

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

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

### 1. Basic Views

The Company believes that the purpose of corporate governance is to meet the trust and expectations of stakeholders such as shareholders, suppliers, employees, users, and local communities, and to enhance corporate value by improving management efficiency and ensuring soundness and transparency. In order to achieve this purpose, it is essential that management supervision and audits are effectively carried out by the appointment, remuneration, management oversight, compliance, etc. of officers. Therefore, the Company regards strengthening and enhancing corporate governance as one of the most important management issues.

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

##### [Supplementary Principle 2.4.1] (Diversification of Views / Setting Goals)

Views: The Company promotes people based on their abilities, regardless of their new graduate/mid-career recruitment, gender, age, or nationality.

Goals: Based on the above views, the Company believes that it is more important to evaluate the abilities of its employees at any time than to consider measurable goals such as the number and percentage of core personnel appointments. Therefore, the Company has not set such goals.

##### [Supplementary Principle 3.1.3] (Disclosure Based on the TCFD etc.)

The Company Group primarily engages in the development and sale of digital products such as mobile online games. Consequently, it believes that climate change-related risks and the impact of revenue opportunities on it are relatively minor. Therefore, after comprehensive consideration of the necessity and the associated costs for the Company, it has decided not to implement data collection, analysis, and disclosure related to these matters at this time.

However, the Company will continue to consider the necessity and appropriateness of implementation in response to social circumstances and needs.

#### [Disclosure Based on Each Principle of the Corporate Governance Code]

##### [Supplementary Principle 2.4.1] (Diversification of Views / Setting Goals)

##### [Principle 1.3] (Basic Strategy for Capital Policy)

The Company believes that sustainable growth is necessary to increase shareholder value over the mid- to long-term, therefore, the basic strategy is to invest in growth investments while maintaining shareholders' equity with a high-risk tolerance, and it positions revenue, operating income, and profit attributable to owners of parent as the most important management indicators, and it strives to increase shareholder value by expanding on these.

Regarding the distribution of surplus funds, the Company has a basic policy of implementing dividends that are linked to the increase in stable earnings, while maintaining a balance with internal reserves.

In addition, when the Company implements new share issuances or other measures that cause significant dilution, it will ensure that the interests of existing shareholders are not unfairly impaired, and it will examine the necessity and rationality of such measures at the Board of Directors meeting, as well as provide sufficient explanation to the shareholders.

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

(1) Policy on cross-shareholdings: the Company has a policy of appropriately considering holding the shares of companies that it deems to contribute to the enhancement of the Company Group corporate value from a mid- to long-term perspective as cross-shareholdings.

(2) Details of verification for cross-shareholdings: the Company regularly and appropriately conducts monitoring such as interviews and surveys with the companies whose shares it holds, and based on the perspectives of whether they continue to contribute to the enhancement of the Company Group corporate value, whether they are commensurate with the capital cost, etc., it conducts verification for each individual stock at the Board of Directors meeting, and if it determines that continuous holding is inappropriate, it will sell and reduce them. The Company has verified the rationality of holding the cross-shareholdings that it holds at the Board of Directors meeting held on February 21, 2024, based on the above perspectives.

(3) Criteria for exercising voting rights for cross-shareholdings: the details of exercising voting rights for cross-shareholdings will be decided by the appropriate details that can be judged based on the above perspectives, as well as the perspectives of whether they are making appropriate decisions that lead to the increase of mid- to long-term corporate value, and whether the proposal in question will impair the corporate value of the Company Group.

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

When conducting conflict of interest transactions with related parties such as directors or their close relatives, the Company shall obtain prior approval from the Audit and Supervisory Committee and the Board of Directors and provide subsequent reports to ensure that the common interests of the Company and its shareholders are not harmed. In addition, similar procedures are required for transactions with major shareholders, etc.

**[Supplementary Principle 2.4.1] (Implementation Status of Ensuring Diversity, Human Resources Development Policy, Internal Environment Improvement Policy)**

**<Implementation Status of Ensuring Diversity>**

Implementation status: the ratio of each attribute of employees at the Company is as follows (as of the end of December 2023)

New graduate employee managerial position: 6.7%

Mid-career employee managerial position: 93.3%

Male managers: 91.7%

Female managers: 8.3%

Japanese managers: 96.7%

Foreign managers: 3.3%

**<Human Resources Development Policy • Internal Environment Improvement Policy>**

Policy: The Company policy is to strive to improve the working environment in order to develop and strengthen human resources, including ensuring diversity, the Company has introduced evaluation and award systems, ensuring work-life balance, and various training systems that allow employees to demonstrate and grow their abilities.

Implementation status: please see the Company website (<https://www.klab.com/jp/about/rule/>) for the actual implementation status.

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

The Company has introduced a defined contribution pension plan as part of its employee welfare program. As employees manage the reserve fund themselves, the Company is not involved in such management. However, the Company is working to provide education and training on asset management to employees, which contributes to the stable asset formation of employees.

**[Principle 3.1(i)] (Company Objectives (e.g., Business Principles), Business Strategies, and Business Plans)**

Based on the idea of, "We want to excite people all over the world and in order to do that, the Company, as a service creator, must be excited to convey that feeling," and it believes in "Creating a World of Excitement," as part of its corporate mission and is developing services centered on mobile online games. The Company management strategies and plans are disclosed at shareholder meetings, financial results briefings, etc. as appropriate. For more information, please see the Company IR website (<https://www.klab.com/en/ir/>).

**[Principle 3.1(ii)] (Basic Views and Guidelines on Corporate Governance Based on Each of the Principles of the Code)**

The Company believes that the purpose of corporate governance is to enhance corporate value by responding to the trust and expectations of stakeholders such as shareholders, suppliers, employees, users, and local communities, and

to ensure efficiency, soundness, and transparency in management. To achieve this purpose, it is essential that management supervision and audit are effectively carried out by the appointment, remuneration, management oversight, and compliance of officers. The Company regards strengthening and improving corporate governance as one of the most important management issues.

**[Remuneration, Election and Nomination of Directors]**

**[Principle 3.1(iii)] <Board Policies and Procedures in Determining the Remuneration of the Senior Management and Directors>**

As stated in II. Business Management Organization and Other Corporate Governance Systems Regarding Decision-making, Execution of Business, and Oversight, 1. Organizational Composition and Operation, (7) Director Remuneration ② Policy on Determining Remuneration Amounts and Calculation Methods, Disclosure of Policy on Determining Remuneration Amount and Calculation Methods.

**[Principle 3.1(iv)] <Policies and Procedures for Appointment and Dismissal of Senior Management and Nomination of Director Candidates by the Board of Directors>**

The Company has established a voluntary nomination and compensation committee with the aim of strengthening the supervisory function over the business executives, and it decides on the candidates for Directors Who Are Not Audit and Supervisory Committee Members after consulting with the committee and at the Board of Directors meeting. In addition, the Company decides on the candidates for Directors Who Are Audit and Supervisory Committee Members with the consent of the Audit and Supervisory Committee and at the Board of Directors meeting.

**[Principle 3.1(v)] <Explanation of Individual Cases of Appointment and Dismissal of Senior Management and Nomination of Director Candidates by the Board of Directors Based on (iv) Above>**

The reasons for election, dismissal, and nomination of director candidates are as stated in the Notice of Convocation of the Shareholders Meeting.

**[Supplementary Principle 3.1.3] (Specific Sustainability Initiatives)**

Under the basic policy outlined in [Supplementary Principle 4.2.2], the Company is committed to management efforts aimed at achieving sustainable business growth. For details on specific initiatives related to sustainability, please visit the Company website.

KLab's Commitment to Sustainable Development Goals

[Japanese] <https://www.klab.com/jp/about/sustainability/>

[English] <https://www.klab.com/en/about/sustainability/>

ESG Information

[Japanese] <https://www.klab.com/jp/ir/esg/>

[English] <https://www.klab.com/en/ir/esg/>

**[Supplementary Principle 3.1.3] (Investment in Human Capital and Intellectual Property, etc.)**

Investment in human capital: the Company believes that the development of human resources and the recruitment of excellent human resources are essential for the further development of the Company Group. The Company is working to strengthen its human resources by adopting new recruitment methods. For more information, please visit the Company website (<https://www.klab.com/jp/about/rule/>).

Investment in intellectual property: the Company Group owns a large amount of intellectual property, including game programs and content, which is essential to its main businesses. The Company proactively conducts investment activities based on comprehensive consideration. It also strives to protect trademarks and patents by registering them in a timely and appropriate manner.

**[Supplementary Principle 4.1.1] (Roles and Responsibilities of the Board)**

Based on the Articles of Incorporation, the Company ensures that all or part of the important business execution decisions can be delegated to directors. Furthermore, in accordance with internal regulations and considering factors such as financial scale and strategic importance, it delegates appropriate levels of authority to executive officers and other positions to secure flexible and prompt execution of business operations.

On the other hand, when directors make important business execution decisions, the Company has created a system that requires prior deliberation at internal meetings, etc., to ensure appropriate and objective checks and balances.

**[Supplementary Principle 4.2.2] (Sustainability Policy)**

The Company Group has adopted the corporate mission of "Creating a World of Excitement," and it is delivering mobile online games not only in Japan but also to the world, aiming to connect users globally through its entertainment content.

The main business of the Company, mobile online games, is one of the universal forms of entertainment content. However, the countries and regions to which it distributes, as well as the backgrounds of its users are diverse. As the Company Group delivers content globally, it strives to provide all users with a safe and secure gaming experience, regardless of nationality, race, religion, age, gender, etc. Through the stable operation of its services and continuous efforts towards sound management, it aims to achieve long-term corporate growth for the Company Group, all while returning value to its stakeholders, contribute to the expansion of the mobile online game market and the realization of a sustainable society.

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

The Company complies with the independence standards stipulated by the Companies Act and the Tokyo Stock Exchange, such as having no particular interest in other directors or the Company, being independent, and having no risk of conflict of interest with general shareholders has been established as a criterion for determining independence.

**[Supplementary Principle 4.10.1] (Independence of the Nomination and Remuneration Committee)**

The Company has established a voluntary nomination and remuneration committee for the purpose of strengthening the supervisory function over business executives, and in the process of nominating and determining remuneration of Directors Who Are Not Audit and Supervisory Committee Members, it consults with the committee and the decision will be made by the Board of Directors.

The committee's independence is ensured by having the CEO and all Outside Directors as members, with the majority being Independent Outside Directors.

**[Supplementary Principle 4.11.1] (Diversity of Directors)**

The Board of Directors is composed of an appropriate balance of numbers in accordance with the management strategy and plan of the time. The Company aims to improve corporate value over the mid- to long-term by selecting a well-balanced selection of directors from various fields with a wealth of knowledge, experience, and advanced abilities.

**[Supplementary Principle 4.11.1] (Combination of Skills, etc. that Directors Should Possess)**

Regarding the combination of skills, etc. that directors of the Company should possess, a skill matrix is provided in the Notice of Convocation of the 24th Annual Shareholders Meeting held in March 2024.

**[Supplementary Principle 4.11.2] (Important Concurrent Positions of Directors)**

The Company receives reports from time to time regarding the status of concurrent positions held by directors and confirms that they are able to adequately fulfill their roles and responsibilities as directors of the Company. The status of concurrent positions at important other companies is disclosed in the Notice of Convocation of the Shareholders Meeting and the Securities Report.

**[Supplementary Principle 4.11.3] (Analysis and Evaluation of the Effectiveness of the Entire Board of Directors)**

Once a year, the Company conducts a signed questionnaire survey of all directors regarding the overall effectiveness of the Board of Directors and evaluates and analyzes the results.

The above survey is conducted around January every year, and the Company conducted it again in January 2024. As a result, all directors commented on the enrichment of discussions at Board of Directors meetings, prior explanations, the diversity and appropriateness of members, and the opinions of directors. It was confirmed that the effectiveness of the Board of Directors continues to be sufficiently ensured, as generally positive responses were obtained regarding matters related to the effectiveness of the Board of Directors, such as the appropriateness of deliberation matters and items delegated to executive directors.

**[Supplementary Principle 4.14.2] (Measures to Promote Directors' Understanding of the Company)**

At the time of their appointment, the Company strives to promote understanding of the Company by providing explanations to directors regarding the market environment surrounding its business, recognition of issues, and future management strategies. In addition, even after taking office, information about the business and company status is shared at the Board of Directors meeting, interviews, etc. from time to time.

**[Principle 5.1] (Policy for Constructive Dialogue with Shareholders)**

The company has established a specialized IR group that can respond to both domestic and foreign investors and responds to interviews and inquiries.

For securities analysts and institutional investors, the Company holds quarterly financial results briefings and conducts individual and small meetings through visits and teleconferences, with its IR specialized group serving as the point of contact. Additionally, for individual investors, the Company has set up a FAQ page and inquiry desk on its IR website.

Opinions and requests obtained through these IR activities are shared internally as appropriate.

**[Supplementary Principle 5.2.1] (Disclosure of Policies, etc. Relating to Business Portfolio)**

When formulating and announcing business strategies, etc., the Company provides easy-to-understand information about the basic policy regarding the business portfolio determined by the Board of Directors and the status of the review of the business portfolio.

**[Action to Implement Management that is Conscious of Cost of Capital and Stock Price (Under Consideration)]**

The Company is currently considering measures to achieve management that is aware of capital costs and stock prices. Once its efforts are finalized, it plans to disclose them promptly.

**2. Capital Structure**

Foreign Shareholding Ratio	Less than 10%
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**[Status of Major Shareholders]**

Name / Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,474,800	8.59
Tetsuya Sanada	3,242,700	8.01
Ueda Yagi Tanshi Co., Ltd.	911,800	2.25
SBI SECURITIES Co., Ltd.	843,170	2.08
Bandai Namco Holdings Inc.	670,000	1.65
Tomoaki Fukura	647,000	1.59
BNYMSA/NV FOR BNBYSM FOR BNBYSM GCM CLIENT ACCTS MILM FE	479,550	1.18
JPMorgan Securities Japan Co., Ltd.	469,428	1.16
Custody Bank of Japan, Ltd. (Trust Account)	448,800	1.10
MONEX, Inc.	448,749	1.10

Name of Controlling Shareholder, if applicable (excluding Parent Companies)	_____
Name of Parent Company, if applicable	None

Supplementary Explanation

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**3. Corporate Attributes**

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

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

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**5. Other Special Circumstances which may have a Material Impact on Corporate Governance**

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

**1. Organizational Composition and Operation**

Corporate Governance System	Company with Supervisory Committee
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**[Directors]**

Number of Directors Stipulated in Articles of Incorporation	No upper limit
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Representative Director, President and CEO
Number of Directors	8
Election of Outside Directors	Elected
Number of Outside Directors	3
Number of Independent Directors	3

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

Name	Attributes	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	
Shoji Inoue	Lawyer												
Kosuke Matsumoto	From another company												
Tomosada Yoshikawa	From another company												

\*Categories for “Relationship with the Company”.

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

- a. Person who executes business for the Company or its subsidiary
- b. Person who executes business for a non-executive director of the Company's parent company
- c. Person who executes business for a fellow subsidiary
- d. Person/entity for which the Company is a major client or a person who executes business for said person/entity
- e. Major client of the Company or a person who executes business for said client
- f. Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/company auditor
- g. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
- h. Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to director him/herself only)
- i. Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to director him/herself only)
- j. Person who executes business for an entity receiving donations from the Company (applies to director him/herself only)
- k. Other

#### Outside Directors’ Relationship with the Company (2)

Name	Membership of Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Shoji Inoue	○	○	—	Shoji Inoue has been an Outside Director (Audit and Supervisory Committee Member) at the Company for eight years. He possesses a technical perspective as an attorney, knowledge of the IT industry, which is closely related to the Company, and a wealth of insight into corporate activities. In addition, he has been designated as an Independent Director as he does not meet any independence standards or disclosure weighting requirements, and the Company has determined that there is no risk of a conflict of interest with general shareholders.
Kosuke Matsumoto	○	○	—	Kosuke Matsumoto has been an Outside Director (Audit and Supervisory Committee Member) at the Company for eight years. He has held important administrative positions in Internet companies for many years and has made efforts to have those companies listed. He thus has extensive experience and insight into a wide range of activities. In addition, he has been designated as an Independent Director as he does not meet any independence standards or disclosure weighting requirements, and the Company has determined that there is no risk of a conflict of

				interest with general shareholders.
Tomosada Yoshikawa	○	○	—	Tomosada Yoshikawa has been an Outside Director (Audit and Supervisory Committee Member) at the Company for six years. He has held important administrative positions in Internet and pharmaceutical companies and has made efforts to have those companies listed. He thus has extensive experience and insight into a wide range of activities. In addition, he has been designated as an Independent Director as he does not meet any independence standards or disclosure weighting requirements, and the Company has determined that there is no risk of a conflict of interest with general shareholders.

### [Supervisory Committee]

#### Composition of Supervisory Committee and Attributes of the Chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Committee Chair
Supervisory Committee	3	0	0	3	Outside Director

Appointment of Directors and/or Staff to Support the Supervisory Committee	Appointed
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#### Matters Concerning Independence of Said Directors and/or Staff from Executive Officers/Reasons for Adopting Current System

As a department to assist the Audit and Supervisory Committee, the Company has established the Audit and Supervisory Committee Secretariat.

The staff are concurrently assigned to other departments, but the command authority for assisting the duties of the Audit and Supervisory Committee Members belongs to the Audit and Supervisory Committee Members, and the Company ensures the independence of staff from Directors Who Are Not Audit and Supervisory Committee Members.

In addition, the Company will make decisions on the appointment, transfer, evaluation, discipline, wage revision, etc. of staff after respecting the opinions of the Audit and Supervisory Committee.

#### Cooperation among the Supervisory Committee, Accounting Auditors and Internal Audit Departments

The Audit and Supervisory Committee, internal audit office, and accounting auditor hold regular meetings to share information necessary for auditing and strive to strengthen mutual cooperation in order to improve the effectiveness and efficiency of the audit function.

The Company has established an internal audit office directly under the Representative Director, President and CEO, and has appointed a dedicated individual to manage it. The internal audit office ensures its independence from the audit targets while verifying that the thoughts, management policies, and business instructions of the Representative Director, President and CEO are properly communicated and permeated throughout the company. It audits the overall efficiency and effectiveness of the business operations. Furthermore, any findings are reported to all directors, including the Representative Director, President and CEO, and specific advice and recommendations are



provided for business improvement, striving to ensure the effective functioning of internal controls.

Regarding the coordination between the Audit and Supervisory Committee, a dedicated individual of the internal audit office, and accounting auditor, it is the Company policy to report the status of internal audits to the Audit and Supervisory Committee and accounting auditor and to share information. In addition, meetings related to regular and ad-hoc audits are held quarterly between the Audit and Supervisory Committee and accounting auditor to accurately grasp the main accounts and current accounting processes. The results of the audits conducted by the accounting auditor are reported to the Audit and Supervisory Committee and the internal audit office, and other information exchanges are also conducted.

### [Voluntary Established Committee(s)]

Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee	Established
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#### Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chairperson

	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee		4	0	1	3	0	0	Inside Director
Voluntarily Established Committee Equivalent to Remuneration Committee		4	0	1	3	0	0	Inside Director

#### Supplementary Explanation

The Company has established a Nomination and Remuneration Committee consisting of the Representative Director, President and CEO and all Outside Directors as an advisory body to the Board of Directors in the process of nominating directors and determining remuneration. The Nomination and Remuneration Committee has the functions of both a Nomination Committee and a Remuneration Committee.

When the Board of Directors nominates directors, including the appointment and dismissal of the CEO, and determines the compensation of Directors Who Are Not Audit and Supervisory Committee Members, the Board of Directors consults the Nomination and Remuneration Committee in advance.

The procedures are designed to strengthen the supervisory function over executives, considering that the Audit and Supervisory Committee is granted the right to state opinions at the General Meeting of Shareholders (Article 342-2, Paragraph 4 and Article 361, Paragraph 6 of the Companies Act) regarding the appointment and dismissal of directors, as well as their compensation, other than the Audit and Supervisory Committee members.

### [Matters Concerning Independent Directors]

Number of Independent Directors	3
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#### Other Matters Concerning Independent Directors

All Outside Directors who meet the qualifications for Independent Directors are designated as Independent Directors.

**[Incentives]**

Implementation Status of Measures Related to Incentives Granted to Directors	Other
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Supplementary Explanation for Applicable Items

Introduced a restricted stock compensation system to provide incentives to directors (excluding Directors Who Are Audit and Supervisory Committee Members) to continuously improve the company's corporate value, and to further share value with shareholders.

Persons Eligible for Stock Options	Inside Directors, Outside Directors, Employees
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Supplementary Explanation for Applicable Items

Not applicable

**[Director Remuneration]**

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

Not applicable

Policy on Determining Remuneration Amounts and Calculation Methods	Established
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Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

The remuneration for Directors Who Are Not Audit and Supervisory Committee Members, as well as for those who are, is designed to continuously improve corporate performance and corporate value. The remuneration system is commensurate with each director's responsibilities and contributions.

Specifically, the remuneration for Directors Who Are Not Audit and Supervisory Committee Members consists of a basic fixed remuneration (monetary compensation not linked to performance) and restricted stock compensation (non-monetary compensation). The remuneration for Directors Who Are Audit and Supervisory Committee Members is a fixed remuneration (monetary compensation not linked to performance), set at a constant amount regardless of performance, in view of the independence of their duties.

The total fixed remuneration for Directors Who Are Not Audit and Supervisory Committee Members is set at a maximum of 500 million yen per year, based on the resolution of the shareholders meeting held on March 26, 2016. Within this amount, the remuneration for Outside Directors is capped at 50 million yen per year. However, this does not include the employee portion of the salary for directors who are also employees. Furthermore, the total amount of restricted stock compensation for Directors Who Are Not Audit and Supervisory Committee Members is set at a maximum of 500 million yen per year, based on the resolution of the shareholders meeting held on March 25, 2018. In determining the individual remuneration amounts for Directors Who Are Not Audit and Supervisory Committee Members, both fixed remuneration and restricted stock compensation are decided at the Board of Directors meeting upon consultation with the Nomination and Remuneration Committee, which consists of all Outside Directors.

1) Policy on determining the amount of individual fixed remuneration for directors and its calculation method  
Regarding fixed remuneration for Directors Who Are Not Audit and Supervisory Committee Members, the Company

policy is to set an appropriate amount for each fiscal year by comprehensively considering company performance, job responsibilities, contributions, etc.

The fixed remuneration for Directors Who Are Audit and Supervisory Committee Members is set to be constant, regardless of performance, in view of the independence of their duties. It is determined through discussion among the Directors Who Are Audit and Supervisory Committee Members within the Audit and Supervisory Committee.

## 2) Policy on content of restricted stock remuneration, amount or number of remuneration, and decision-making for calculation methods

For Directors who are not Audit and Supervisory Committee Members, the restricted stock compensation is based on the amount approved at the shareholders meeting held on March 25, 2018. The policy is to grant restricted stock within the approved monetary amount and number of shares, considering the impact on company performance and the responsibilities and contributions of each director. The granted restricted stock serves as an incentive for the sustainable enhancement of corporate value. The specific details of the restricted stock compensation approved at the shareholders meeting are outlined in the policy.

The policy is to grant an appropriate number of restricted stock shares as an incentive for the sustainable enhancement of corporate value, within the limits of an annual amount of 500 million yen and up to 168,000 shares per year. This takes into account the impact on company performance, as well as the responsibilities and contributions of each director comprehensively. The details of the restricted stock compensation approved at the shareholders meeting held on March 25, 2018, are as follows.

The Board of Directors has decided to grant and allocate monetary compensation claims for the payment in exchange for the following restricted stock.

### Payment amount:

The payment amount per share is based on the closing price of our common stock on the Tokyo Stock Exchange on the business day prior to the date of the Board of Directors' resolution (if no transactions were settled on that day, then the most recent trading day's closing price is used).

The payment amount per share is determined by the Board of Directors based on the closing price of our common stock on the Tokyo Stock Exchange on the business day prior to the resolution (if no transactions occurred on that day, the closing price from the most recent trading day is used) to ensure that the amount is not unduly favorable to the directors who are subscribing for the shares.

### Transfer restrictions:

The common shares allocated through the restricted stock allocation agreement (hereinafter referred to as "the allocated shares") cannot be transferred, pledged, or otherwise disposed of during the period from the date of issuance until the resignation or retirement from the position specified by the Board of Directors (hereinafter referred to as "the restriction period").

### Lifting of transfer restrictions:

The transfer restrictions on all allocated shares will be lifted upon the expiration of the restriction period, provided that the director in question has continuously held the position determined by the Board of Directors for the period specified by the Board of Directors (hereinafter referred to as 'the service provision period'). However, if the director resigns or retires during the service provision period for reasons other than those deemed legitimate by the company, or if certain other specified conditions are met, the company will automatically acquire the allocated shares at no cost.

### Handling of organizational restructuring, etc.:

Notwithstanding the above, during the restricted transfer period, if the Company enters into a merger agreement that results in the Company becoming obsolete, a share exchange agreement or share transfer plan that makes the Company a wholly-owned subsidiary, or other matters related to organizational restructuring are approved by the Company's shareholders' meeting (or by the Board of Directors of the Company if the shareholders meeting does not require approval for the organizational restructuring), the Board of Directors will make necessary and reasonable adjustments as required by resolution.

### Other Matters:

Other matters related to restricted stock are to be determined by the Board of Directors.

## 3) Policy on determining the composition ratio for each type of remuneration for individual directors

For directors who are not Audit and Supervisory Committee members, the composition ratio of each type of compensation is determined annually according to the nature of the incentives provided by fixed compensation and restricted stock compensation, aiming for an appropriate ratio for all such directors, in accordance with the policies stated in 1) and 2) above.

For Directors Who Are Audit and Supervisory Committee Members, their compensation is fixed, reflecting the nature of their duties, for all such directors.

4) Policy on determining payment timing and conditions of remuneration, etc.

It is the Company policy that fixed remuneration is paid during the term of office and is not paid upon retirement. Furthermore, due to the nature of restricted stock compensation, the total number is allocated to each director at the time of allocation, and the transfer restriction is lifted upon retirement or at the expiration of the transfer restriction period.

### [Support System for Outside Directors]

For the Board of Directors, the corporate planning department, which serves as the secretariat, distributes materials to be used in the meeting in advance, and explanations are provided by the responsible departments as necessary. For the Audit and Supervisory Committee, the assistants to the committee, which serves as the secretariat, distributes materials to be used in the meeting in advance, and explanations are provided by the responsible departments as necessary.

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

The Company is a company with a Board of Directors and an Audit and Supervisory Committee. In addition, it has established an internal audit office directly under the Representative Director, President and CEO to strengthen oversight of management. The Company has also introduced an executive officer system to enhance and expedite the efficiency of management.

### (1) Directors and Board of Directors Meeting

The Board of Directors of the Company is composed of all directors (excluding Directors Who Are Audit and Supervisory Committee Members) including Outside Directors. The Representative Director, President and CEO serves as the chairperson. In addition to the regular monthly Board of Directors meeting, the extraordinary Board of Directors meeting is held as necessary to make decisions on resolutions and management policies. The Board of Directors also supervises the execution of important business operations delegated to directors (excluding Directors Who Are Audit and Supervisory Committee Members) and oversees the appointment and performance of executive officers.

### (2) Executive Officer Meeting

The Board of Directors of the Company, for the purpose of swift decision-making and proper execution of duties, has delegated authority over certain important business executions to directors (excluding Directors Who Are Audit and Supervisory Committee Members). For matters of importance among those delegated, decisions by the directors are made after deliberation by the Executive Directors Meeting, which consists of all executive officers and is chaired by the Representative Director, President and CEO. This ensures that a proper system of oversight and checks is in place.

### (3) Management Meeting

The Company holds a management meeting once a week, which is composed of full-time directors and executive officers, with the Representative Director, President and CEO serving as the chairperson. The management meeting deliberates on matters entrusted by the board of directors and important management issues, aiming to clarify the decision-making process for proposals to the Board of Directors and to ensure transparency.

### (4) Executive Officer System

The company has introduced an executive officer system to expedite decision-making through delegation of authority and to enhance the efficiency of management. The executive officers make decisions and execute their assigned duties within the scope of authority granted to them, based on the policies decided by the Board of Directors and the management meetings.

### (5) Audit and Supervisory Committee

The Audit and Supervisory Committee of the Company is composed entirely of directors who are audit and supervisory committee members, with the chairperson being the Audit and Supervisory Committee Chair. Furthermore, all directors who are audit and supervisory committee members are external directors.

Directors Who Are Audit and Supervisory Committee Members attend the Board of Directors and other internal meetings, where they appropriately express their opinions on the execution of the director duties. Based on the audit plan, these directors conduct audits and regularly hold Audit and Supervisory Committee meetings. Additionally,

they convene extraordinary Audit and Supervisory Committee meetings as needed. They make resolutions on important matters and report on the progress of business operations in accordance with laws, the Articles of Incorporation of the Company, and the Audit and Supervisory Committee regulations. Furthermore, by holding regular meetings with the internal audit office and the accounting auditor, they ensure the sharing of information necessary for auditing.

(6) Nomination and Remuneration Committee

In the process of nominating directors and deciding their compensation, the Company has established a Nomination and Remuneration Committee as an advisory body to the Board of Directors. This committee includes the Representative Director, President and CEO and all Outside Directors, with the Representative Director, President and CEO serving as the chairperson.

This is in consideration of the fact that the Audit and Supervisory Committee has been granted the right to state opinions at the shareholders meeting (Article 342-2, Paragraph 4, and Article 361, Paragraph 6 of the Companies Act) on the appointment and dismissal of directors other than Audit and Supervisory Committee Members, as well as their remuneration. It aims to strengthen the supervisory function over the executive management.

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

The Company has chosen the system of a company with an Audit and Supervisory Committee to further strengthen the supervisory function of the Board of Directors through directors who have voting rights as Audit and Supervisory Committee Members. This also allows for swift decision-making by delegating the entire or part of the decision-making process for important business executions to the directors.

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

**1. Measures to Vitalize General Meeting of Shareholders and Facilitate Exercise of Voting Rights**

	Supplementary Explanation
Early Posting of Notice of the General Meeting of Shareholders	The Company strives to disclose convocation notices as early as possible. The Notice of Convocation of the 24th Annual Shareholders Meeting to be held in March 2024 will be sent out three business days before the statutory deadline.
Electronic Exercise of Voting Rights	By enabling the exercise of voting rights via the Internet, the Company has adopted an electronic method for exercising voting rights in order to increase the convenience of shareholders and increase the ratio of voting rights exercised.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	Since the Convocation of the 18th Annual Shareholders Meeting, the Company has been participating in the electronic voting platform for institutional investors operated by ICJ, Inc.
Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	The English version of the Notice of Convocation (summary) is posted on the Company website and on the electronic voting platform for institutional investors operated by ICJ, Inc.

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

	Supplementary Explanation	Explanation by a Representative Director or a Representative Executive Officer
Formulation and Publication of Disclosure Policies	The Company believes that it is the responsibility of listed companies to disclose timely and appropriate information to shareholders and investors and to fully fulfill their accountability, and it is also essential from a corporate governance perspective. Therefore, by establishing a responsible IR system and	

	timely disclosure system and promoting IR activities, the Company thoroughly discloses information and conducts highly transparent management. The Company has created a disclosure policy and publishes it on its corporate website. [Japanese] <a href="https://www.klab.com/jp/ir/disclosure-policy/">https://www.klab.com/jp/ir/disclosure-policy/</a> [English] <a href="https://www.klab.com/en/ir/disclosure-policy/">https://www.klab.com/en/ir/disclosure-policy/</a>	
Regular Investor Briefings held for Individual Investors	For the fiscal year ended December 2023, the Company did not hold company briefings for individual investors. However, for the analyst and institutional investor briefings that the Company conducts quarterly, it has been posting the presentation videos on its website on the same day. Additionally, the Company strives to provide fair information by promptly publishing summaries of the Q&A sessions with analysts and institutional investors from the quarterly briefings on its website.	Held
Regular Investor Briefings held for Analysts and Institutional Investors	As a general rule, on the day of the financial results announcement, the Company holds an online or conference call briefing for analysts and institutional investors, led by the Representative Director, President and CEO, and the Senior Managing Director (CFO), to communicate its management strategy and performance overview. Furthermore, the Company actively creates opportunities for dialogue, including reaching out to domestic sell-side analysts and institutional investors for interviews.	Held
Regular Investor Briefings held for Overseas Investors	Due to the spread of the novel coronavirus (COVID-19) infection, the Company has postponed its annual overseas roadshows and are currently conducting individual interviews online.	Not Held
Online Disclosure of IR Information	The Company has set up IR information content on its corporate website, posting timely disclosure materials, financial results briefing information, etc. [Japanese] <a href="https://www.klab.com/jp/ir/">https://www.klab.com/jp/ir/</a> [English] <a href="https://www.klab.com/en/ir/">https://www.klab.com/en/ir/</a>	
Establishment of Department and/or Placement of a Manager in Charge of IR	The Company has established a specialized IR group to carry out IR activities. Department in charge: Corporate Planning Department, IR Group Individual responsible for handling information: Kazuyuki Takata, Senior Managing Director and CFO	
Other	The Company is also conducting the following activities mainly for individual shareholders. <ul style="list-style-type: none"> <li>• Since the Company does not accept inquiries by phone from individual shareholders, it has set up a "Frequently Asked Questions" section on its corporate website to help answer questions about its shareholder and investor information.</li> <li>• The Company collects and analyzes opinions on its management, IR activities, etc., and conducts surveys in conjunction with the Annual Shareholders Meeting to obtain reference materials for improving shareholder measures, such as changing the content of the shareholder benefit program and reviewing the dividend policy.</li> </ul>	

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

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of	The Company has established a code of conduct "KLab Principles" that serves as a guideline for the actions and decision-making of all of its

Stakeholders	employees based on the management philosophy, and it strives to respect the positions of its stakeholders such as shareholders, business partners, employees, and local communities.
Implementation of Environmental Preservation Activities and CSR Activities, etc.	<p>■ Initiatives for SDGs</p> <p>The Company supports the United Nations Sustainable Development Goals (SDGs) and through its business activities, it works to realize a society where diversity is accepted and people can live comfortably and safely, as well as to foster industries and human resources. The Company will contribute to the achievement of the SDGs.</p> <p>KLab Sustainability  [Japanese] <a href="https://www.klab.com/jp/about/sustainability/">https://www.klab.com/jp/about/sustainability/</a>  [English] <a href="https://www.klab.com/en/about/sustainability/">https://www.klab.com/en/about/sustainability/</a></p> <p>■ [Supplementary Principle 3.1.3] (Initiatives on Sustainability, etc.)</p> <p>Under the basic policy outlined in [Supplementary Principle 4.2.2], the Company is committed to management efforts aimed at achieving sustainable business growth. For details on specific initiatives related to sustainability, please visit the Company website.</p> <p>Efforts to Achieve SDGs  [Japanese] <a href="https://www.klab.com/jp/about/sustainability/">https://www.klab.com/jp/about/sustainability/</a>  [English] <a href="https://www.klab.com/en/about/sustainability/">https://www.klab.com/en/about/sustainability/</a></p> <p>ESG Information  [Japanese] <a href="https://www.klab.com/jp/ir/esg/">https://www.klab.com/jp/ir/esg/</a>  [English] <a href="https://www.klab.com/en/ir/esg/">https://www.klab.com/en/ir/esg/</a></p>
Formulation of Policies, etc. on Provision of Information to Stakeholders	The Company recognizes that it is important to provide timely and appropriate information about the Company to its stakeholders, such as users, shareholders, investors, employees, etc. In addition to disclosing information in accordance with laws and regulations, the Company will proactively disclose information that it deems important to its stakeholders.
Other	<p>■ [Supplementary Principle 2.4.1] (Implementation Status of Ensuring Diversity, Human Resources Development Policy, Internal Environment Improvement Policy)</p> <p>&lt;Implementation Status of Ensuring Diversity&gt;</p> <p>Implementation status: the ratio of each attribute of employees at the Company is as follows (as of the end of December 2023)</p> <p>New graduate employee managerial position: 6.7%  Mid-career employee managerial position: 93.3%  Male managers: 91.7%  Female managers: 8.3%  Japanese managers: 96.7%  Foreign managers: 3.3%</p> <p>&lt;Human Resources Development Policy&gt;</p> <p>Policy: in order to develop and strengthen human resources, including ensuring diversity, the Company has introduced evaluation and award systems, ensuring work-life balance, and various training systems that allow employees to demonstrate and grow their abilities. The Company policy is to strive to improve the working environment.</p> <p>Implementation status: please see the Company website (<a href="https://www.klab.com/jp/about/rule/">https://www.klab.com/jp/about/rule/</a>) for the actual implementation status.</p>

#### IV. Matters Concerning the Internal Control System

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

The Company has established a basic policy for the establishment of a system to ensure the appropriateness of its

operations, based on the Companies Act and the Ordinance for Enforcement of the Companies Act. This policy was established by the Board of Directors on May 17, 2006, and has been partially revised in the Board of Director meeting held on September 17, 2008, August 19, 2009, August 31, 2010, June 24, 2015, and March 26, 2016, as the Company continues to work towards enhancing its system.

(1) A system to ensure that the execution of duties by its directors and employees complies with laws and the Articles of Incorporation

A) Based on compliance regulations and other internal rules, the Company conducts education and awareness to ensure proper execution of duties under the awareness of compliance with laws and regulations. The Company ensures thorough implementation and supervision of these duties, and if any issues arise, it deals with them appropriately in accordance with work regulations.

B) The Company operates an appropriate internal reporting system based on whistleblowing regulations and other company regulations to accept reports and consultations regarding compliance violations related to business execution and the risk thereof.

C) The conformity of business execution with laws and the Articles of Incorporation is confirmed through internal audits, Audit and Supervisory Committee audits, and audits by the accounting auditor. The results are fed back to the audited departments and reported to the Board of Directors and the Audit and Supervisory Committee. In addition, necessary and appropriate corrective actions will be taken.

D) To ensure the proper conduct of business execution, the Company will respond legally, both civilly and criminally, to any unjust demands from antisocial forces and organizations. The Company will absolutely not provide funds to such forces or organizations.

(2) A system for the preservation and management of information related to the execution of duties by the directors of the Company

The information, such as minutes of important meetings including the Board of Directors and executive officers (hereinafter referred to as "Important Meetings, etc.") is properly created, preserved, and managed in documents (including those in electronic media) based on laws and internal regulations. During the preservation period, the documents are made available for directors, the accounting auditor, etc., to view and transcribe as necessary. The operational status is verified as needed, internal regulations are reviewed, and reports on the operational status are regularly made to the Board of Directors.

(3) Regulations and other systems regarding the management of risk of loss for the Company

A) Establish regulations defining the basic policy and system for business risk management and build and operate a risk management system based on these regulations.

B) Recognize business risks such as compliance risk, information system risk, credit risk, etc., and maintain and review internal regulations and manuals to address each risk.

C) In the event of a significant incident in business activities, establish a task force to quickly respond, prevent the expansion of damage and loss, and minimize it.

D) Conduct planned internal audits based on the internal audit regulations, and if any matters with a risk of loss due to violations of laws or articles of incorporation are discovered, report appropriately to the Representative Director, President and CEO and follow up on the implementation of corrective measures.

E) A resolute stance is taken against antisocial forces and organizations that threaten social order, safety, and the healthy activities of businesses, ensuring not to undermine the trust of stakeholders. The Company completely cuts off any relationships with such antisocial forces and organizations. It also takes measures to ensure the safety of directors, employees, and other related parties from unreasonable demands by antisocial forces and organizations, and to prevent any harm caused by them.

(4) A system to ensure that the directors of the Company execute their duties efficiently

A) The Board of Directors delegates authority to directors (excluding those who are audit and supervisory committee members) and executive officers to ensure rapid decision-making and proper supervision of business operations. Directors (excluding Audit and Supervisory Committee Members) and executive officers execute their duties dynamically and efficiently based on the business responsibilities determined by the Board of Directors.

B) Important matters related to company management and business execution are deliberated in management meetings, which consist of the Representative Director, President and CEO, full-time directors, and executive officers, with an aim to strengthen management functions.

C) The details of the responsibilities and scope of those responsible for business execution, as well as the execution procedures, are determined by organizational regulations, job responsibility regulations, authority regulations, and other internal rules.

(5) A system to ensure the appropriateness of operations within the Company Group consisting of the Company and its subsidiaries (hereinafter referred to as the "Company Group")



Based on the relationship company management regulations, the Company will conduct appropriate business management of major subsidiaries and major affiliated companies, and will provide guidance, support, and monitoring as necessary.

A) A system for reporting on the execution of duties by directors of subsidiaries, etc., to the parent company

For important matters at subsidiaries, approval from the Company is obtained in advance based on the relationship company management regulations. Also, based on the relationship company management regulations, the status of important matters and other business execution is reported to the Board of Directors and Important Meetings, etc. as appropriate.

B) A system for managing the risk of loss at subsidiaries

The Company holds appropriate meetings as necessary to prevent or minimize the manifestation of various risks surrounding the business of subsidiaries, and takes appropriate measures to understand and address risks.

C) A system to ensure efficient execution of duties by directors of subsidiaries, etc.

The Company supervises to ensure that an organization design and efficient business execution system is established for subsidiaries and regularly reviews it, considering the business, size, and positioning within the Company Group.

D) A system to ensure that the execution of duties by directors of subsidiaries, etc., and employees complies with laws and the Articles of Incorporation

Based on compliance regulations and other internal rules, a system is established to ensure that business activities at subsidiaries are conducted with an awareness of compliance with laws and regulations.

(6) A system to ensure the reliability of financial reporting

A) The Company will establish, maintain, and operate a system to ensure that internal controls related to financial reporting function effectively, in order to produce reliable financial reports and uphold a transparent and fair management stance.

B) The Company will manage risks of fraud and errors in financial reporting and promote the proper execution of business operations, as well as the appropriate establishment and operation of internal regulations related to financial reporting.

C) The Company will continuously monitor and evaluate the appropriateness and effectiveness of the internal control system related to financial reporting, make necessary improvements and corrections in case of deficiencies, and ensure compliance with related laws and regulations.

(7)

(A) Matters related to directors and employees (assistant employees) who are to assist in the duties of the Audit and Supervisory Committee, and matters related to ensuring the effectiveness of instructions to directors and assistant employees who are to assist in the duties of the Audit and Supervisory Committee, and such matters. Matters regarding the independence of directors and assistant employees from directors (excluding Directors Who Are Audit and Supervisory Committee Members)

(1) If the Audit and Supervisory Committee requires it, the Board of Directors shall, in consultation with the Audit and Supervisory Committee, assign employees to assist the Audit and Supervisory Committee in its duties to a reasonable extent.

(2) Appointments, transfers, evaluations, discipline, wage revisions, etc. of such employees shall be made after respecting the opinions of the Audit and Supervisory Committee. Additionally, the Audit and Supervisory Committee shall have the authority to direct and command such employees in assisting with the duties of the Audit and Supervisory Committee, and the independence of such employees from directors who are not Audit and Supervisory Committee members shall be ensured.

(B) A system for directors and employees to report to the Audit and Supervisory Committee and other systems for reporting to the Audit and Supervisory Committee

(1) Directors, executive officers, and other employees Who Are Not Audit and Supervisory Committee Members shall report to the Audit and Supervisory Committee when they discover violations in the laws and regulations or the Articles of Incorporation, fraud, or other important facts that affect the Company business or performance. Furthermore, the Audit and Supervisory Committee may request reports from directors, executive officers, and other employees Who Are Not Audit and Supervisory Committee Members at any time as necessary.

(2) The department in charge of internal audits shall report to the Audit and Supervisory Committee regarding the operational status and results of internal audits and the whistleblowing system.

(C) A system for directors, auditors and employees of subsidiaries, or individuals receiving reports from these individuals, to report to the Audit and Supervisory Committee

(1) Directors of subsidiaries and employees shall promptly report to auditors of subsidiaries and the Audit and Supervisory Committee on matters requested by auditors of subsidiaries, in addition to matters stipulated by laws and regulations. They shall also report to the relationship company management group.

(2) When the relationship company management group receives reports from directors or employees of subsidiaries regarding matters stipulated by laws and regulations, as well as matters requested to be reported by auditors of

subsidiaries, it will promptly conduct audits and other matters and report those details to the Audit and Supervisory Committee.

(D) A system to ensure that an individual who has made a report under the previous two items is not treated unfavorably because of having made the report.

Based on the whistleblowing regulations, the Company Group prohibits disadvantageous treatment of directors and employees of the Company Group who have made reports to the Audit and Supervisory Committee on the grounds that they have made such reports. It will ensure that the directors and employees of the Company and the Company Group are fully aware of this.

(E) Matters related to procedures for advance payment or reimbursement of expenses arising from the execution of duties by Audit and Supervisory Committee members, and other policies regarding processing of expenses or debts arising from the execution of such duties.

When an Audit and Supervisory Committee Member requests the advance payment of expenses, reimbursement for expenses incurred, or the repayment of debts related to the execution of their duties, the Company shall comply with such requests unless it can prove that the expenses or debts are not associated with the performance of the Audit and Supervisory Committee Member duties.

(F) A system to ensure that the audits by the Audit and Supervisory Committee are carried out effectively.

(1) The Audit and Supervisory Committee shall endeavor to exchange information with the accounting auditors, the internal audit office, and the auditors of subsidiaries, and collaborate to ensure the effectiveness of the audits of the Company and its subsidiaries.

(2) Audit and Supervisory Committee members may attend Important Meetings, etc. to express their opinions and have access to view and transcribe the minutes of those meetings.

(3) A system shall be established for holding regular meetings between the Representative Director, President and CEO, and the Audit and Supervisory Committee to exchange opinions and information.

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

The Company is taking on the following initiatives within the basic policy of the internal control system (excerpt below).

(1) A system to ensure that the execution of duties by directors and employees of the Company complies with laws and regulations and the Articles of Incorporation

D) To ensure the proper conduct of business execution, the Company will respond legally, both civilly and criminally, to any unjust demands from antisocial forces and organizations. In addition, the Company will absolutely not provide funds to such forces or organizations.

(3) Regulations and other systems regarding the management of risk of loss for the Company

E) The Company completely cuts off any relationships with such antisocial forces and organizations for a resolute stance is taken against antisocial forces and organizations that threaten social order, safety, and the healthy activities of businesses, ensuring not to undermine the trust of stakeholders. It also takes measures to ensure the safety of directors, employees, and other related parties from unreasonable demands by antisocial forces and organizations, and to prevent any harm caused by them.

## V. Other

### 1. Adoption of Anti-Takeover Measures

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

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

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