Status of our Corporate Governance is as follows.

I Basic Policy on Corporate Governance, Capital Structure, Corporate Attributes, and Other Basic Information

1. Basic Policy Update

With the mission of "we guide business people to insights that change the world," Uzabase, Inc. aims to support global decision-making by organizing, analyzing, and creating economic information using the power of people and technology to enhance human productivity and fuel creativity. In the process of achieving our mission, we must also continue to provide value to our stakeholders, including shareholders, customers, users, business partners, employees, and the society, while flexibly responding to the business environment in which we operate. The goal of enhancing our corporate governance is to increase the agility, transparency, and soundness of management as we work toward fulfilling our mission. We view the continuous improvement of such to be our most important management task.

【Reasons for not Implementing the Principles of the Corporate Governance Code】
The Company has implemented all the basic principles.

【Disclosure based on each Principle of the Corporate Governance Code】 Update
【Principle 1-4 Policy on Cross Shareholding】
The Company does not currently hold any listed shares. In the event the Company considers holding such shares, the Board of Directors will examine in detail the purpose of holding such shares and whether the benefits and risks associated with such holding are commensurate with the cost of capital. The Company will decide after carefully considering whether such holding will contribute to the enhancement of its corporate value.

【Principle 1-7: Transactions with Related Parties】
The Company complies with the procedures required by the Companies Act with respect to transactions involving conflicts of interest among officers. With regard to related party transactions, we conduct annual surveys on transactions between directors and their close relatives and our group companies and make decisions on whether to execute transactions after confirming the facts and conditions of the transactions in advance and thoroughly examining them.

【Principle 3-1(i) Corporate Philosophy】
Please refer to "I. Basic Policy on Corporate Governance and Capital Structure, Corporate Attributes and Other Basic Information" in this report for the corporate philosophy.

In order to expedite our mission, we have established "The 7 Values" as our common set of values. Using these Values as the foundation of our organization, we will continue to strive to create a diverse team and a strong organization that brings together various personalities and talents. We have established "The 7 Values" as our action guidelines:
(i) Be free & own it.
(ii) Unleash ingenuity.
(iii) Thrill the user.
(iv) How fast? Wow fast.
(v) Don't know? Choose brave.
(vi) In it together. No matter what.
(vii) We need what you bring.

【Principle 3-1(ii) Basic Approach and Basic Policy on Corporate Governance】
Please refer to "I. Basic Philosophy Concerning Corporate Governance and Capital Structure, Corporate Attributes and Other Basic Information" in this report.

【Principle 3-1(iii): Policies and Procedures for the Board of Directors in Determining the Remuneration of Senior Management and Directors】
The Company's Board of Directors shall determine the amount of remuneration and the method of calculating it as described below in “Details of Disclosure of the Policy for Determining the Amount of Remuneration and the Method of Calculation”.

【Principle 3-1(iv): Policies and Procedures for the Board of Directors' Selection and Dismissal of Senior Management and Nomination of Candidates for Directors and Audit and Supervisory Committee Members】
(1) Policy
The Board of Directors shall select, nominate, and dismiss senior management and candidates for Directors who it believes will be able to address the Group's management issues and demonstrate outstanding capabilities to achieve the Group's mid- to long-term goals, after comprehensively considering the qualifications of the candidates, including the following factors. (Note that (iv) through (vi) are factors to be considered only with respect to the executive management team and candidates for the Board of Directors). As described in "[Supplemental Principle 4-11③ Analysis and Evaluation of the Effectiveness of the Board of Directors] (3) Issues Identified in the Effectiveness Evaluation Conducted in January, 2021 b", we will continue to hold discussions to formulate policies and measures to elect and nominate good candidates and dismiss them as necessary.
(i) The candidate must embody the Company's mission, values, and vision, and have a good understanding of the Group's history, corporate culture, and employee characteristics.
(ii) The candidate must have a high level of expertise and show respect for the knowledge and expertise of others within the organization.
(iii) The candidate must be able to express his/her own intentions, communicate ideas accurately and with respect for the opinions and reporting of other team members, and maintain good relationships with others without fear of conflicts and disagreements.
(iv) Demonstrate the direction that the organization under his/her control should take and take ownership of the results.
(v) Be able to delegate decision-making while delivering results for the organization.
(vi) The candidate must possess the ability to self-disclose and understand others, and be able to work well in a team management environment.

(2) Procedures
Candidates for senior management and directors are selected by the Board of Directors. In selecting candidates, the Board of Directors consults with the Nomination and Compensation Committee, which has been established on a voluntary basis, and makes decisions based on Committee deliberations. The majority of the members of the Nomination and Compensation Committee are independent outside directors, and the Company strives to enhance the objectivity and transparency of its decision-making based on the opinions of outside directors following such deliberations.
【Principle 3-1(v) Explanation of Individual Election, Dismissal and Nomination】

The reasons for the election of directors are stated in the “Notice of Convocation of the Ordinary General Meeting of Shareholders and in the Annual Securities Report”.
Annual Securities Report:
https://ssl4.eir-parts.net/doc/3966/yuho_pdf/S100L0SG/00.pdf

【Supplemental Principle 4-1(1) Roles and Responsibilities of the Board of Directors, etc., and Scope of Delegation to Management】

In order to take the necessary business risks and make the prompt and high-quality decisions required to succeed in today’s business climate, we believe it is appropriate to give the management team, which is led by Co-CEOs, a large amount of discretionary authority, but at the same time monitor their decisions through an appropriate system to control their power. We have divided management team functions into two distinct areas: “supervision” and “execution”. Led mainly by the independent Board members, “supervision” is the primary area of focus for the Board of Directors, while reserving the right to provide advice and guidance on the “execution” part of the Company’s business activities.

Supervisory functions overseen by the Board of Directors includes approval of the Company's mid- and long-term objectives and growth strategies, monitoring of consolidated operating results, progress reports on company-wide objectives, important personnel matters, capital investment policies and other important investments, design of internal control and compliance systems, and decisions on the Company's most important matters not mentioned above. The Board of Directors grants greater authority to the Co-CEOs, who are responsible for executing the Company’s growth strategy. The Co-CEOs make decisions flexibly and swiftly in response to the needs of business sites and customers, and the Board of Directors monitors the execution of such executive decisions, responding to issues discovered through the Board’s oversight process as necessary.

The reason for appointing four internal directors (three full-time executive directors) to the Board of Directors, which is a relatively large number for a monitoring board, stems from the concept of team management (since each member of the management team has strengths and weaknesses, the responsibility for execution is not the power of one perfect CEO, but a team of complementary members who are connected through deep mutual understanding). The full-time executive directors other than the Co-CEOs are directors in charge of administration, who supplement the Co-CEOs’ knowledge and promote execution while receiving direct monitoring from the Board of Directors.

【Principle 4-8: Effective Use of Independent Outside Directors】

To the extent that it does not fall under the category of "Execution of Business" (Article 2, Item 15 (a) of the Companies Act), the Company's outside directors participate in small-scale meetings, where they work together with the Company’s employees, to provide specific advice on the effectiveness of the Board of Directors, the introduction of performance-linked compensation, and succession planning. This initiative enables internal members to absorb the knowledge of outside directors and contributes to strengthening governance by deepening the consideration of each measure and improving its quality. It also has the effect of improving the resolution of outside directors with respect to the business. The Company will continue this effort.

【Principle 4-9: Criteria for Determining the Independence of Independent Outside Directors and their Qualifications】

Of the nine directors, five outside directors have been registered with the Tokyo Stock Exchange as independent directors in accordance with the requirements for outside directors stipulated in the Companies Act and the independence standards stipulated by the financial instruments exchanges.
Supplemental Principle 4-11 (1): Views on the Balance, Diversity and Size of the Board of Directors

The Board of Directors is composed of persons with knowledge, experience, and ability in various fields, including certified public accountants with sufficient knowledge of finance and accounting, and lawyers with abundant practical experience. We believe nine members is an appropriate number to enable active discussions with access to a variety of knowledge and current business conditions. This belief was confirmed in the questionnaire for the evaluation of the effectiveness of the Board of Directors, as described below.

In addition, we understand that it is necessary to ensure diversity in terms of internationality as we expand our business overseas in the future.

Supplemental Principle 4-11 (2) Status of Concurrent Positions held by Directors

The "Notice of Convocation of the Thirteenth Ordinary General Meeting of Shareholders" enlists each director.

Supplemental Principle 4-11 (3) Analysis and Evaluation of the Effectiveness of the Board of Directors

In order to enhance the effectiveness of the Board of Directors, the Company implements an evaluation of the effectiveness of the Board of Directors and works to improve it.

(1) Method
Each director and the Secretariat of the Board of Directors responded to a detailed questionnaire along with reasons for their responses, and the results were analyzed to discover issues that needed improvement. Then, quantified indicators were formulated to realize the improvements, and activities conducted to achieve the indicators.

(2) Summary of questionnaire results
With respect to questions pertaining to the quality and quantity of matters to be discussed at Board of Directors meetings, the quality and quantity of Board of Directors meeting materials, whether discussions are active, the status of consideration of proposals to be submitted to the Board of Directors, the size of the Board of Directors, the ratio of outside directors and diversity of the Board of Directors, and the degree of contribution of each director, responses generally affirmed the effectiveness of the Board of Directors. In addition, the consensus opinion was that there has been continuous improvement as a meeting body.

(3) Issues pointed out in the January 2021 Effectiveness Assessment
Although no serious concerns or doubts were raised in the Effectiveness Assessment, the following issues were identified as themes that the Board of Directors should proactively address to enhance corporate value over the mid- to long-term.

a. Introduction of performance-based compensation
As directors with lower shareholding ratios compared to the founders have been appointed, there is a growing need to introduce a stock-based compensation system to motivate the achievement of business results and mid- to long-term corporate value, and it is necessary to consider the introduction of such a system in 2022.

b. Election and dismissal policies and procedures for directors
To achieve sustainable enhancement of corporate value, an outstanding management team needs to be appointed and, if necessary, dismissed. This is one of the most important responsibilities of the Board of Directors, but it is also an extremely difficult one. It is important to deepen discussions on the selection policy and procedures in order to ensure good decision making if the principal ideas are verbalized and shared, and decisions are made through transparent and fair procedures.

c. Human resource strategy (succession planning)
In order to appoint an outstanding management team, it is necessary to continue the process of identifying appropriate candidates from within and outside the Company, providing opportunities, and assessing the results. To this end, it is necessary to expand and invest in the necessary systems that
support promotion and succession.

【Supplemental Principle 4-12: Revitalization of Deliberations at Board Meetings】

The composition of the Board of Directors is as described in 4-11 (1) "Policy on Balance, Diversity and Size of the Board of Directors”.
The results of the Effectiveness Assessment confirmed that necessary and sufficient materials are provided prior to the Board of Directors meetings, agenda items are sufficiently reviewed internally, and individual advance explanations are intentionally withheld so that opinions are expressed without compromise or adjustment and discussions are lively and productive. The results of the assessment also confirmed that the discussions were fruitful. The results found that the frequency of meetings is set appropriately considering the contents to be discussed, and sufficient time is secured for deliberations.

On March 25, 2021, the Company appointed Shintaro Asako, an independent outside director, as the Chairman of the Board of Directors. The Chairman of the Board of Directors effectively has a great deal of influence on the discussions of the Board of Directors by determining the allocation of time and the progress of the meetings. Thus, this appointment contributes to the operation of the Board of Directors with enhanced objectivity.

【Supplemental Principle 4-14: (2) Training Policy for Directors】

Quantitative information on the operating results of each business unit and the progress of each business unit’s goals and indicators are shared with outside directors monthly. In addition, the Company obtains appropriate advice by, for example, providing them with opportunities to access the Company's management meetings and their minutes.

【Principle 5-1: Policy on Constructive Dialogue with Shareholders】

Since listing on the Tokyo Stock Exchange, the Company has made three commitments to shareholders and the investment community:

1. Absolute Commitment to Our Mission : “We guide business people to insights that change the world”
   Information is what forms the core foundation of each businessperson’s decision-making process. Through the accumulation and dissemination of information, we are thus accorded with the tools necessary to affect change in the world. We believe that our unparalleled devotion to our mission will help us make the world a better place— that is our raison d’etre.

2. Unwavering Honesty
   We believe that it is essential for our shareholders to acquire a true and comprehensive understanding of Uzabase: our mission, our successes and, most crucially, our failures. We will thus do our utmost to cultivate a culture of transparency and full disclosure, through the good times and the bad.

3. Our Word is Our Bond
   We believe the fastest way to earn our shareholders’ trust is by accumulating proven results. But it’s also important to recognize that things don’t always go according to plan. Failure is not something to be feared or shunned. Rather, it is our responsibility to reflect deeply upon our mistakes and take whatever action is necessary to rectify them in the fastest way possible.

   Based on these commitments, it is important for us to engage in dialogue with shareholders, and to take appropriate actions to enhance corporate value. To this end, under the supervision of the Executive Officer and CFO, we have established an internal system to promote active dialogue with shareholders. In principle, efforts are made to have the management participate in the dialogue, and the content of the dialogue is reported to the directors and management as needed.

   In addition, we hold quarterly financial and operational briefings for the investment community which are simultaneously interpreted into both Japanese and English. During these briefings, analysts, institutional investors, and individual shareholders, can participate in a questions-and-answer session with management. Transcripts of our quarterly briefings are posted on NewsPicks, a Group service,
before the market opens the following morning, so that shareholders who were unable to attend the briefings can obtain the same information in a timely manner.

The Company regularly conducts training for executives and employees to deepen their understanding of insider trading regulations and has a system in place to appropriately manage material facts when interacting with investors.

2. Capital Structure

<table>
<thead>
<tr>
<th>Name or Designation</th>
<th>Number of shares</th>
<th>Ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ryosuke Niino</td>
<td>6,219,596</td>
<td>17.00</td>
</tr>
<tr>
<td>Yusuke Umeda</td>
<td>6,022,000</td>
<td>16.50</td>
</tr>
<tr>
<td>Yusuke Inagaki</td>
<td>2,482,800</td>
<td>6.80</td>
</tr>
<tr>
<td>SSBTC CLIENT OMNIBUS ACCOUNT</td>
<td>1,930,400</td>
<td>5.30</td>
</tr>
<tr>
<td>Japan Custody Bank, Ltd (Trust Account)</td>
<td>1,498,500</td>
<td>4.10</td>
</tr>
<tr>
<td>(Trust Account 9) Japan Custody Bank, Ltd.</td>
<td>1,293,500</td>
<td>3.50</td>
</tr>
<tr>
<td>TBS Holdings Inc.</td>
<td>984,700</td>
<td>2.70</td>
</tr>
<tr>
<td>J.P. MORGAN BANK LUXEMBOURG S.A. 384513</td>
<td>811,500</td>
<td>2.20</td>
</tr>
<tr>
<td>THE BANK OF NEW YORK MELLON 140051</td>
<td>729,300</td>
<td>2.00</td>
</tr>
<tr>
<td>Takahiro Yamaguchi</td>
<td>678,000</td>
<td>1.90</td>
</tr>
</tbody>
</table>

Controlling shareholders (excluding parent company) ---

Parent company None

Supplementary Explanation

1 Of the above number of shares, the number of shares related to the trust business is as follows:
   Japan Custody Bank, Ltd. (Trust Account) 1,468,500 shares
Japan Custody Bank, Ltd. (Trust Account 9) 1,293,500 shares

2 Although a large shareholding report dated October 5, 2020 and available for public inspection states that JP Morgan Asset Management Co., Ltd. and its joint holders hold the following shares as of September 30, 2020, the Company is unable to confirm the actual number of shares held as of December 31, 2020, and therefore the shares are not included in the above list of major shareholders.

The details of the said large shareholding report are as follows. Under the loan agreement, JP Morgan Securities Japan Co., Ltd. has lent 569,355 shares to JP Morgan Securities, Plc., and JP Morgan Securities, Plc. has borrowed 569,355 shares from JPMorgan Securities Co. Ltd., and lent 16,800 shares and borrowed 5,100 shares from institutional investors.

<table>
<thead>
<tr>
<th>Name or Designation</th>
<th>Number of Shares</th>
<th>Ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>JPMorgan Asset Management K.K.</td>
<td>1,737,900</td>
<td>4.77</td>
</tr>
<tr>
<td>JPMorgan Asset Management (Asia Pacific) Limited</td>
<td>55,900</td>
<td>0.15</td>
</tr>
<tr>
<td>JPMorgan Securities Japan Limited</td>
<td>(△ 1,600)</td>
<td>0.00</td>
</tr>
<tr>
<td>J.P. Morgan Securities, Plc.</td>
<td>575,417</td>
<td>1.58</td>
</tr>
</tbody>
</table>

3 Although it is stated in the large shareholding report made available for public inspection on August 7, 2020 that Capital Research and Management Company and its joint holders hold the following shares as of July 31, 2020, the Company is unable to confirm the actual number of shares held as of December 31, 2020, and therefore the shares are not included in the above list of major shareholders.

The details of the said Large Shareholding Report are as follows.

<table>
<thead>
<tr>
<th>Name or Designation</th>
<th>Number of Shares</th>
<th>Ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Research and Management Company</td>
<td>1,930,100</td>
<td>5.73</td>
</tr>
<tr>
<td>Capital International Inc.</td>
<td>65,800</td>
<td>0.20</td>
</tr>
<tr>
<td>Capital International Inc.</td>
<td>1,058,400</td>
<td>3.14</td>
</tr>
<tr>
<td>Capital International S.A.R.L.</td>
<td>87,200</td>
<td>0.26</td>
</tr>
</tbody>
</table>

4 Although it is stated in the large shareholding report made available for public inspection on August 7, 2020 that Mizuho Securities, Ltd. and its joint holders hold the following shares as of July 31, 2020, but the Company is unable to confirm the actual number of shares held as of December 31, 2020, so they are not included in the above list of major shareholders.

The details of the said large shareholding report are as follows. Mizuho Securities, Ltd. has lent 2,000 shares to Asset Management One, Inc. and 40,000 shares to Goldman Sachs Japan Co., Ltd. under a loan agreement for stock certificates, and has borrowed 41,100 shares from SBI Securities Co. Ltd. 41,100 shares, and 18,600 shares to five members of the TSE regular member securities companies.

<table>
<thead>
<tr>
<th>Name or Designation</th>
<th>Number of Shares</th>
<th>Ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mizuho Securities, Ltd.</td>
<td>59,700</td>
<td>0.16</td>
</tr>
<tr>
<td>Asset Management One, Inc.</td>
<td>718,200</td>
<td>1.97</td>
</tr>
</tbody>
</table>

3. Company Attributes

<table>
<thead>
<tr>
<th>Stock exchange listing and market classification</th>
<th>Tokyo Mothers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal Year End</td>
<td>December</td>
</tr>
<tr>
<td>Industry</td>
<td>Information and communication industry</td>
</tr>
<tr>
<td>Number of (consolidated) employees as of the end of the most recent fiscal year</td>
<td>500 or more but less than 1,000</td>
</tr>
</tbody>
</table>
### Consolidated financial information

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated net sales for the most recent fiscal year</td>
<td>10 billion yen or more but less than 100 billion yen</td>
</tr>
<tr>
<td>Number of consolidated subsidiaries as of the end of the most recent fiscal year</td>
<td>10 to 50 companies</td>
</tr>
</tbody>
</table>

### Corporate Governance

4. Guidelines on measures to protect minority shareholders in transactions with controlling shareholders

---

5. Other special circumstances that may have a significant impact on corporate governance

   No applicable matter.
## Status of Management Control Organization and Other Corporate Governance Systems Related to Management Decision-Making, Execution and Supervision

### 1. Matters Related to Organizational Structure and Operation

<table>
<thead>
<tr>
<th>Form of Organization</th>
<th>Company with Audit and Supervisory Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number of Directors</strong></td>
<td></td>
</tr>
<tr>
<td>Number of Directors under the Articles of Incorporation</td>
<td>15 (10 Directors other than those who are Audit and Supervisory Committee Members and 5 Directors who are Audit and Supervisory Committee Members)</td>
</tr>
<tr>
<td>Term of office of directors as stipulated in the Articles of Incorporation</td>
<td>One year for directors other than Audit and Supervisory Committee members and two years for directors who are also Audit and Supervisory Committee members</td>
</tr>
<tr>
<td>Chairperson of the Board of Directors</td>
<td>Update</td>
</tr>
<tr>
<td>Number of Directors</td>
<td>9</td>
</tr>
<tr>
<td>Status of appointment of outside directors</td>
<td>Appointed</td>
</tr>
<tr>
<td>Number of outside directors</td>
<td>5</td>
</tr>
<tr>
<td>Number of outside directors designated as independent directors</td>
<td>5</td>
</tr>
</tbody>
</table>

### Relationship with the Company (1) Update

<table>
<thead>
<tr>
<th>Name</th>
<th>Attribute</th>
<th>Relationship to the Company(*)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Masao Hirano</td>
<td>From another company</td>
<td>c</td>
</tr>
<tr>
<td>Shintaro Asako</td>
<td>From another company</td>
<td>△</td>
</tr>
<tr>
<td>Masahiro Kotosaka</td>
<td>Academician</td>
<td>○</td>
</tr>
<tr>
<td>Shinsuke Matsumoto</td>
<td>Lawyer</td>
<td></td>
</tr>
<tr>
<td>Yukari Sakai</td>
<td>From another company</td>
<td></td>
</tr>
</tbody>
</table>

※ Select items regarding the relationship with the company.
※ If the person is applicable to each item in the “present and recent” period, “○”; if the person is applicable to each item in the “past,” period, “△.”

---

9
※ If a close relative of a person is applicable to each item in the “present and recent” period, “●”; if the person is applicable to each item in the “past,” period, “▲”.

a. A business executive of a listed company or its subsidiary
b. A business executive or a non-executive director of the parent company of a listed company
c. A business executive of a brother company of a listed company
d. A person who has the listed company as a major business partner or such business executive
e. A major business partner of the listed company or a business executive of such a business partner
f. A consultant, accounting professional, or legal professional who receives a large amount of money or other assets from the listed company in addition to compensation as an executive officer
g. A major shareholder of a listed company (if the major shareholder is a corporation, the business executive of the corporation)
h. A business executive (the individual only) of a business partner of a listed company (not falling under any of d, e, and f)
i. A business executive (the individual only) of an entity with which the listed company has a relationship of mutual appointment of outside directors
j. A business executive (the individual only) of a company to which a listed company has donated
k. Other

<table>
<thead>
<tr>
<th>Name</th>
<th>Audit and Supervisory Committee Members</th>
<th>Independent Director</th>
<th>Introduction</th>
<th>Reason for Appointment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Masao Hirano</td>
<td>X</td>
<td>X</td>
<td>Mr. Masao Hirano is a Professor at the Waseda University Faculty of Commerce and a Chairman of Spiral Capital, Inc., both of which are customers of the Company or its subsidiaries. However, the amount of annual transactions the Company does with them is less than 0.1% of the Company's or its subsidiaries' net sales.</td>
<td>Mr. Hirano has a wealth of knowledge and experience in corporate management through his work at business companies, consulting firms and investment funds. The purpose of the appointment is to receive appropriate advice on the future growth of the Company's business based on his extensive knowledge and experience, and to ensure effective governance. In addition, the Board of Directors has determined that there is no risk of conflicts of interest with general shareholders as defined by the financial instruments exchanges on which the Company's shares are listed. The Company has designated him as an independent director.</td>
</tr>
<tr>
<td>Name</td>
<td>X</td>
<td>X</td>
<td>Mr. Shintaro Asako has served as Executive Officer and CFO of DeNA, Co., Ltd. in the past. DeNA, Co., Ltd. is a sales destination for the Company's services, but the amount of transactions with DeNA, Co., Ltd. is less than 0.1% of the total sales of the Company. The purpose of his appointment is to provide the Company with appropriate advice on the future growth of the Company's business based on his extensive knowledge and experience in finance and business management gained through working for an accounting firm and operating companies in the U.S. and Japan, and to ensure effective governance of the Company's management. As stated, DeNA, Co., Ltd., where he served as Executive Officer and CFO, is a business partner of the Company, but the transaction amount is small, and the Company has determined that it does not fall under the category of matters that may cause conflicts of interest with general shareholders as defined by the financial instruments exchanges on which the Company's shares are listed. As a result of the above, the Company has designated him as an independent director.</td>
<td></td>
</tr>
<tr>
<td>---------------------</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>Masahiro Kotosaka</td>
<td>X</td>
<td>X</td>
<td>Mr. Masahiro Kotosaka is an Associate Professor at the Faculty of Policy Management, Keio University, and Keio University is a sales destination or consignee of the services of the Company or its subsidiaries, but the amount of transactions with Keio University is less than 0.1% of the net sales of the Company or its subsidiaries. NewsPicks, Inc., a subsidiary of the Company, paid him remuneration as a pro-picker in the past. Based on his extensive experience in corporate management and consulting services and his expert knowledge of business administration, he is expected to provide appropriate advice on the future business development of the Company and to act as an advisor to ensure effective governance of the Company's management. A company subsidiary has had transactions with him in the past, but the amount of transactions was small, and the transaction thereafter has been cancelled. Based on the above, there is no risk of conflict of interest with general shareholders as defined by the</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>financial instruments exchanges on which the Company’s shares are listed. As a result, the Company has designated him as an independent director.</td>
<td></td>
</tr>
<tr>
<td>----------------</td>
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<td>---------------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Shinsuke Matsumoto,</td>
<td>X</td>
<td>X</td>
<td>The purpose of the appointment is to receive appropriate advice on the Company’s future compliance system based on Mr. Shinsuke Matsumoto’s extensive knowledge and experience in corporate legal affairs as an attorney at law, and to ensure effective governance of the Company’s management. In addition, the Board of Directors has determined that there is no risk of conflicts of interest with general shareholders as stipulated by the financial instruments exchanges on which the Company’s shares are listed.</td>
<td></td>
</tr>
<tr>
<td>Yukari Sakai</td>
<td>X</td>
<td>X</td>
<td>Based on her extensive knowledge of finance, including finance and accounting, and her wealth of experience as a full-time Audit and Supervisory Committee member and outside director of other companies, Ms. Yukari Sakai will provide appropriate advice on the Company’s future management system and the nomination and compensation of directors. In addition, she does not fall under the category of matters that may cause conflicts of interest with general shareholders as defined by the financial instruments exchanges on which the Company’s shares are listed. Thus, the Company has designated her as an independent director.</td>
<td></td>
</tr>
</tbody>
</table>
【Audit and Supervisory Committee】

Composition of the Committee and Attributes of the Chairman

<table>
<thead>
<tr>
<th>All members (names)</th>
<th>Full-time Members</th>
<th>Internal Director</th>
<th>Outside Director</th>
<th>Chairman</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit and Supervisory Committee</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
</tbody>
</table>

Directors and employees to assist the Audit and Supervisory Committee in its duties | Yes

Reasons for the adoption of the current system | Update

The Company believes that it has an adequate system in place for the following reasons.
(1) The Internal Audit Division has a chain of command that includes the representative director and the Audit and Supervisory Committee, with audit results being reported to both.
(2) When the Audit and Supervisory Committee deems it necessary, directors not serving on the Audit and Supervisory Committee shall consult with the Audit and Supervisory Committee on the appropriate number and qualifications of Company employees to be assigned to assist the Audit and Supervisory Committee and stipulate in the basic policy of the internal control system that employees shall be assigned to assist the Audit and Supervisory Committee.

Cooperation among the Audit and Supervisory Committee, Accounting Auditor, and Internal Audit Division | Update

The Audit and Supervisory Committee, Accounting Auditor, and Internal Audit Division, in a three-party collaboration, regularly and frequently exchange opinions and share their respective audit plans and audit results to enhance the effectiveness of audits. The Internal Audit Division representative attends the Board of Directors meetings, divisional management meetings, the Compliance Committee, and the Risk Management Committee, and other important meetings to review the status of business execution, risk of loss, and efficiency of execution of duties. The resulting reports are given to the Audit and Supervisory Committee. The Accounting Auditor inspects the minutes of the meetings of the Board of Directors and the Audit and Supervisory Committee and conducts audits after obtaining sufficient information.

【Voluntary Committee】

Existence of voluntary committees equivalent to the Nomination Committee or the Compensation | Yes
Committee Update

Establishment of the Committee and Composition of the Committee and Attributes of the Chairman Update

<table>
<thead>
<tr>
<th>Name of the committee</th>
<th>Number of committee members</th>
<th>Full-time Members</th>
<th>Internal Director</th>
<th>Outside Director</th>
<th>Outside Expert</th>
<th>Others</th>
<th>Committee Chairman: Outside director</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voluntary Committee equal to Nomination Committee</td>
<td>6</td>
<td>0</td>
<td>1</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>Outside Director</td>
</tr>
<tr>
<td>Voluntary Committee equal to Compensation Committee</td>
<td>6</td>
<td>0</td>
<td>1</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>Outside Director</td>
</tr>
</tbody>
</table>

Supplementary explanation Update

The purpose of this committee is to enhance corporate governance by strengthening the fairness, transparency, and objectivity of procedures related to nomination, compensation, and other matters. The committee members are appointed by a resolution of the Board of Directors after prior consultation with the Audit and Supervisory Committee. Of the six committee members, five are outside directors and the remaining one is an internal director in charge of human resources and compensation design. The executive officer governing the corporate division and the legal division serve as the secretariat. The meeting is held four times a year. Prior to each meeting, the secretariat and the chairperson closely examine the matters to be discussed and provide materials to the committee members in advance.

【Number of Independent Directors】

| Number of independent directors | 5 |

Other matters concerning independent directors

The Company has designated outside directors who meet the qualifications for independent directors as independent directors.
【Incentives】

Status of implementation of measures to provide incentives to directors

Granting of stock options

Supplementary explanation of relevant items

In order to link the mid-to long-term growth and improvement in corporate value with the benefits to be received by the grantees, and to increase their motivation to contribute to the Company, the Company has been granting stock options to the grantees based on their period of service, role and position, title (grade), etc. However, as stated in “【Supplemental Principle 4-11 (3) Analysis and Evaluation of the Effectiveness of the Board of Directors】 (3) Issues Identified in the Effectiveness Evaluation Conducted in January, 2021,” there is a growing need to design and introduce the system as an established system, rather than as a case-by-case study, and we are studying the possibility of introducing the system beginning in 2022.

Grantee of Stock Option

Internal Director, Employee, Director of Subsidiary, Auditor of Subsidiary, Employee of Subsidiary

【Remuneration for Directors】

Status of disclosure (of individual director remuneration)

Individual remuneration is not disclosed.

Supplemental explanation of applicable items

The Company does not disclose individual remuneration because there is no one whose total amount of remuneration, etc. exceeds 100 million JPY. Remuneration, etc., of Directors (excluding Audit and Supervisory Committee members) and Audit and Supervisory Committee members shall be disclosed in total amount, respectively.

Existence of policy for determining the amount of remuneration or its calculation method

Yes

Details of disclosure of policy for determining the amount of remuneration or its calculation method

(a) Basic policy
(i) In order to realize the mission of "We guide business people to insights that change the world," the Company aims to maintain a level of remuneration that enables the appointments of outstanding candidates in Japan and overseas as Directors who will contribute to the sustainable enhancement of corporate value.

(ii) The amount of remuneration will be designed so that it is fair and reflects the scope of responsibility, risk, and contribution.

(iii) Based on the spirit of "Growth Together," the compensation system will be designed to motivate the continuous enhancement of corporate value.

(iv) We will create a compensation system that is transparent, fair, and reasonable, and that is accountable to the various stakeholders around us.

(b) Governance by the Nomination and Compensation Committee (voluntary)

(i) The Company has voluntarily established the Nomination and Compensation Committee for the purpose of enhancing transparency, objectivity, and fairness in the decision-making process of candidates for directors, CEOs of businesses including representative directors of subsidiaries, and executive officers, and strengthening corporate governance.

(ii) The Nomination and Compensation Committee, which was established on a voluntary basis, is responsible for the selection of directors, business CEOs including representative directors of subsidiaries, and Executive Officers, deliberates on candidates, and discusses succession planning.

(iii) The Nomination and Compensation Committee, which is voluntarily established, is chaired by an independent outside director, and the majority of its members consist of independent outside directors to ensure objectivity and fairness.

(iv) All remuneration for directors is determined by a resolution of the Board of Directors after deliberation and report by the Nomination and Compensation Committee.

(c) Method of determining the amount of base remuneration for each individual

(i) Base remuneration shall be a fixed monthly amount.

(ii) Basic remuneration for executive directors shall be determined as follows:
The base remuneration for each grade shall be determined by comprehensively taking into consideration the level of competitors, the performance of the Company, the salary level of employees, and other various circumstances. In addition to the amount of remuneration for the grade to which he/she belongs, a Director may receive remuneration that he/she is judged to be appropriate based on their individual goals and responsibilities and the rate of achievement of the performance goals for the previous fiscal year.

Directors shall propose their own remuneration, which they determine to be appropriate, to the Nomination and Compensation Committee. The content of the proposal is discussed by the Nomination and Compensation Committee, and the results are reported to the Board of Directors. The Board of Directors determines the remuneration for each director within the scope of the total amount of remuneration for directors approved at the General Meeting of Shareholders.

(iii) The basic remuneration for outside directors and non-executive directors is determined as follows:
The basic remuneration for outside directors and part-time directors shall be determined by comprehensively taking into consideration their abilities in their areas of contribution, the level of other companies, and the Company's business performance. In setting the basic remuneration, the Nomination and Compensation Committee discusses the remuneration for each individual. The Audit and Supervisory Committee decides on the remuneration for directors who are Audit and Supervisory Committee members, and the Board of Directors decides on outside directors who are not Audit and Supervisory Committee members and part-time directors. At present, only basic remuneration is paid from the viewpoint of independence. However, in the future, the Company will consider the introduction of stock-based compensation.

(d) Policy on performance-linked compensation and stock-based compensation

(a) As stated in (a) Basic Policy, we believe that it is important to design incentives that motivate the continuous enhancement of corporate value. On the other hand, performance-based remuneration and stock-based remuneration affect the shareholding ratio of existing shareholders and the business
performance of the Company, so the details of such remuneration should be determined after careful discussion. Following the event that an executive director who holds fewer shares than the founder is elected, the need to establish performance- and stock-based compensation increases. The Company will continue careful examination of the introduction of such remuneration by the Nomination and Compensation Committee, which was voluntarily established, with the aim of introducing such remuneration in April 2022 or later.

【Support System for Outside Directors】
Support for Outside Directors is provided by the Legal Department and the Internal Audit Division by distributing meeting materials in advance, supporting the operation of meetings, providing supplementary explanations of agenda items, and providing explanations at meetings of the Audit and Supervisory Committee.

2. Matters related to functions such as business execution, auditing and supervision, nomination, and determination of remuneration (Outline of the current corporate governance system) Update

(1) Board of Directors and Officer Structure
The Board of Directors of the Company consists of nine directors (including five outside directors). The Board of Directors holds regular monthly meetings and special meetings as necessary to ensure efficient and prompt decision-making. The Board of Directors, in accordance with the Articles of Incorporation and laws and regulations, acts as a decision-making and supervisory body for management and conducts preliminary deliberations and resolutions on important management matters (including matters related to the nomination and remuneration of Directors). All directors attend the meetings unless there are special circumstances.

In addition, for business execution, the Company appoints executive officers and specialized officers, manages the organization by transferring authority, and promotes the creation of a system that enables rapid and accurate management decision-making and clarification of responsibility for business execution by separating directors from daily operations.

In addition, pursuant to Article 427, Section 1 of the Companies Act, the Company has entered into an agreement with directors (excluding those who are executive directors) to limit their liability for damages under Article 423, Section 1 of the Companies Act to the amount stipulated in laws and regulations. In accordance with the provisions of the said Articles of Incorporation, the Company has entered into liability limitation contracts with five outside directors in accordance with the provisions of the said Articles of Incorporation. The limitation of liability is limited to cases where the director has performed his/her duties in good faith and without gross negligence.

(2) Audit and Supervisory Committee
The Audit and Supervisory Committee of the Company consists of three outside directors. Each director who is a member of the Audit and Supervisory Committee actively participates in meetings of the Board of Directors from a highly specialized expertise and express opinions on the decision-making and business execution of Directors as appropriate. The company will strive to ensure that the audit function functions more effectively and appropriately by holding the Audit and Supervisory Committee at least once a month, receiving regular reports from the Internal Audit Division at Audit and Supervisory Committee, and holding regular meetings with the Accounting Auditor.

(3) Internal Audit
The Internal Audit Division, which reports directly to the representative director and is independent from other business execution departments, conducts internal audits of the Company and its subsidiaries in accordance with the Internal Audit Regulation. In addition to the direct report to the representative director, the Internal Audit Division is also under the direction and control of the Audit
and Supervisory Committee. The results of audits are fed back to the audited divisions and reported to the representative director and the Audit and Supervisory Committee as appropriate, and necessary and appropriate corrective measures are taken.

(4) Accounting Auditor
At the 13th Ordinary General Meeting of Shareholders held on March 25, 2021, Izumi Audit Co. was newly appointed in place of Deloitte Touche Tohmatsu LLC. This is because the Company judged Izumi Audit Co. to be suitable as the Company's Accounting Auditor after comprehensively taking into consideration the following factors in addition to the expectation of audits from a new perspective: the audit system and audit fees are in line with the scale of the organization required by the Company; flexible and prompt audits can be expected based on a thorough understanding of the Company's future management system and business development; independence and expertise as an accounting auditor; quality control system; and past audit performance.

(5) Other Committees
(Risk Management Committee)
The Company has established risk management regulations, which require officers and employees to proactively foresee and appropriately assess risks in the course of business and to take necessary measures to avoid or mitigate such risks. The Company has established a Risk Management Committee chaired by the representative director, which meets regularly once every six months or as necessary.

(Compliance Committee)
The Company has established the compliance regulations. In the event of a violation of the compliance regulations, the Company establishes a Compliance Committee chaired by a Director appointed by the Board of Directors. In the event that a whistleblowing claim is made, the person in charge of the whistleblowing encounter will investigate the contents of the report and report to the Compliance Committee.

3. Reasons for Choosing the Current Corporate Governance System
The Company has shifted to a company with an Audit and Supervisory Committee based on the resolution of the 11th Ordinary General Meeting of Shareholders held on March 28, 2019, to further enhance corporate governance. In addition to the supervision by the General Meeting of Shareholders and the Board of Directors, the Audit and Supervisory Committee was established in place of the Board of Corporate Auditors. The Company will further enhance its governance by utilizing the expertise of Audit and Supervisory Committee members in globalizing and diversifying management, and by having Audit and Supervisory Committee members participate in decision-making at the Board of Directors. Furthermore, we believe that the Audit and Supervisory Committee can ensure the soundness and efficiency of management through mutual cooperation with the Internal Audit Division.
### III. Status of Implementation of Measures Concerning Shareholders and Other Interested Parties

1. Status of Efforts to revitalize the General Meeting of Shareholders and facilitate the exercise of voting rights

<table>
<thead>
<tr>
<th>Supplementary explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Setting general meeting of shareholders avoiding concentrated days</td>
</tr>
<tr>
<td>The 13th Ordinary General Meeting of Shareholders, which was held on March 25, 2021, was scheduled with a careful consideration to avoid any concentrated dates for such meetings held by other companies. In order to facilitate attendance by more shareholders to the meeting, the meeting was started at 7:00 p.m. on a weekday evening. In addition, a panel discussion was held after the General Meeting to deepen the understanding of the Company. We will continue to provide live online streaming and invite questions in advance of the panel discussion so that shareholders can have an opportunity to better understand the Company.</td>
</tr>
<tr>
<td>Provision of the Notice of Convocation (Summary) in English</td>
</tr>
<tr>
<td>The summary of the notice of convocation of the General Meeting of Shareholders is posted on the Company's website.</td>
</tr>
<tr>
<td>Others</td>
</tr>
<tr>
<td>The notice of convocation of the General Meeting of Shareholders is posted on the Company's website. To improve the environment for exercising voting rights, we have made it possible to exercise voting rights via the Internet during the General Meeting of Shareholders from this year.</td>
</tr>
</tbody>
</table>

2. Status of IR-related activities

<table>
<thead>
<tr>
<th>Supplementary explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Periodic briefings for individual investors</td>
</tr>
<tr>
<td>Quarterly briefings are held both in Japanese and English with simultaneous interpretation for individual shareholders. We have a system in place to enable online question and answer sessions. In addition, full transcriptions of the financial results briefings are posted on &quot;NewsPicks,&quot; the Group's service. We also hold individual meetings with individual investors who have requested such meetings.</td>
</tr>
<tr>
<td>Periodic briefings for analysts and institutional investors</td>
</tr>
<tr>
<td>We hold quarterly briefings for analysts and institutional investors with simultaneous interpretation in Japanese and English. We also have a system in place to allow online question and answer sessions. As necessary the Company actively conduct IR meetings</td>
</tr>
<tr>
<td>Periodic briefings for overseas investors</td>
</tr>
<tr>
<td>----------------------------------------</td>
</tr>
<tr>
<td>IR Materials on Company Website</td>
</tr>
<tr>
<td>Establishment of IR department (person in charge)</td>
</tr>
</tbody>
</table>

3. Status of Efforts to Respect Stakeholders' Positions

**Supplementary explanation**

| Provisions for respecting the position of stakeholders | The Group's compliance regulations stipulate the following with respect to its stakeholders. The Company, its officers and employees shall confirm and comply with this Regulations as the basis of their actions toward customers, business partners, shareholders, etc., and shall endeavor to establish a compliance system and practice corporate ethics. In addition, the Regulations stipulates the following in relation to shareholders, investors, and investment institutions. 1. The Company shall conduct highly transparent management by appropriately disclosing information to shareholders. 2. Prohibit insider trading. 3. Prohibit the spreading of rumors, market manipulation, and short selling in the stock market. 4. Prohibit the provision of profits to extortionist that threatens to disrupt stockholder meetings, etc.. 5. Prohibit false statements in securities reports and accounting books. |
| Environmenta l protection activities, CSR activities, etc. | The Group has taken the following initiatives (examples) in the recent past.  
- We place importance on the individuality of each person (talent, nationality, language, gender, sexual orientation, etc.). As part of these efforts, we have implemented measures in our employment regulations and other personnel-related rules, such as including same-sex partnership marriages and de facto marriages in congratulation and condolence leave, congratulation and condolence payments, and childcare leave, and installing barrier-free restrooms in order to create a comfortable working environment for each employee.  
- We are fostering an internal community and holding regular meetings on topics such as women's work comfort and men's participation in housework and childcare.  
- NewsPicks featured a special report on climate change. In addition, we have been reporting on news of great social significance related to the economy, such as the emergency feature on the covid-19, which is open to the public free of charge.  
- "NewsPicks for Education", a new learning platform for elementary, junior high and high school students, was launched using NewsPicks. The service provides elementary, junior high, and high school students with a place to learn from each other across classes, grades, and schools, while being aware of the connection with academic learning and being exposed to news daily. It also creates opportunities for students to experience diverse thinking. |
|---|---|
| Formulation of policies, etc. for providing information to stakeholders | We have placed a message on our website titled "To Our Shareholders and Investors" by our representative. In this message, we make the following three promises:  
1. We will act faithfully to achieve our mission of "We guide business people to insights that change the world." Uzabase exists to provide information to business people around the world and to support their decision-making. We believe that each person's decision becomes an action, and the accumulation of these actions becomes a force that will change the world. In order to move the world in a better direction, we promise to act faithfully in accordance with our mission.  
2. We will speak honestly, in good times and bad times. We believe that the starting line to becoming a shareholder is to understand Uzabase correctly. To achieve this, it is necessary to increase transparency as much as possible. It's not just about the good times. We promise to disclose information not only in good times but also in bad times.  
3. We will earn trust by doing what we say we will do. We believe that the shortest path to gaining the trust of our shareholders is only through the accumulation of our words and actions. However, as in the past, we may in the future fail in some cases as a result of taking on challenges. If we fail, we will deeply reflect on what we have done wrongly and make improvements as quickly as possible. We promise to place importance on our actions and results so that we can earn the trust of our shareholders.  
For more information, please refer to the following link: https://www.uzabase.com/investors/ |
Matters Related to Internal Control Systems, etc.

1. Basic Policy on Internal Control System and Status of its Development

The Company has established the "Basic Policy on Internal Control System" by resolution of the Board of Directors, and in accordance with the policy, has established various internal rules and regulations, and ensures thorough compliance that the internal control system functions effectively. The following are the matters resolved at the Board of Directors meeting as the system to ensure proper business operations:

(1) Systems to ensure that the business execution by directors and employees complies with laws and regulations and the Articles of Incorporation.

a. Directors and employees shall, as members of society, act in accordance with corporate ethics and social norms and strive for sound corporate management. The Company shall also establish Compliance Rules and other internal rules to ensure that all employees are familiar with corporate ethics and legal compliance.

b. The Board of Directors shall meet regularly in accordance with the Regulations of the Board of Directors to deliberate and resolve on basic management policies and other matters and to mutually supervise the execution of duties by other Directors.

c. The Board of Directors shall establish regulations concerning the business execution, including the Regulations of the Board of Directors and the Regulations for Segregation of Duties, and Directors and employees shall execute their duties in accordance with laws, regulations, the Articles of Incorporation, and the established regulations.

d. To ensure the appropriateness of operations and transparency of management, the Company shall strengthen the management supervision function by outside directors.

e. Compliance with laws and regulations and the Articles of Incorporation with respect to the business execution by directors shall be confirmed through audits conducted in accordance with the Audit and Supervisory Committee Auditing Standards.

f. The Internal Audit Division, which reports directly to the representative director and is independent of other business execution departments, shall conduct internal audits in accordance with the Internal Audit Regulations. The Internal Audit Division shall also have a chain of command from the Audit and Supervisory Committee. The results of the audit shall be fed back to the audited division and reported to the representative director and the Audit and Supervisory Committee. In addition, necessary and appropriate corrective measures shall be taken.

(2) System for the storage and management of information related to the business execution by Directors

a. Information such as minutes of General Meetings of Shareholders and Board of Directors meetings shall be stored and managed in accordance with laws and regulations and the Document Management Regulations. During the storage period, it shall be available for inspection and copying by directors, accounting auditors, etc. as necessary.

(3) Rules and other systems for managing the risk of loss

a. In preparation for the occurrence of natural disasters, corporate scandals, and other problems that may affect the Company, its employees, and society, the Company shall establish a risk management
system in accordance with the Risk Management Regulations.

b. The Company shall establish a Risk Management Committee to deliberate on the identification and evaluation of individual risks, priorities to be addressed, risk management methods, and to develop and review the system through regular monitoring.

c. In the event of a major incident in business activities, a task force shall be established to take prompt action and prevent damage and loss.

(4) Systems to ensure the efficient business execution by Directors

a. The Board of Directors shall meet monthly to decide management plans, budgets, and to review performance and the status of achievement of targets and shall also hold special meetings, as necessary.

b. The Company adopts a virtual holding company system and delegates authority to each business unit to enable prompt decision-making. In addition, meetings attended by the Company's executive directors, executive officers, and representative directors of subsidiaries (including specialized officers and others deemed necessary) shall be held as necessary to report and share important matters related to the management and business execution of the business units under their control and the entire Group.

c. The persons responsible for business execution, the scope of their responsibilities and procedures shall be in accordance with the Regulations for Segregation of Duties, Regulations for Authorization of Duties, and other internal regulations.

(5) Systems to ensure the appropriateness of operations of the corporate group consisting of the Company and its subsidiaries

a. In accordance with the Regulations for the Management of Affiliated Companies, important resolutions of major subsidiaries shall be deliberated, approved, or reported by the Board of Directors of the Company. In principle, the Company's regulations shall be applied to domestic subsidiaries. For overseas subsidiaries, the Company shall establish and operate regulations, guidelines, handbooks, as appropriate in accordance with local laws and regulations.

b. To prevent or minimize the manifestation of various risks surrounding the business of subsidiaries, the Risk Management Committee shall hold appropriate meetings, as necessary in accordance with the Risk Management Regulations, to understand the risks and take appropriate measures.

c. The Directors and Corporate Auditors of subsidiaries shall, in principle, include the Company's Directors, Executive Officers and employees to promote the communication of information within the corporate group and ensure the proper execution of the business of the Company and its subsidiaries.

(6) Matters concerning employees to assist the Audit and Supervisory Committee in its duties, and matters concerning the independence of such employees from other Directors and the effectiveness of instructions to such employees.

a. In the event that the Audit and Supervisory Committee deems it necessary, the Directors other than the Audit and Supervisory Committee members shall consult with the Audit and Supervisory Committee regarding the number and qualifications of employees to assist the Audit and Supervisory Committee, and have such employees assist the Audit and Supervisory Committee.

b. The appointment, transfer, evaluation, disciplinary action, and revision of wages, etc. of such employees shall be made after respecting the opinions of the Audit and Supervisory Committee. The Audit and Supervisory Committee shall have the right to direct and order such employees in assisting the Audit and Supervisory Committee in its duties and shall ensure the independence of such employees from directors other than Audit and Supervisory Committee members.

(7) Systems for directors and employees of the Company and directors and employees of subsidiaries to report to the Audit and Supervisory Committee, other systems for reporting to the Audit and Supervisory Committee, and systems to ensure that no one is treated disadvantageously for making such reports.

a. In addition to attending meetings of the Board of Directors, the Internal Auditor also attends meetings of the Compliance Committee, the Risk Management Committee, and other important meetings composed of management members of each business unit as necessary, to grasp the status
of business execution, risk of loss, efficiency of business execution, and legality of business execution. The Internal Auditor shall also report the details of such meetings to the Audit and Supervisory Committee.
b. Directors and employees of the Company and its subsidiaries shall establish a system to promptly report to the Audit and Supervisory Committee on matters that have a significant impact on the Company or its subsidiaries and on the status of implementation of internal audits, in addition to legally required matters.
c. The Audit and Supervisory Committee may, whenever it deems it necessary to perform its duties, request reports from the Directors, Corporate Auditors and employees of the Company and its subsidiaries. The Directors, Corporate Auditors and employees of the Company and its subsidiaries who are requested by the Audit and Supervisory Committee to make reports shall promptly make such reports.
d. Directors and employees may use the internal whistleblowing system to report to Directors who is a member of the Audit and Supervisory Committee and Internal Auditor. The Company shall not treat any person who makes a report adversely for the reason of making such report. This shall be stipulated in the Whistleblower System Guidelines.

(8) Other systems to ensure that the Audit and Supervisory Committee's audits are conducted effectively
a. The Audit and Supervisory Committee shall endeavor to exchange information with the Accounting Auditor and the Internal Audit Division to ensure the effectiveness of audits of the Company and its subsidiaries.
b. The Audit and Supervisory Committee shall conduct hearings with directors, executive officers and certain employees, and exchange opinions regularly with the representative director.
c. When a member of the Audit and Supervisory Committee makes a request for advance payment of expenses incurred in the execution of duties, reimbursement of expenses paid, or repayment of debts incurred, the Company shall comply with the request, unless it can be proved that the expenses are not incurred in the execution of duties of the Audit and Supervisory Committee.

(9) System to ensure the appropriateness of financial reporting
a. In order to ensure the reliability of financial reporting and the disclosure of appropriate financial information, the Company shall establish, maintain, and operate a system to ensure the effective functioning of internal control over financial reporting.
b. The Company shall manage the risk of fraud and error in financial reporting, and promote the appropriate execution of business operations, and shall appropriately maintain and operate internal regulations related to financial reporting. The Company shall continuously monitor and evaluate the proper and effective functioning of the system of internal control over financial reporting, make necessary improvements and corrections if any deficiencies are found, and ensure compliance with relevant laws and regulations.

2. Basic Policy for Eliminating Antisocial Forces and Status of Its Development

As a policy and standard for the Group, we have established the “Rules for Measures against Antisocial Forces,” which stipulate that the Company shall not, under any circumstances, provide monetary or other economic benefits to antisocial forces. In addition to taking advantage of opportunities such as the Company’s major meetings to ensure that the content of the policy is thoroughly understood, the Company conducts inspection of new business partners and periodic inspections (at least once a year) of existing business partners. In addition, we are working to eliminate antisocial forces by, in principle, attaching a representation and warranty that there is no relationship with antisocial forces when concluding contracts.

In addition, the Rules for Measures against Antisocial Forces stipulate that, in the event that antisocial forces contact the Group, interviews will be conducted in the presence of employees of the Group's corporate division and the employees of the corporate division are required to accurately record the interview activities. The Company will immediately report it to the proper authorities in case any inappropriate demands are made. Furthermore, the Company has appointed a person in
charge of preventing unreasonable demands who has attended a training course for persons in charge of preventing unreasonable demands.

V  Others

1. Introduction of Takeover Defense Measures

| Introduction of anti-takingover measures | None |

Supplemental explanation of applicable items

The Company currently has no plans to introduce takeover defense measures.

2. Other Matters Related to Corporate Governance System, etc.

【Outline of the Timely Disclosure System】

The Company positions proactive disclosure as part of its corporate governance. The company strive to disclose information that is useful to shareholders and investors in a proactive, timely and appropriate manner, and to gain their understanding. The Company has established a system to communicate and consolidate important information to the Company's management and the Accounting and Finance Division, which is in charge of timely disclosure, by requiring the collection and reporting of information, drafting of documents, submission to organization and meetings, and consultation and notification with relevant departments. In addition, information is collected sequentially by the person in charge of information handling. The information is then analyzed and judged as to whether it meets the disclosure standards of the stock exchanges and the specific method of disclosure. Information that should be disclosed is disclosed in a timely manner. The administrative flow chart for timely disclosure procedures is shown in the “Outline of Timely Disclosure System (Schematic Diagram)”.
Management of information by Disclosure Committee (including the Person Responsible for Information Handling)

Disclosure Committee, including the Person Responsible for Information Handling, judges the materiality and necessity of information disclosure

Disclosure Committee, including the Person Responsible for Information Handling, judges whether Timely Disclosure is required/ Prepare Timely Disclosure document

Approve Timely Disclosure on Occurrence of Fact related to Corporation
Executive Director in charge of Corporate Service

Approve Timely Disclosure on Information related to Decisions by Corporation
Executive Director in charge of Corporate Services makes the final decision in compliance with internal regulations

Implementation of Timely Disclosure
Person Responsible for Information Handling

Input to the Timely Disclosure Information System

Financial Instruments Exchange
Timely Disclosure
*Prompt announcement on the Company's website after disclosure on the Timely Disclosure Information System

Investors