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Corporate Governance Report

CORPORATE GOVERNANCE

ASJ INC.

Last Update: August 19, 2026

ASJ INC.

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The corporate governance of ASJ INC. (the “Company”) is described below.

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

1. Basic Views

To achieve sustainable growth and enhance corporate value over the medium to long term, the Company regards corporate governance as a critical foundation for management and is continuously working to improve its effectiveness.

Based on this understanding, we will enhance the efficiency, transparency, and fairness of our management, conduct sound business activities, and establish a decision-making framework capable of responding swiftly to changes in the business environment. Furthermore, our basic policy is to deepen relationships of trust with all stakeholders, fulfill our social responsibilities, and aim to enhance corporate value over the medium to long term by achieving a return on capital that exceeds the cost of capital.

We view corporate governance not merely as compliance with laws and regulations or the establishment of formal systems, but as the foundation for enhancing corporate value, and we will continue to strive to further refine our governance framework.

Furthermore, in accordance with the intent and spirit of the Corporate Governance Code revised on July 21, 2026, we will continue to work toward establishing and strengthening a governance structure appropriate to our business characteristics, scale, and market segment.

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

This report has been prepared in accordance with the Corporate Governance Code (July 2026 edition).

As the Company is listed on the Tokyo Stock Exchange Standard Market and the Nagoya Stock Exchange Main Market, it explains the reasons for non-compliance with the Basic Principles and the Principles (excluding those applicable to companies listed on the Prime Market) where they are not implemented. The Company implements all of the principles except for certain matters under the five principles described below.

[Principle 4.1 Roles and Responsibilities of the Board I: Setting Strategic Directions for Companies’ Business Strategies]

The Company has set a target ROE of 8% or higher and is working to pursue growth investments, shareholder returns, and

improvements in capital efficiency.

Currently, as we are proceeding with growth investments and organizational restructuring while carefully examining the composition of our business portfolio and the profitability and investment effectiveness of each investment project, we have not yet formulated or disclosed a basic policy on the allocation of management resources, including the review of the business portfolio and capital allocation.

Going forward, based on the progress of these initiatives and our financial position, the Board of Directors will consider formulating and disclosing such a basic policy.

[Principle 4.2 Roles and Responsibilities of the Board II: Establishing Environment for Supporting Appropriate Risk-taking]

The Board of Directors regularly reviews the progress of the annual budget and business plans, as well as the allocation of management resources.

On the other hand, with regard to management remuneration, given the nature of our business and the composition of our officers, careful consideration is required regarding evaluation metrics and remuneration levels that contribute to the enhancement of corporate value over the medium to long term rather than being weighted toward short-term performance. Accordingly, at this time, remuneration consists primarily of fixed monetary remuneration, and we have not introduced performance-linked remuneration or stock-based remuneration.

Going forward, the Nomination and Remuneration Committee will examine evaluation metrics and a remuneration structure appropriate for the Company.

[Principle 4.3 Roles and Responsibilities of the Board III: Effective Oversight of the Management and Directors (i)]

The appointment and dismissal of senior management are decided by the Board of Directors following recommendations from the Nomination and Remuneration Committee, a majority of whose members are independent outside directors; this procedure ensures the objectivity and transparency of such appointments and dismissals.

On the other hand, the Company has considered CEO appointments and dismissals on a case-by-case basis and has not yet formalized systematic policies setting out the criteria and procedures for CEO appointment and dismissal or a succession plan.

We are currently preparing a draft basic policy on the criteria and procedures for the appointment and dismissal of the CEO and on succession planning for deliberation by the Nomination and Remuneration Committee. Going forward, the Board of Directors will deliberate on this matter based on the Committee's recommendations.

[Principle 4.5 Roles and Responsibilities of the Board IV: Sustainability Measures]

The Company has identified investment in human capital, cybersecurity measures, coexistence with local communities and contributions to education, and environmental considerations as key issues, and discloses these in its securities report and on its website.

Meanwhile, although we are considering consolidating these initiatives into a company-wide basic policy, the Board of Directors has not yet approved or disclosed such a basic policy.

Going forward, based on these considerations, the Board of Directors will deliberate on the formulation and disclosure of the basic

policy.

[Principle 4.13 Preconditions for Board and Kansayaku Board Effectiveness]

Of this principle, the Company implements item (2), but does not implement item (1), the identification of the skills the Board of Directors should possess and the disclosure of the combination of skills of each director, or item (3), the evaluation of the effectiveness of the Board of Directors as a whole and the disclosure of a summary of the results. This is because, following the revision of the Code in July 2026, we need to newly define a skill composition and an effectiveness evaluation method that are aligned with our management strategy and the role of the Board of Directors.

Regarding (1), we are currently examining the skill items required of the Board of Directors in light of our management strategy and business characteristics. Going forward, after the Board of Directors confirms the skill composition, we will consider disclosing how these skills correspond to the knowledge, experience, and abilities of each director.

Regarding (3), we are examining the subjects to be evaluated, the questions to be asked, and the evaluation methods. Going forward, we will conduct an evaluation of the effectiveness of the Board of Directors as a whole and consider disclosing a summary of the results and our policy for improvement.

Initiatives relating to each Principle of the Corporate Governance Code

[Principle 1.1 Constructive Dialogue with Shareholders]

The Company has established its policy on systems and initiatives to promote constructive dialogue with shareholders as the “Disclosure Policy” (fully revised in March 2026), approved by the Board of Directors and published on the Company's website (<https://www.asj.ad.jp/>). The Director, General Manager of IR Dept. is responsible for dialogue in general, with the IR Dept. as the department in charge, and the Company responds positively, to a reasonable extent, to requests for dialogue from shareholders.

We engage in dialogue through responses to individual interviews with institutional investors and analysts, general meetings of shareholders, and the disclosure of financial results briefing materials and other materials, and the opinions and concerns of shareholders identified through such dialogue are fed back to the Management Committee and the Board of Directors in a timely manner. Insider information is strictly managed in the course of dialogue through measures such as the quiet period stipulated in the Disclosure Policy.

[Principle 1.2 Exercise of Shareholder Rights at General Shareholder Meetings]

To enable shareholders to fully consider the agenda items of general meetings of shareholders, the Company posts the content of the notice of convocation on its website and on TDnet prior to mailing. The date of the general meeting of shareholders is set so as to avoid the so-called peak dates. The securities report for the fiscal year ended March 2026 was filed two days before the annual general meeting of shareholders.

[Principle 1.4 Cross-Shareholdings]

The Company's policy is not to hold shares as cross-shareholdings unless it is comprehensively determined that such holdings will contribute to the development of the Company's business and the enhancement of corporate value through the maintenance and strengthening of business relationships or other factors, and the Company reduces holdings of shares whose significance has

diminished.

For the listed shares it holds, the Board of Directors individually examines each year the appropriateness of the purpose of holding and whether the benefits and risks associated with the holding are commensurate with the cost of capital, and verifies the appropriateness of continuing to hold them. As a result of the most recent verification, the Company confirmed the significance of holding the one listed stock it holds.

With regard to the exercise of voting rights pertaining to cross-shareholdings, the Company decides whether to vote for or against each proposal in light of whether it contributes to the medium- to long-term corporate value of the issuing company and the common interests of shareholders, and whether it is consistent with the Company's purpose of holding.

[Principle 2.2 Ensuring Diversity]

The Group's policy is to recruit and appoint diverse human resources regardless of gender, internationality, career background (including mid-career hires), age, or cultural background. We are also developing a working environment compatible with life events such as childcare and nursing care, and promoting an organization in which human resources with diverse values can play active roles.

As voluntary and measurable goals for ensuring diversity, we aim to achieve a ratio of female managers of 30.0% (23.6% in the fiscal year ended March 2026) and an annual paid leave utilization rate of 80.0% (69.8% in the same period) by the fiscal year ending March 2028. We are also actively appointing mid-career hires and specialized professionals to incorporate diverse perspectives into management.

Our human resource development policy, internal environment improvement policy, and the status of their implementation are described in the securities report under “Section 4. Information about the Reporting Company, 5. Employees, etc., (1) Basic Policies on Human Resources Strategy, etc.” We have designated four areas—sales personnel, infrastructure engineers, generative AI specialists, and cybersecurity specialists—as priority investment areas in our management strategy, and are advancing development through external training, in-house training, support programs for obtaining qualifications, and e-learning, as well as flexible work arrangements such as telework programs.

In addition, we ensure the fairness and objectivity of evaluations through cross-departmental personnel evaluation meetings, provide reasonable treatment according to job duties regardless of employment status, and address the gender pay gap.

[Principle 2.4 Roles of Corporate Pension Funds as Asset Owners]

The Company does not have a defined-benefit corporate pension plan and is therefore not in a situation where conflicts of interest arise in the management of corporate pension reserves. From the perspective of supporting employees' stable asset formation, the Management Division provides ongoing investment education to employees.

[Principle 3.1 Full Disclosure]

(1) Company objectives (management philosophy, etc.), management strategies, and management plans

With the vision of “identifying our customers' challenges, guiding them toward solutions, and supporting their further development and the creation of a comfortable working environment,” we disclose this vision, together with our management strategy, on our website and in the “Management Policy, Business Environment, and Issues to Be Addressed, etc.” section of our

securities report.

(2) Basic views and basic policy on corporate governance

These are described in “I. 1. Basic Views” of this report.

(3) Policies and procedures of the Board of Directors in determining the remuneration of senior management and directors

At the Board of Directors meeting held on March 8, 2021, the Company resolved its policy for determining the individual remuneration, etc. of directors (in making the resolution, the Nomination and Remuneration Committee was consulted and provided its recommendation). The content of the policy and the procedures are described in “II. 1. [Director Remuneration]” of this report.

(4) Policies and procedures of the Board of Directors in the appointment and dismissal of senior management and the nomination of candidates for directors and auditors

(As the Company is a company with a supervisory committee, “candidates for auditors” is read as “candidates for directors who are Supervisory Committee members.”) In nominating candidates for director, the Board of Directors makes its decision after deliberation and recommendation by the Nomination and Remuneration Committee, comprehensively taking into account the knowledge, experience, abilities, and insight necessary for the management of the Group (for candidates for directors who are Supervisory Committee members, the consent of the Supervisory Committee is obtained). Senior management is dismissed by resolution of the Board of Directors after deliberation and recommendation by the Nomination and Remuneration Committee in cases such as violations of laws, regulations, or the Articles of Incorporation, or significant stagnation in the execution of duties. The Company is currently formulating a basic policy documenting these matters (please refer to “[Principle 4.3]” in this report).

(5) Explanations with respect to individual appointments, dismissals, and nominations based on (4) above

The reasons for individual appointments are described in the notice of convocation of the general meeting of shareholders (reference materials for the general meeting of shareholders) and in “II. 1. [Directors]” of this report (reasons for the appointment of outside directors).

[Principle 3.2 English Language Disclosure]

With regard to financial results reports (kessan tanshin), the Company disclosed English-language summaries from the first through the third quarter of the fiscal year ended March 2026, and has disclosed the full text in English from the full-year results for that fiscal year onward. In addition, all timely disclosure materials have been disclosed in English since the first quarter of the fiscal year ended March 2026.

At this time, the Company does not disclose notices of convocation of general meetings of shareholders, securities reports, semi-annual reports, or supplementary financial results briefing materials in English. Going forward, we will consider expanding the scope of English-language disclosure, taking into account the ratio of foreign shareholders, requests from overseas investors, cost-effectiveness, and other factors.

[Principle 4.3 Roles and Responsibilities of the Board III: Effective Oversight of the Management and Directors (i) — Item (3): Related-Party Transactions]

As an appropriate procedure for conducting transactions with related parties, the Company has established a voluntary Related-Party Transaction Review Committee, all of whose members, including the chairperson, are independent outside directors.

Depending on the significance and nature of the transaction, the committee deliberates on the reasonableness of the transaction (such as its business necessity) and the appropriateness of its terms (such as equivalence with the terms of transactions with parties other than related parties), and submits its recommendations to the Board of Directors. The Board of Directors approves transactions and performs other necessary oversight based on these procedures and the committee's recommendations.

[Principle 4.12 Effective Functioning of Independent Directors]

The three independent outside directors hold meetings several times a year, through the Related-Party Transaction Review Committee and other opportunities, to exchange information and share awareness exclusively among independent outside directors. The Company has also selected Takashi Yasunaga as the lead independent outside director, serving as the point of contact for communication and coordination with management and the Supervisory Committee.

[Principle 4.13 Preconditions for Board and Kansayaku Board Effectiveness]

The Company's response regarding (2) is described in [Principle 4.13] under [Reasons for Non-compliance with the Principles of the Corporate Governance Code] above and in "II. 1. [Directors]" of this report. Regarding (1) and (3), please refer to [Principle 4.13] above.

[Principle 4.14 Active Board Deliberations]

Materials for Board of Directors meetings are distributed prior to the meeting date, with advance explanations provided as necessary, and appropriate deliberation time and meeting frequency are secured. The President's Office serves as the secretariat of the Board of Directors (corporate secretary function) and supports the enhancement of the Board's effectiveness through assistance with agenda setting, preparation and advance distribution of materials, management of proceedings, provision of information to outside directors, and administration related to general meetings of shareholders.

[Principle 4.15 Director and Kansayaku Training]

The Company has established the following policy on the provision of professional development opportunities for directors (including directors who are Supervisory Committee members; the same applies hereinafter): (i) upon assuming office, provide opportunities to acquire the necessary knowledge of the Company's business, finances, organization, compliance, and other matters; (ii) after assuming office, continuously provide and arrange opportunities to attend external seminars and training programs suited to the roles and responsibilities of each director; (iii) for outside directors, provide opportunities such as visits to business sites to deepen their understanding of the Company's business; (iv) the Company shall bear the costs required for these activities; and (v) the Board of Directors shall confirm annually whether these measures are being implemented appropriately. In accordance with this policy, the Company again provided orientation upon assumption of office and opportunities to attend external seminars during the fiscal year under review.

Action to Implement Management That Is Conscious of Cost of Capital and Stock Price

Content of Disclosure	Disclosure of Initiatives (Initial)
Availability of English Disclosure	Unavailable

Explanation of Actions

To realize management that is conscious of the cost of capital and return on capital, the Company conducts the following analysis of its current situation, sets targets, and implements initiatives.

(1) Analysis of the current situation: The Company estimates its cost of equity at 7–8%. For the 43rd fiscal year (from April 1, 2025 to March 31, 2026), the return on equity attributable to owners of parent (ROE) was 3.1%, and the price-to-book ratio (PBR) at the end of the fiscal year was approximately 1.0x; we recognize that our return on capital is below the cost of equity. We attribute this primarily to the fact that upfront investments in the Internet Services business take a certain amount of time to translate into revenue growth, and that our equity ratio is high, in the 60% range, leaving room for improvement in capital efficiency.

(2) Targets and policy: The Company aims to secure a level equal to or higher than the cost of equity and has set a target ROE of 8% or higher. To achieve this, we are working both to enhance earning power and to implement capital policy in a flexible manner.

(3) Specific initiatives: To enhance earning power, we are promoting investment in the data center infrastructure centered on the Himeji Lab & Server Center (completed in October 2024), R&D investment in the fields of generative AI and cybersecurity, and investment in human capital (securing and developing infrastructure engineers, generative AI specialists, cybersecurity specialists, and sales personnel). By leveraging the strengths of our vertically integrated business model, in which the Group consistently owns and operates everything from infrastructure to applications, we aim to improve the profitability of existing businesses and establish new sources of revenue.

As for capital policy, our policy is, in principle, not to reduce dividends and to continue progressive dividends. Based on this policy, the dividend for the 43rd fiscal year was set at ¥3 per share (an ordinary dividend of ¥2 and a commemorative dividend of ¥1). In addition, pursuant to a resolution of the Board of Directors on August 14, 2025, the Company acquired 149,200 treasury shares (¥53,943 thousand) during the 43rd fiscal year.

(4) Future actions: The Board of Directors will consider formulating and disclosing a basic policy on the optimization of the business portfolio and the allocation of management resources (including its approach to capital allocation). We will continue to disclose the progress of these initiatives through financial results briefing materials, the Company's website (<https://www.asj.ad.jp/>), and other channels.

2. Capital Structure

Foreign Shareholding Ratio

Less than 10%

Status of Major Shareholders

Name or Company Name	Number of Shares Owned	Percentage (%)
Haruaki Maruyama	1,971,900	25.27
ASJ Foundation (public interest incorporated foundation)	1,192,700	15.29
SBI SECURITIES Co., Ltd.	287,513	3.69
Sumitomo Mitsui Banking Corporation	136,300	1.75
Kimikazu Tamura	119,600	1.53
Kuninori Aoki	117,900	1.51
Saitama Resona Bank, Limited	113,600	1.46
Masaaki Hori	90,400	1.16
Junji Kuroiwa	90,300	1.16

Tokuhiro Maruyama	85,000	1.09
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Note: The shareholding ratio is calculated after deducting treasury shares (149,218 shares) (as of March 31, 2026).

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

Supplementary Explanation

3. Corporate Attributes

Listed Stock Exchange and Market Segment	TSE Standard Market / NSE Main Market
Fiscal Year-End	March
Business Sector	Information & Communication
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	100 or more but fewer than 500
Net Sales (Consolidated) for the Previous Fiscal Year	Less than ¥10 billion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	Fewer than 10

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

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

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

1. Organizational Composition and Operation

Corporate Governance System

Company with Supervisory Committee

Directors

Number of Directors Stipulated in Articles of Incorporation	12
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Chairperson (excluding those concurrently serving as President)
Number of Directors	11
Election of Outside Directors	Elected
Number of Outside Directors	3
Number of Independent Directors	3

Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Takashi Yasunaga	Tax Accountant											
Yuji Ishii	Tax Accountant											
Sadami Okuwaki	Tax Accountant											

*Categories for "Relationship with the Company".

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

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

Outside Directors' Relationship with the Company (2)

Name	Membership of Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Takashi Yasunaga	○	○	———	Takashi Yasunaga is a certified public tax accountant who is well-versed in corporate tax and legal affairs and possesses extensive knowledge and experience in corporate management, taxation, and governance. The Company expects this specialized expertise to be utilized to strengthen its management oversight and its supervisory function from a financial perspective. The Company has also determined that there is no risk of a conflict of interest with general shareholders and that Takashi Yasunaga is qualified to serve as an independent director.
Yuji Ishii	○	○	———	Yuji Ishii is a certified public tax accountant who is well-versed in corporate tax and legal affairs and, as representative partner and tax accountant of Setagaya Zeikei Center Tax Accountant Corporation, is engaged in corporate management, and possesses extensive knowledge and experience in corporate management, taxation, legal affairs, and governance. The Company expects this specialized expertise and management experience to be utilized in supervision and

Name	Membership of Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
				advice on the Company's tax and legal affairs. The Company has also determined that there is no risk of a conflict of interest with general shareholders and that Yuji Ishii is qualified to serve as an independent director.
Sadami Okuwaki	○	○	———	Sadami Okuwaki is a certified public tax accountant who is well-versed in corporate tax and legal affairs and possesses extensive knowledge and experience in corporate management, taxation, and governance. The Company expects this specialized expertise to be utilized to strengthen its supervisory and advisory functions concerning accounting and internal control. The Company has also determined that there is no risk of a conflict of interest with general shareholders and that Sadami Okuwaki is qualified to serve as an independent director.

Supervisory Committee

Composition of Supervisory Committee and Attributes of the Chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Committee Chair
Supervisory Committee	4	1	1	3	Inside Director

Appointment of Directors and/or Staff to Support the Supervisory Committee

Not Appointed

Matters Concerning Independence of Said Directors and/or Staff from Executive Officers/Reasons for Adopting Current System

Since the Company has a full-time Supervisory Committee member and has established how it will respond if the Supervisory Committee requires employees to assist it in its duties, the Company does not currently appoint directors or staff to support the Supervisory Committee.

Cooperation among the Supervisory Committee, Accounting Auditors and Internal Audit Department

The Company strives to improve the effectiveness and efficiency of audits through coordination among its three types of audits: the Supervisory Committee's audit, internal audits, and the accounting audit.

The Supervisory Committee met 17 times in the fiscal year under review (in principle, once a month) to consider matters such as the formulation of audit policies and audit plans, the status of internal audits, the development and operation of the internal control system, the appropriateness of the accounting auditor's audits, and the progress of sustainability initiatives. Attendance of each Supervisory Committee member was as follows: Kimikazu Tamura attended 17 of 17 meetings, Takashi Yasunaga 16 of 17, Yuji Ishii 17 of 17, and Sadami Okuwaki 17 of 17.

The full-time Supervisory Committee member attends important meetings such as the Management Committee, inspects important documents, conducts on-site audits of departments and subsidiaries, and performs year-end financial statement audits. The Internal Audit Office (one dedicated staff member) conducts audits based on the internal audit plan formulated at the beginning of the fiscal year and reports the results to the Supervisory Committee once a month. The Supervisory Committee reports important matters among these reports to the Board of Directors. The Internal Audit Office also reports audit results to the President and Representative Director as necessary. For matters requiring improvement, the Internal Audit Office confirms the status and results of improvements.

The Internal Audit Office holds regular meetings with the Supervisory Committee and the accounting auditor to share information and exchange views on the status and results of audits. The Supervisory Committee, the Internal Audit Office, and the accounting auditor also share information on audit plans and important audit matters as necessary.

The Supervisory Committee evaluates the audit firm based on factors such as its quality control system, independence, the status of its audits, audit fees, its communication with the Company, and its response to fraud risk.

Voluntary Established Committee(s)

Voluntary Establishment of Committee(s) equivalent to
Nomination Committee or Remuneration Committee

Established

Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chairperson

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

Supplementary Explanation

A majority of the members of the Nomination and Remuneration Committee are independent outside directors, and its chairperson is also an independent outside director. The committee deliberates from an independent standpoint on the nomination of candidates for director, the appointment and dismissal of the CEO, and the officer remuneration system, and submits its recommendations to the Board of Directors. In addition, as a voluntary committee, the Company has established a Related-Party Transaction Review Committee composed solely of independent outside directors (for details, please refer to “II. 2.” and “I. 1. [Principle 4.3 — Item (3)]” of this report).

Matters Concerning Independent Directors

Number of Independent Directors

3

Other Matters Concerning Independent Directors

The Company designates as independent directors all outside directors who satisfy the qualifications for independent directors. In determining independence, the Company individually confirms, based on the independence criteria prescribed by the financial instruments exchanges and the Company's own “Criteria for Determining the Independence of Outside Officers,” that sufficient independence is ensured for them to perform their duties from a position independent of the Company's management. The Company has also selected Takashi Yasunaga as the lead independent outside director.

Incentives

Implementation Status of Measures related to
Incentives Granted to Directors

None

Supplementary Explanation for Applicable Items

Although the Company's remuneration currently consists primarily of monetary remuneration, the Company is continuously considering performance-linked remuneration and stock-based remuneration plans to strengthen the linkage with the enhancement of corporate value over the medium to long term.

Director Remuneration

Status of Disclosure of Individual Director's
Remuneration

No Disclosure for any Directors

Supplementary Explanation for Applicable Items

The breakdown of remuneration is disclosed as the total amount of remuneration for directors.

Policy on Determining Remuneration Amounts and
Calculation Methods

Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

The Company's policy for determining the individual remuneration, etc. of directors is as follows.

[Basic Policy]

The Company's basic policy is to set the remuneration of its directors at an appropriate level within the remuneration limits resolved at the general meeting of shareholders, comprehensively taking into account factors such as the degree of responsibility for, and contribution to, the management of the Group.

[Policy on Determining Individual Basic Remuneration]

The basic remuneration of the Company's directors is monthly monetary remuneration, determined by comprehensively taking into account the director's position, responsibilities, and years in office, as well as remuneration levels at other companies, the Company's business performance, and employee salary levels.

[Matters Concerning the Determination of the Individual Remuneration, etc. of Directors]

The individual remuneration, etc. of directors (excluding directors who are Supervisory Committee members) is determined by resolution of the Board of Directors within the remuneration limits resolved at the general meeting of shareholders, whereby the Representative Director drafts a proposal for individual remuneration, refers the proposal to the Nomination and Remuneration

Committee for consultation, and the Board of Directors resolves the matter based on the Committee's recommendations. The remuneration, etc. of directors who are Supervisory Committee members consists solely of basic remuneration from the standpoint of emphasizing independence from management and objectivity; taking into account the division of duties and other factors, the matter is deliberated by the Nomination and Remuneration Committee and, based on its recommendations, determined through consultation among the directors who are Supervisory Committee members.

Support System for Outside Directors

The full-time Supervisory Committee member provides outside directors with necessary information. In addition, the secretariat of the Board of Directors (the President's Office) distributes Board of Directors meeting materials in advance and provides advance explanations as necessary.

Status of Persons who have Retired as Representative Director and President, etc.

No person who has retired as President and Representative Director, etc. of the Company holds a position or title such as sodanyaku (senior advisor), komon (advisor), or any similar position. The Company also has no system of sodanyaku, komon, or similar positions.

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

Overview of the corporate governance structure

The Company has established a Board of Directors and a Supervisory Committee, and, in order to strengthen the supervisory function of the Board of Directors while ensuring prompt decision-making and management agility, has appointed seven directors who are not Supervisory Committee members and four directors who are Supervisory Committee members.

□ Board of Directors / Directors

The Board of Directors consists of 11 directors (of whom three are outside directors who are Supervisory Committee members) and, in principle, meets once a month, with extraordinary meetings held as necessary. In addition to monthly business reports, the Board of Directors deliberates on management strategy, important investment projects, risk management, and other important matters stipulated by laws and regulations, the Articles of Incorporation, the Board of Directors Regulations, and other rules, and supervises the directors' execution of duties through active questions, proposals, and exchanges of opinions.

The Company's Articles of Incorporation provide that, where a director makes a proposal on a matter to be resolved by the Board of Directors and all directors entitled to vote on the proposal express their consent in writing or by electronic record, the proposal is deemed to have been approved by a resolution of the Board of Directors. The Articles of Incorporation also provide that decisions on part of the execution of important business may be delegated to directors.

Chair: Haruaki Maruyama, Chairman and Representative Director

Members: Kuninori Aoki, President and Representative Director; Yoshiro Numaguchi, Executive Managing Director; Hiroyuki Tashiro, Director; Toshihide Hoshi, Director; Taketomo Nii, Director; Hirohisa Tsuzaki, Director; Kimikazu Tamura, Director (Full-time Supervisory Committee Member); Takashi Yasunaga, Outside Director (Supervisory Committee Member); Yuji Ishii, Outside Director (Supervisory Committee Member); Sadami Okuwaki, Outside Director (Supervisory Committee Member)

The Board of Directors met 14 times in the fiscal year under review, and all directors attended all 14 meetings. Major matters resolved, deliberated, and reported included the convocation of the general meeting of shareholders and determination of its agenda, important personnel matters, matters concerning financial results, matters concerning important regulations, matters concerning sustainability, and reports on the monthly performance and business progress of the Company and each Group company.

□ Nomination and Remuneration Committee (voluntary committee)

A majority of the members of the Nomination and Remuneration Committee are independent outside directors, and its chairperson is also an independent outside director. In response to consultation by the Board of Directors, the committee deliberates on the nomination of candidates for director, the appointment and dismissal of senior management including the CEO, officer remuneration, and other important matters, and submits its recommendations to the Board of Directors. The Board of Directors makes decisions based on these recommendations.

Chair: Takashi Yasunaga, Outside Director (Supervisory Committee Member)

Members: Haruaki Maruyama, Chairman and Representative Director; Yuji Ishii, Outside Director (Supervisory Committee Member); Sadami Okuwaki, Outside Director (Supervisory Committee Member)

The Nomination and Remuneration Committee met three times in the fiscal year under review, and all members attended all three meetings. In the fiscal year under review, the committee deliberated on matters including the nomination of candidates for director and the remuneration of directors, and submitted its recommendations to the Board of Directors.

□ Related-Party Transaction Review Committee (voluntary committee)

The Company has established a voluntary Related-Party Transaction Review Committee. When the Company conducts transactions with related parties, the committee deliberates on the reasonableness of the transaction (such as its business necessity) and the appropriateness of its terms (such as equivalence with the terms of transactions with parties other than related parties), and submits its recommendations to the Board of Directors. All members of the committee, including the chairperson, are independent outside directors.

Chair: Yuji Ishii, Outside Director (Supervisory Committee Member)

Members: Takashi Yasunaga, Outside Director (Supervisory Committee Member); Sadami Okuwaki, Outside Director (Supervisory Committee Member)

The Related-Party Transaction Review Committee met 12 times in the fiscal year under review; attendance was as follows: Takashi Yasunaga attended 11 of 12 meetings, Yuji Ishii 12 of 12, and Sadami Okuwaki 12 of 12. The committee deliberated on matters including donations to the ASJ Foundation, a public interest incorporated foundation, and submitted its recommendations to the Board of Directors.

□ Supervisory Committee

The Supervisory Committee consists of one internal director and three outside directors and, in cooperation with the Supervisory Committee secretariat and the Internal Audit Office, audits the decision-making process of the Board of Directors and the directors' execution of duties.

Chair: Kimikazu Tamura, Director (Full-time Supervisory Committee Member)

Members: Takashi Yasunaga, Outside Director (Supervisory Committee Member); Yuji Ishii, Outside Director (Supervisory Committee Member); Sadami Okuwaki, Outside Director (Supervisory Committee Member)

□ Internal Audit Office

The Company has established an Internal Audit Office consisting of one dedicated staff member appointed by the President and Representative Director, which conducts audits covering the overall operations of each department based on the internal audit plan. The Internal Audit Office provides specific advice and recommendations to the audited departments, confirms the status of their improvements, and verifies the effectiveness of the internal control system through exchanges of views with the Supervisory Committee and the accounting auditor.

The Internal Audit Office reports its audit results to the Supervisory Committee once a month. The Supervisory Committee reports important matters among these reports to the Board of Directors. The Internal Audit Office also reports audit results to the

President and Representative Director as necessary. For matters requiring improvement, the Internal Audit Office confirms the status and results of improvements.

□ **Accounting Auditor**

The Company has appointed Kose Accounting Corporation as its accounting auditor and undergoes accounting audits by the firm. Kose Accounting Corporation has served in this role for one year. The engagement partners who performed the audit were Kiyohiko Motohashi and Ryutaro Iwanami, and the audit team also included five certified public accountants and two other staff members. The Supervisory Committee selected the firm after confirming its registration in the register of auditors of listed companies, etc., its expertise, independence, and quality control system, and that it has an audit structure capable of handling the scale of the Group's business.

□ **Advisory Lawyers**

To strengthen its compliance framework, the Company has entered into advisory agreements with two lawyers. The advisory lawyers confirm that the Company's business activities comply with laws and regulations, and provide advice and guidance as needed when legal issues arise or when legal judgment is required in management.

□ **Secretariat of the Board of Directors (Corporate Secretary Function)**

To support active deliberations by the Board of Directors and the appropriate provision of information to outside directors, the President's Office serves as the secretariat of the Board of Directors (corporate secretary function). The President's Office assists in setting agenda items for the Board of Directors, prepares and distributes materials in advance, manages proceedings, provides advance explanations and information to outside directors, and handles administration related to general meetings of shareholders.

3. Reasons for Adoption of Current Corporate Governance System

The Company has adopted the structure of a company with a supervisory committee in order to strengthen the supervisory function of the Board of Directors and to establish a framework under which decisions on part of the execution of important business can be delegated to directors, thereby achieving both transparency and agility in management.

III. Implementation of Measures for Shareholders and Other Stakeholders

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

	Supplementary Explanation
Scheduling of the General Meeting of Shareholders on a Non-Peak Day	The Company holds its general meetings of shareholders on dates that avoid the peak dates. The general meeting of shareholders for the fiscal year ended March 2026 was held on June 25, 2026.
Other	The notice of convocation of the general meeting of shareholders is published on the Company's website and on TDnet prior to mailing. In addition, the securities report for the fiscal year ended March 2026 was filed on June 23, 2026, two days before the date of the annual general meeting of shareholders.

2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	The Company has formulated the “Disclosure Policy” (fully revised in March 2026) with the approval of the Board of Directors and published it on the Company's website (https://www.asj.ad.jp/). The policy sets out the Company's basic stance on information disclosure, disclosure criteria, disclosure methods, the quiet period, and its policy on systems and initiatives to promote constructive dialogue with shareholders.	
Online Disclosure of IR Information	In the IR section of the Company's website (https://www.asj.ad.jp/), the Company posts financial results information, timely disclosure materials other than financial results information, securities reports and semi-annual reports, the status of corporate governance, notices of convocation of general meetings of shareholders, and other materials. The scope and status of English-language disclosure are described in “[Principle 3.2 English Language Disclosure]” of this report.	
Establishment of Department and/or Placement of a Manager in Charge of IR	Taketomo Nii, Director, General Manager of IR Dept., serves as the officer in charge of IR (the person responsible for the Company's IR activities) and concurrently serves as the officer responsible for	

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
	information disclosure. The Company has established the IR Dept. as the department in charge of IR, with dedicated IR staff, which responds to individual interviews with institutional investors and analysts and to inquiries from individual investors. The contact point for IR is the IR Dept. (Tel: +81-48-259-5117). Insider information and material information are strictly managed in the course of dialogue through measures such as the quiet period stipulated in the “Disclosure Policy.”	

3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	The Company has formulated the “ASJ Code of Conduct” (revised in 2026), which sets out its commitment to fair transactions in the supply chain, and has disclosed it on the Company's website.
Implementation of Environmental Preservation Activities and CSR Activities, etc.	The Company's sustainability activities are disclosed on its website (https://www.asj.ad.jp/SDGs/index.html).
Formulation of Policies, etc. on Provision of Information to Stakeholders	The Company has formulated the “Disclosure Policy,” which is disclosed on its website.

IV. Matters Concerning the Internal Control System

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

1. System to ensure that the execution of duties by directors and employees of the Company and its subsidiaries complies with laws, regulations, and the Articles of Incorporation

The Board of Directors has established the “ASJ Code of Conduct” and, by ensuring that directors and employees are fully aware of it, aims to foster a corporate culture of conduct based on high ethical standards. The Internal Audit Office is the department responsible for internal audit operations and verifies that business is conducted in compliance with laws and regulations, the Articles of Incorporation, and internal regulations. In addition, to ensure the reliability of the Group's financial reporting, the Company develops and operates a system for appropriate reporting in accordance with generally accepted standards for the evaluation of internal control over financial reporting. The Group has no relationship whatsoever with anti-social forces or organizations that threaten social order or sound corporate activities, and responds to them with a resolute stance.

2. System for the preservation and management of information related to the execution of duties by the Company's directors, and system for reporting to the Company on matters related to the execution of duties by directors, etc. of subsidiaries

For the preservation and management of information related to the execution of duties by directors, the department responsible for preservation and management is specified in the “Document Handling Regulations” according to the nature of the information. The responsible department strictly manages and preserves information related to the execution of duties by directors for the prescribed periods in accordance with the Articles of Incorporation, laws and regulations, and internal regulations. For subsidiaries, the “Affiliated Companies Management Regulations” specify the matters requiring the approval of the Company's Board of Directors and the matters to be reported to the Company's supervising department.

3. Regulations and other systems for managing the risk of loss of the Company and its subsidiaries

The Board of Directors analyzes management risks and considers countermeasures; each department develops internal regulations, and the head of each department operates and manages them under the supervision of the directors, striving to reduce risks. Should an unforeseen event occur, a response headquarters headed by the President will be established to respond promptly and to prevent the spread of damage and keep it to a minimum.

4. System to ensure the efficient execution of duties by directors of the Company and its subsidiaries

As the basis of the system to ensure the efficient execution of duties by directors, regular meetings of the Board of Directors are held, with extraordinary meetings as appropriate, for prompt decision-making. For the execution of duties based on decisions of the Board of Directors, the Organizational Regulations, the table of authority standards, and other internal regulations specify the persons responsible, their duties, and the details of execution procedures. For performance management, the Board of Directors formulates a budget and business plan for each fiscal year and manages budget versus actual results on a monthly basis.

5. System to ensure the appropriateness of operations within the corporate group comprising the Company and its subsidiaries

The Company has established the “Affiliated Companies Management Regulations” and, on that basis, each subsidiary establishes its own regulations; by maintaining communication with the directors, corporate auditors, and employees of subsidiaries, the Company ensures the sharing of information and the appropriate execution of duties within the corporate group.

6. Matters concerning the independence from directors of employees who assist the Supervisory Committee in its duties, and ensuring the effectiveness of instructions given to such employees

If the Supervisory Committee requests that employees be assigned to assist it in its duties, the Company will assign personnel as necessary. Employees who receive orders from Supervisory Committee members necessary for audit operations shall not be subject to the direction or orders of directors or others with respect to such orders.

7. System for directors and employees of the Company, and directors, corporate auditors, and employees of subsidiaries, to report to the Supervisory Committee members

Supervisory Committee members may inspect important approval documents and related materials of the Company and its subsidiaries. Upon discovering a serious violation of the Articles of Incorporation, a violation of laws and regulations, misconduct, or facts that could cause significant damage to the Group, directors of the Company shall promptly report to the Supervisory Committee members, and directors of subsidiaries shall promptly report to the corporate auditors of the subsidiary. Corporate auditors of subsidiaries shall periodically report the compliance status of the subsidiary and other matters to the Supervisory Committee members. The person in charge of the internal reporting contact point shall report to the Supervisory Committee any internal report from employees of the Company or its subsidiaries whose content suggests a possible violation of laws, regulations, or the Articles of Incorporation.

8. System to ensure that persons who make reports under 7. above are not treated disadvantageously on the grounds of having made such reports

The Company and its subsidiaries prohibit the disadvantageous treatment of employees who have made a report to the person in charge of the internal reporting contact point on the grounds of having made such a report, and ensure that this is fully communicated.

9. Matters concerning the policy on the processing of expenses or liabilities arising from the execution of duties by Supervisory Committee members

When a Supervisory Committee member makes a claim for expenses or other costs arising from the execution of their duties, the Company shall process it promptly, except where it is found not to be necessary for the execution of the member's duties.

10. Other systems to ensure that audits by the Supervisory Committee members are conducted effectively

The Supervisory Committee members, based on cooperation with the Internal Audit Office, maintain appropriate communication and conduct effective audits. They may also request reports from the accounting auditor as necessary.

☐ **Status of development of the internal control system**

Under the basic policy described above, the Company has built its internal control framework. For compliance, the Company has established the “ASJ Code of Conduct” and made it fully known to directors and employees, and has developed and operates an internal reporting system including an external contact point, under which reports suggesting possible violations of laws, regulations, or the Articles of Incorporation are reported to the Supervisory Committee.

The operation of the internal reporting system is supervised by the Board of Directors. For information management, the “Document Handling Regulations” designate the departments responsible for preservation and management according to the nature of the information, which is strictly managed and preserved for the periods prescribed in accordance with the Articles of Incorporation, laws and regulations, and internal regulations.

For risk management, the Board of Directors analyzes management risks and considers countermeasures, and each department develops internal regulations that are operated and managed by the head of each department.

In the “Business and Other Risks” section of its securities report, the Company identifies and discloses as major risks competition with other companies, technological innovation, natural disasters and infectious diseases, domestic and overseas economic conditions and geopolitical risks, securing human resources, protection of personal information, information security, cybersecurity, the supply chain, and risks associated with advances in generative AI and AI agent technologies, and treats these as subjects of company-wide risk management.

The Company has obtained ISMS (ISO/IEC 27001:2022) certification and the Privacy Mark, and its payment processing services are fully compliant with PCI DSS Ver. 4.0.1. The Company has also been certified as a DX Certified Business Operator by the Ministry of Economy, Trade and Industry. Under a management framework based on these certifications, the Company implements multi-layered measures including endpoint protection, network monitoring, information security training, and the development of a business continuity plan (BCP).

Supply chain risks are mitigated by securing multiple suppliers, bringing procurement planning forward, and appropriately managing inventories. For sustainability-related risks and opportunities, a secretariat centered on the Management Division identifies and evaluates them, and, after examination by the Management Committee, important matters are reported to and discussed with the Board of Directors.

The operation of these systems is audited by the Internal Audit Office, covering the Company and each Group company, and the results are reported to the Supervisory Committee and, as necessary, to the President and Representative Director. The Supervisory Committee reports important matters among them to the Board of Directors. Based on these reports, the Board of Directors supervises the operation of internal control and the company-wide risk management framework and the status of correction of identified issues, and reviews the basic policy, related regulations, and operating methods as necessary.

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

☐ **Basic views on the elimination of anti-social forces**

The Group's policy is to sever all relationships with anti-social forces and organizations that threaten social order or sound corporate activities, and to respond to them with a resolute stance.

☐ **Status of development toward the elimination of anti-social forces**

Under the policy described above, the Group has clearly stated its severance of relations with anti-social forces in the “ASJ Code of Conduct” and thoroughly severs all relationships with anti-social forces. As for internal systems, the Group has designated a department responsible for handling unreasonable demands from anti-social forces so as to respond organizationally, and consults with and requests support from the police, lawyers, and the relevant center for the elimination of organized crime groups.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures

Not Adopted

Supplementary Explanation for Applicable Items

2. Other Matters Concerning the Corporate Governance System

1. Basic policy on timely disclosure

To provide timely, accurate, and fair information to shareholders, investors, and other stakeholders, the Company makes timely disclosure in accordance with the Timely Disclosure Regulations and other related laws, regulations, and rules. For information that does not fall under the Timely Disclosure Regulations, the Company's basic policy is also to disclose it fairly so that information is not concentrated on specific stakeholders, and to provide information useful to stakeholders.

2. Development of the organization responsible for disclosure

The Company has designated the IR Dept. as the department responsible for information disclosure, in coordination with the Management Division, the accounting department, and the legal department. The Chairman and Representative Director, the President and Representative Director, the officer responsible for information disclosure, and the IR staff are designated as persons in charge of information disclosure. When a person other than the persons in charge of information disclosure holds a meeting or other interaction with market participants as part of IR activities, an IR staff member always attends.

Officers and employees other than the persons in charge of information disclosure do not provide IR information. Persons in charge of information disclosure are provided with opportunities to attend external training conducted by the Tokyo Stock Exchange and others, as well as finance- and accounting-related training, to acquire the necessary knowledge and improve their expertise.

3. Development of timely disclosure procedures

At the Company, officers and employees belonging to the IR Dept. examine the necessity of disclosure in light of the Timely Disclosure Regulations and other related rules, and disclosure is made after confirmation by the officer responsible for information disclosure. Matters requiring a resolution of the Board of Directors or other bodies are disclosed promptly after the resolution.

4. Development of monitoring covering the timely disclosure system

The Company confirms that its timely disclosure system is appropriately developed and operated through an internal audit by the Internal Audit Office once a year on whether timely disclosure is being appropriately implemented and, as necessary, audits of the disclosure status by the Supervisory Committee.

5. Overview of the timely disclosure system

The Company's timely disclosure system operates as follows. (i) Collection of information: Material information arising in each department and subsidiary is gathered, in accordance with internal regulations, through the heads of departments to the IR Dept., the department responsible for information disclosure. Material information of subsidiaries is reported to the Company's supervising department in accordance with the "Affiliated Companies Management Regulations." (ii) Determination of the necessity of disclosure: Officers and employees belonging to the IR Dept. examine the necessity of disclosure in light of the Timely Disclosure Regulations and other related rules, and the officer responsible for information disclosure (the Director, General Manager of IR Dept.) confirms the determination. (iii) Decision-making: Matters requiring a resolution of the Board of Directors or other bodies are disclosed after a resolution of the Board of Directors. (iv) Implementation of disclosure: The persons in charge of information disclosure make the disclosure via TDnet and post it on the Company's website. (v) Monitoring: As described in 4. above, the Internal Audit Office and the Supervisory Committee audit the operation of the timely disclosure system.

END