Last Update: September 29, 2025
Fibergate Inc.
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https://www.fibergate.co.jp

The corporate governance of Fibergate Inc. (the"Company') is described below.

Ⅰ. Basic Views of Corporate Governance, Capital structure, Corporate Attributes, and Other Key Information

1. Basic Views

The Company considers it one of its most important tasks to realize its basic management policies, increase transparency, and implement efficient and sound corporate management. The Company has adopted the "Company with Audit Committee System" as its corporate governance structure. In addition, the Company has introduced an executive officer system to enhance legality, revitalize the Board of Directors, and clarify responsibilities for business execution. The Board of Directors meets once a month in principle and works together on a daily basis as necessary to check the progress of management policies and strengthen supervision of directors' execution of their duties.
The Executive Officers' Meeting is held once a week in principle to realize flexible business execution responsibilities in response to the management plan determined by the Board of Directors. The Audit Committee meets once a month in principle, and each Audit Committee member performs their duties in accordance with the audit policy, allocation of duties, etc., as determined by the Audit Committee, and reports the status of execution as necessary.
As a third party involved in the corporate governance system, the Company has entered into advisory contracts with several attorneys and receives their guidance and advice in a timely manner when legal judgments are required. The Company has also entered into an audit contract with an accounting auditor based on strict evaluation standards, receiving accounting audits from a fair and unbiased standpoint.
In terms of compliance, to continue sound corporate activities, the Company is actively working on an internal system to ensure that its corporate activities are conducted in compliance with laws, regulations, various rules, social norms, and corporate ethics. The Company recognizes that it is an important management issue to establish a corporate governance system in which "internal control," "risk management," "compliance," and "disclosure information control" are fully functional.
The Company believes that securing the trust of all stakeholders, including shareholders and society, will lead to increased corporate value. Therefore, the Company strives for sound and transparent management while pursuing fairness and efficiency and fulfilling accountability. The Company will disclose information to shareholders and other stakeholders in a timely and appropriate manner, working to build and maintain a sound and highly transparent management structure. As the Company grows and expands in size, it will further strengthen, improve, develop, and enhance the various functions necessary for corporate governance, aiming to improve corporate performance while maintaining the legality and efficiency of corporate management.

【Reasons for not implementing each principle of the Corporate Governance Code]

The Company has implemented all of the principles of the Code.

【Disclosure based on each principle of the Corporate Governance Code】【Update】

Principle 1-4: Cross-Shareholdings

The Company currently holds one listed stock and one unlisted stock as cross-shareholdings. The listed stock is held through participation in an employee stock ownership plan, and the number of voting rights is minimal.

Regarding the exercise of voting rights, the Company reviews materials such as the notice of convocation and business reports of each company before making decisions. For details, please refer to the securities report (https://www.fibergate.co.jp/en/ir/).

Principle 1-7 Transactions with Related Parties
Transactions with related parties are resolved by the Board of Directors in accordance with the Related Party Transaction Regulations, with the applicable officer excluded from the quorum as a party with a special interest. Furthermore, the Company conducts a questionnaire survey for all officers of the Company and its subsidiaries at the end of each fiscal year to confirm the existence of any related party transactions, thereby establishing a system to manage such transactions. If any related party transactions occur, the Company discloses them in accordance with relevant laws such as the Companies Act, Financial Instruments and Exchange Act, and the rules set by stock exchanges.

Principle 2-4: Ensuring Internal Diversity, Including the Promotion of Women
(Supplemental Principle 2-41: Diversity of human resources)
The Company actively promotes the hiring of global talent, and currently, employees of foreign nationality make up 12% of the workforce. These employees are actively working in areas such as the Company's multilingual support center, which handles end-user support, as well as in system and sales departments. The Company also views securing opportunities for women to play an active role as an important issue and is promoting the training and development of female managers. Currently, women account for 25% of management positions, representing a high proportion. The Company will continue to proactively ensure diversity within the organization. These initiatives are disclosed on the Company's website.
https://www.fibergate.co.jp/en/sustainability/sdgs/

Principle 2-6: Fulfilling the Role as Asset Owner of Corporate Pension Plans
The Company has adopted a defined benefit pension plan with an option feature to support the asset formation of its employees.

Principle 3-1: Enhancement of Information Disclosure
(1) Management Philosophy and Strategy
The Company's management vision and strategies are disclosed on its website.
https://www.fibergate.co.jp/en/company/

The Company also discloses IR information, such as financial results reports (including English financial reports), on its website.
https://www.fibergate.co.jp/en/ir/
(2) Basic Approach and Policy on Corporate Governance
(3) Policy and Procedures for Determining Compensation of Directors and Audit Committee Members
(4) Policy and Procedures for Nomination of Director Candidates
Details on the above three items are provided in the securities report.
https://www.fibergate.co.jp/en/ir/disclosure/
(5) Explanation of the Selection and Nomination of Director Candidates
The reasons for the nomination of all director candidates are disclosed in the notice of convocation for the General Meeting of Shareholders.

(Supplemental Principle 3-1③ Sustainability)

For details regarding our approach and initiatives on sustainability, please refer to the securities report (https://www.fibergate.co.jp/en/ir/disclosure/).

(1) **Approach to Sustainability**
The Company's corporate philosophy is "'Thank you' – from our customers, to us." This reflects the belief that a business model solely pursuing profit has its limitations and that the spirit of "righteousness before profit," which prioritizes trust and integrity, is more essential for a company's growth. Based on this philosophy, the Company aims to contribute not only to its own development but also to the development of society as a whole. Achieving sustainable growth requires long-term good relationships with all stakeholders, including employees. Therefore, the Company focuses on creating an environment where diverse talent can thrive, building a business model that continues into the next generation, and establishing an internal system to support these efforts. Additionally, the Company addresses environmental challenges through its business activities.
Based on the above, the Company has identified "contributing to society through communication solutions," "promoting carbon offset initiatives," and "advancing human capital management" as its key issues (materiality) and is actively working on them.

[Materiality]

Contribution to society through communication solutions
① Contribution to daily life
② Contribution to regional revitalization
Promotion of carbon offset through renewable energy business
① CO2 reduction through solar power facilities
Advancing human capital management
① Employee health management
② Skill development for employees
③ Development of future management executives
④ Improvement in per capita productivity

(2) **Governance**
As part of our sustainability promotion framework, we have established a Sustainability Committee chaired by an outside director, with the responsible executive officer serving as vice-chair. This committee deliberates on our initiatives for sustainable growth, focusing primarily on key issues identified by the company. It also evaluates the progress of these activities and reports its findings to the Board of Directors.

(3) **Strategy**
The Company is pursuing contributions to daily life and regional revitalization through its Home Use and Business Use divisions as part of the strategy of "contributing to society through communication solutions." As part of environmental initiatives, the Company promotes "carbon offsetting" through its renewable energy business. To advance "human capital management," the Company aims to support employee self-fulfillment through health and skill development, foster future management executives, and strengthen the management foundation by enhancing per capita productivity.
The Company will also advance initiatives for carbon offset (addressing climate change) and human capital management as follows:

① **Addressing Climate Change**
The Company discloses significant physical and transition risks as well as opportunities related to climate change based on the TCFD recommendations.

② **Advancing Human Capital Management**
The Company's group realizes a one-stop business model covering product development, sales, deployment, operations, and after-support, characterized by "job diversity." Specifically, the Company has engineers in various fields, such as hardware, firmware, and networks, along with sales staff, customer support, and corporate management personnel, covering a wide range of roles.
The Company's goal is not job-specific employment but rather the "development of multi-skilled talent,"

enabling individuals to acquire skills in multiple roles and to be flexibly assigned according to business needs. The Company will continue to develop employee capabilities in line with changing business challenges, with specific initiatives set forth to address each challenge.

[Challenges and Initiatives]

Employee Health Management

- Conducting regular health checkups and stress checks
- Reviewing employee engagement by making it visible

Employee Skill Development

- Enhancing internal training programs and qualification support systems
- Establishing an internal recruitment system
- Establishing and implementing a recognition system

Development of Future Management Executives

- Setting up an executive development course

Improvement in Per Capita Productivity

- Improving productivity through the implementation of the above measures (health management, skill development)
- Supporting operational efficiency through the use of generative AI
- Introducing an appropriate evaluation system for multifunctional teams

(4) **Risk Management**

The Company's Risk & Compliance Committee, led by the responsible executive, identifies and monitors company-wide risks. As a preventive measure, specific risk items reported by each division are analyzed quarterly to verify if any incidents have occurred or if appropriate countermeasures are being implemented. This information is shared at the Executive Officers Meeting, ensuring timely responses to risks. Climate change risks are monitored by the Sustainability Promotion Team, which collaborates with the Risk & Compliance Committee to address these issues.

For communication and cybersecurity, the ISMS Office and the Information Systems Division monitor risks and incidents and report to the Executive Officers Meeting. In the event of these risks materializing, an emergency task force comprising members of the Executive Officers Meeting and others is established to respond promptly and appropriately.

(5) **Indicators and Targets**

These will be set in the future. Indicators related to climate change are as follows:

① Addressing Climate Change

(a) Indicators Used for Managing Climate-Related Risks and Opportunities

Currently, the Company has not defined indicators for managing climate-related risks and opportunities. The Company will discuss the purpose and necessity of defining these indicators while observing disclosure trends related to TCFD among companies of similar industries and sizes, and will consider setting indicators as needed.

(b) Greenhouse Gas Emissions (Scope 1 & 2)

Details are disclosed on our website:
https://www.fibergate.co.jp/en/sustainability/tcfd/

Other Aspects Related to Human Capital

The Company aims to enhance corporate value by fostering talent with diverse perspectives and values, implementing job diversity through skill development gained from various work experiences, and cultivating an internal environment that nurtures talent capable of adapting to changes. Furthermore, the Company promotes initiatives that help each employee achieve self-realization and a sense of fulfillment through work. In response to diverse work styles and workforce needs, the Company is also actively promoting flexible working arrangements, such as flextime, telework, and parental leave.

Regarding investment in intellectual property, the Company's strength lies in a vertically integrated business model, from telecommunications equipment development to Wi-Fi infrastructure setup, operations, customer support, and advertising services. The Company is committed to expanding its business by exploring new business partnerships, enhancing cooperation with existing partners, and developing new products and services while continuously conducting R&D to strengthen internal management of intellectual property rights.
The Company will continue monitoring and discussing medium- to long-term plans for investment in human capital and intellectual property at the Board of Directors meetings.

Principle 4-1 Roles and Responsibilities of the Board of Directors
(Supplemental Principle 4-1①: Scope of Delegation to Management)
The Company's Board of Directors makes decisions on matters stipulated by law as exclusive to the board and matters prescribed in the Board of Directors regulations. For other major operational decisions, the scope of authority delegation is defined in the Duty and Authority Regulations.
Additionally, the Company has adopted a delegated executive officer system to expedite decision-making, improve operational efficiency, and develop future senior executives. Each executive officer executes the duties of their respective divisions based on the Executive Officer Regulations, the Division of Duties Regulations, and the Duty and Authority Regulations.
Through these measures, the Company clarifies roles and responsibilities, strengthens functions, improves operational efficiency, accelerates decision-making, and revitalizes the Board of Directors.

(Supplemental Principle 4-1③: Supervision of CEO Succession Planning)
The Board of Directors recognizes the succession planning for the CEO as a critical management issue and has formulated development plans for senior employees and executives. Specifically, the Representative Director and President Executive Officer conducts a lecture series, covering topics such as the fundamentals of corporate management, economic and managerial knowledge, business knowledge, and principles of leadership. These lectures are aimed at developing the capabilities of senior executive candidates.

Principle 4-9: Independence Criteria and Qualifications for Independent Outside Directors
When selecting outside directors, the Company has established "Independence Standards for Outside Directors and Outside Audit & Supervisory Board Members" to ensure the transparency of the management oversight function, referring to the independence criteria set forth by the Companies Act and the Tokyo Stock Exchange. These standards are disclosed in this report under [Independent Officers].

Principle 4-10: Utilization of Voluntary Mechanism
(Supplemental Principle 4-10①: Nomination and Compensation Committee)
To strengthen the fairness and objectivity of the procedures related to the nomination and compensation of directors and to further enhance our corporate governance, the Company has established a voluntary Nomination and Compensation Committee.
As an advisory body to the Board of Directors, this committee deliberates and reports on matters concerning the nomination and dismissal of directors, the selection and removal of the Representative Director and executive directors, matters regarding directors' compensation, succession planning (including development), and the appointment, dismissal, and compensation of executive officers.
The Company is structured with an Audit & Supervisory Committee and has appointed four independent outside directors. To ensure objectivity in determining directors' compensation, the Company has established the voluntary Nomination and Compensation Committee, with the majority of its members being independent outside directors.

Principle 4-11: Preconditions for Ensuring the Effectiveness of the Board of Directors and the Audit & Supervisory Committee
(Supplemental Principle 4-11①: Board’s Capability and Approach to Diversity)

The Company's Board of Directors is composed of officers responsible for overseeing each division and outside directors with extensive knowledge and experience, enabling swift decision-making and business execution. When selecting directors, the Company aims to ensure that the board as a whole has a balanced mix of knowledge, experience, skills, diversity, and scale, which is optimal for the Company's sustainable growth and mid-term enhancement of corporate value. Regarding outside directors, the Company ensures an appropriate balance by considering individuals with extensive experience as corporate executives, those with deep academic knowledge of corporate strategy, and professionals such as certified social insurance labor consultants with specialized knowledge in human resources and labor.

(Supplemental Principle 4-11②: Directors and Audit & Supervisory Board Members holding concurrent positions at other listed companies)
Please refer to the annual disclosure of material concurrent positions of outside directors with other companies through the Notice of Convocation of the General Meeting of Shareholders, Annual Securities Report, Corporate Governance Report, etc.

(Supplemental Principle 4-11③: Analysis and evaluation of the effectiveness of directors)
The Company strives to ensure the effectiveness of the Board of Directors by proactively incorporating the opinions of highly independent outside directors regarding its operation. To further enhance the effectiveness of the Board of Directors, the Company conducts an annual analysis and evaluation of the board's overall effectiveness and discloses a summary of the results. The Company conducts this analysis and evaluation based on the results of a questionnaire administered to all directors and the opinions of outside consultants. As a result, it was confirmed that the Company's Board of Directors is properly operated and its effectiveness is ensured. The Company will continue its efforts to improve the effectiveness of the Board of Directors.

Principle 4-14: Director Training
(Supplemental Principle 4-14-② Officer Training Policy)
The Company provides new directors elected from outside the Company with relevant materials and explains to them the outline of the Company and its issues, etc. Newly appointed directors from within the Company are required to attend outside seminars as appropriate to acquire the knowledge necessary to serve as directors. In addition, the Company pays the expenses of seminars and social gatherings that each director voluntarily participates in according to his or her own needs. Audit & Supervisory Board Members share the training regimen of the Japan Corporate Auditors Association, JPMC, and other organizations. Outside directors are invited to quarterly meetings for exchange of opinions with representative directors and meetings for exchange of opinions and briefings between the Audit and Supervisory Committee and directors.

Principle 5-1: Policy on Constructive Dialogue with Shareholders
(Supplementary Principle 5-1①: Dialogue with Shareholders)
(1) **Basic Approach**
The Company believes that building long-term trust through dialogue with shareholders and investors is crucial for sustainable growth and the enhancement of corporate value over the medium and long term. For this reason, the Company's IR activities are carried out by the responsible department, led by the Representative Director and Executive Officer.
(2) **Designation of a Director Overseeing Dialogue with Shareholders and Measures for Coordinating Internal Departments**
Dialogue with shareholders and investors is overseen by the Director in charge of IR, who supervises the Corporate Planning Division, the department responsible for IR. The Company works on enhancing dialogue with shareholders and investors through daily coordination between relevant departments.
(3) **Means Other than Individual Meetings**
To promote constructive dialogue with shareholders and investors, the Company actively discloses useful information about its activities in addition to statutory and timely disclosures. The Company holds earnings presentations regularly for analysts and institutional investors, with explanations and responses given directly

by the Representative Director. For individual investors, the Company allocates sufficient time for questions at the General Meeting of Shareholders and holds individual investor briefing sessions on an irregular basis.

(4) **Measures for Feedback**

The Director in charge of IR shares shareholder opinions obtained through dialogue with the Board of Directors as appropriate.

(5) **Measures for Managing Insider Information**

In dialogues with shareholders, we manage information appropriately based on our IR policy to prevent the disclosure of insider information.

The status of shareholder and investor dialogues in the fiscal year ending June 2025 is as follows:

I. Large meetings(twice a year)
Presenter: President Executive Officer

II. Institutional Investor 1-on-1 Meetings (total: 80)
Presenters: President Executive Officer, Senior Executive Officer, IR representatives

III. Main Topics of Discussion and Investor Interests
Business models of each business, market trends, performance of each period, mid- to long-term outlook, etc.

IV. Feedback to the Board of Directors
Content of 1-on-1 meetings is shared and discussed at regular monthly Board meetings.

Action to Implement Management that is Cost of Capital-Conscious and Stock Price

For this information, please refer to our website under " Action to Implement Management that is Cost of Capital-Conscious and Stock Price"

Company website link:

https://fibergate.co.jp/en/ir/enhancement/

2. Shareholder Composition

Percentage of foreign investors Less than 10%

Major shareholders【Update】

Name	Number of Shares	Ratio
MI Corporation	4,749,000	23.60
Masanori Inomata	2,794,790	13.88
Japan Custody Bank, Ltd. (Trust Account)	2,134,200	10.60
Sumitomo Mitsui Trust Bank, Limited (Trust Account No. 23)	1,700,000	8.44
Taizo Matsumoto	1,097,400	5.45
UH5, Ltd.	977,500	4.85
The Master Trust Bank of Japan, Ltd.	845,900	4.20
Taichi Yabu	200,000	0.99
Daiwa Securities Co., Ltd	190,300	0.94
BNYMSANV AS AGENT / CLIENTS LUX UCITS NON-TREATY 1	173,200	0.86

Controlling shareholders (excluding parent company) None

Parent company None

Note:

①The major shareholders are based on information as of June 30, 2025.

②The shareholding ratio is calculated excluding treasury stock (472,207 shares).

③MI Corporation is an asset management company owned by Masanori Inomata, President and Representative Director, and has one shareholder, Masanori Inomata.
④The 1,700,000 shares held by Sumitomo Mitsui Trust Bank, Ltd. (Trust Account No. 23) are subject to a trust agreement for the purpose of managing shares, with Masanori Inomata, the Representative Director and Executive Officer of the Company, as the settlor and beneficiary, and Sumitomo Mitsui Trust Bank, Ltd. as the trustee. Additionally, of the 2,134,200 shares owned by Custody Bank of Japan, Ltd. (Trust Account), 800,000 shares are under a charitable trust agreement for the management of shares owned by Masanori Inomata, our Representative Director and Executive Officer.
Therefore, the effective number of shares owned by Masanori Inomata, including those held by his asset management company MI Corporation Co., Ltd., is 10,043,790 shares, representing 49.91%.

3. Company Attributes

Listed Exchanges and Markets	Tokyo Standard, Sapporo Existing Market
Fiscal Year End	June
Type of Industry	Information and telecommunications industry
Number of employees (consolidated) as of the end of the previous fiscal year	More than 100 but less than 500
(Consolidated) sales in the immediately preceding fiscal year	10 billion yen or more but less than 100 billion yen
Number of consolidated subsidiaries as of the end of the immediately preceding fiscal year	Less than 10

4. Guidelines Concerning Minority Shareholders Protection Policy in Transactions with Controlling Shareholders, etc.

None

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

None

II. Status of management decision-making, execution, and supervision organizations and other corporate governance systems

1. Matters related to institutional structure and organizational management, etc.

Organizational Structure	Company with Audit Committee

Matters of directors

Number of directors as stipulated in the Articles of Incorporation	15 persons
Term of office of directors as stipulated in the Articles of Incorporation	1 year
Chairman of the Board of Directors	President
Number of directors 【Update】	9 persons
Appointment of Outside Directors	Appointed
Number of outside directors	4 persons
Number of outside directors designated as independent directors	4 persons

Relationship with Company(1)

Name	Attribute	Relationship with Company *										
		a	b	c	d	e	f	g	h	i	j	k
Nobuyuki Shinoda	Belongs to other company											

Chikako Shimahata	Belongs to other company											
Tomohiro Obata	Lawyer											
Hiroshi Kamada	Belongs to other company											

* If any of the following apply, enter the appropriate alphabetical letter in the table
* If the person in question applies to each item in the "current/recent" category, the answer is "○"; if the person in question applies to each item in the "past" category, the answer is "△".
* If the next of kin corresponds to each item in the "current/recent" category, the answer is "●", and if the next of kin corresponds to each item in the "past" category, the answer is "▲".
a. An executive person of the listed company or its subsidiary
b. An executive or non-executive director of the parent company of a listed company
c. A person who executes the business of a sibling company of the listed company
d. A person who is a major business partner of the listed company or a person who executes the business of the listed company
e. A major business partner of the listed company or a person who executes the business of the listed company
f. Consultants, accounting experts, or legal experts who receive a large amount of money or other assets from the listed company in addition to their compensation as directors.
g. A major shareholder of the listed company (if the major shareholder is a corporation, the person who executes the business of the corporation)
h. An executive of a business partner of the listed company (not falling under any of d, e or f) (only the individual)
i. An executive person of a party with which the listed company has a relationship of mutual appointment as an outside officer (only the person himself/herself)
j. An executive person of a party to which the listed company makes a donation (only the person in question)
k. Other

Relationship with Company(2)

Name	Audit and Supervisory Board Member	Independent Director	Supplemental Explanation of Conforming Items	Reason for Appointment
Nobuyuki Shinoda		○	---	Nobuyuki Shinoda, an outside director, is appointed as an outside director because he has a wealth of experience in the management division over many years and is qualified to supervise the business division, mainly in the areas of human resources, accounting, finance, and corporate planning, where he was in charge of business strategies to improve the growth and performance of the business. He is appointed as an outside director because he is deemed qualified to supervise the Company's business divisions. He monitors the Company's management decisions at meetings of

				the Board of Directors in terms of legality and appropriateness and fulfills a monitoring function. In addition, he meets the Company's independence criteria and has no special interest in the Company, and the Company has determined that there is no risk of a conflict of interest with general shareholders.
Chikako Shimahata		○	---	Outside Director Chikako Shimahata has sufficient knowledge and experience in personnel and labor affairs through her practice as a labor and social insurance lawyer. He monitors the legality and appropriateness of the Company's management decisions at meetings of the Board of Directors and fulfills a monitoring function. He fulfills the Company's criteria for independence and has no special interest in the Company, and therefore, the Company believes that there is no risk of a conflict of interest with general shareholders.
Tomohiro Obata	○	○	---	Tomohiro Obata, an Audit & Supervisory Board Member, is appointed as an Outside Director because he has sufficient knowledge and experience in management through his practice as a corporate legal specialist (lawyer), and we believe that he can reflect his deep insight on management in our audits. In addition, the Company has determined that there is no risk of a conflict of interest with general shareholders because he meets the Company's criteria for independence and has no special interest in the Company.
Hiroshi Kamada	○	○	---	Mr. Hiroshi Kamada, an Audit & Supervisory Board Member of the Board of Directors, is appointed as an Audit & Supervisory Board Member of the Board of Directors based on the Company's judgment that he can reflect his extensive and rich

				experience and insight in accounting and finance, human resource development, risk management and management strategy in business companies in the Company's audits. He has been appointed as an outside member of the Audit and Supervisory Committee based on his extensive experience and insight in accounting, finance, human resources development, risk management, and management strategy at business companies. In addition, the Company has determined that there is no risk of a conflict of interest with general shareholders because he meets the Company's independence criteria and has no special interest in the Company.

Audit and Supervisory Committee

Composition of Committee Members and Attributes of the Chairperson

	All members	Full-time member	In-house director	Outside director	Chairman
Audit and Supervisory Committee	3	1	1	2	In-house director

Existence or non-existence of assistance for Directors and the Audit Committee in its duties: Yes

Matters concerning the independence of such directors and employees from the executive directors:
One employee of the Company assists the Audit Committee concurrently with other duties, but is mainly responsible for scheduling meetings and is not involved in the content of the actual audit. There are no executive directors serving as assistants.

Collaboration among the Audit Committee, Accounting Auditor, and Internal Audit Department:
The Company has established a basic policy for its internal control system, and the Audit Committee and Internal Audit Office monitor the execution of duties by directors and employees and conduct audits in accordance with the Audit Committee audit plan and internal audit plan. The Internal Audit Office, which reports directly to the President and Representative Director, conducts internal audits of the status of compliance with internal regulations and execution of duties by each department and subsidiary company in accordance with the internal audit regulations. Audit results are reported to the President, the Audit Committee, and the Board of Directors on a regular basis. In accordance with the audit policy and audit plan established by the Audit Committee, the Audit Committee members attend meetings of the Board of Directors and other important meetings, inspect important documents, and audit the execution of duties by directors, and receive reports from directors, employees, and the accounting auditor to ensure effective monitoring. In addition, the Audit & Supervisory Board Members attend the meetings of the accounting auditors to report the results of their quarterly closing and year-end audits, and exchange opinions with them. Regarding cooperation between Audit

& Supervisory Board Members and the Internal Audit Office, they exchange opinions after the completion of internal audits of each department.

Voluntary Committees【Update】

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

Status of establishment of any committees, composition of members, and attributes of the chairman

	Name of Committees	All members	Full-time member	In-house director	Outside director	Knowledge able person	Other	Chairman
Equivalent to a nominating committee	Nominating Committee	5	1	1	4	0	0	outside director
Equivalent to a compensation committee	Compensation Committee	5	1	1	4	0	0	outside director

Note:
A voluntary Nomination and Compensation Committee has been established.
The committee is chaired by Mr. Shinoda, an outside director, and the Nomination Committee consists of five members: Mr. Inomata ,one in-house director; Mrs. Shimahata, an outside director; Mr. Obata and Mr. Kamada, both audit committee members and outside directors. The Compensation Committee consists of one internal director Mrs. Ishimaru, and five outside directors, Mrs. Shimahata, Mr. Obata, and Mr. Kamada, who are Audit & Supervisory Board Members and outside directors.

The Nomination and Compensation Committee shall deliberate and report to the Board of Directors on the following matters, which the Board of Directors has consulted with the Nomination and Compensation Committee
(1)Views on the composition of the Board of Directors
(2)Policies and criteria for the selection and dismissal of directors, audit committee members and executive officers
(3)Matters concerning the individual appointment and dismissal of directors, audit committee members, and executive officers
(4)Criteria for appointing outside directors and outside audit committee members (criteria for determining independence, term of office, qualifications, etc.)
(5)Policies and criteria for selection and dismissal of representative directors
(6)Matters concerning the selection and dismissal of individual Representative Directors
(7)Policies and criteria for selection and dismissal of executive directors
(8)Matters related to the selection and dismissal of individual executive directors
(9)Compensation system for directors, audit committee members, and executive officers and policy for determining their compensation: 1) Determination of compensation levels; 2) Policy for designing performance-linked compensation; 3) Policy for designing stock-based compensation; and 4) Policy for determining the details of compensation, etc. for individual directors.
(10)Details of compensation, etc. for individual directors, audit committee members, and executive officers
(11)Matters concerning the formulation and operation of succession plans: 1)Development of a draft succession plan; 2)Consideration of the formulation and operation of a succession plan; 3)Policy concerning the formulation and operation of a succession plan
(12)Proposals to be submitted to the General Meeting of Shareholders (proposals for election and dismissal, proposals for compensation)
(13)Other matters deemed necessary by the Board of Directors

Matters of independent directors

Number of independent directors: **4 persons**

Other Matters Concerning Independent Directors:

Criteria for Independence of Outside Directors

The Company has established the following criteria for the independence of its outside directors.

1.Relationship with the Company and its subsidiaries(hereinafter collectively referred to as the "Company Group"): The person must not be an officer or employee of the Company Group at present or in the past 10 years.

2. The person must not fall under the following 1) and 2) at present and in the past three years.
1) A major business partner of the Company Group (if such major business partner is a corporation, an officer or employee of such corporation).
2)A person (or a director or employee of a corporation, if such person is a corporation) who is a major business partner of the Company Group.

3. Relationship with Shareholders
The person must not be a major shareholder (or an officer or employee of a corporation if the said major shareholder is a corporation) of the Company Group at present or in the past three years.

4. Relationship with advisors and consultants
The person must not fall under the following 1) and 2) at present and in the past three years.
1) An accounting auditor, tax accountant, lawyer, or other consultant (or a member, partner, or employee of a corporation, partnership, or other organization) of the Company Group who receives a large amount of money or other financial benefits from our group in addition to his/her compensation as an officer or director.
2) A certified public accountant, tax accountant, lawyer, or other consultant (or a member, partner, or employee of a corporation, partnership, or other organization) who does not fall under any of the above categories and who receives a large amount of money or other financial benefits from the Company Group, other than compensation as an officer.

5. Relationship with donor
The person must not be an officer or employee of any corporation or organization that has received significant donations from the Company Group at present or in the past three years.

6. Relationships with close relatives
The person must not be a close relatives(other than a non-material person) of any of those listed in 1 through 5 above.

Note:
1. A major customer of the Company Group is defined as a customer that accounts for 2% or more of the annual consolidated net sales of the Company Group in the most recent fiscal year.
2. A "major customer" is defined as a customer whose transactions with the Company Group in the most recent fiscal year accounted for 2% or more of the annual consolidated net sales of the Company Group.
3. A major shareholder is defined as a shareholder who holds 10% or more of the total voting rights (including indirect holdings).
4. A substantial amount of money is defined as an annual average of 10 million yen or more in the case of an individual, or 2% or more of the consolidated gross sales or total revenues of the organization in the case of an organization, over the past three years.

5. A substantial donation is defined as an annual donation of more than ¥10 million or more than 2% of the consolidated gross sales or gross income of the organization, whichever is higher, averaged over the past three years.
6. "Close relatives" means a spouse or a relative within the second degree of kinship.

Incentive-related Matters
Status of implementation of measures concerning the granting of incentives to Directors:
Other

Supplementary explanation regarding the relevant item
The Company has introduced a stock compensation plan for Directors since September 2021.
For details, please refer to the Securities Report, etc. (https://www.fibergate.co.jp/en/ir).

Recipients of Stock Options
—

Supplementary explanation regarding the relevant item
—

Remuneration-related Matters
Status of disclosure of individual remuneration of Directors:
Individual remuneration is not disclosed.

Supplementary explanation regarding the relevant item:
Since there are no Directors who receive total remuneration of 100 million yen or more, individual disclosure of remuneration is not provided.
The remuneration of Directors is disclosed as the total amount by classification of officers.

For the 26th fiscal year, the total amount of remuneration, etc. for Directors (excluding Directors who are Audit and Supervisory Committee Members) was 127 million yen, of which 60 million yen was for two outside Directors.
The total amount of remuneration, etc. for Directors who are Audit and Supervisory Committee Members was 15 million yen, of which 6 million yen was for one outside Director.

Details of disclosure of policy for determining the amount of compensation or its calculation method:
【Update】
(1) Policy for determining the content of executive compensation
Basic Policy
At the Board of Directors meeting held on August 23, 2023, the Company resolved, upon deliberation by the Nomination and Compensation Committee (a majority of whose members are outside directors), to strengthen the independence and transparency of its executive compensation determination process.
The Company has established a basic policy of providing an appropriate level of compensation that serves as sufficient incentive for directors to contribute to the Company's sustainable growth and the enhancement of corporate value over the medium to long term, while also taking into account their responsibilities in management.
Compensation for directors other than members of the Audit and Supervisory Committee (excluding outside directors) consists of fixed compensation, short-term stock-based compensation linked to achievement of annual performance targets, and medium- to long-term stock-based compensation linked to achievement of medium- to long-term management targets.
The amount of compensation is determined based on each director's role, responsibility, and performance.

Compensation for directors who are members of the Audit and Supervisory Committee, as well as outside directors, consists of fixed compensation only, taking into account their roles and independence.

a. Fixed compensation
Fixed compensation is determined based on role, responsibility, and other factors, and is paid monthly in cash.

b. Stock-based compensation

- Short-term stock-based compensation
  The Company grants stock-based compensation to directors other than members of the Audit and Supervisory Committee (excluding outside directors). The shares are granted during the period from the date of each Annual General Meeting of Shareholders until the following year's Annual General Meeting of Shareholders, provided that the eligible director continues to serve as a director or in another position designated by the Board of Directors.
  The Company's short-term performance indicator is "consolidated ordinary income," and the number of shares delivered after the end of the relevant period is determined according to the level of achievement of this target.
- Medium- to long-term stock-based compensation
  1. The Company grants stock-based compensation to directors other than members of the Audit and Supervisory Committee (excluding outside directors) during the period from the date of each Annual General Meeting of Shareholders until the date of the Annual General Meeting of Shareholders two years later, provided that the eligible director continues to serve as a director or in another position designated by the Board of Directors.
  2. The Company has adopted consolidated TSR (Total Shareholder Return) relative to the Tokyo Stock Price Index (TOPIX) as a performance indicator, in order to further strengthen incentives to enhance corporate value over the medium to long term. The number of shares delivered after the end of the relevant period will vary depending on the level of achievement of this target.

(2) Matters relating to delegation of decisions on the content of individual compensation for each director

- Name, position, and responsibility of the person to be delegated
  Masanori Inomata, President and Representative Director
- Description of authority to be delegated
  Determination of the Amount of Compensation, etc. of Directors or the Method of Calculating the Amount of Compensation
- Measures to ensure that authority is properly exercised
  Decisions are made by the President and Representative Director within the maximum total amount of compensation approved at the General Meeting of Shareholders, after receiving reports from the Nomination and Compensation Committee (a majority of whose members are outside directors).

The amount of compensation for directors who are members of the Audit and Supervisory Committee shall be determined by the Audit and Supervisory Committee.

Support System for Outside Directors

In order to establish a system that enables outside directors, including Audit Committee members, to accurately and effectively supervise and monitor management from an independent standpoint, the Company has a system in place to provide management-related materials and explanations of circumstances whenever necessary, in cooperation with the Internal Audit Department. In order to facilitate the smooth progress of this system, the full-time Audit Committee members work closely with the Internal Audit Department to collect sufficient information from each department. In addition, the Audit Committee always emphasizes collaboration by inviting them to briefing sessions and quarterly discussions with representative directors organized by the Audit Committee.

2. Items related to functions such as business execution, auditing and supervision, nomination, and compensation decisions (overview of current corporate governance system)

The Company's management organization and other corporate governance systems for management decision-making, execution and supervision are as follows.

a) Board of Directors

The Company's Board of Directors consists of ten directors, four of whom are outside directors. The Board of Directors is a decision-making body that can respond quickly to changes in the business environment, thereby improving the business execution supervision system and ensuring fairness in decision-making. In principle, the Board of Directors holds a regular meeting once a month, and extraordinary meetings are held as necessary to make decisions on important matters concerning management and business execution.

b) Audit and Supervisory Committee

The Audit Committee of the Company consists of one full-time Audit Committee member and two part-time Audit Committee members. The Audit Committee holds a regular meeting once a month, and it is stipulated that extraordinary meetings of the Audit Committee may be held as necessary.
The Audit Committee members attend meetings of the Board of Directors and have established a system to conduct audits of overall management, focusing on accounting and operational audits, and conduct effective and efficient audits in cooperation with the accounting auditor and the internal audit division. The Company's Articles of Incorporation stipulate that there shall be no more than five Audit & Supervisory Board Members, and that the resolution for their election shall be adopted by a majority of the voting rights of shareholders present at the General Meeting of Shareholders where shareholders holding one-third or more of the voting rights of shareholders who are entitled to exercise their voting rights are present.

c) Executive Officers Meeting

The Executive Officers meets once a week in principle to report on business operations in line with management policies, collect important information, share information among divisions, and discuss business plans, policies related to overall business operations, and issues faced by each division that require cross-organizational consideration. The Executive Officers consists of the President and Representative Director, directors, executive officers, and persons appointed by the President and Representative Director, with the person in charge attending meetings as necessary to express their opinions.

d) Internal Audit

The Company has established an independent Internal Audit Office. The General Manager of the Internal Audit Office and two members of the Internal Audit Office, who are ordered by the Representative Director, conduct operational audits covering the entire Company, and report the audit results to the Representative Director, the Audit Committee, and the Board of Directors on a regular basis. Based on the audit results, the Representative Director instructs the audited departments to make improvements and report the results to maintain and improve internal controls. In addition, internal audit staff, Audit Committee members, and accounting auditors exchange information as necessary to ensure effective and efficient audits.

e) Risk Management System

The Company recognizes that risk management is an extremely important management activity. Specifically, directors and the Board of Directors strive to execute and supervise business operations, and to strengthen the risk management system, the Company is working to enhance internal control functions by formulating business plans, controlling budgets, operating and checking operations based on various regulations, and strengthening internal audits. In addition, in the event of a serious crisis that may affect external parties, the Risk Compliance Committee and the Information Security Committee, each of which is composed of executive officers, are established by the Executive Officers to investigate the crisis, confirm the facts, respond to the external parties, and prevent recurrence of such a crisis. In the event of a crisis, the Risk Compliance Committee and the Information Security Committee, both of which are members of the executive officers, are established by the Executive Officers Meeting.

f) Accounting Auditor

The Company has entered into an audit contract with KPMG AZSA LLC as its accounting auditor, and there are no special interests between the said auditing firm or its operating partners and the Company.

3. Reasons for selecting the current corporate governance structure

The Company has adopted the Audit Committee System based on the judgment that the audit system by the Audit Committee members is effective as a management oversight function. The appointment of four outside directors ensures appropriate decision-making and supervision of business execution by incorporating outside perspectives. Furthermore, the Internal Audit Office has been established under the direct control of the President and CEO, and works closely with Audit & Supervisory Board Members to improve the internal check and balance function. The Company has adopted this corporate governance system based on the judgment that corporate governance functions adequately under the aforementioned system.

III Implementation Status of Measures Concerning Shareholders and Other stakeholders

1.Status of Efforts to Vitalize Shareholders' Meetings and Facilitate the Exercise of Voting Rights

	supplementary explanation
Early dispatch of notices of convocation of general meetings of shareholders	The Company publishes the convocation notice on TDNet and on the Company's website promptly after approval by the Board of Directors so that shareholders have sufficient time to consider the agenda items.
Setting up shareholder meetings to avoid concentration days	Since the Company's fiscal year ends in June, we recognize that there is little concern regarding the concentration date.
Exercise of voting rights by electromagnetic means	The method of exercising voting rights via the Internet is available as an option.
Participation in electronic voting platforms and other efforts to improve the environment for institutional investors to exercise their voting rights	The Company participates in the electronic voting platform.
Provision of the notice of convocation (summary) in English	The convocation notice in English is posted on TDNet and on the Company's website.

2. Status of IR-related activities 【Update】

	supplementary explanation	Representative's own explanation
Prepare and publish disclosure policy.	The Company publishes the materials on the Company’s website.	
Regular briefings for individual investors	Briefings and seminars are held for individual investors, at which the President and Representative Director explains business performance and management policies.	Yes
Regular briefings for analysts and institutional investors	Regular briefings for analysts and institutional investors are held. In addition, the Company makes one to one meeting to institutional investors as needed.	Yes
Regular briefings for overseas investors	In addition to individual briefings by representative directors when overseas investors visit Japan, the director in charge of IR visits overseas institutional investors and conducts IR briefings.	Yes

Publishing of IR materials on website	The Company has established a dedicated IR site on its website, where timely disclosure materials, annual securities reports, quarterly reports, financial statements, corporate presentation materials, etc. are published and available for viewing. In addition, financial reports in English are posted on the dedicated IR site and are available for viewing.	
Establishment of a department (person in charge) for IR	(IR Responsible Executive Officer) Head of Corporate Planning Division: Yousuke Kimura (IR Responsible Department) Corporate Planning Division	

3. Status of efforts to respect the position of stakeholders

	supplementary explanation
Respect for the position of stakeholders is stipulated in internal rules and regulations.	The Company has established a Code of Ethics, which stipulates respect for the position of stakeholders by providing appropriate corporate information to society, business partners, shareholders, and other stakeholders in a timely and appropriate manner.
Implementation of environmental preservation activities, CSR activities, etc.	We believe that the Company's growth should be in consideration of people and the environment, and we are actively working to solve the global issues outlined in the SDGs (common goals for the international community by 2030) and society's issues and expectations regarding SG (environment, society, and governance). For more details, please refer to our website. https://www.fibergate.co.jp/en/sustainability/
Establishment of policies, etc. related to the provision of information to stakeholders	We will actively engage in investor relations activities to provide corporate information to shareholders and investors in a "fair" and "timely" manner. In addition, we will respect the interests of our stakeholders and strive to achieve management transparency by disclosing information to all stakeholders in a fair, timely, and appropriate manner in compliance with laws and regulations.
Other	Women in the Workplace: Policies and Initiatives for Women's Advancement In an effort to promote the advancement of women, we evaluate each employee according to their abilities and achievements in all aspects of employment and promotion, without distinction based on gender.

IV Matters Related to Internal Control System, etc.

1. Basic Policy and Status of Internal Control System

The Board of Directors has established the "Basic Policies for Internal Controls" and has been maintaining these policies. The policy stipulates the following systems to ensure that the execution of duties by directors complies with laws and regulations and the Articles of Incorporation, as well as other systems to ensure the appropriateness of operations of the stock company.

a. System to ensure that the execution of duties by directors and employees complies with laws and regulations and the Articles of Incorporation

1. Established a Risk Compliance Code of Conduct to ensure compliance with laws, regulations, the Articles of Incorporation, and social norms, and disseminate it throughout the Company.

2. Established rules and regulations related to compliance, and, to maintain a risk and compliance system at the Executive Officers Meeting.
3. Hold compliance-related education and training sessions as appropriate to maintain and improve risk and compliance awareness.
4. Established an internal reporting system to detect and prevent problems at an early stage and respond to them appropriately and promptly.

b. System for the storage and management of information related to the execution of duties by directors
Information related to the execution of duties by directors shall be prepared and stored in accordance with laws, regulations, document management rules, and internal information management rules, and shall be managed in a manner that allows directors, audit committee members, accounting auditors, etc. to inspect and copy it as necessary.

c. Regulations and other systems for managing risk of loss
1. Established Risk and Compliance Management Regulations, designate organizations and responsible persons to deal with various risks assumed in the Company's business activities, and established an appropriate evaluation and management system.
2. Strengthen the system for prevention and mitigation of various risks in business activities at the Executive Officers' Meeting.
3. In the event of a crisis, a task force, etc., shall be established to deal with the crisis appropriately and promptly, including the appropriate dissemination of information internally and externally.

d. System to ensure the efficient execution of duties by directors
1. Separated the decision-making and business supervision functions of the Board of Directors from the business execution functions of the Executive Officers.
2. Established the Regulations of the Board of Directors, the Regulations of Division of Duties, and the Regulations of Administrative Authority to clarify the duties, authority, and responsibilities of the Directors.
3. The Board of Directors shall meet regularly once a month, and shall also hold timely meetings as necessary.

e. System to ensure the appropriateness of operations of the corporate group consisting of the Company and its subsidiaries
1. Established a department in charge of affiliated companies to manage affiliated companies in accordance with the Subsidiary Management Rules.
2. The Board of Directors shall adopt resolutions on the Group's management plan, and the Corporate Management Division shall report monthly on the progress of the plan to the Board of Directors.
3. The Internal Audit Office shall conduct internal audits of the Company and its subsidiaries and report the results to the President and Representative Director, the Audit Committee and the Board of Directors on a regular basis.

f. Matters concerning employees to assist audit committee members in the performance of their duties when such assistance is requested by the audit committee members
1. At the request of an Audit Committee member, the Board of Directors, after consultation with the Audit Committee member, shall appoint a staff member of the Audit Committee to assist in such audit work.
2. The authority to direct designated employees shall be delegated to the Audit Committee members and they shall not be subject to the direction and orders of directors.

g. Matters concerning the independence from directors of employees who are to assist the duties of Audit Committee members
1. Employees requested by Audit Committee members to assist them shall not be subject to the direction or orders of directors, superiors, or others.

2. The consent of the Audit Committee members shall be obtained with respect to the transfer and performance evaluation of such employees.

h. System for Directors and Employees to Report to Audit Committee Members

1. Audit Committee members may attend meetings of the Board of Directors and other important meetings, such as the Executive Officers Meeting, and may request reports on the status of execution of duties from directors and employees.
2. Directors and employees shall promptly report to Audit Committee members when they discover facts that violate laws and regulations or that may cause significant damage to the Company.
3. Directors and employees shall promptly report matters concerning the execution of duties when requested to do so by Audit Committee members.
4. With respect to reports to Audit Committee members from employees, the content of such reports shall be kept confidential in accordance with applicable laws and regulations, and any prejudicial treatment of such informants shall be prohibited.

i. Other systems to ensure that the audits of Audit and Supervisory Committee members are conducted effectively

1. The Audit Committee shall include outside directors as the members in accordance with laws and regulations to ensure fairness and transparency.
2. Audit committee members shall regularly exchange opinions with representative directors to ensure mutual communication.
3. The Audit Committee members shall regularly exchange information with the Accounting Auditor and the Internal Audit Office to ensure mutual collaboration.
4. Audit committee members may obtain opinions from attorneys, certified public accountants, and other experts at the Company's expense when deemed necessary for audit work.

j. System to ensure reliability of financial reporting

In order to ensure the reliability of financial reporting, the Executive Committee shall strengthen company-wide control activities and control activities for each business process, and establish a system for their operation.

k. Basic policy and status of maintenance for elimination of transactions with antisocial forces

1. Basic Policy on Eliminating Transactions with Antisocial Forces

① We will establish a clear rationale in our Code of Conduct and internal rules, etc., and all members of the organization, including the president, will work together to eliminate antisocial forces.

② We do not have any relationship, including business relationships, with antisocial forces. We reject any unreasonable demands from antisocial forces.

2. Status of Maintenance for Elimination of Transactions with Antisocial Forces

① The Corporate Administration Division shall be the general management department to promote the elimination of antisocial forces.

② Established related regulations such as "Antisocial Forces Countermeasure Regulations", and work on building a system to eliminate antisocial forces.

③ Confirmation shall be made with respect to the relationship with antisocial forces with respect to business partners.

④ To confirm whether or not antisocial forces are involved, the Company will collect information on antisocial forces obtained from external organizations, etc.

⑤ To prepare for unjustified demands from antisocial forces, the Company shall establish a close cooperative relationship with outside professional organizations such as the police, the National Center for the Elimination of Boryokudan, and attorneys at law.

2. Basic Policy on Elimination of Antisocial Forces and Status of Its Development

The Company recognizes that neither the Company nor its related parties, etc. have any relationship with antisocial forces.

In order to eliminate antisocial forces that threaten the order and safety of society (organized crime groups, members of organized crime groups, quasi-constituents of organized crime groups, companies affiliated with organized crime groups, general assemblymen, etc., persons who have been members of organized crime groups for less than five years, persons who provide funds or favors, etc.), the Company has established the following basic policy against antisocial forces, which it adheres to.

Basic Policy

Under no circumstances shall the Company provide monetary or other economic benefits to antisocial forces.

① Taking a firm stand against antisocial forces and conducting corporate activities in a manner that leaves no room for them to take advantage of us will contribute to the formation of a sound civil society and enhance our corporate value. In order to eradicate any relationship with antisocial forces that pose a serious threat to corporate activities, top management shall completely cut off any relationship with antisocial forces, such as so-called "general assemblyists," and shall make clear both internally and externally their determination to resolutely eliminate such forces, and at the same time, to prevent organized violence by antisocial forces, they shall adhere to the so-called "three no's" of "do not fear," "do not pay," and "do not use. At the same time, we will establish a system that enables us to respond to organized violence by antisocial forces on our own and in an organized manner, based on the so-called "three no's" of "do not fear," "do not pay" and "do not use.

② We will centrally manage internal and external related information necessary to maintain the severance of relations with antisocial forces, and will always cooperate with external specialized organizations, prepare an organization to provide guidance and support for problem solving, and endeavour to develop human resources.

③ To maintain awareness of risk management at all times and to prevent antisocial forces from taking advantage of us, we will formulate internal rules and operational manuals for dealing with approaches from antisocial forces, and strive to provide education and training. In addition, the Company will strengthen operational audits to confirm the effectiveness of the organizational response.

- We do not have any relationship with antisocial forces and will not conduct any transactions or contracts with antisocial forces.
- All officers and employees of the Company shall take a resolute stance to sever any and all relationships with antisocial forces.
- In order to prevent damage caused by antisocial forces, the Company shall cooperate with external specialized organizations such as the police, the National Center for the Elimination of Boryokudan, and lawyers, and shall respond in a systematic and appropriate manner.
- The Company shall not respond to any unjustified claims by antisocial forces, and shall take resolute legal action, while striving to ensure the safety of the officers and employees who respond to such claims.
- We will never provide benefits or engage in backroom deals with antisocial forces for any reason whatsoever.

With regard to specific systems and measures to eliminate antisocial forces, in accordance with the Company's Antisocial Forces Countermeasures Regulations and Antisocial Forces Investigation Manual, the Company conducts Internet searches and Nikkei Telecom article searches before commencing transactions with new customers, subcontractors, suppliers, and directors, etc. The Company conducts surveys of new customers, subcontractors, suppliers, directors, etc., based on the manual. The same survey is conducted once a year for continuing business partners. In addition, the basic transaction agreement includes a clause for termination in the event that a relationship with antisocial forces is found. In addition, based on the above basic policy, the Company has established specific response

guidelines and has put in place a system to eliminate transactions with antisocial forces in accordance with the response guidelines.

V Others

1. Introduction of anti-takeover measures

Introduction of anti-takeover measures：None

2. Other matters related to corporate governance system, etc. 【Update】

[Matters for shareholder meeting resolutions that can be decided by the Board of Directors]

Acquisition of treasury stock

The Company's Articles of Incorporation stipulate that the Company may acquire treasury stock through market transactions, etc. by a resolution of the Board of Directors pursuant to Article 165, Paragraph 2 of the Companies Act, in order to enable the Company to flexibly implement management policies such as financial policies in response to changes in economic conditions.

Interim Dividends

The Company's Articles of Incorporation stipulate that the Company may pay interim dividends with a record date of December 31 of each year by resolution of the Board of Directors pursuant to Article 454, Paragraph 5 of the Companies Act in order to flexibly return profits to shareholders.

Exemption of Directors from Liability

The Company's Articles of Incorporation provide, in accordance with Article 426, Paragraph 1 of the Companies Act, that directors (including former directors) may be exempted from liability for damages arising from the negligence of their duties to the extent allowed by law. This exemption is subject to a resolution by the Board of Directors, all to enable them to effectively fulfil the roles expected of them in their duties.

Exemption of Outside Directors from Liability

Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with its outside directors to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability for damages under the said agreement is the amount stipulated by law.

Number of Directors

The Company's Articles of Incorporation stipulate that the Company shall have no more than 10 Directors excluding Audit Committee members and no more than 5 Directors who are Audit Committee members.

Requirements for Resolution to Appoint Directors

The Articles of Incorporation stipulate that resolutions for the election of directors shall be adopted by a majority of the voting rights of shareholders present at a meeting where shareholders holding one-third or more of the voting rights of shareholders who are entitled to exercise their voting rights are present, and that no cumulative voting shall be used.

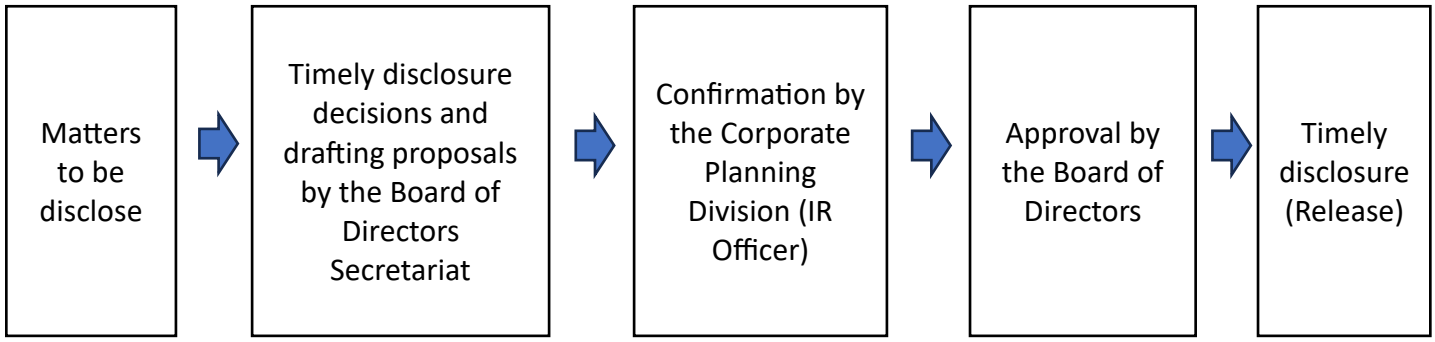
Requirements for Special Resolution of General Meeting of Shareholders

For the purpose of facilitating the operation of the General Meeting of Shareholders, the Company's Articles of Incorporation stipulate that special resolutions stipulated in Article 309, Paragraph 2 of the Companies Act shall be adopted by two-thirds or more of the votes of shareholders present at the meeting where shareholders holding one-third or more of the voting rights of shareholders who are entitled to exercise their voting rights are present.

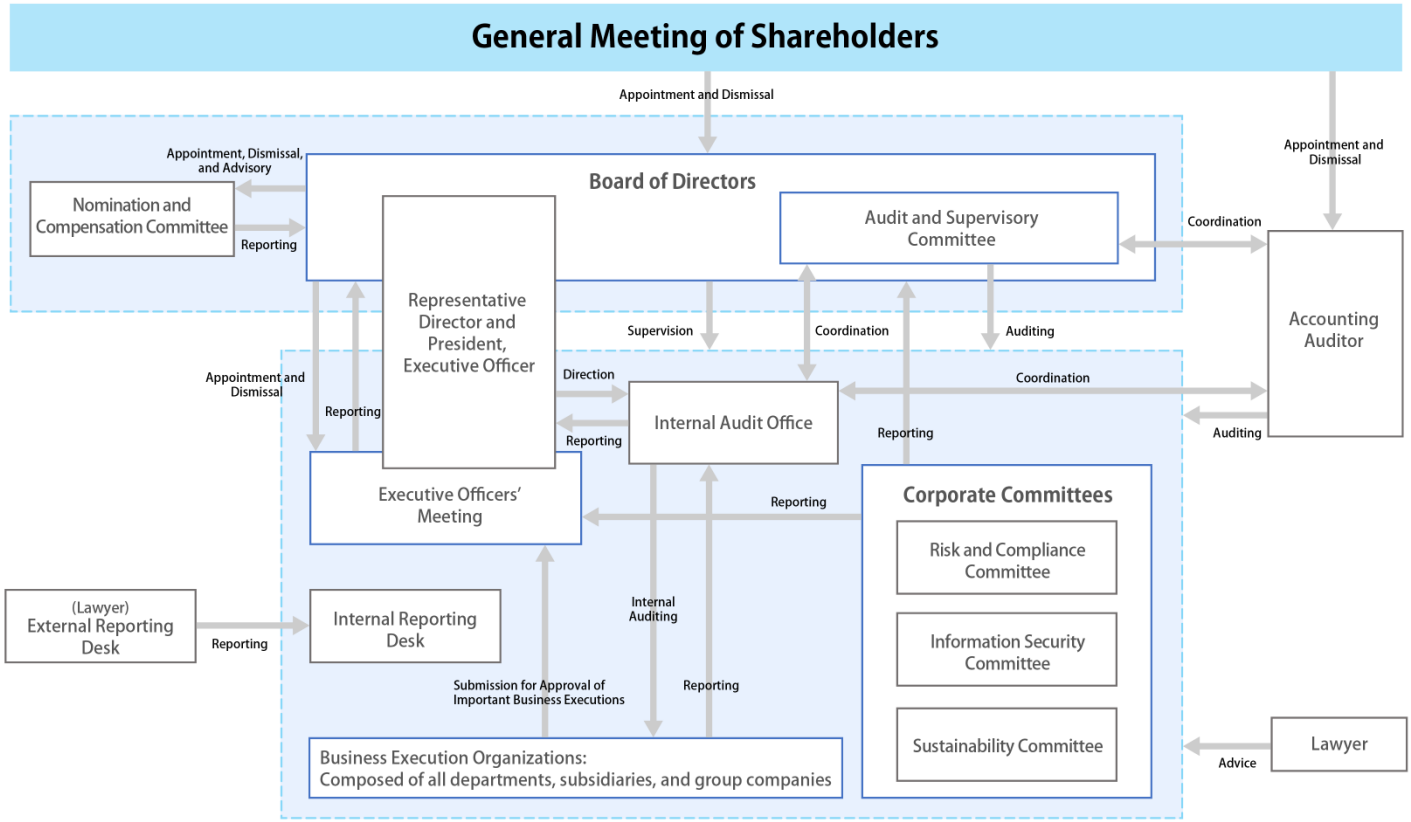
Corporate Governance System
Please refer to “Reference: Schematic Diagram of Corporate Governance System”

Basic Stance and Policies Concerning Timely Disclosure System
In addition to disclosing corporate information in a fair, timely, and appropriate manner in accordance with the Financial Instruments and Exchange Law and the "Securities Listing Regulations" stipulated by the Tokyo Stock Exchange, the Company proactively discloses useful information to promote understanding of the Company among shareholders, investors, and other stakeholders and to enable their proper evaluation, thereby ensuring transparency in management.

Internal System for Timely Disclosure
The Company has designated the Investor Relations Officer and the Corporate Planning Division’s General Manager to oversee timely disclosure and information management. Departmental information, decisions made at various meetings, and financial information are comprehensively gathered through each division and reviewed by the Chief Information Management Officer. When the Chief Information Management Officer determines that the information obtained constitutes a material fact, it is promptly reported to the President and CEO.
If it is determined that timely disclosure is necessary, a meeting of the Board of Directors will be convened, and under the supervision of the Chief Information Management Officer, the Investor Relations Officer will carry out the disclosure. If urgent action is required, the President and CEO may instruct immediate timely disclosure without convening a Board of Directors’ meeting.



Reference: Schematic Diagram of Corporate Governance System



	Audit and Supervisory Committee Member	Outside Directors and Auditors	Corporate management	Understanding of our business	ESG・SDGs	Financial accounting	Human Resources and Labour	Legal compliance	Sales strategy marketing	New business technologies	Diversity (nationality/sex)
Masanori Inomata			●	●	●	●	●	●	●	●	
Daisuke Ishikawa			●	●					●		
Hisashi Kaneko			●	●					●	●	
Mie Ishimaru			●	●		●	●	●			●
Nobuyuki Shinoda		●	●				●	●	●		
Chikako Shimahata		●	●		●		●	●			●
Tetsuo Tatsuta	●		●	●				●			
Tomohiro Obata	●	●	●					●			
Hiroshi Kamada	●	●	●					●			