

English Translation

This is a translation of the original release in Japanese. In the event of any discrepancy, the original release in Japanese shall prevail.

Corporate Governance Report

CORPORATE GOVERNANCE

kubell Co., Ltd.

Last Update: 1, April, 2025

kubell Co., Ltd.

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<https://www.kubell.com/en/ir/>

The corporate governance of kubell Co., Ltd. (the “Company”) is described below.

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

1. Basic Views

The Company is striving to build a management control system that enhances operational efficiency while improving soundness, transparency, and compliance in management, aiming to enhance long-term corporate value amidst the changing environment of the business chat market. The Company seeks to gain the trust of all stakeholders, including shareholders.

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

The Company implements all the fundamental principles of the Corporate Governance Code.

2. Capital Structure

Foreign Shareholding Ratio	Less than 10%
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Status of Major Shareholders (Update)

Name or Company Name	Number of Shares Owned	Percentage (%)
Fun&Creative Co., Ltd.	20,530,400	49.28
Masaki Yamamoto	1,766,439	4.24
Goldman Sachs International	1,334,569	3.20
BANK JULIUS BAER AND CO. LTD. SG FAO KAZUTAKA HOSAKA	1,191,500	2.86
Katsuyuki Yamaguchi	1,183,698	2.84
BNY GCM CLIENT ACCOUNT JPRD AC ISG(FE-AC)	1,065,605	2.56
Custody Bank of Japan, Ltd. (trust account)	1,037,800	2.49
THE HONGKONG AND SHANGHAI BANKING CORPORATION LTD - SINGAPORE BRANCH PRIVATE BANKING DIVISION A/C CLIENTS	997,400	2.39
Naoki Inoue	417,070	1.00
GOLDMAN,SACHS&CO.REG	330,000	0.79

Name of Controlling Shareholder, if applicable (excluding Parent Companies) (Update)	-
Name of Parent Company, if applicable	N/A

Supplementary Explanation (Update)

1. The status of major shareholders is as of December 31, 2024.
2. While the Substantial Shareholding Report (Amendment Report) made available for public inspection as of May 9, 2024, states that Asset Management One Co., Ltd. held 1,985,700 shares (4.88%) as of April 30, 2024, the Company was unable to confirm the actual number of shares beneficially owned as of the end of the current fiscal year. Therefore, these shares are not included in the status of major shareholders mentioned above.
3. Although the Substantial Shareholding Report (Amendment Report) made available for public inspection as of March 18, 2022, indicates that Nomura Securities Co., Ltd. and its joint holders owned 1,300,552 shares (3.30%) as of March 15, 2022, the Company could not verify the actual number of shares beneficially owned as of the end of the current fiscal year. Consequently, these holdings are not included in the major shareholder information provided above.

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Growth Market in Tokyo
Fiscal Year-End	December
Business Sector	Information & Communication
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year (Update)	500 or more but fewer than 1,000
Net Sales (Consolidated) for the Previous Fiscal Year	Less than 10 billion yen
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 (Update)

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

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

1. Organizational Composition and Operation

Corporate Governance System	Company with Audit & Supervisory Committee
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Directors

Number of Directors Stipulated in Articles of Incorporation	10
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	8
Election of Outside Directors	Elected
Number of Outside Directors	5
Number of Independent Directors	5

Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Tomohiro Miyasaka	From another company											
Akiko Kumakura	CPA											
Masayuki Murata	From another company											
Akenobu Hayakawa	Lawyer											
Fumiyuki Fukushima	CPA											

*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
- Executive or Non-executive Director of the Company's parent company
- Person who executes business for a fellow subsidiary
- Major supplier of the Company or a person who executes business for said supplier
- 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/Audit & Supervisory Committee member
- 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 or supplier 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 with which the Company has mutually appointed Outside Directors/Outside Audit & Supervisory Committee members
- 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
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Tomohiro Miyasaka	-	○	-	Elected as an Outside Director due to his deep understanding and insight into management, and his ability to provide advice from a broad perspective not only on the Company's immediate business development but also on long-term growth. Additionally, there are no special interests between him and the Company, and he has been designated as an Independent Officer based on the independence standards set by the Tokyo Stock Exchange, ensuring no conflict of interest with general shareholders.
Akiko Kumakura	○	○	-	Elected as an Outside Director who is also an Audit & Supervisory Committee member, due to her extensive knowledge and wide-ranging experience in finance and accounting over many years as a certified public accountant. She is expected to ensure fair and impartial decision-making in its business activities and maintain sound management. Additionally, there are no special interests between her and the Company, and she has been designated as an Independent Officer based on the independence standards set by the Tokyo Stock Exchange, ensuring no conflict of interest with general shareholders.
Masayuki Murata	○	○	-	Elected as an Outside Director who is also an Audit & Supervisory Committee member, due to his thorough understanding of the governance and management systems required by the capital market and his ability to fulfill his roles and responsibilities from an independent standpoint in relation to business execution. Additionally, there are no special interests between him and the Company, and he has been designated as an Independent Officer based on the independence standards set by the Tokyo Stock Exchange, ensuring no conflict of interest with general shareholders.
Akenobu Hayakawa	○	○	-	Elected as an Outside Director who is also an Audit & Supervisory Committee member, due to his extensive experience, high insight, and expertise as a lawyer. It is expected that he will enhance the effectiveness of the decision-making and supervisory functions of the Board of Directors from an independent standpoint. Additionally, there are no special interests between him and the Company, and he has been designated as an Independent Officer based on the independence standards set by the Tokyo Stock Exchange, ensuring no conflict of interest with general shareholders.
Fumiyuki Fukushima	○	○	-	Elected as an Outside Director who is also an Audit & Supervisory Committee member, due to his extensive knowledge and wide-ranging experience in finance and accounting over many years as a certified public accountant. He is expected to ensure fair and impartial decision-making in its business activities and maintain sound management. Additionally, there are no special interests between him and the Company, and he has been designated as an Independent Officer based on the independence standards set by the Tokyo Stock Exchange, ensuring no conflict of interest with general shareholders.

Audit & Supervisory Committee

Composition of Supervisory Committee and Attributes of the Chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Committee Chair
Audit & Supervisory Committee	4	1	0	4	Outside Director

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

Appointed

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

After discussions within the Board of Directors, the Company has appointed employees to assist the Audit & Supervisory Committee in its duties. These assistant employees will not receive any directives or orders from Directors who are not Audit & Supervisory Committee members or from the heads of their respective departments regarding instructions from the Audit & Supervisory Committee. Additionally, any personnel changes, evaluations, or disciplinary actions concerning these assistant employees will require the consent of the Audit & Supervisory Committee.

Cooperation among the Audit & Supervisory Committee, Accounting Auditors and Internal Audit Department (Update)

The Audit & Supervisory Committee, the accounting auditor, and the internal audit department regularly share information and collaborate by exchanging information based on their respective audits. This coordination enhances the effectiveness of the three types of audits.

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 (Update)

	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	—	—	—	—	—	—	—	—
Voluntarily Established Committee Equivalent to Remuneration Committee	Compensation Committee	6	3	2	4	0	0	Outside Director

Supplementary Explanation

At the Board of Directors meeting held on March 19, 2024, a resolution was passed to establish a "Compensation Committee" as an optional advisory committee to the Board of Directors. The purpose of establishing this committee is to enhance the fairness, transparency, and objectivity of the procedures related to the compensation of its Directors (excluding Directors who are Audit & Supervisory Committee members), Senior Executive Officers, and Executive Officers (hereinafter collectively referred to as the "Target Officers"), as well as to ensure that executive compensation contributes to the enhancement of corporate value over the medium to long term, thereby further enriching the Company's corporate governance system. The role of this committee is primarily to provide recommendations to the Board of Directors on the following matters:

1. Matters related to the policy for determining the compensation of Target Officers
2. Matters related to the levels and composition of the compensation for Target Officers
3. Matters related to the appropriateness of individual compensation for Target Officers
4. Other matters deemed necessary by the Board of Directors

The Compensation Committee will be composed of three or more Directors selected by resolution of the Board of Directors, with the majority of its members being Independent Outside Directors.

Matters Concerning Independent Directors

Number of Independent Directors	5
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Other Matters Concerning Independent Directors

The Company does not have specific standards or policies regarding the independence of Outside Directors. However, the Company references the independence criteria set forth by the Tokyo Stock Exchange and makes individual judgments based on the candidates' backgrounds and their relationship with the Company. The Company selects candidates who can ensure their independence from the Company. All five current Outside Directors have been reported as Independent Directors.

Incentives

Implementation Status of Measures related to Incentives Granted to Directors	Introduction of Performance-linked Remuneration Scheme / Introduction of Stock Options Scheme / Other
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Supplementary Explanation for Applicable Items

The Company grants stock options to its officers and employees (including former officers and employees) as an incentive. Additionally, for its Directors, the Company has introduced a pre-grant restricted stock compensation system. This system aims to more closely align the benefits and risks of stock price fluctuations experienced by the Directors with those of its shareholders, thereby enhancing their motivation to contribute to the enhancement of corporate value. Furthermore, for Directors(excluding Outside Directors), the Company has implemented a performance-linked restricted stock compensation system utilizing Performance Share Units. This system grants common stock of the Company after the end of a specified period, based on the achievement level of performance targets during that period.

Persons Eligible for Stock Options	Outside Directors / Employees / Other
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Supplementary Explanation for Applicable Items

The recipients are determined with the aim of enhancing the awareness of management and performance improvement among officers and employees, and actively engaging them in enhancing corporate value.

Director Remuneration

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

The Company does not provide details as the total amount of compensation and other benefits for any individual does not exceed 100 million yen.

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

The policy for determining the amount or calculation method of the Company's officers' compensation shall be decided by the Board of Directors and the Audit & Supervisory Committee within the scope approved by the General Meeting of Shareholders. Regarding the compensation of Directors (excluding Directors who are Audit & Supervisory Committee members), the Compensation Committee shall be consulted before a decision is made by the Board of Directors.

Additionally, the compensation for Directors (excluding Directors who are Audit & Supervisory Committee members) consists of fixed compensation, short-term performance-linked compensation, and stock compensation as a medium- to long-term incentive.

Support System for Outside Directors (Update)

Support for the Independent Directors is provided by the Corporate Division. Board of Directors meeting materials are distributed in advance to secure sufficient time for review, and pre-meeting explanations and responses to questions are provided as necessary. In addition, support staff are assigned to the Audit & Supervisory Committee, which is composed of Independent Directors. Reports and information are provided to the Audit & Supervisory Committee in a timely manner through participation in key meetings and inspection of important documents, among other activities, by the full-time Independent Director who is a member of the Audit & Supervisory Committee.

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

The Company has established the Board of Directors, the Management Committee, and the Audit & Supervisory Committee.

The Board of Directors consists of four Directors (excluding Directors who are Audit & Supervisory Committee members) and four Directors who are Audit & Supervisory Committee members. In addition to the regular monthly Board of Directors meetings, extraordinary Board of Directors meetings are held as necessary. The Board of Directors, as the decision-making body for management, resolves material issues and supervises the Directors' execution of their business duties, in accordance with the "Board of Directors Regulations." Furthermore, Outside Directors provide advice and oversight to the Board of Directors from an external, third-party perspective.

The Audit & Supervisory Committee is composed of four Audit & Supervisory Committee members, all of whom are Independent Directors, including one full-time member. It holds monthly ordinary meetings and extraordinary meetings as necessary. The Audit & Supervisory Committee members exchange information, deliberate, and make decisions on important matters related to auditing within the Committee. Furthermore, the Directors who are Audit & Supervisory Committee members attend Board of Directors meetings and state opinions as necessary, thereby enabling them to constantly monitor the execution of duties by the Directors.

The Management Meeting is attended by four Senior Executive Officers, including three full-time Directors, and up to seven Executive Officers as needed. It is generally held once a week to make decisions on matters stipulated in internal regulations such as the "Authority and Responsibility Regulations". The members of the Management Meeting report on the status of business execution, exchange opinions on common issues, and share information. Furthermore, the Independent Director (full-time Audit & Supervisory Committee member) also participates in the Management Meeting as observers and states her opinion.

The Compensation Committee was established on March 19, 2024, by a resolution of the Board of Directors as an arbitrary advisory body to the Board of Directors, with the objective of enhancing the fairness, transparency, and objectivity of the procedures related to the compensation of the Company's Directors (excluding Directors who are Audit & Supervisory Committee members), Senior Executive Officer(excluding the Company's Directors), and Executive Officers, and making executive compensation contribute to the improvement of corporate value over the medium to long term. The Compensation Committee is composed of six Directors selected by resolution of the Board of Directors, four of whom are Independent Directors (Audit & Supervisory Committee members), and is held once a half year.

The Compliance Committee, chaired by the officer responsible for compliance and composed of members from risk and compliance-related departments, holds committee meetings once a quarter, as well as conducting regular training for officers and employees to maintain and enhance compliance awareness. In addition, Independent Directors (full-time Audit & Supervisory Committee members) and the internal audit department participate in the Compliance Committee as observers and state their opinions. The activities of the Compliance Committee are reported to the Board of Directors and the Audit & Supervisory Committee in a timely manner.

The Investment Committee is composed of four Senior Executive Officers, including three full-time Directors, and specifically discusses and decides on the execution of the Company's investments, giving instructions to the respective departments in charge. The Investment Committee is also held as needed depending on the case, and Independent Directors who are not Audit & Supervisory Committee members participate as observers and state their opinions.

Furthermore, the Company has entered into a Directors and Officers Liability Insurance contract with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The scope of insured persons under this insurance contract includes all Directors and Officers of the Company, and the insured persons do not bear the insurance premiums. This insurance contract covers damages such as compensation and litigation costs in the event that an insured person is claimed for damages during the insurance period arising from the execution of their duties. However, there are exemption clauses, such as damages arising from acts performed with the knowledge that they constitute violations of laws and regulations, which are not covered.

3. Reasons for Adoption of Current Corporate Governance System

The Company transitioned to a company with an Audit & Supervisory Committee as of the 19th Annual General Meeting of Shareholders held on March 29, 2023, to enhance the fairness, transparency, and efficiency of management through prompt decision-making and business execution by delegating authority. The Company has appointed five Outside Directors (including four Outside Directors who are Audit & Supervisory Committee members) to operate the Board of Directors, which is the decision-making body of management. By adopting a system that supervises its decision-making functions based on the extensive experience and high expertise of the Outside Directors, the Company has strengthened the oversight function of the Board of Directors. Furthermore, by delegating authority to the management committee in accordance with the "Compliance Regulations" and other rules, the Company aims to achieve prompt and efficient decision-making.

III. Implementation of Measures for Shareholders and Other Stakeholders

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

	Supplementary Explanation
Early Notification of General Meeting of Shareholders	The Company strives for early dispatch to enable shareholders to exercise their voting rights after examining the contents of the proposals. Furthermore, the notice of convocation is disclosed on the Company's website prior to its dispatch.
Scheduling of the General Meeting of Shareholders on a Non-Peak Day	To encourage greater attendance by shareholders, the Company will strive to schedule its Annual General Meeting on dates that avoid conflicts with the peak days of other companies.
Electronic Exercise of Voting Rights	The Company enables the exercise of voting rights via the internet.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	The Company will consider participating in an electronic voting platform, taking into account future changes in its shareholder composition.
Providing Convocation Notices in English	The Company considers this an issue for future deliberation.

2. Status of IR-related Activities (Update)

	Supplementary Explanation	Explanation by a Representative Director or a Representative Executive Officer
Formulation and Publication of Disclosure Policies	The Company is committed to providing information to shareholders and investors based on the principles of transparency, fairness, and continuity. The Company has published information regarding its IR activities, including "Information Disclosure Standards and Methods," "Prevention of Insider Trading," "Handling of Earnings Forecasts and Forward-Looking Statements," and "Quiet Period," on its website. Disclosure Policy: https://www.kubell.com/ir/disclosure-policy/	
Regular Investor Briefings held for Analysts and Institutional Investors	On the financial results announcement date each quarter, the Company holds financial results briefings for analysts and institutional investors, where the CEO and CFO explain the Company's management policy and business performance. These briefings are also posted on the Company's website as videos and transcripts to ensure equitable information disclosure.	Held
Regular Investor Briefings held for Overseas Investors	The Company also discloses financial results information in English every quarter. In addition, the Company holds conference calls	Not Held

	and video conferences for overseas investors to facilitate communication with them.	
Online Disclosure of IR Information	The Company posts financial highlights, timely disclosure materials, annual securities reports, semi-annual reports, shareholder meeting notices, financial results presentation materials, financial results supplementary materials, etc., on its website. Major IR materials are disclosed simultaneously in both Japanese and English. The Company's website: https://www.kubell.com/en/ir/	
Establishment of Department and/or Placement of a Manager in Charge of IR	The Corporate Planning Division is in charge of IR..	

3. Status of Measures to Ensure Due Respect for Stakeholders (Update)

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	The Company considers it crucial to gain the trust of various stakeholders, including shareholders, investors, and customers. The Company provides timely, appropriate, and fair information to stakeholders based on its "Timely Disclosure Manual" and "Fair Disclosure Rules Compliance Manual." Additionally, to ensure thorough compliance and enhance its social credibility, the Company has established the "Compliance Regulations" and strives to uphold strict compliance.
Implementation of Environmental Preservation Activities and CSR Activities, etc.	The Company's mission is "Making work more fun and creative." We aim to create a society where "work," a significant part of life, is not just for earning a living, but allows as many people as possible to enjoy their work and fully express their creativity. To address societal challenges, the Company is committed to developing and providing products and services that enhance work efficiency and foster new, creative ways of working.
Formulation of Policies, etc. on Provision of Information to Stakeholders	In its IR activities, the Company adheres to the basic policy of providing clear, fair, timely, and appropriate information regarding its management policies, business activities, financial information, and more to stakeholders, including shareholders and investors. The Company complies with the timely disclosure regulations stipulated by the Financial Instruments and Exchange Act and the Tokyo Stock Exchange, and strives for timely and appropriate information disclosure. Furthermore, the Company also proactively disclose information not subject to these regulations to enhance management transparency.
Other	The CEO Office, which reports directly to the CEO, serves as the main department responsible for promoting sustainability and ESG initiatives, with the Head of the CEO Office as the chief promoter. To realize its mission and vision, the Company identifies 11 key issues from both financial and non-financial perspectives that its group should address in the mid-to-long term, and the Company promotes initiatives after obtaining approval from the Board of Directors.

IV.15 Matters Concerning the Internal Control System

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

The Company has established various rules and regulations to ensure the appropriateness of its business operations, developed an internal control system, and is striving for its thorough implementation. In addition to audits by the Audit & Supervisory Committee, the internal audit department conducts internal audits to check the status of compliance with various rules and the effective functioning of the internal control system. The internal audit department also collaborates with the Audit & Supervisory Committee and the accounting auditor to ensure audit effectiveness.

Furthermore, the Company has established its "Basic Policy on the Internal Control System" as follows.

1. System to ensure that directors and employees execute their duties in compliance with laws and regulations and the Articles of Incorporation

(1) The Company shall conduct appropriate corporate activities in compliance with laws, regulations, the Articles of Incorporation, internal rules, and social norms, etc., in accordance with its Mission, Vision, and Values ("Integrity Driven - Be Sincere to Teams, Customers, and Society").

(2) The Representative Director and President shall make compliance one of the basic management policies to ensure thorough compliance and enhance social trust.

(3) By appointing a Director in charge of Compliance, establishing a "Compliance Committee" with the Director in charge of Compliance as the responsible officer based on the "Compliance Regulations," and developing an internal reporting system based on the "Internal Reporting Regulations," the Company shall establish a compliance activity promotion system and a system for collaboration and reporting with the Board of Directors and the Audit & Supervisory Committee.

(4) An independent internal audit department shall be established directly under the Representative Director and the internal audit department shall investigate the effectiveness and efficiency of internal controls based on the "Internal Audit Regulations," confirm that the execution of duties by employees, etc., complies with laws, regulations, and the Company's internal rules, and report to the Representative Director and the Audit & Supervisory Committee.

2. System regarding the storage and management of information related to the execution of duties by Directors

(1) Documents, ledgers, electronic records, etc., related to important information and decisions concerning the execution of duties by Directors shall be appropriately stored and managed in accordance with laws and regulations and the "Document Management Regulations."

(2) Directors may inspect these documents, ledgers, and electronic records as necessary.

3. Regulations and other systems concerning the management of risks of loss

(1) "Risk Management Regulations" shall be established, and particularly important risks shall be reported to the Board of Directors, and the status of risk items to be managed by the Company shall be confirmed at the Board of Directors or other meeting bodies.

(2) For risks identified during business execution or the internal audit process, risk assessment shall be conducted from the perspective of frequency of occurrence and impact, and efforts shall be made to prevent risks and detect them early.

(3) In the event of risk materialization, an emergency response system shall be established with the Representative Director as the overall supervisor, and efforts shall be made for early recovery in timely coordination with the Audit & Supervisory Committee.

4. System to ensure that the execution of duties by Directors is carried out efficiently

(1) Regular Board of Directors meetings shall be held once a month and extraordinary Board of Directors meetings shall be held as necessary, in accordance with laws, regulations, and the "Board of Directors Regulations," to resolve statutory matters, decide on important matters concerning management, and supervise the execution of business, etc.

(2) The Company shall establish a Management Meeting composed of Senior Executive Officers, and shall establish an Executive Officer system and regulations defining the division of duties and scope of authority according to each organization's responsibilities and position, and shall ensure prompt and efficient decision-making by delegating authority to each position in accordance with such regulations.

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

(1) The Kubell Group, consisting of the Company and its subsidiaries, shall share values throughout the group and conduct appropriate corporate activities in compliance with laws and regulations applicable to each subsidiary, the Articles of Incorporation, and internal rules.

(2) The Company shall manage subsidiaries based on the "Regulations Concerning Affiliated Companies," and each subsidiary shall establish a system for prior reporting to or prior approval from the Company regarding important matters affecting the Company Group based on internal rules, and shall dispatch officers and employees to subsidiaries to establish a system for reporting and coordinating the status of duty execution by the subsidiaries' officers and employees through attendance at important meetings such as the subsidiaries' boards of directors.

(3) Each subsidiary shall establish a Management Meeting and regulations defining the division of duties and scope of authority according to the organization's responsibilities and position, and shall ensure prompt and efficient decision-making by delegating authority to each position in accordance with such regulations.

(4) The Company's internal reporting system shall be operated throughout the Company Group, and efforts shall be made to prevent, detect early, correct, and prevent recurrence of compliance violations by the subsidiaries' directors and employees, etc.

(5) The Company's internal audit department shall conduct direct audits of subsidiaries or receive and confirm the validity and effectiveness of audit results from audits conducted by subsidiaries.

6. Matters concerning employees required by the Audit & Supervisory Committee to assist in their duties, matters concerning the independence of such employees from directors other than Audit & Supervisory Committee members, and matters concerning ensuring the effectiveness of instructions to such employees.

(1) When the Audit & Supervisory Committee requests the appointment of employees to assist in their duties, the Board of Directors shall appoint such employees in consultation with the Audit & Supervisory Committee.

(2) Instructions given to such assisting employees by the Audit & Supervisory Committee shall not be subject to the command and control of directors other than Audit & Supervisory Committee members or heads of departments to which they belong.

(3) Personnel transfers, evaluations, and disciplinary actions concerning such assisting employees shall be subject to the consent of the Audit & Supervisory Committee.

7. System for directors and employees of the Company and its subsidiaries to report to the Audit & Supervisory Committee.

(1) When there is a possibility that facts that could cause significant damage to the Company or its subsidiaries may occur or have occurred, or when there is a possibility that significant facts violating laws, regulations, or the Articles of Incorporation may occur, directors and employees of the Company and its subsidiaries shall report such facts to the Audit & Supervisory Committee without delay.

(2) The Audit & Supervisory Committee shall attend important meetings, such as Board of Directors meetings, to understand the important decision-making processes and the status of business execution, and as part of their audit duties, they may inspect important documents such as minutes of Board of Directors meetings and approval requests, and may request explanations from directors and employees as necessary.

(3) Regarding directors and employees who have reported to the Audit & Supervisory Committee, managers such as the Representative Director shall not treat them disadvantageously on the grounds of such reporting.

8. Matters concerning procedures for advance payment or reimbursement of expenses incurred in the execution of duties by Audit & Supervisory Committee members and other policies concerning the handling of expenses or debts incurred in the execution of such duties.

(1) Expenses necessary for the execution of duties by Audit & Supervisory Committee members shall be borne by the Company as actual costs.

9. Other systems to ensure the effective execution of audits by the Audit & Supervisory Committee.

(1) The Representative Director shall periodically hold meetings for opinion exchange with the Audit & Supervisory Committee to ensure mutual understanding.

(2) Directors shall establish an environment where Audit & Supervisory Committee members can attend important meetings to understand the important decision-making processes and the status of business execution,

and shall also establish an environment where they can collaborate with the internal audit department, the accounting auditor, and other external experts as necessary.

10. Basic approach and development status towards the exclusion of transactions with anti-social forces.

(1) The Company shall establish "Regulations on the Exclusion of Anti-Social Forces," thoroughly disseminate them to the directors and employees of the Company and its subsidiaries, take a firm stance against anti-social forces as an organization, and fulfill its social responsibility and public mission by refusing any relationship, including transactions and provision of benefits, with anti-social forces.

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

The Company has established the "Regulations for the Exclusion of Anti-Social Forces," which stipulates a resolute response to anti-social forces and the complete rejection of any relationships with such forces. This policy is thoroughly communicated to all directors and employees. Additionally, in the event of unjust demands, organizational violence, or criminal acts by anti-social forces, the Company has a system in place to resolve such issues in cooperation with external experts, such as its legal advisors and the police.

Specific responses are outlined in the "Anti-Social Forces Response Manual." Based on this manual, the Company conducts investigations and verifications, including internet searches, regarding business partners, officers, employees, shareholders, and others.

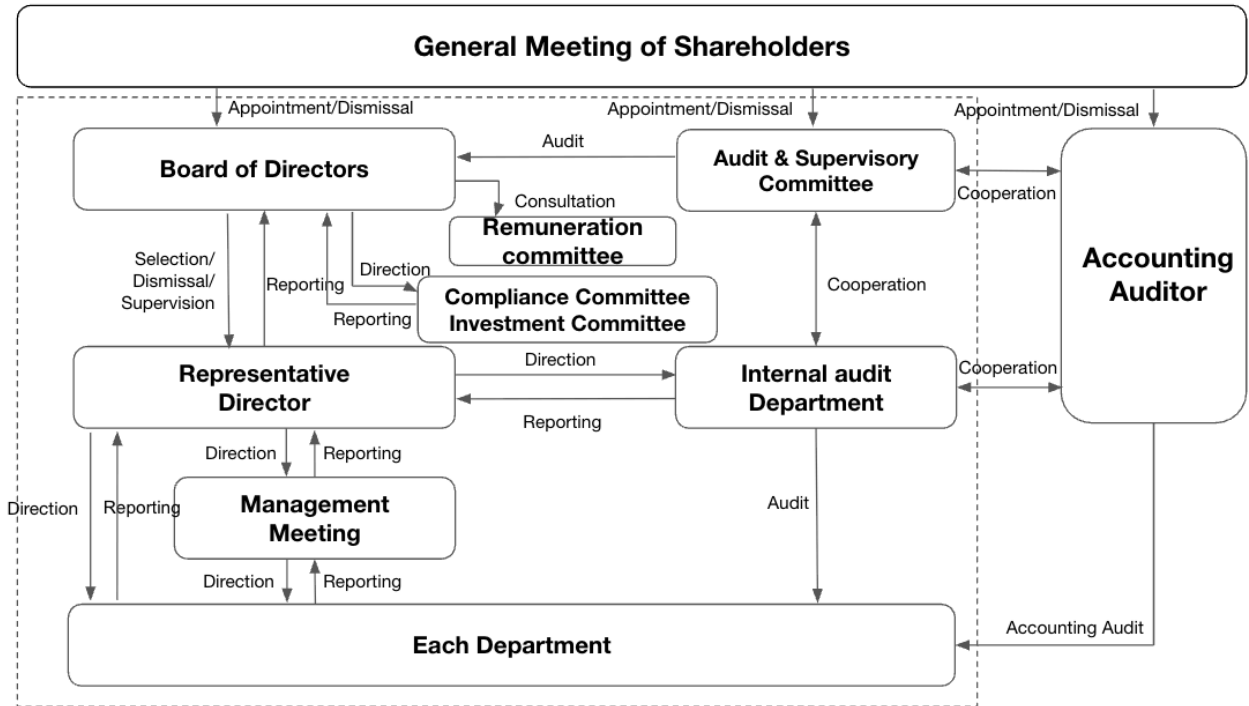
V. Other

1. Adoption of Anti-Takeover Measures

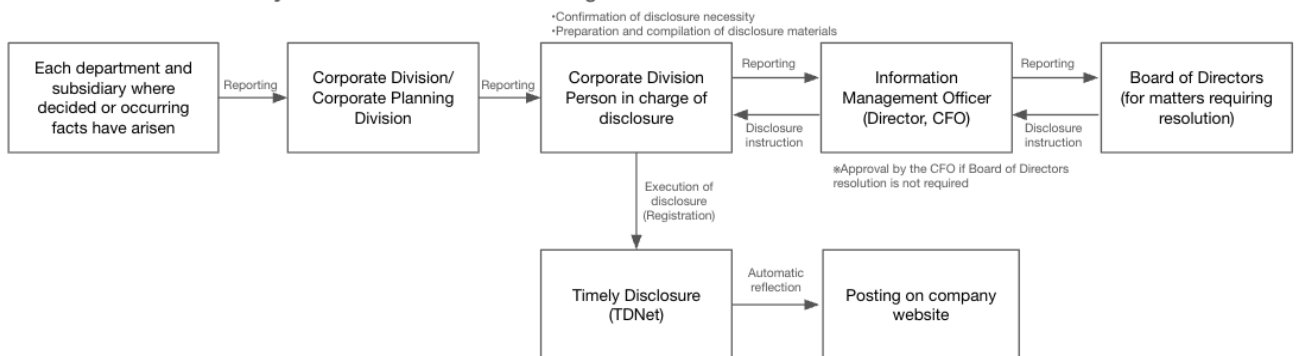
Adoption of Anti-Takeover Measures	Not Adopted
Supplementary Explanation for Applicable Items	
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2. Other Matters Concerning the Corporate Governance System (Update)

A schematic diagram illustrating the Company's corporate governance system and timely disclosure procedures is attached as reference document.



Outline of the Disclosure System for Decided and Occurring Facts



Outline of the Disclosure System for Financial Results Information

