forces prior to any new transactions.

## **V. Other**

### **1. Adoption of Anti-takeover Measures**

Adoption of anti-takeover measures	Not adopted
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### **Supplementary explanation for relevant items**

No items concerning anti-takeover have been set forth.

### **2. Other Matters concerning the Corporate Governance System**

The status of internal systems for the timely disclosure of Gurunavi's information is as follows.

1. Basic policy on timely disclosure

Gurunavi strictly adheres to laws such as the Companies Act and the Financial Instruments and Exchange Act, etc. and disclosure related regulations set forth by stock exchanges, and constantly upholds a basic policy of conducting prompt, accurate and fair disclosure of company information from the perspective of investors.

2. Internal controls on timely disclosure

Regarding internal controls for timely disclosure, with the basic policy in mind, Corporate Division Manager is designated as the officer in charge of information handling, and the IR Group is designated as the department in charge. The examination meeting is set up for the purpose of confirming laws and regulations concerning disclosure of company information, examining disclosure policies, and confirming the accuracy of disclosed materials.

3. Timely disclosure procedures

(1) Information on important decisions

Regarding decisions made by Gurunavi and its subsidiaries, the Corporate Planning Department undertakes checks and reviews to ascertain the presence of any important matters subject to timely disclosure or any conditions corresponding to immateriality standards. Where disclosure is necessary, disclosure materials are prepared by the Corporate Planning Department, and upon approval by the officer in charge of information handling and the President & Representative Director, said materials are disclosed immediately after decisions on such matters have been passed.

(2) Information on important occurrences

Officers in charge of each department immediately report the details of occurrences in Gurunavi and its subsidiaries to the Corporate Planning Department. Upon receiving such reports, the Corporate Planning Department submits a report on the occurrence to the officer in charge of

information handling, and at the same time, conducts checks and reviews to ascertain the presence of any important matters subject to timely disclosure or any conditions corresponding to immateriality standards. Where disclosure is necessary, disclosure materials are prepared by the Corporate Planning Department, and immediately disclosed upon approval by the officer in charge of information handling and the President & Representative Director.

(3) Information on financial statements

Regarding information on financial statements, information gathered from each company within the Gurunavi Group is used as the basis upon which related departments work together to prepare disclosure materials under the supervision of the Accounting and Finance Group of the Administration Department, and after careful examination of contents by the examination meeting, these materials are immediately disclosed upon approval by the officer in charge of information handling and the President & Representative Director.

4. Timely disclosure method

Company information to be disclosed is immediately disclosed via TDnet and EDINET, with disclosure materials also distributed to news media. In addition, Gurunavi also endeavors to provide prompt, accurate, and fair information to shareholders and investors, etc. by posting published company information on the Gurunavi website, etc.

Directors' Skills Matrix (as of June 2023)

	Hisao Taki	Akio Sugihara	Koichi Tsukihara	Hirohisa Fujiwara	Kazunori Takeda	Yui Ono	Kiyoshi Suzuki	Taketeru Minaki	Hidehiko Sato	Yoshio Ishida
Management	○	○	○	○	○		○			○
Finance/Accounting			○	○			○			○
Admin./Public Investment	○								○	○
Marketing/Sales	○	○			○	○				
Legal/Risk Management			○					○	○	
HR Development/Recruitment/Labor		○	○							
Technology system		○	○	○			○			
Internationality/Diversity	○			○	○	○				

Reference: Organizational Diagram

Last update: June 2023

