

Corporate Governance Report

June 23, 2026

ENECHANGE Ltd.

Tomoya Maruoka, Representative Director and CEO
Contact: Yuichiro Shinohara, Executive Officer and CFO
+81-3-6774-6601

The corporate governance of ENECHANGE Ltd. (the “Company”) is described below.

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

1. Basic Views **updated**

With the mission of “Changing Energy for a Better World,” the Company group (the “Group”) is promoting Green Transformation (GX) towards achieving a decarbonized society (carbon neutrality), a global challenge. To realize a decarbonized society, effective methods include (i) decarbonizing the power grid, (ii) electrifying transportation, (iii) improving food, (iv) conserving nature, (v) purifying manufacturing, and (vi) removing carbon dioxide. The Group, under the mission of “Changing Energy for a Better World,” aims to become a category leader in the energy tech domain by (i) developing businesses that contribute to decarbonizing the power grid. To fulfill this mission, the Group conducts corporate activities while ensuring that all Directors and employees comply with laws, regulations, and the Articles of Incorporation, and perform their duties under the ENECHANGE Group Charter of Corporate Behavior to enhance management efficiency and transparency, achieve sustainable growth, and maximize corporate value.

[Possibility of non-compliance with the Principles of Japan’s Corporate Governance Code]

The Company is fully compliant to the five General Principles of the Corporate Governance Code.

[Disclosure Based on each Principle of the Corporate Governance Code] **updated**

[Principle 1-3. Basic Policy on Capital Management]

The Group follows a dividend policy that states, “At present, we believe that strengthening our financial structure, enhancing internal reserves for business expansion, and allocating investments to diversify and strengthen our revenue base will result in the greatest returns to our shareholders. Therefore, we have not distributed dividends since our founding and plan to continue enhancing internal reserves for the foreseeable future.” This policy is disclosed in our securities reports and other documents. Regarding capital management, we compare and evaluate all possible options as stated in the FY25 Financial results disclosed on May 15, 2026.

We continue to strive to explain the status of evaluation and the basic policy at financial results briefings.

[Principle 1-4. Policy on Strategic Shareholdings]

The Group does not hold listed shares in principle. However, if we do hold listed shares for business alliances or other rational managerial purposes, we periodically verify that the holdings align with their intended purposes.

When exercising voting rights related to strategic shareholdings, we make decisions based on whether the proposal will enhance corporate value and shareholder returns from a mid- to long-term perspective. We are particularly cautious about proposals that may damage the corporate value of the relevant company.

[Supplementary Principle 1-4 (i)]

If a business company that is a major shareholder indicates an intention to sell our shares, we generally allow them to sell as they wish.

[Supplementary Principle 1-4 (ii)]

The Group conducts transactions with strategic shareholders under economic conditions similar to other usual transactions, considering economic rationality, and ensures that they do not harm the common interests of the company and its shareholders. In particular, transactions with ITOCHU ENEX CO., LTD., PORT INC., and EPCO, Ltd., which are major shareholders, are conducted after their terms are reviewed by the Board of Directors.

[Principle 1-7. Related Party Transactions]

With regard to conflict-of-interest and competing-interest transactions involving Directors, as well as related party transactions between the Company and its Directors or other related parties, prior approval by the Board of Directors is required in accordance with the Rules of the Board of Directors and the Detailed Provisions of the Authority Rules. After the execution of such transactions, the results must be reported to the Board of Directors, which exercises supervisory oversight. In addition, we

obtain written confirmations on the existence of related party transactions from Directors and other relevant parties on an annual basis to ensure that no conflict-of-interest transactions have occurred.

[Principle 2-1. Formulating a Management Philosophy as the Basis for Enhancing Medium- to Long-Term Corporate Value]

The Group recognizes that sustainable growth and the creation of medium- to long-term corporate value are built on cooperative relationships with stakeholders other than shareholders. We are taking the lead in fostering a corporate culture and climate that respects sound business ethics as defined in the ENECHANGE Group Charter of Corporate Behavior.

[Principle 2-3. Sustainability Challenges, Including Social and Environmental Issues]

Towards the realization of a sustainable society, as a company in the energy industry, where structural reforms are indispensable, and as a category leader in the energy tech domain, the Group is committed to investing proactively in people and future energy technologies to positively impact the energy industry and the subsequent realization of a decarbonized society. Based on this belief, we have formulated an ESG materiality map and disclosed specific initiatives.

[Principle 2-4. Ensuring Internal Diversity, Including Promoting Women's Participation]

The Group has committed to ensuring diversity as a management goal and considers diversity perspectives in the selection of Directors and Executive Officers. Specifically, following the resolution of the 9th Annual General Meeting of Shareholders held on March 28, 2024, two female Outside Corporate Auditors assumed office at the conclusion of the Adjourned Meeting of the 9th Annual General Meeting of Shareholders held on July 30, 2024. Consequently, the female ratio among Directors and Auditors is now 28.6% (2 out of 7).

[Supplementary Principle 2-4 (i) Ensuring Diversity in the Appointment of Core Human Resources]

<Views on Ensuring Diversity>

The Company's fundamental policy is to hire a wide range of talented employees in a fair and open manner, regardless of gender, age, or professional background. While we have not established specific numerical targets, we ensure the recruitment of professionals, the securing of diverse human resources, and the promotion of capable individuals to managerial positions without regard to gender or age.

<Voluntary and Measurable Targets for Ensuring Diversity>

We do not set numerical targets for managerial positions based on personal attributes, as appointments to such positions are made based on a comprehensive assessment of each candidate's experience, abilities, and other qualifications, irrespective of gender, age, or background.

<Human Resource Development Policy and Internal Environment Development Policy to Ensure Diversity, and Their Status>

The Company conducts recruitment, assignments, and evaluations without regard to gender, age, or professional background. Our personnel evaluation system is designed to ensure fair assessments by excluding gender, age, and other personal attributes from the evaluation criteria.

In addition, to foster the next generation of talent and create an environment that supports flexible work styles and work-life balance, the Company actively promotes the use of maternity and childcare leave, and provides support for returning to work after such leave. In recognition of these efforts, the Company received the "Bronze Certification" under the "TOKYO Papa Ikugyo Promotion Companies 2025" initiative, which is a registration system promoted by Tokyo Metropolis. The acquisition of Bronze Certification was a result of achieving a childcare leave utilization rate of 55% among male employees over the past approximately two years from January 1, 2023 to March 31, 2025.

As of March 31, 2026, the return-to-work rate following maternity or childcare leave was 100%.

[Principle 3-1. Enhancement of Information Disclosure]

- (i) The Company discloses its management philosophy, basic strategies, and financial highlights on its website and in materials such as financial results briefings.
- (ii) The Company's basic policy on corporate governance is disclosed through its website, Corporate Governance Report, and Annual Securities Report.
- (iii) With respect to remuneration for officers, the amount is determined within the limit approved at the General Meeting of Shareholders, based on a resolution of the Board of Directors and consultation with the Board of Corporate Auditors, taking into consideration factors such as the Company's performance and market conditions, and with reference to the recommendations of the voluntary Nomination and Remuneration Committee. Such information is disclosed in the Annual Securities Report and other relevant documents.
- (iv) The selection of candidates for Directors, including appointments and dismissals, is determined by the Board of Directors with reference to recommendations from the voluntary Nomination and Remuneration Committee, based on a comprehensive assessment of their knowledge and insight that enable them to provide proposals and advice across the Company's overall business, and ability to fulfill the responsibilities of their respective roles. With respect to the selection of candidates for Corporate Auditors, including their appointment and dismissal, the Company places emphasis on expertise and insight in relevant fields, and appoints individuals with extensive experience, subject to the consent of the Board of Corporate Auditors and with reference to the recommendations of the voluntary Nomination and Remuneration Committee.
- (v) The reasons for the appointment, dismissal, or nomination of Directors and Corporate Auditors are specifically described in the Notice of Convocation of the General Meeting of Shareholders.

[Principle 4-1. Roles and Responsibilities of the Board of Directors (1)]

Half of the board of directors are Independent Outside Directors with expertise and experience aligned with a skill matrix. In addition to adding a Non-executive Director, we have established an effective supervisory system over directors by holding management meetings twice a year, including executive officers. We have also built a highly independent audit system for the execution of directors' duties. At the board of directors, there are free exchanges of opinions, including from outside directors, about the basic policies of our management strategy and plans. Furthermore, we are also studying the social issues that need to be addressed for promoting our business and the methods to tackle them.

[Supplementary Principle 4-1 (i) Scope of Delegation to Management]

The Board of Directors makes decisions on the matters stipulated by laws and regulations or the Articles of Incorporation, as well as on matters requiring resolution as set forth in the Rules of the Board of Directors and the Detailed Provisions of the Authority Rules, such as basic policies for important business plans and the acquisition or disposal of fixed assets exceeding a certain amount. Matters other than those requiring resolution as set forth in the Rules of the Board of Directors and the Detailed Provisions of the Authority Rules are delegated to the Executive Directors and Executive Officers, who mainly comprise the management team, for decision-making on important matters related to business execution.

[Supplementary Principle 4-1 (iii)]

The Group's Board of Directors recognizes the formulation and operation of a succession plan for the Chief Executive Officer (CEO) and other top executives as a significant issue. Each Director and Executive Officer is required to set goals related to the succession plan and the development of successors. We will enhance the effectiveness of the succession plan in future operations.

[Supplementary Principle 4-3 (ii)]

Regarding the appointment and dismissal of the CEO, the Group's Board of Directors, which included two Outside Directors out of four Directors (as of the fiscal year ending March 31, 2027), carried out the process with objectivity, timeliness, and transparency, dedicating sufficient time and resources. We have also established a voluntary Nomination and Remuneration Committee, chaired by an Outside Director, to further ensure the effectiveness of the discussions.

[Principle 4-9. Independence Criteria and Qualifications for Independent Outside Directors]

In selecting candidates for Independent Outside Directors, the Board of Directors determines individuals who are capable of proactively offering recommendations, proposals, and opinions on management issues, with reference to the report of the voluntary Nomination and Remuneration Committee. In addition, the Company appoints its Independent Outside Directors in accordance with the requirements prescribed by the Companies Act and the Tokyo Stock Exchange.

[Supplementary Principle 4-10 (i) Authority and Roles of the Nomination and Remuneration Committee]

The details are stated in "II.1. Organizational Composition and Operation [Voluntary Committees]" of this report.

[Supplementary Principle 4-11 (i) Basic Views on Ensuring Diversity within the Board of Directors]

With regard to corporate governance, which forms the foundation of our management, we are continuously evolving our structure to establish a framework capable of responding swiftly and appropriately to changes in the business environment. Currently, Outside Directors account for half of the members of the Board of Directors. We have established an effective governance structure whereby important matters are decided from diverse perspectives, including those of individuals with experience in corporate management both in Japan and overseas and those with backgrounds in industrial policy administration, thereby avoiding decisions based solely on the knowledge of inside Directors.

[Supplementary Principle 4-11 (ii) Status of Concurrent Positions Held by Directors and Corporate Auditors]

The number of concurrent positions held by the Company's Directors and Corporate Auditors at other listed companies and other entities kept within a reasonable range. The status of such concurrent positions is disclosed in the Notice of Convocation of the Annual General Meeting of Shareholders.

[Supplementary Principle 4-11 (iii)]

To analyze and evaluate the effectiveness of the entire Board of Directors, the Group conducts mutual questionnaire surveys among the Directors and reflects their respective opinions and requests in the operation of the Board of Directors. We will periodically review the operation of the Board of Directors and continue to analyze, evaluate, and address the effectiveness of the entire Board.

[Supplementary Principle 4-14 (ii)]

To enable Outside Directors to fully perform their functions, the Group provides opportunities for them to acquire necessary knowledge related to our business, finance, and organization, tailored to their individual circumstances. Additionally, to ensure Directors and Corporate Auditors can fulfill their roles and responsibilities, we encourage their participation in external seminars and study sessions at the company's expense, providing continuous opportunities to acquire the necessary knowledge.

[Principle 5-1. Policy on Constructive Dialogue with Shareholders]

The Group aims to achieve sustainable growth and enhance medium- to long-term corporate value by engaging in highly transparent information disclosure and building long-term relationships based on constructive dialogue with shareholders and investors. Following this belief and the Company's Disclosure Policy, we promote IR activities through the IR and Corporate

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Communication Team of the Business Planning Department, strengthening our system for disclosing information to shareholders and investors through mutual collaboration with relevant departments. We have decided to continuously ensure fair, timely, and appropriate disclosure of company information to all stakeholders.

[Principle 5-2. Formulating and Disclosing Management Strategies and Plans]

The Group focuses on enhancing corporate value by maximizing free cash flow. Free cash flow, composed of operating cash flow and investing cash flow, serves as an indicator of our ability to generate profits through business activities and our capacity for investment. Expanding free cash flow enables prompt management decisions regarding future growth investments, M&A, and other strategic initiatives, thereby leading directly to the enhancement of corporate value.

As a comprehensive platform, the Group is working to expand solutions that can meet a diverse range of customer needs. As part of these efforts, we are promoting cross-selling to existing customers of other business divisions and offering new services, thereby aiming to maximize synergies across divisions. In strengthening our existing businesses, we are pursuing both organic growth and proactive use of M&A, with the goal of driving Group-wide growth and stabilizing our revenue base.

Based on these policies, the Group formulates and updates medium-term management plans, considering external environments and our strategies, and sets various targets such as net sales and adjusted EBITDA. Additionally, we explain the specific measures and investment plans to achieve these targets through financial results briefings and other occasions.

2. Capital Structure **updated**

Foreign Shareholding Ratio 10% or more and less than 20%

[Status of Major Shareholders] **updated**

Name	Number of Shares Owned (Shares)	Shareholding Ratio (%)
ITOCHU ENEX CO., LTD.	7,375,000	17.20
JICVGI Opportunity Fund No.1 Investment Limited Partnership	3,784,200	8.83
SBI Securities Co. Ltd.	3,741,200	8.73
MSCO CUSTOMER SECURITIES	3,710,000	8.65
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	1,774,374	4.14
ENERGY STATION COMPANY LIMITED	1,269,400	2.96
Ippei Arita	1,223,788	2.85
Ueda Yagi Tanshi Co., Ltd.	1,200,000	2.80
PORT INC.	570,800	1.33
EPCO, Ltd.	340,000	0.79

Controlling Shareholder (except for Parent) —

Parent Company Name N/A

Parent Company's Listed Stock Exchange N/A

Supplementary Explanation **updated**

1. The above list of major shareholders is based on the list of shareholders as of March 31, 2026.

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Tokyo Stock Exchange Growth
Fiscal Year-End	March
Type of Business	Information & Communication
Number of Employees (Consolidated) at 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 yen
Number of Consolidated Subsidiaries at End of the Previous Fiscal Year	Less than 10

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

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5. Special Circumstances Which May Have Material Impact on Corporate Governance **updated**

The Company submitted the Improvement Report and the Improvement Status Report to the Tokyo Stock Exchange, dated on September 25, 2024 and March 25, 2025 respectively. The Company has continued to implement the recurrence prevention measures below, which are stated in the above-mentioned Reports, and steadily operate these measures, while reforming its management structure.

- (1) Clarifying responsibility
- (2) Strengthening the check-and-balance function on top management through decentralization of authority
- (3) Strengthening the supervisory function of the Board of Directors and the Board of Corporate Auditors over top management
- (4) Enhancing compliance awareness
- (5) Strengthening accounting function, legal function, and internal audit function
- (6) Building a strong relationship with our Financial Auditor

The Company considers further strengthening internal control and compliance systems across the Group and building a sound governance system to be key management issues. We will continue to work on these issues.

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

1. Organizational Composition and Operation

Organization Form Company with a Board of Corporate Auditors

[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	10
Term of Office Stipulated in Articles of Incorporation	One year
Chairperson of the Board	Chairman (excluding those concurrently serving as President)
Number of Directors	4
Appointment of Outside Directors	Appointed
Number of Outside Directors	2
Number of Independent Officers Designated from among Outside Directors	2

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company ^{*1}										
		a	b	c	d	e	f	g	h	i	j	k
Kenyu Adachi	From another company											
Kenichi Fujita	From another company											

*1 Categories for "Relationship with the Company"

- a. Executive (a person who executes business; hereinafter, the same) of the Company or its subsidiary
- b. Non-executive director or executive of the parent of the Company
- c. Executive of a fellow subsidiary of the Company
- d. Party whose major client or supplier is the Company or an executive thereof
- e. Major client or supplier of the Company or an executive thereof
- f. Consultant, accounting professional, or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director
- g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a corporation)
- h. Executive of a client or supplier of the Company (which does not correspond to any of d., e., or f.) (the director himself/herself only)
- i. Executive of a corporation to which outside officers are mutually appointed (the director himself/herself only)
- j. Executive of a corporation that receives a donation from the Company (the director himself/herself only)
- k. Other

Outside Directors' Relationship with the Company (2) **updated**

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Name	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Kenyu Adachi	○	<Concurrent positions outside the Company> Outside Director of TSUGAMI CORPORATION	Outside Director Mr. Kenyu Adachi is expected to use his extensive insight, based on many years of experience in economic and industrial administration, such as energy, and experience as Outside Director of listed companies, to provide advice for the Company's overall management. We have determined that it is appropriate that he make decisions on important matters of management and perform supervision of business execution, and have elected him as a Director. We expect him to provide advice regarding the management policy so that the Company's business can contribute to green transformation, which is promoted by the government, based on his experience in economic and industrial administration. Mr. Kenyu Adachi has no personal, business or other interest relationships with the Company. In addition, he satisfies the requirements for an independent officer as provided for by Tokyo Stock Exchange, Inc., and the Company's independence criteria. There is no risk of conflict of interest with general shareholders, and accordingly, the Company has designated him as an independent officer.
Kenichi Fujita	○	<Concurrent positions outside the Company> Representative Director and President of K-BRIC&Associates, Ltd. Representative Director and President of Green Bridge Solutions Ltd. Advisor of Mitsubishi Kakoki Kaisha, Ltd. Advisor of TOMOE SHOKAI Co., Ltd.	Outside Director Mr. Kenichi Fujita is expected to use his extensive insight to provide advice for the Company's overall management, based on many years of experience in the Energy sector and experience in key positions in global corporations. We have determined that it is appropriate that he make decisions on important matters of management and perform supervision of business execution, and have elected him as a Director. We also consider that his prior experience as Outside Director is essential for the continued implementation of measures to prevent the recurrence of issues the Company has faced. Mr. Kenichi Fujita has no personal, business or other interest relationships with the Company. In addition, he satisfies the requirements for an independent officer as provided for by Tokyo Stock Exchange, Inc., and the Company's independence criteria. There is no risk of conflict of interest with general shareholders, and accordingly, the Company has designated him as an independent officer.

[Voluntary Committees]

Voluntary Establishment of Committee(s) Equivalent to Nominating Committee or Remuneration Committee	Established
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Status of Establishment of Committee Equivalent to Nominating Committee or Remuneration Committee, Composition of Members, and Attributes of the Chairperson

	Name of the Committee	All Members	Full-time Member	Directors	Outside Directors	Outside Experts	Others	Chairperson
Voluntary Committee Equivalent to Nominating Committee	Nomination and Remuneration Committee	2	0	1	1	0	0	Outside Director

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Voluntary Committee Equivalent to Remuneration Committee	Nomination and Remuneration Committee	2	0	1	1	0	0	Outside Director
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Supplementary Explanation

On June 1, 2021, the Company established a voluntary Nomination and Remuneration Committee as an advisory body to the Board of Directors, with the aim of strengthening the independence, objectivity and accountability of the Board of Directors' functions and further enhancing the Group's corporate governance system by ensuring the transparency and objectivity of the evaluation and decision-making processes related to the nomination and compensation of directors.

For details of the Nomination and Compensation Committee, please refer to "2. Matters on Functions of Business Execution, Audit and Supervision, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System)," "6. Nomination and Remuneration Committee," as described below.

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[Corporate Auditors]

Establishment of Board of Corporate Auditors	Established
Maximum Number of Corporate Auditors Stipulated in Articles of Incorporation	5
Number of Corporate Auditors	3

Cooperation among Corporate Auditors, Financial Auditor and Internal Audit Department

The Board of Corporate Auditors exchanges information with the Internal Audit Office on the status of internal audits and other matters as necessary. In addition, the Board of Corporate Auditors regularly meets as a combined group with the General Manager of the Internal Audit Office and Financial Auditor to share information and exchange opinions on the presence of audit-related problems and issues.

Appointment of Outside Corporate Auditors	Appointed
Number of Outside Corporate Auditors	3
Number of Independent Officers Designated from among the Outside Corporate Auditors	3

Outside Corporate Auditors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*1												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Atsushi Hioka	From another company													
Mizuho Tosaka	Attorney at law													
Yuki Suzuki	Certified public accountant													

*1 Categories for "Relationship with the Company"

- Executive (a person who executes business; hereinafter, the same) of the Company or its subsidiary
- Non-executive director or accounting advisor of the Company or its subsidiary
- Non-executive director or executive of the parent of the Company
- Corporate auditor of the parent of the Company
- Executive of a fellow subsidiary of the Company
- Party whose major client or supplier is the Company or an executive thereof
- Major client or supplier of the Company or an executive thereof
- Consultant, accounting professional or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a corporate auditor
- Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a corporation)
- Executive of a client or supplier of the Company (which does not correspond to any of f., g., or h.) (the corporate auditor himself/herself only)
- Executive of a corporation to which outside officers are mutually appointed (the corporate auditor himself/herself only)
- Executive of a corporation that receives a donation from the Company (the corporate auditor himself/herself only)
- Other

Outside Corporate Auditors' Relationship with the Company (2) **updated**

Name	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Atsushi Hioka	○	<Concurrent positions outside the Company>	<p>Mr. Atsushi Hioka has been appointed as Corporate Auditor because of his experience and knowledge in accounting, finance, and human resources at listed companies, as well as his experience as an auditor at several companies, and we expect that his practical experience will be reflected in our auditing system. The Company has comprehensively verified whether he is in a position to demonstrate objectivity and neutrality and has determined that he is independent as a Corporate Auditor.</p> <p>The Company has designated him as an independent officer since he has no special interest relationships with the Company, he satisfies the requirements for an independent officer as provided for by Tokyo Stock Exchange, Inc., and the Company's independence criteria, and there is no risk of conflict of interest with general shareholders.</p>
Mizuho Tosaka	○	<p><Concurrent positions outside the Company> Manager of the Corporate Legal Department, Legal Division, Coca-Cola Bottlers Japan Inc.</p>	<p>Ms. Mizuho Tosaka has been appointed as Outside Corporate Auditor in the expectation that she will contribute her professional knowledge and experience as an attorney, both in Japan and abroad, to the Company's auditing system, although she has not been directly involved with companies in any way other than being an outside officer in the past. The Company has comprehensively verified whether she is in a position to demonstrate objectivity and neutrality and has determined that she is independent as an Outside Corporate Auditor.</p> <p>The Company has designated her as an independent officer since she has no special interest relationships with the Company, she satisfies the requirements for an independent officer as provided for by Tokyo Stock Exchange, Inc., and the Company's independence criteria, and there is no risk of conflict of interest with general shareholders.</p>
Yuki Suzuki	○	<p><Concurrent positions outside the Company> President's Office of Findy Inc.</p>	<p>Ms. Yuki Suzuki has been appointed as Outside Corporate Auditor in the expectation that she will strengthen the Company's auditing system. Although she has not been directly involved with companies in any way other than being an outside officer in the past, she has experience in corporate auditing as a certified public accountant and in corporate planning and investor relations at financial institutions and business companies as a securities analyst, and she has abundant experience and knowledge in accounting and finance. The Company has comprehensively verified whether she is in a position to demonstrate objectivity and neutrality and has determined that she is independent as an Outside Corporate Auditor.</p> <p>The Company has designated her as an independent officer since she has no special interest relationships with the Company, she satisfies the requirements for an independent officer as provided for by Tokyo Stock Exchange, Inc., and the Company's independence criteria, and there is no risk of conflict of interest with general shareholders.</p>

[Independent Officers]

Number of Independent Officers

5

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Matters relating to Independent Officers

The Company has designated all five Outside Directors/Corporate Auditors who qualify for the independent officer designation as independent officers.

[Incentives]

Implementation of Measures to Provide Incentives to Directors

Performance-linked remuneration / Share options

Supplementary Explanation

The Company has adopted a performance-linked remuneration system for Directors, which appropriately reflects the achievement of short-term performance targets, and issues paid stock options (stock acquisition rights) with the aim of enhancing shareholder value and creating medium- to long-term corporate value. With respect to the performance-linked remuneration system, based on the deliberations of the Nomination and Remuneration Committee, the Board of Directors resolved on March 27, 2025 to adopt evaluation items and calculation standards based on overall corporate performance and individual evaluation. Payments will be made based on these standards. On the other hand, the issuance of paid stock options is intended primarily to support the Company's sustainable growth and the achievement of its medium-term management plan. Such stock options are issued by resolution of the Board of Directors, and may be voluntarily subscribed to at the individual's own expense by inside Directors, Executive Officers, and certain employees, subject to the achievement of specified performance conditions. Although these stock options do not fall under "remuneration, etc." as defined under the Companies Act of Japan, they are implemented as a means of aligning shareholder value with incentives for Directors.

Recipients of Share Options

Inside Directors / Executive Officers / Certain employees who voluntarily choose to subscribe

Supplementary Explanation

The Company issues paid stock options (stock acquisition rights) by resolution of the Board of Directors to inside Directors, Executive Officers, and certain employees who voluntarily choose to subscribe, with the aim of aligning interests with shareholders and encouraging contributions to the enhancement of medium- to long-term corporate value. The exercisable ratio of these stock options is determined based on the degree of achievement of multiple performance conditions. As the options are acquired at the recipients' own expense, they are positioned as an incentive mechanism to foster a shared sense of responsibility for the Company's sustainable growth and to promote long-term decision-making and value creation.

[Director Remuneration] **updated**

Disclosure

No individual disclosure

Supplementary Explanation

Since no Director was awarded remuneration, etc. of 100 million yen or more in total, individual remuneration amounts are not disclosed. The total amounts of remuneration for Directors and Corporate Auditors are disclosed, respectively.

Policy for Determining Remuneration Amounts or Calculation Methods Thereof

Established

Disclosure of Policy for Determining Remuneration Amounts or Calculation Methods Thereof

The Company has established a policy for determining the details of remuneration for Directors. This policy has been determined at the Board of Directors based on reports from the Nomination and Remuneration Committee, half of whose members are Independent Outside Directors. The remuneration for Directors shall comprise basic remuneration and bonus components (including cash remuneration and non-monetary remuneration such as stock-based remuneration). The upper limit for the amounts of remuneration for Directors shall be determined by resolution of the general meeting of shareholders, and payment shall be made within that scope.

Basic remuneration is paid as consideration for the Director's execution of duties and corresponds to the Director's position and the level of role contribution, and is determined by comprehensively considering industry standard levels and the Company's operating results, etc. Performance-linked remuneration, etc. (bonus remuneration), which has been introduced from the fiscal year under review, is paid to Directors (excluding Director and Chairman, and Outside Directors) for the purpose of raising awareness of short-term performance improvement. The performance indicator selected as the basis for calculation of performance-linked remuneration, etc. is figures based on consolidated operating profit, with adjustment made

for the impact of gains or losses not anticipated at the time of initial plan formulation. The performance indicator has been selected to further raise awareness of achieving fiscal year targets and enhancing corporate value. Specifically, the calculation is made by setting a base amount by Director's position and adjusting it according to factors such as the achievement level of the consolidated operating profit target. For the fiscal year under review, the target for the said performance indicator (consolidated operating profit after the above adjustment) was 450 million yen, and the actual result was 535 million yen.

Non-monetary remuneration (stock-based remuneration) is provided by granting stock acquisition rights as stock options, aiming to further boost motivation to contribute to medium- to long-term performance improvement and corporate value enhancement. The specific number of stocks granted is determined by comprehensively considering factors such as each Director's position, duty, and the level of contribution, within the scope determined by the resolution of the general meeting of shareholders.

The Board of Directors has determined that the details of individual remuneration, etc. for Directors for the fiscal year under review are consistent with the above-mentioned policy. This is because the Nomination and Remuneration Committee conducted a multi-faceted review, including consistency with the said policy, and the Board of Directors determined the details of remuneration in respect of reports from the Committee.

[Supporting System for Outside Directors and/or Corporate Auditors] updated

The Board of Directors Secretariat, which is composed of staff from key corporate departments, serves as the points of contact for support and provide explanation on important matters separately. When a meeting of the Board of Directors is scheduled, these departments distribute materials and take sufficient time to provide explanations in advance.

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

[Current System]

1. Board of Directors

The Board of Directors consists of four Directors (including two Outside Directors who have been registered as independent directors). In principle, the Board of Directors meets twice a quarter, with additional meetings held, as necessary. The Board makes decisions on basic management policies and important business execution and supervises the execution of duties by Directors and reports thereof. Three Corporate Auditors attend the Board of Directors meetings to audit the execution of duties by the Directors.

2. Board of Corporate Auditors

The Company adopts the Board of Corporate Auditors system. The Board of Corporate Auditors consists of one Full-time and two Part-time Corporate Auditors, all of whom are Outside Corporate Auditors. In principle, the Board of Corporate Auditors meets once a month, with additional meetings held as necessary. Full-time Corporate Auditor monitors the execution of duties by Directors by attending important internal meetings such as the Executive Committee, inspecting important documents, and conducting other audit procedures. In addition, the Board of Corporate Auditors strives to improve its auditing function by collecting information through exchanging opinions with Representative Directors, Outside Directors, Financial Auditor, and internal audit staff.

3. Executive Committee

The Executive Committee is composed of Representative Directors and Executive Officers. General Managers of supervising divisions, General Manager of the Internal Audit Office, and a Full-time Corporate Auditor also attend, in principle. The meeting is held once a week to confirm the progress of business activities, share issues, and make executive decisions in a flexible manner.

4. Compliance and Risk Management Committee

To recognize the risks surrounding the Group and respond to them appropriately, the Company has established the Compliance and Risk Management Committee, which consists of Representative Director and CEO, Representative Director and Chairman, Executive Officers, managers of the Supervising Division, the Business Planning Department, the General Affairs and Legal Department, and the Accounting and Finance Department, Corporate Auditors, and General Manager of the Internal Audit Office. In principle, the Committee meets once a quarter to share information necessary for risk management of the Company and its subsidiaries and promote compliance-related initiatives. In the event of a compliance violation, the Committee responds swiftly, investigates the facts of the case, and proposes measures to prevent a recurrence.

In addition to conducting risk assessments and monitoring the implementation of countermeasures, the organization is primarily tasked with verifying the effectiveness of the risk management structure, reviewing related party transactions, planning compliance training, and overseeing and making recommendations on recurrence prevention measures.

5. Internal Audit Office

With respect to internal audits, we have established an independent Internal Audit Office and appointed a dedicated General Manager to ensure the effectiveness of internal audit functions.

In order to promote management efficiency and ensure the legality, soundness, and effectiveness of operations across the entire Group, the Internal Audit Office verifies, evaluates, and provides advice on the appropriateness and effectiveness of the Group's organizational structures, systems, and operations, assessing whether they are conducted in compliance with applicable

laws, management policies, and internal regulations, and are being operated efficiently.

Furthermore, regarding the evaluation of the effectiveness of internal controls over financial reporting, we conduct effective and efficient audits by leveraging external experts as necessary, while holding regular or ad hoc meetings with Corporate Auditors and the Financial Auditor to share information and coordinate audit plans and results.

6. Nomination and Remuneration Committee

The Company has established a voluntary Nomination and Remuneration Committee as an advisory body to the Board of Directors for the purpose of strengthening the independence, objectivity and accountability of the Board of Directors' functions, further enhancing the Group's corporate governance system by ensuring the transparency and objectivity of the evaluation and decision-making processes related to the nomination and remuneration of the Board of Directors. The Nomination and Remuneration Committee reports to the Board of Directors on matters such as the composition of the Board of Directors, individual nominations of Directors, and drafts concerning the composition, level, and maximum total amount of remuneration for Directors. The committee currently consists of two members: Representative Director and Chairman Masayoshi Hirata and Independent Outside Director Kenichi Fujita. The Chair of the committee is Kenichi Fujita.

7. Financial Auditor

Under the audit agreement with the audit firm Avantia GP, timely and appropriate audits are being conducted. The Company has no special interest relationships with the audit firm and its designated engagement partners who are engaged in the audits for the Company.

[Policies and Procedures for Appointing Executive Officers, and Nominating Director Candidates and Corporate Auditor Candidates]

The policies and procedures for appointing Executive Officers, and nominating Director candidates and Corporate Auditor candidates are as follows.

1. Policies and procedures for appointing Executive Officers

Executive Officers are, in principle, appointed each year from those among a group of executive candidates in the Company's position ranking system who have received a high evaluation, who are of sincere character, and who have in-depth knowledge and excellent capabilities in a specialized field, or from those who are existing Executive Officers, who have the necessary knowledge and experience to fulfill the duties. The appointment procedure is as follows.

For new appointments, candidates are selected based on the recommendation of inside Directors. For reappointments, candidates are chosen by inside Directors in light of their performance evaluation as Executive Officers. These candidates are then discussed at the Nomination and Remuneration Committee and the Board of Directors, where the final decisions are made by the Board of Directors.

2. Policies and procedures for nominating Director candidates

To ensure appropriate supervision of management is provided and decision making for important business execution is performed as a Board of Directors of a company that aims to be a category leader in the energy tech domain, in addition to appointing (in principle) internal Directors, multiple Outside Directors, who form half, are appointed to enhance the management supervision function of the Board of Directors. Placing importance on independence, Outside Directors are appointed, giving precedence to those who satisfy the requirements for an independent officer as provided for by Tokyo Stock Exchange, Inc., and the Company's independence criteria, and who also have in-depth knowledge accumulated through their experience in their respective field that can be expected to contribute to the management of the Company. The Nomination and Remuneration Committee takes note of the above policy, also considering diversity in specialized fields, and creates a proposal for Director candidate nomination, and following discussion by the Board of Directors, the matter is determined by resolution of the Board of Directors.

3. Policies and procedures for nominating Corporate Auditor candidates

To ensure the auditing and supervision of management is appropriately performed as Corporate Auditors of a company that aims to be a category leader in the energy tech domain, Corporate Auditors are appointed from those who have knowledge relating to the management of the Company or have advanced specialized knowledge in their respective field, such as accounting, law, and human resources, and also possess a broad range of experience. As a company adopting a Board of Corporate Auditors system, the Company appoints entirely Outside Corporate Auditors for its Corporate Auditors. For Outside Corporate Auditors, the Company, while placing importance on independence, appoints from those who satisfy the requirements for an independent officer as provided for by Tokyo Stock Exchange, Inc., and the Company's independence criteria and whose advanced specialized knowledge and wealth of experience in their respective field can be expected to facilitate appropriate auditing and supervision of the Company's management. The Nomination and Remuneration Committee takes note of the above policy and creates a proposal for Corporate Auditor candidate nomination, and after discussion by the Board of Directors and obtaining consent from the Board of Corporate Auditors, the matter is determined by resolution of the Board of Directors.

[Outline of Liability Limitation Agreement]

The Company's Articles of Incorporation stipulate that the Company may enter into agreements with Outside Directors and Outside Corporate Auditors to limit their liabilities for damages to the Company to a certain extent, to enable such Outside

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Directors and Outside Corporate Auditors to fully perform their expected roles and to invite capable human resources. In accordance with this provision, the Company has entered into agreements with all Outside Directors and Outside Corporate Auditors to limit their liability for damages under Article 427, paragraph (1) of the Companies Act. The outline of the liability limitation agreement is as follows.

- Liability limitation agreement for Outside Director

If an Outside Director is liable for damages to the Company pursuant to Article 423, paragraph (1) of the Companies Act, the liability shall be limited to the minimum amount as stipulated in each item of Article 425, paragraph (1) of the Companies Act. The limitation of liability stated above is only applicable if the Outside Director has performed his or her duties in good faith and without gross negligence.

- Liability limitation agreement for Outside Corporate Auditor

If an Outside Corporate Auditor is liable for damages pursuant to the Company pursuant to Article 423, paragraph (1) of the Companies Act, the liability shall be limited to the minimum amount as stipulated in each item of Article 425, paragraph (1) of the Companies Act. The limitation of liability stated above is only applicable if the Outside Corporate Auditor has performed his or her duties in good faith and without gross negligence.

3. Reasons for Adoption of Current Corporate Governance System

As described above, the Company has established the Board of Directors, the Board of Corporate Auditors, the Executive Committee, the Compliance and Risk Management Committee, the Nomination and Remuneration Committee, and Financial Auditor, and has also established the Internal Audit Office to audit day-to-day operations. The Company has adopted the current system based on a belief that the mutual cooperation of these organizations will increase its corporate value on an ongoing basis and ensure the effective functioning of its governance system.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Energize General Shareholders Meetings and Smooth Exercise of Voting Rights **updated**

	Supplementary Explanations
Early Notification of General Shareholders Meeting	The Company strives to send out the notice of the general meeting of shareholders as early as possible. For the most recent Annual General Meeting of Shareholders held in June 2026, the notice was sent 15 days before the meeting date. Additionally, to provide shareholders with information at an early stage, the notice was disclosed on the Company's website seven days before the date of sending.
Scheduling AGMs Avoiding the Peak Day	The Company holds an annual general meeting of shareholders in June due to the change of fiscal year-end, scheduling it for a date other than peak days. Even after the relocation of its head office, the Company selects the venue located within walking distance of both JR and metro stations so that more shareholders can easily attend the meeting.
Allowing Electronic or Magnetic Exercise of Voting Rights	For general meetings of shareholders, the Company provides a method for exercising voting rights via the internet to create an environment that makes it easier for shareholders to exercise their voting rights.
Participation in Electronic Voting Platforms and Other Efforts to Enhance the Voting Environment for Institutional Investors	Since the Annual General Meeting of Shareholders held in March 2022, the Company has participated in the Electronic Voting Platform for institutional investors operated by ICJ, Inc.
Providing Convocation Notice in English (Translated Fully or Partially)	Since the Annual General Meeting of Shareholders held in March 2022, the Company has prepared convocation notices (convocation notices and reference documents) in English and published them on the Tokyo Stock Exchange website, the Electronic Voting Platform for institutional investors, and the Company's website.
Other	The Company provides information via the internet to engage in a constructive dialogue with shareholders as much as possible at the annual general meeting of shareholders. The Company has also developed an environment where shareholders who are unable to attend the meeting in person can exercise their voting rights more easily by allowing shareholders to exercise their voting rights in writing.

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2. IR Activities **updated**

	Supplementary Explanations	Explanation by Representative
Preparation and Publication of Disclosure Policy	The Company has created an IR site within its corporate website and announces its disclosure policy on the site.	
Holding Regular Investor Briefings for Individual Investors	The Company is holding an investor briefing for individual investors in which the Representative Director and CEO, the Executive Officer and CBDO, the Executive Officer and CFO, and Executive Officer and COO explain business performance and management policies. The Company also provides an opportunity for dialogue via the internet and discloses the details of the dialogue on its website.	Yes
Holding Regular Investor Briefings for Analysts and Institutional Investors	The Company holds a regular investor briefing for analysts and institutional investors every quarter in which the Representative Director and CEO, the Executive Officer and CBDO, the Executive Officer and CFO, and Executive Officer and COO explain financial results, business performance forecast, future business development, industry trends, and other topics. The Company also provides an opportunity for dialogue via the internet.	Yes
Holding Regular Investor Briefings for International Investors	The Company holds regular investor meetings in which the Representative Director and CEO and the Executive Officer and CFO explain financial results, business performance forecast, future business development, industry trends, and other topics for international investors.	Yes
Posting IR Materials on Website	The Company has created an IR site within its corporate website and releases IR materials on this site.	
Establishment of Department and/or Manager in Charge of IR	The IR and Corporate Communication Team of the Business Planning Department carries out IR activities and the Executive Officer and CFO is responsible for supervising the activities.	

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Provisions to Ensure Due Respect for Stakeholders in Internal Rules, etc.	<p>The Company carries out business activities with a belief that earning the trust of shareholders, customers and other diverse stakeholders is key to expanding its business. In response to a changing business environment, the Company has improved its business management system so that the system can ensure management efficiency while establishing a management system that enables swift decision-making and business execution. The Company also intends to ensure that its compliance system works properly based on sound ethics and strives to develop business to meet stakeholders' expectations.</p> <p>The Company also recognizes that sustainable growth and the creation of medium- to long-term corporate value are built on cooperative relationships with stakeholders other than shareholders, and are taking the lead in fostering a corporate culture and climate that respects sound business ethics as defined in the ENECHANGE Group Charter of Corporate Behavior.</p>
Implementation of Environmental Activities, CSR Activities, etc.	<p>The Company will actively work toward achieving the Sustainable Development Goals (SDGs) through offering energy services as a platform company in the energy business to create the sustainable energy future we need to have by 2030. The details of specific initiatives are available on our website (https://enechange.co.jp/en/sdgs/).</p>
Formulation of Policies for Information Provision to Stakeholders	<p>The Company intends to actively disclose information to stakeholders on its website or by holding IR events such as financial results briefing.</p>
Other	<p>The Company announced its "Correspondence Guideline for Covid-19" in May 2020. It has taken initiatives to help employees work more flexibly, so employees with time constraints due to various factors can work more efficiently, which helps increase the efficiency of overall business operations and productivity.</p>

IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and Progress of System Development **updated**

The Company maintains its internal control system and risk management structure based on the Basic Policy for Establishing Internal Control System developed by the Board of Directors. The overview of the policy is as follows:

1. System to ensure that Directors and employees of the Company and its subsidiaries execute their duties in compliance with laws, regulations, and the Articles of Incorporation

- a. For Directors, the Company's Rules on Officers stipulate that "they shall comply with laws, regulations, the Articles of Incorporation, and resolutions by general shareholders meetings and the Board of Directors" and "they shall always strive to behave in a disciplined manner from a compliance perspective, comply with laws and regulations, and fulfill corporate social responsibilities." For Executive Officers, the Company's Rules on Executive Officers prohibit "violating obligations stipulated in the Companies Act, other applicable laws and regulations, or the Company's internal rules." For employees, the Company's Rules on Employment stipulate that "they shall comply with the Rules on Employment, internal provisions, instructions, and notifications, and shall not violate, or take any action that would violate, any of these."
- b. As the ENECHANGE Code of Conduct, the Company has put compliance provisions in place including Compliance Rules and ensures that all Directors and employees comply with these provisions.
- c. The Company has established the Board of Directors. In case of any violation of laws, regulations, the Articles of Incorporation, or other internal rules, the Board of Directors promptly grasps what has happened and strives to deal with the violation.
- d. The Company has established a whistleblowing system pursuant to the Rules on Whistleblowing, and prevents violation of laws, regulations, or the Articles of Incorporation.
- e. When the Company becomes aware of a violation of laws, regulations, or the Articles of Incorporation committed by a Director, an Executive Officer, or an employee, it takes disciplinary action against a Director in accordance with the Rules on Officers, an Executive Officer in accordance with the Rules on Executive Officers, or an employee in accordance with the Rules on Employment.
- f. The Company has established the Internal Audit Office independent from the departments executing operations, and performs internal audits in accordance with the Internal Audit Rules. The Internal Audit Office regularly reports the internal audit plans, results, and other matters to Representative Directors, the Board of Directors, and the Board of Corporate Auditors. In addition, the Internal Audit Office conducts audits in cooperation with the Board of Corporate Auditors and the Financial Auditor as necessary, thereby promoting organic coordination among the three auditing bodies.
- g. The Company holds regular liaison meetings between the Board of Corporate Auditors (at minimum, the Full-time Corporate Auditor) and the Internal Audit Office to share information and enhance the effectiveness of audits.
- h. The personnel evaluation of the General Manager of the Internal Auditor Office is determined with the consent of the Board of Corporate Auditors.
- i. The Company has put in place rules, manuals, and guidelines on accounting and financial closing processes, as well as financial reporting, to ensure proper accounting practice and increase the reliability of financial reporting. In addition, in accordance with the Position Paper Guidelines, the Company prepares position papers for (i) accounting estimates, accounting policies, accounting treatment related to fundamental matters for the preparation of consolidated financial statements, disclosures such as notes, or unusual events such as accidents or misconduct for which it is necessary to present the Company's view, and which are of quantitative or qualitative materiality; and (ii) matters that have been determined, through consultation with the Financial Auditor, to require preparation. Furthermore, the Company has established an internal control environment for financial reporting and keeps the environment effective in which independent individuals from accounting duties evaluate such accounting procedures.
- j. The Company has established a system to shut out any relationships with anti-social forces and takes a firm stance against any unreasonable demands from them.

2. System for retaining and managing information on the execution of duties by Directors of the Company

- a. Pursuant to the Document Management Rules, the Company appropriately prepares, retains, provides, receives, and disposes of important documents and records that contain information on the execution of duties by Directors, including important documents on general management, documents on decisions and important meetings, and financial and accounting documents.
- b. In the Document Management Rules, the Company has set out a retention period, a person responsible for managing documents by type of document, and the methods of retaining and disposing of documents and records (including electronic records; hereinafter, the same), and operates accordingly.

3. Rules and other systems for managing risks of losses in the Company and its subsidiaries

- a. The Company's Risk Management Rules and Compliance Rules have set out a system for managing different types of risks and a structure for maintaining the risk management system. Accordingly, the Company regularly, or as necessary, identifies and evaluates such risks.
- b. Pursuant to the aforementioned policy, Executive Officers identify and categorize company-wide risks that are apparent or inherent in their respective responsible business divisions and report the identified or categorized risks to the Executive Committee.
- c. The Executive Committee evaluates the reported risks in the preceding paragraph and reports them to the Compliance and Risk Management Committee if it deems necessary.
- d. The Compliance and Risk Management Committee conducts quarterly monitoring to ensure continuous risk management

utilizing a risk map. In addition, the Committee monitors the status of responses as needed, engages early in emerging cases, and compiles and organizes risk-related information. The risk map is reviewed annually, taking into account the results of control activities throughout the year, and is re-evaluated or updated with new risks as necessary.

- e. The Compliance and Risk Management Committee carefully deliberates on significant management risks, and the Board of Directors takes appropriate actions against the risks as necessary.
- f. The Internal Audit Rules have set out that the Internal Audit Office shall be given authority to perform operational audits, financial audits, audits on subsidiaries and associates, and special investigations. In such internal audits, the Internal Audit Office verifies and evaluates whether organizations, systems, and operations are run and implemented efficiently in compliance with the management policy and other rules and regulations, and provides advice based on the results of the verification and evaluation. In such a way, the Company prevents frauds and errors, provides accurate information on controls, preserves property, and improves and enhances business activities.

4. System to ensure that Directors of the Company and its subsidiaries execute their duties efficiently

- a. The Board of Directors holds a regular meeting twice a quarter and an extraordinary meeting as necessary to make swift decisions.
- b. Directors make efficient decisions based on a business plan and a budget drawn up by the Board of Directors and report the progress of budget execution at the Board of Directors.
- c. The Board of Directors reviews the monthly business performance and develops measures for improvement.
- d. The Company has put in place the List of Segregation of Duties and Authority Rules, under which Directors execute their duties efficiently, and amends these documents as necessary according to the actual conditions.

5. System to ensure proper business operations of the Group consisting of the Company and its subsidiaries

- a. The Company has established Rules for Management of Subsidiaries and Associates for the purpose of ensuring smooth business operations and proper management of the subsidiaries.
- b. In the Company's important meetings such as the Board of Directors meetings, the subsidiaries' directors report operating results, financial position, and other important information.
- c. The Company's Internal Audit Office performs an internal audit of how the subsidiaries execute and manage business and establishes a system for ensuring the appropriate execution of business.

6. Matters concerning employees to assist duties of Corporate Auditors when they request the appointment of such employees, matters concerning the independence of the employees from Directors, and matters concerning ensuring the effectiveness of instructions from Corporate Auditors to employees

- a. The Company appoints its employees to assist the Board of Corporate Auditors or individual Corporate Auditors when requested to do so in order to support the execution of their duties.
- b. Prior consent from the Board of Corporate Auditors is required for decisions about the appointment, transfer, and other personnel matters of the employees who assist duties of Corporate Auditors.
- c. When the Company appoints its employees to assist with the duties of Corporate Auditors, it informs the officers and employees that the employees shall follow command and orders from the Board of Corporate Auditors and the Corporate Auditors.

7. System for Directors and employees of the Company and its subsidiaries to report to the Board of Corporate Auditors, and system to ensure that such Directors and employees reporting to the Board of Corporate Auditors are not treated unfavorably on the grounds of such reporting

- a. Directors, Executive Officers, and employees (hereinafter collectively referred to the "Personnel" in this section) provide necessary reporting and information upon request from each of the Corporate Auditors in accordance with provisions set out by the Board of Corporate Auditors.
- b. The Personnel report and provide information to Corporate Auditors as follows:
 - Reporting and providing information at the Board of Directors
 - Reporting and providing information when General Managers of each business division and other individuals are interviewed
- c. The Company takes measures to protect the Personnel in accordance with the Rules on Whistleblowing, who have reported pursuant to the preceding two paragraphs, a and b, so that they will not be treated unfavorably on the grounds of such reporting.

8. System to ensure effective auditing by Corporate Auditors

- a. Corporate Auditors regularly exchange opinions and have mutual communication with Representative Directors.
- b. Corporate Auditors regularly exchange information and have mutual cooperation with the Financial Auditor and the General Manager of the Internal Audit Office.
- c. Corporate Auditors may seek opinions from an attorney-at-law, a certified public accountant, and other experts when they deem it necessary for auditing.
- d. Corporate Auditors attend important internal meetings when they deem it necessary in addition to the Board of Directors meetings, receive reports on important matters, and express their opinions.

9. Matters concerning procedures for advance payment or reimbursement of expenses incurred by Corporate Auditors for the execution of their duties, and treatment of other expenses or liabilities incurred by Corporate Auditors for the execution of their duties

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- a. When Corporate Auditors claim advance payment or reimbursement of expenses incurred by them for the execution of their duties, the Company promptly makes payment to or reimbursement to the Corporate Auditors for the expenses unless it deems the expenses unnecessary for the execution of their duties.

2. Basic Views on Eliminating Anti-Social Forces and Progress of Related Efforts

1. Basic views on eliminating anti-social forces

The Company has established Regulations on Measures Against Anti-Social Forces, stipulating the elimination of anti-social forces. Accordingly, the Company ensures that it will not have any relationships with anti-social forces including organized crime groups and that it will reject any engagement with anti-social forces with a firm stance if they demand it.

2. Progress of related efforts to eliminate anti-social forces

The Company has established Regulations on Measures Against Anti-Social Forces, prohibiting any contact with anti-social forces. Part of the aforementioned basic views on eliminating anti-social forces is incorporated in the Basic Policy for Establishing Internal Control System in accordance with the Companies Act of Japan. The Company also strives to prevent anti-social forces from interfering in its business activities and detect any suspicious signs early. For example, the Company checks in the course of day-to-day operations whether there is any information indicating that potential business partners or customers have any relationships with an anti-social force before entering into a business relationship with them. If any of the Company's existing business partners or customers are found to be or suspected of being anti-social forces, the Company will promptly dissolve the business relationships with them.

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V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures Not Adopted

Supplementary Explanation

N/A

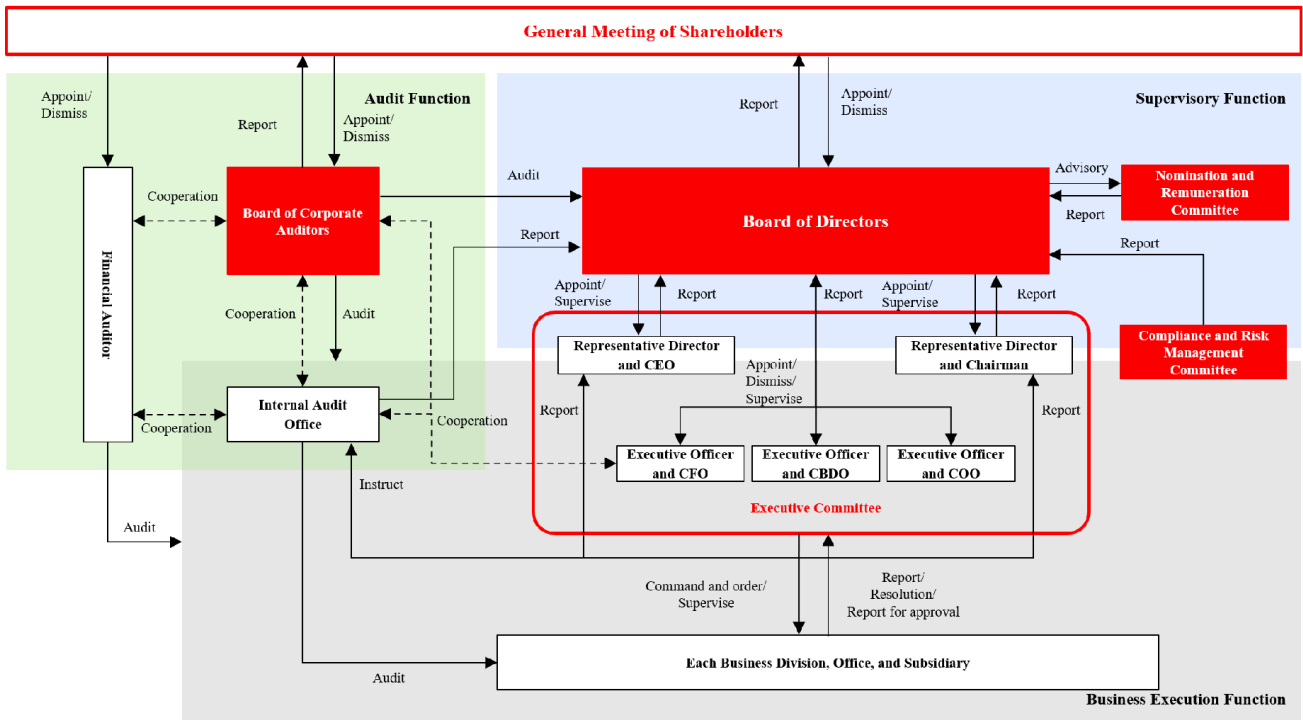
2. Other Matters Concerning Corporate Governance System **updated**

Please find the schematic depictions of the Company's corporate governance system and administrative flow of procedures for timely disclosure of information shown below.

END

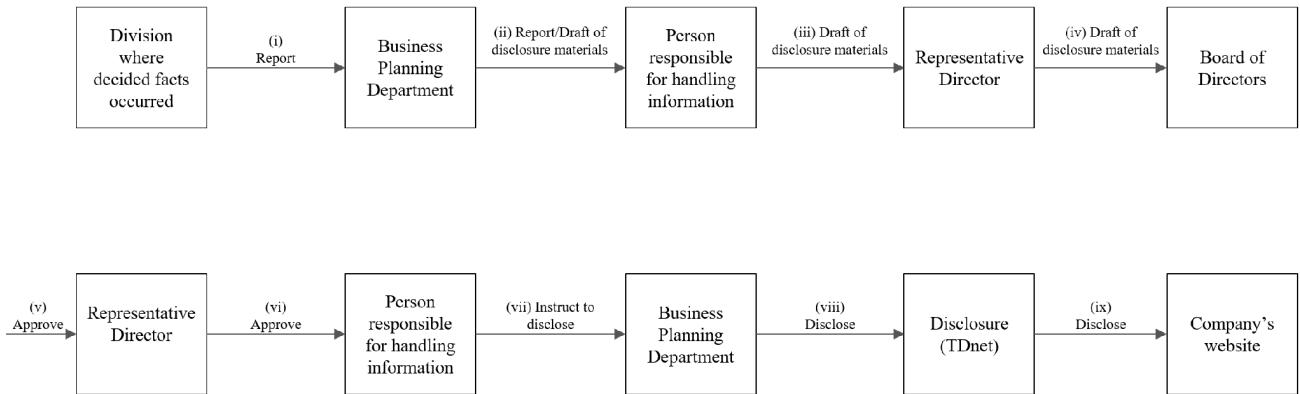
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[Schematic (Reference)]



[Overview of the Timely Disclosure Framework (Schematic)]

1. Administrative flow of timely disclosure of decided facts and financial results



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2. Administrative flow for timely disclosure of occurred facts

