

March 26, 2026

Representative Director Shoichiro Onishi
Contact: Corporate Administration Division
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The status of our corporate governance is as follows.

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

1. Basic Policy

In order to continuously increase our corporate value, The Company recognizes the importance of accelerating decision-making to improve management efficiency, while at the same time strengthening risk management in management.

The Company is a company with an Audit & Supervisory Committee. The Company monitors management risks through audits conducted by the Audit & Supervisory Committee as well as the Internal Audit Office, the Company strives to ensure thorough compliance and strengthen self-purification capabilities.

Through these measures, The Company will ensure the effectiveness of corporate governance and further enhance The Group's business management organization.

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

[Principle 4-8: Effective Use of Independent Outside Directors]

The Company has currently appointed two independent outside directors.

Taking into consideration the Company's business scale, industry characteristics, and overall management structure, the Company believes that the current number of independent outside directors is sufficient to ensure effective oversight and supervisory functions. Accordingly, at this time, the Company does not consider it necessary to appoint independent outside directors constituting at least one-third of the Board of Directors.

However, the Company will continue to review the appropriate composition of the Board, including the number of independent outside directors, in light of changes in the business environment.

[Disclosure based on each principle of the Corporate Governance Code]

[Principles 1-4] (Policy for cross-shareholdings and criteria for exercising voting rights)

The Company does not currently hold any listed shares as strategic shareholdings.

If the Company decides to hold listed shares for the purpose of strategic holding in the future, the Company will examine whether it will contribute to enhancing the corporate value of The Group from

a medium-to long-term perspective, taking into account the Company's business strategy, business relationships, and other factors. Depending on the results, the Company will take measures such as reducing the number of shares held. The Company plans to disclose the details of the verification in a timely and appropriate manner that contributes to the interests of shareholders. In addition, with regard to the exercise of voting rights related to strategic shareholdings, the Company plans to formulate specific standards from the perspective of enhancing the corporate value of The Group, and disclose them appropriately in a manner that contributes to the interests of shareholders.

[Principles 1-7] (Procedures and Monitoring System for Related Party Transactions)

When the Company conducts transactions (including conflicts of interest transactions) between the Company's executives, major shareholders, and other related parties, the Company takes care not to harm the common interests of the company and its shareholders. In order to comply with the Companies Act and other legal procedures, the Company makes resolutions for approval and report on the implementation of such transactions at the Board of Directors.

[supplementary principle 2-4①] (Ensuring diversity by promoting women, foreign nationals, and mid-career hires to managerial positions)

(1) Approach to ensuring diversity

In order to continue to seize the diversifying needs of the Company's customers and establish a position as a pioneer company that opens up the future of the Company's clients with expertise and diverse solutions, the Company is working to develop a work environment that makes maximum use of the characteristics and abilities of our core human resources and to acquire management skills, while securing human resources with diverse attributes, sensibilities and values, such as women, foreigners and mid-career recruits with various career backgrounds.

In August 2022, the Company established DE&I Promotion Committee. This committee is responsible for exchanging views and discussing measures with the aim of creating a work environment where employees can make the most of their individuality and fostering a dynamic organizational culture.

(2) Voluntary, measurable targets for ensuring diversity and the status thereof

Promotion of women to managerial positions

As of the end of December 2025, the Company had 25.4% of female employees (22.7% in the previous fiscal year) and 5.2% of female managers (8.8% in the previous fiscal year). The Company believes that the promotion of diversity in the company, including the promotion of the active participation of women, is an important measure for securing sustainable growth.

The Company will promote the creation of an environment in which women can play an active role, support the autonomous growth of the Company's employees, and increase the number of female

employees who will be involved in management decision-making in the future.

Target 1: Increase the percentage of female workers in the workforce to 30% or more (FY2026 target).

Goal 2: Increase the percentage of female workers in management positions to 15% or more (FY2026 target).

<promotion of foreign nationals to managerial positions>

The Company has been continuously recruiting foreign nationals, and currently have 22 employees(30 employees in the previous fiscal year), four of whom are active in management positions(five in the previous fiscal year).

At this time, the Company has not set a target for the ratio of foreign managers, but the Company will continue to recruit foreign human resources and promote them to managerial positions in order to expand our business domains by acquiring cross-border projects, create new businesses, and secure a competitive advantage.

<Promotion of mid-career hires to management positions>

Currently, the Company's management positions are dominated by mid-career hires.

The Company will continue to actively recruit and train mid-career employees based on the Company's policy of securing management personnel and professional personnel and strengthening the diversity of women and foreigners.

(3) Human resource development policy and internal environment development policy to ensure diversity, and the status thereof

The Company recruits by job category to provide an environment where each individual can make the most of his or her abilities. The Company also supports multi-faceted career development by utilizing a system that allows employees to switch to other positions if they wish.

In terms of improving the internal environment, The Company is promoting work style reforms to create a comfortable working environment for diverse human resources by appropriately managing and limiting working hours, reviewing our personnel system, further enhancing benefits, and thoroughly educating employees on harassment.

[Principle 2-6] (Exercise functions as an asset owner for corporate pension funds)

The Company does not have a defined benefit pension plan and has a company defined contribution pension plan. As a result, The Company is not involved in, and does not plan to, invest in the funding of the corporate pension plan as the asset owner.

[principle 3-1] (Enhancement of information disclosure)

(i) Corporate goals (management philosophy, etc.), corporate strategy and corporate planning

Management philosophy and plans are disclosed on our website and in our financial results briefing materials.

(ii) Basic Policy on Corporate Governance

Our basic approach to corporate governance is described on our website, this report, etc.

(iii) Policy and Procedures for Determining Remuneration of Directors, etc.

In determining the remuneration of directors, the Nomination and Remuneration Advisory Committee first deliberates based on the policies described in III of this report in order to increase transparency and fairness, decides on a draft of the individual remuneration of directors, and reports it to the Board of Directors. The Board of Directors then deliberates on the draft submitted by the Nomination and Compensation Advisory Committee and decides individual compensation for each director.

(iv) Policies and Procedures for Election, Dismissal, and Nomination of Candidates for Director

As described in Supplementary Principle 4-11① of this report.

(v) Explanation on the appointment, dismissal, and appointment of candidates for directors

When nominating candidates for Directors, the reasons for individual election and dismissal shall be disclosed to the notice of convocation of the general meeting of shareholders.

[supplementary principle 3-1③] (Initiatives regarding Sustainability)

(1) Initiatives for the Company's Sustainability

The Company has been working to contribute to the enhancement of corporate value and the building of a sustainable society by providing diverse solutions tailored to the business phases of the Company's customers, such as consulting, M&A, management staffing, and revitalization support, to domestic and overseas companies through teams of specialist groups. To contribute to the sustainability of our entire Group more than ever before, we have established the "Basic Policy on Sustainability" and the "Material Issues for Sustainability (Materiality)" that the Company should prioritize, and have established the "Sustainability Promotion Committee."

<Basic Sustainability Policy>

Since its foundation, The Company has been operating under the management philosophy of "Contributing to the interests of clients," "Contributing to the interests of stakeholders," and "Contributing to society."

The Group will gather the wisdom of its diverse professionals and contribute to a prosperous global environment and a sustainable society by supporting the resolution of management issues faced by clients, while also achieving the sustainable growth and development of the Group.

<Material Sustainability Issues (Materiality)>

In view of the fact that "human capital" is the core of the Company's management resources, the first important theme is "establishment of diversity and expertise in human resources." The second important theme is to use human capital to "contribute to the transformation of society and business".

In addition, in order for the Company itself and its client companies themselves to grow, we have identified "strengthening corporate growth and resilience" as a third important theme, and we have established important issues (materiality) in accordance with these three important themes.

The Group will contribute to a sustainable global environment and society by tackling these important issues, and strive for further growth of the Group. The Company believes that the growth of the Group will have a positive effect on the enhancement of human capital.

Important theme	Important issue (material quality)
Establishing diversity and expertise of human resource	① Deepening diversity and acceptance
	② Continued investment in human capital
	③ Train and produce management talent
	④ Contribute to a society where people can succeed while making the most of their individuality
Contributing to a shift in the shape of society and business	⑤ Foster business ethics
	⑥ Promote the shift to a decarbonized and recycling-oriented society
	⑦ Contribute to regional revitalization
Strengthening corporate growth potential and resilience	⑧ Enhance long-term value of client companies
	⑨ Pursuing a sound governance system

<Sustainability Promotion System>

The Company has established the Sustainability Promotion Committee, which deliberates and gives business instructions on matters related to activity plans, setting goals, and managing the progress of material issues related to sustainability, as well as matters related to the disclosure of such information, and regularly reports and makes proposals to the Board of Directors.

- Verification and provide recommendations concerning The Group's management policy and business strategy from the perspective of sustainability.
- Decide on policies to address each priority issue (establish KPIs)

- Draft annual action plans based on the above policies and confirm progress on these plans (report and submit proposals to the Board of Directors).
- Implement companywide risk management and coordination regarding items in the TCFD recommendations, in addition to items considered by the Risk Management Committee.
- Formulate the details of disclosures relating to the Group's sustainability initiatives.

<Efforts for TCFD>

The Frontier Management Group will contribute to the fight against climate change by promoting the reduction of its greenhouse gas emissions and environmental footprint, and by actively supporting our corporate clients as they shift to new business models to build a sustainable global environment and society.

The Company will disclose climate change-related information in accordance with the TCFD framework: Governance, Strategy, Risk Management, and Metrics and Targets.

Response to TCFD recommendations: disclosed in the "<https://www.frontier-mgmt.com/sustainability/>" section of our website.

To contribute to sustainability throughout The Group in the medium to long term, The Group established a Basic Policy for Sustainability, the Sustainability-Related Priority Issues (Materiality) to be addressed by The Group in November 2022, and the Company has established a Sustainability Promotion Committee under the Sustainability Management Section.

In the scenario analysis, the Group analyzed the financial impact in 2030 on the Company's mainstay business, Consulting and Advisory Business, which is the Group's main business, for two assumed scenarios: a 1.5°C scenario in which the impact is manifested in terms of transition and a 4°C scenario in which the impact is manifested in physical terms.

While natural disasters and the like caused by the climate change were found to have a negative impact on the Consulting and Advisory Business, the demand for these services may increase as companies go through the transition to a decarbonized society and adapt to climate change.

The Group considers climate change risk to be one of the important risks. The Risk Management Committee anticipates and appropriately assesses business risks and takes measures to avoid, mitigate and transfer risks. In addition, the status of responses and other matters are regularly reported to the Board of Directors.

CO₂ emissions (Scope 1, 2) at the Company's domestic sites are estimated to be 5.8t-CO₂ in fiscal 2025 and 0.0t-CO₂ in fiscal 2025 per employee. Since September 2022, the Company has been

switching to green power for the Company's head office, which accounts for the majority of the Company's power consumption, and the Company has seen a remarkable reduction in CO 2 emissions.

The Company's KPI for carbon-related emissions are as follows.

KPI	FY2022 Actual	FY2023 Actual	FY2024 Actual	FY2025 Actual	FY2030 Goal	FY2050 Goal
Scope1、2 (t-CO 2)	77.9	5.5	5.8	5.8	—	Virtually zero
Scope1、2 (t-CO 2) Employees Per capita	0.3	0.0	0.0	0.0	Compared to fiscal 2021 50% reduction	

In addition, The Company has set the following targets to achieve "virtually zero" carbon dioxide emissions.

- The Company will reduce greenhouse gas emissions by 50% from the fiscal year ended December 2021 by the fiscal year ending December 2030.
- The Company's goal is to reduce greenhouse gas emissions to virtually zero by the fi fiscal year ending December 2050, compared to the fiscal year ending December 2021.
- The Company is working to reduce the use of disposable plastic in our offices.
- The Company will encourage our employees to take climate change-friendly business trips.
- The Company will support our client companies in their transition to a decarbonized and recycling-oriented society.

In December 2022, The Company joined TCFD Consortium. The Company agreed to actively disclose financial data on climate-related changes. The Company will continue to actively disclose information on our own climate change-related risks and opportunities by utilizing information exchanges with companies and organizations endorsed by the consortium.

(2)Investment in human capital and intellectual property

As described in the section above, the core of the Group's management resources is "human capital," and, based on this recognition, the Company has positioned the establishment of diversity and expertise in human resources as an important theme.

With regard to investment in human capital, the Company has identified the recruitment of human resources with knowledge in key industries as an important strategy to continue active recruitment of human resources and to build a support system for a wide range of industries. At the same time, as described in Supplementary Principle 2-4 ① of this report, the Company is working to ensure diversity by promoting core human resources (women, foreigners, mid-career hires, etc.).

In addition, based on the Company's management strategy, The Company actively engages in investment in intellectual property that enables us to provide diverse solutions for clients' problems by appointing professionals such as lawyers, accountants and tax accountants, as well as management consultants, industrial analysts and other professionals.

In November 2022, The Company participated in the Human Capital Management Consortium, which was established with the aim of promoting human capital management in Japanese companies both in terms of practice and disclosure. The Company will make use of this information to promote the Company's human capital management through sharing of advanced examples of human capital management practices and discussions on cooperation between companies.

Supplementary principle 4-1① (Scope of Delegation to Management)

Matters to be judged and decided by the Board of Directors are stipulated in the Rules of the Board of Directors. The Board of Directors delegates decision-making on business execution to the management team, except for matters stated in laws and regulations, the Articles of Incorporation, and the Board of Directors Regulations, and operates in accordance with the Regulations on Administrative Authority.

[principle 4-9] (Independence Criteria for Appointing Independent Outside Directors)

The Board of Directors has formulated the "Guidelines for the Composition of the Board of Directors and the Election of Director Candidates. The internal rules stipulate the following criteria for determining independence in the appointment of independent outside directors.

The Board of Directors and the Nomination and Compensation Advisory Committee shall determine that an outside director is independent if he/she does not fall under any of the following items.

- (1) A close relative within the second degree of kinship of the said outside director is currently or has held office as a director, executive officer, executive officer, department manager or other important executive officer of the Company or any of its subsidiaries in the past year.
- (2) The outside director is currently an executive director, executive officer, or employee of a company that receives or provides to us in consideration of the provision of products or services, and the amount of such transactions exceeds 10% of the consolidated sales of any company in any one of the past three fi fiscal years.
- (3) In any one of the past three fi fiscal years, the outside director has received remuneration in excess of 10 million yen directly from us as a legal, accounting, or tax expert, consultant, or advisor (excluding remuneration as a director of our company).

[Supplementary principle 4-10①] (Establishment of Advisory Committees with Independent Outside Directors as Major Members)

We are a company with an Audit & Supervisory Committee. Of the seven directors, two are independent outside directors. Independent outside directors have not reached a majority of the Board of Directors. Voluntary Nominating and Compensation Advisory Committee, however, consists of two independent outside directors and one internal directors. Independent outside directors account for a majority of the Board of Directors, and the chairman of the committee is an independent outside director. As a result, independence and objectivity are enhanced. Deliberates on matters related to the nomination of directors and executive officers at the managing director level or higher who are consulted by the board of directors, as well as matters related to the remuneration of directors, and reports the details to the board of directors.

[Supplementary principle 4-11①] (Approach to Balance, Diversity and Scale of the Board of Directors)

In light of our medium-to long-term management direction and business strategy, the Board of Directors is composed of directors with diverse backgrounds, taking into account the knowledge and experience required of directors. The Board of Directors maintains an appropriate size that enables the Board of Directors to effectively perform its functions.

The Board of Directors consults the Nomination and Compensation Advisory Committee with regard to director candidates, and then selects director candidates after deliberating the draft decided by the committee. In such cases, the Board of Directors and the Nomination and Compensation Advisory Committee select candidates in accordance with the following policies set forth in the "Composition of the Board of Directors and Policy for Appointment of Director Candidates," which is an internal regulation of the Board of Directors.

Composition of the board of directors and policy for selecting director candidates (excerpts)

The Board of Directors and the Nominations and Compensation Advisory Committee shall consider the following when determining the candidates for the Board of Directors.

- (1) The prospective director is a person with excellent personality and insight.
- (2) Candidates for directors (excluding outside directors) shall have excellent track records in the business we conduct, both inside and outside the company.
- (3) Candidates for outside directors must meet the criteria for independence set forth in the following article and must have expertise or practical experience in management, economics, finance, accounting, finance, taxation, legal, risk-taking, IT, engineering, and administration.

At present, our Board of Directors is composed of seven members, including two outside directors. One of the two outside directors is a woman.

Our board skill matrix

Name (current position)	Attribute	Company Management	Economy	Finance Accounting	Corporate loans and investments	Management of legal risks	Sales Marketing	Global	Environment Society
Shoichiro Onishi (Representative Director)		●			●	●	●		●
Sumio Nishizawa (Director)		●	●	●	●		●		
Kyogo Murase (Director)		●	●	●		●	●		
Masao Nishihara (Directors)			●	●	●				●
Takeshi Umemoto (Audit & Supervisory Committee Member)			●	●	●				
Takashi Imamura (Audit & Supervisory Committee Member)	Outside the Company Independence	●	●	●	●			●	
Maoko Kikuchi (Audit & Supervisory Committee Member)	Outside the Company Independence	●		●		●		●	●

[Supplementary principle 4-11②] (Interlocking Position in Cases Where Directors Have Been Executives of Other Listed Companies)

The status of important concurrent positions held by directors and their candidates is disclosed annually in the notice of convocation of the general meeting of shareholders and in the annual securities report.

[Supplementary principle 4-11③] (Analysis and Evaluation of the Effectiveness of the Board of Directors as a Whole)

The Company aims to achieve sustainable growth and increase corporate value over the medium to long term. To achieve this, the Company recognizes that it is necessary to improve the effectiveness of the Board of Directors and further substantiate corporate governance.

The effectiveness of the Board of Directors is evaluated annually. An overview of the effectiveness

assessment for the fiscal year ended December 31, 2025 is as follows.

1. Outline of the Effectiveness Evaluation Method

(1) Evaluation method

Questionnaire system in which directors freely describe each question in the questionnaire

(2) Personnel who conduct the evaluation

Three directors and four directors who are members of the Audit & Supervisory Committee

(3) Implementation of the evaluation

① In January 2026, a questionnaire survey was conducted among the evaluators.

② At a Board of Directors meeting held in March 2026, after exchanging opinions on the results of a questionnaire survey, the Board of Directors conducted an effectiveness evaluation for the fiscal year ending December 2026.

2. Summary of the Results of the Evaluation of Effectiveness

(1) Effective supervision of directors and management (executive officers, etc.)

The Board of Directors received a generally positive assessment, noting that it regularly receives reports from each division and engages in sufficient deliberation on matters submitted for resolution, thereby fulfilling its oversight function effectively.

On the other hand, opinions were expressed that continuous follow-up on reports from each division may be insufficient, and that there may be areas not adequately examined, including matters not formally submitted as agenda items. In particular, some noted that it has been challenging to take prompt action in response to deteriorating business performance.

(2) Securing human resources

While the Board of Directors designs the nomination and remuneration systems for directors and management (including executive officers) from the perspectives of enhancing corporate value, overseeing directors and management, and securing human resources, opinions were expressed that, in order to attract and retain talent, it is necessary to clarify the Company's value proposition and sources of differentiation.

Additionally, although structural reforms to the internal organization have been implemented with the aim of enhancing corporate value, these reforms have also had an impact on declining revenue, and there were opinions that reinforcement of human resources is required.

(3) Sustainability Initiatives

The Board of Directors received a positive evaluation for engaging in discussions on long-term strategies that the Company should pursue in order to realize the sustainable growth and development of The Group.

At the same time, opinions were expressed that restoring business performance is an urgent priority, and that without a recovery in performance, it would be difficult to strengthen the administrative and

management functions. While there were many short-term challenges during the current fiscal year, there were also views that the Company needs to reconsider how it contributes to society and rebuild its business model.

(4)Other

With respect to the Board of Directors, positive opinions were expressed that free and open exchanges of views take place and that outside directors actively express their opinions and take action.

On the other hand, there were opinions that the monitoring function and overall effectiveness of the Board should be strengthened by reviewing the delegation of executive authority to executive officers and by increasing the level of involvement of executive officers in Board deliberations.

Regarding the Audit & Supervisory Committee, while positive opinions were expressed that information sharing with the internal audit function is being appropriately carried out, there were also opinions that the functions, operations, and independence of the Audit & Supervisory Committee should be further enhanced by appointing dedicated staff to support the Committee.

3. Initiatives to Improve the Effectiveness of the Board of Directors

Based on the issues recognized through the "Fiscal 2025 Evaluation of the Effectiveness of our Board of Directors," the Company will deliberate on matters to be implemented and decide on the policies for fiscal 2026 in order to further improve the effectiveness of our Board of Directors.

[Supplementary principle 4-14②] Training policy for directors

With regard to the policy of training directors, we have formulated the "Executive Training Guidelines," which are the bylaws of the Board of Directors. These bylaws generally stipulate the following as training policies.

- Directors shall attend external seminars as necessary to deepen their insight into the duties and responsibilities of officers. The Company shall bear the expense of the training.
- The Company shall set up opportunities for the Company's executives to meet with each other to cultivate their knowledge of the industry to which the Company belongs and their knowledge of us.

[Principle 5-1] (Policy for Establishing a System to Promote Constructive Dialogue with Shareholders)
(basic approach)

The Company believes it is important to engage in constructive dialogue with shareholders and investments in order to increase corporate value over the medium to long term. Through dialogue, The Company strive to gain shareholders and investors an understanding of the Company's management policies, etc., and to appropriately reflect the opinions of shareholders and investors in the Company's management policies, etc.

(Supervising Manager)

In order to realize constructive dialog with shareholders and investors, a person appointed by the director in charge of administration (meaning the director in charge of administration or the executive officer in charge of administration) has been appointed as the person in charge of IR.

(Organization)

The Corporate Administration Division is the department in charge of IR, and related departments, centered on this department, share information and other internal coordination.

(Means of Dialogue)

The Company strives to enhance the means of dialogue by holding general shareholders' meetings, financial results briefings and group meetings for institutional investors, and briefings for individual investors.

(feedback measures)

Shareholders' views obtained through dialogue are compiled by the department in charge of IR, and appropriate feedback is provided to the Representative Director or the Board of Directors by the person in charge of IR as needed.

(measures for managing insider information)

At the time of dialogue, insider information is appropriately managed in accordance with the "Internal Information Management Regulations," which are internal regulations.

[Measures for realizing management that is conscious of the cost of capital and stock price] <disclosed in English>

The Company considers ROE to be one of its key management indicators, and for the fiscal year ended December 2025 was -51.1% (-21.9% for the fiscal year ended December 2024).

Although the Company recorded net losses for the second consecutive fiscal year in the fiscal year ended December 2025, it is implementing the "Structural Reform Plan" announced in February 2025. In addition, based on the "Medium-Term Management Plan for FY2026–FY2028" announced in February 2026, the Company aims to restore business performance and enhance corporate value, with a target ROE of 20% or higher for the fiscal year ending December 2028.

The Company will continue to position ROE as one of its important management indicators and will steadily pursue initiatives to achieve management that is conscious of capital costs and share price.

[Implementation status of dialogue with shareholders]

The Company is actively engaged in interviews with domestic and foreign institutional investors by the representative director, the director in charge of IR, and the person in charge in the department in charge of IR. In addition, the Company actively provides information through IR website, materials for announcements of financial results, notices of general meetings of shareholders, etc. (including disclosure in English), and gathers opinions obtained through dialogue and feeds them back to

management. IR activities for individual investors (shareholders) are also actively carried out by the representative director, the director in charge of IR, and the person in charge of the department in charge of IR.

The activities for the fiscal year ended December 2025 are as follows.

(i) Financial results briefing: 4 times

(ii) Meetings with Institutional Investors and Analysts (Total number of meetings): 15 IR meetings and 3 SR meetings

2. Capital Structure

Foreign shareholding ratio	Less than 10%
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[Major Shareholders]

Name	Number of shares held	Ratio(%)
M&A Capital Partners, Inc.	2,287,000	19.43
Shoichiro Onishi	2,202,285	18.71
Masaya Yajima	614,880	5.22
The Master Trust Bank of Japan, Ltd.(Trust Account)	508,300	4.32
Tomohiro Murata	228,500	1.94
ANTEMA	223,900	1.90
Eiichiro Iwase	129,900	0.92
Satoshi Otani	108,000	0.92
Akinori Nishida	85,604	0.73
Shinji Hikoe	78,280	0.66

Controlling shareholders (excluding the parent company)	-----
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Parent company name	None
Parent company's stock exchange	-----

Supplementary explanation

In the report of large shareholdings made available for public inspection on March 17, 2021, it is stated that Sparks Asset Management Co., Ltd. held shares as of March 15, 2021. However, since the Company has not been able to confirm the actual number of shares held as of December 31, 2025, it is not included in the above list of major shareholders.

In addition, in the change report made available for public inspection on January 7, 2022, it is stated that Sumitomo Mitsui Trust Asset Management Co., Ltd. and Nikko Asset Management Co., Ltd. are jointly holding shares as of December 31, 2021. However, as we have not been able to confirm the actual number of shares held as of December 31, 2025, they are not included in the above list of major shareholders.

3. Company attributes

Listed exchange and market division	Tokyo prime
Fiscal year end	December
Industry type	Service industry
Number of employees (consolidated) as of the end of the immediately preceding fiscal year	100 to less than 500
(Consolidated) sales for the immediately preceding fiscal year	¥10 billion to less than ¥100 billion
Number of consolidated subsidiaries at the end of the immediately preceding fiscal year	Less than 10 companies

4. Guidelines for measures to protect minority shareholders when conducting transactions with controlling shareholders

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

Not applicable.

Status of the corporate governance system, including the management structure for II. management decision-making, execution, and supervision

1. Organizational structure and operation

Organizational form	Company with Audit & Supervisory Committee
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[Directors]

Number of directors in the articles of incorporation	10
Term of directorships in the Articles of Incorporation	One year
Chairman of the board of directors	President

Number of Directors	7
Appointment of outside directors	Be appointed
Number of Outside Directors	2
Number of outside directors appointed as independent director	2

Relationship with the company (1)

Name	Attribute	Relationship with the Company (*1)											
		a	b	c	d	e	f	g	h	i	j	k	
Takashi Imamura	From other company												
Maoko Kikuchi	From other company												

※ Nature of relationship with the Company

※ "○" when the person corresponds to "Present/Recent" or "△" when the person corresponds to "Previous"

※ "●" if the close relative falls under the category of "current/recent" and "▲" if the close relative falls under the category of "previous"

- a. Managing Person of a Listed Company or its Subsidiary
- b. Executive officer or non-executive director of the parent company of a listed company
- c. Executive officer of a sister company of a listed company
- d. A person whose main business partner is a listed company or the person who executes the business thereof
- e. Major business partner of a listed company or a person executing the business thereof
- f. Consultants, accountants, and legal professionals who receive large amounts of money and other assets from listed companies in addition to executive compensation
- g. A major shareholder of a listed company (in cases where said major shareholder is a juridical person, a person executing the business of said juridical person)
- h. A person executing business of a business partner of a listed company (who does not fall under any of d, e, or f) (only the person himself/herself)
- i. Person executing business of a company with which an outside director is mutually appointed (only the person in question)
- j. Person executing business of a company to which a listed company has made a donation (only the person himself/herself)
- k. Other

Relationship with the company (2)

Name	Independence	Supplementary	Reason for appointment
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	Officers	Explanation Concerning Relationship with the Company	
Takashi Imamura	○	—	<p>He has never been directly involved in the management of a company; however, he has long been engaged in audit services at audit firms and has also served as an Outside Audit & Supervisory Board Member and as Chair of the Nomination Committee at numerous companies. Based on this extensive experience, he possesses deep knowledge in the fields of finance and accounting. Accordingly, the Company expects him to supervise and provide advice, from a professional standpoint, on the execution of duties by the Company's Directors. From an objective and neutral perspective, he is expected to contribute to the Company's growth and the strengthening of its corporate governance, and he was appointed as an Outside Director who is an Audit & Supervisory Committee Member. In addition, as he meets the requirements for independent officers stipulated by the Tokyo Stock Exchange, the Company has determined that there is no risk of conflict of interest with general shareholders and has designated him as an independent officer.</p>
Maoko Kikuchi	○	—	<p>She possesses a wealth of knowledge based on practical experience at public institutions, including the Public Prosecutors Office of the Ministry of Justice and the Fair Trade Commission, experience as an attorney-at-law both in Japan and overseas, as well as corporate legal practice. Drawing on her experience of having served as an Outside Director and an Outside Audit & Supervisory Board Member, the Company expects her to supervise and provide advice, etc., on the execution of duties by Directors from a broad and professional perspective, and therefore appointed her as an Outside Director</p>

			<p>who is an Audit & Supervisory Committee Member.</p> <p>In addition, as she meets the requirements for independent officers stipulated by the Tokyo Stock Exchange, the Company has determined that there is no risk of conflict of interest with general shareholders and has designated her as an independent officer.</p>
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[Audit & Supervisory Committee]

Composition of the committee and attributes of the chairperson

	All members (Name)	Full-time members (Name)	Internal directors (Name)	Outside Directors (Name)	Chairman (Chairman)
Audit & Supervisory Committee	3	1	1	2	Internal directors

Existence of directors and employees who should assist the duties of the Audit & Supervisory Committee	Yes
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Matters related to the independence of such directors and employees from the managing directors

The Company has established the Audit & Supervisory Committee Secretariat to assist the Audit & Supervisory Committee in its duties, and have assigned employees. There are no directors to assist the duties of the Audit & Supervisory Committee.

In the event that such employees are assisting the Audit & Supervisory Committee, they shall follow the instructions and orders of the Audit & Supervisory Committee without belonging to the chain of command in the execution of business, and the Audit & Supervisory Committee shall agree to any transfer, personnel evaluation, disciplinary action, etc. of such employees.

Cooperation among the Audit & Supervisory Committee, Accounting Auditors, and the Internal Audit Division

The Audit & Supervisory Committee cooperates with the accounting auditor by closely exchanging information, such as holding meetings with the accounting auditor as necessary. In addition to exchanging information on a day-to-day basis with the Internal Audit Division, the Company will cooperate with each other by conducting audits jointly.

[voluntary committee]

Existence of a nominating committee or a voluntary committee equivalent to the compensation committee	Yes
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Status of the establishment of voluntary committees, their composition, and the attributes of the chairperson

Voluntary committee equivalent to the nominating committee

Title of the committee			Nomination and compensation advisory committee			
All members (Name)	Full-time members (Name)	Internal directors (Name)	Outside Directors (Name)	Internal experts (Name)	Other (Name)	Chairman (Chairman)
3	0	1	2	0	0	Internal Directors

Voluntary committee equivalent to the compensation committee

Title of the committee			Nomination and compensation advisory committee			
All members (Name)	Full-time members (Name)	Internal directors (Name)	Outside Directors (Name)	Internal experts (Name)	Other (Name)	Chairman (Chairman)
3	0	1	2	0	0	Internal Directors

Supplementary explanation

- Nomination and compensation advisory committee

1. Purpose of establishing the committee

The Company aims to ensure appropriate opportunities for the involvement and advice of independent directors with regard to decisions on executive nomination and remuneration, etc., and to improve the fairness, objectivity, and transparency of the decision-making process at the Board of Directors, and to further enhance and strengthen the corporate governance system.

2. Work of the committee

(1) Nominating Consultation Matters

In response to inquiries from the Board of Directors, the Board of Directors shall deliberate on matters relating to the nomination of Directors and other relevant matters and report to the Board of Directors.

(2) Compensation Advisory Matters

In response to inquiries from the Board of Directors, the Board of Directors deliberates on matters related to remuneration, etc. for Directors and reports to the Board of Directors.

3. Structure of Committees

The Nomination and Compensation Advisory Committee consists of one Representative Directors and three Independent Directors and the chairperson is selected by resolution of the committee from among the members who are Independent Outside Directors.

[Independent Directors/Auditors]

Number of Independent Directors/Auditors	Two
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Other matters related to independent executives

All outside directors who qualify as ID/As are appointed as ID/As.

[Incentive relationship]

Initiatives and Implementation Status Concerning Incentives for Directors	Introduction of performance-linked remuneration system Introduction of stock option plan
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Supplementary Explanation

The Company has introduced a restricted stock compensation system as a performance-linked compensation system for directors (excluding outside directors; hereinafter referred to as "Eligible Directors"). The content consists of cash bonuses and stock-based compensation A as single-year performance-based compensation, and stock-based compensation B as medium-to long-term performance-based compensation.

(1) Non-consolidated performance-based compensation (cash bonus and stock-based compensation A)

Single-year performance-linked remuneration

Performance-linked remuneration for a single fi fiscal year (cash bonuses and stock-based remuneration A) is linked to the degree of achievement of management goals and improvement in corporate value for a single fi fiscal year. The amount of remuneration is determined based on our performance for a single fi fiscal year, and the determined amount of remuneration is paid to eligible directors in the form of cash bonus and restricted stock (stock-based remuneration A) after the performance for each fi fiscal year is determined.

The composition ratio of the single-year performance-linked remuneration for each applicable director shall be 1/2 for cash bonuses and 1/2 for stock-based remuneration A.

The basic indicators for consolidated performance are the rate of share price increase and the amount of consolidated net income excluding Frontier Capital Co., Ltd. The amount of single-year performance-linked remuneration paid to each eligible director is determined based on the degree of performance contribution and the maximum amount of remuneration for the eligible director.

(2) Medium-to Long-Term Performance-Based Compensation (Stock Compensation B)

Medium-to long-term performance-linked remuneration (stock-based remuneration B) is linked to the degree of achievement of the management goals of the medium-term management plan and the degree of improvement in corporate value, etc. At the beginning of each fiscal year, restricted shares (stock-based remuneration B) are paid to eligible directors based on the standard remuneration amount according to their positions. In principle, after the end of the period covered by the medium-term management plan, the number of shares to be lifted from the transfer restriction will be determined according to the degree of achievement of the management goals of the medium-term management plan and the degree of improvement in corporate value.

Indicators of management targets for the medium-term management plan from 2026 to 2028 include the rate of increase in stock prices, consolidated net income excluding Frontier Capital Co., Ltd., and the degree of achievement of consolidated ROE excluding Frontier Capital Co., Ltd. In the event that a new medium-term management plan is formulated in the future, the indicators for such management targets may be changed by resolution of the Board of Directors.

2. In 2018, The Company granted stock options to directors with the aim of further enhancing the motivation and morale of directors to contribute to the medium-to long-term improvement of business performance and enhancement of corporate value.

The number of awards granted is determined based on a comprehensive consideration of each person's contribution to performance and expectations for the future.

All three directors who were granted stock options exercised their rights to acquire common stock.

Eligible persons for stock options	Internal directors and employees
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Supplementary Explanation

Regarding stock options for internal directors, please refer to the "Supplementary explanation regarding relevant items" in the "Implementation status of measures to provide incentives to directors" above.

Stock options for employees were granted in 2018, 2021, 2022, and 2024 to raise employee sense of belonging to the Company, to promote businesses with an awareness of enhancing shareholder value, and to provide incentives for future contributions of all employees.

[Director Compensation]

Disclosure status	Disclosure of individual compensation is not made.
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Supplementary Explanation

Since there are no employees whose total remuneration is 100 million yen or more, the Company does not disclose individual remuneration. Remuneration for directors and audit and supervisory committee members is disclosed in total.

Whether or not there is a policy for determining the amount of remuneration or the method for calculating that amount	Yes
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Disclosure of the policy for determining the amount of remuneration or the method of calculating remuneration

1. Policy for determining director remuneration

(1) Basic policy

The remuneration is designed to allow the appointment of outstanding human resources as directors who put the corporate philosophy into practice, achieve short-term performance targets, achieve medium-to long-term performance targets, and contribute to the sustainable improvement of corporate value.

The compensation system will be highly transparent, fair, and rational, enabling us to fulfill our accountability to stakeholders.

(2) Compensation Composition

Remuneration for directors (excluding directors serving as members of the Audit & Supervisory Committee and outside directors) consists of base remuneration, which is a fixed remuneration, and single-year performance-linked remuneration and medium-to long-term performance-linked remuneration, which fluctuate in accordance with performance, while balancing the elements listed in the basic policy above.

The remuneration of directors serving on the Audit & Supervisory Committee and outside directors consists solely of base remuneration from the perspective of their role and independence.

The composition ratio of each performance-linked remuneration to base remuneration for directors (excluding directors serving as Audit & Supervisory Committee members and outside directors) is determined according to the classification of officers.

(3) Basic remuneration

Basic remuneration, which is a fixed remuneration, is paid to directors on a monthly basis.

Basic remuneration for directors (excluding directors and outside directors who are members of the Audit & Supervisory Committee) is determined in consideration of the level of other companies in the same industry, taking into account the nature of the duties in charge, scope of responsibility, length of service, contribution to short-term, medium-to long-term business performance, contribution to enhancement of corporate value, etc.

Directors and outside directors serving on the Audit & Supervisory Committee shall be determined in consideration of their responsibilities and the level of other companies.

(4) Single-year performance-linked remuneration and medium-to long-term performance-linked remuneration

Single-year performance-linked remuneration and medium-to long-term performance-linked remuneration are described in the "supplementary explanation of relevant items" in the "status of implementation of measures to provide incentives to directors" section above.

(5) Compensation governance

Remuneration for directors (base remuneration, single-year performance-linked remuneration, and medium-to long-term performance-linked remuneration) is determined by a resolution of the board of directors based on the deliberations and reports of the optional nomination and remuneration advisory committee.

In the event of serious fiscal improprieties or large losses, a clash back clause shall be set to the effect that all or part of the paid share compensation A and share compensation B shall be refunded free of charge according to the responsibilities of each director.

2. Contents of the director's compensation system

(1) Composition of Compensation, etc.

Remuneration for Directors consists of "base remuneration," which is a fixed remuneration, and "single-year performance-linked remuneration (cash bonus, stock remuneration A)," which is linked to the degree of achievement of single-year management targets for target directors and the degree of improvement in corporate value, etc., and "medium-to long-term performance-linked remuneration (stock remuneration B)," which is linked to the degree of achievement of management targets and the degree of improvement in corporate value, etc. under the Medium-Term Management Plan.

The composition ratio of each performance-linked remuneration to the base remuneration shall be determined according to the category of directors.

(2) Basic remuneration

Basic remuneration, which is a fixed remuneration, is paid to directors on a monthly basis.

The amount of basic remuneration shall be determined for eligible directors in consideration of the level of other companies in the same industry, taking into account the content of duties in charge, scope of responsibility, year's of service, contribution to short-term, medium-to long-term business performance, contribution to enhancement of corporate value, etc., and for outside directors in

consideration of their responsibilities and the level of other companies.

(3) Annual performance-linked remuneration (cash bonus, stock-based remuneration A)

Performance-linked remuneration for a single fi fiscal year will be paid to eligible directors after the performance of each fi fiscal year is determined and before the ordinary general meeting of shareholders.

The annual performance-linked remuneration (total amount of all eligible directors) shall be calculated by multiplying the maximum amount of 16 months' basic remuneration for representative directors and 9 months' basic remuneration for each eligible director (excluding representative directors) by a certain ratio in accordance with the rate of increase in stock price and the achievement of consolidated net income (net income attributable to owners of parent, before deduction of performance-linked remuneration for a single fi fiscal year, before deduction of additional bonuses for employees) excluding Frontier Capital Inc.

The amount of annual performance-linked remuneration for each Eligible Director will be determined based on the degree of contribution to performance and the maximum amount of remuneration for Eligible Directors.

The composition ratio of the single-year performance-linked remuneration for each applicable director shall be 1/2 for cash bonuses and 1/2 for stock-based remuneration A.

(4) Medium-to Long-Term Performance-Based Compensation (Stock Compensation B)

As a medium-to long-term performance-linked remuneration, stock-based remuneration B will be allocated to eligible directors at the beginning of each fi fiscal year based on the standard amount of remuneration according to their positions.

Medium-to long-term performance-linked remuneration (total amount of all eligible directors) shall be calculated by multiplying the maximum amount of three months' basic remuneration for representative directors and 1.5 months' basic remuneration for individual eligible directors (excluding representative directors) by a certain ratio according to the rate of increase in stock prices, consolidated net income excluding Frontier Capital Co., Ltd., and the achievement status of consolidated ROE excluding Frontier Capital Co., Ltd.

The amount of medium-to long-term performance-linked remuneration for each Eligible Director will be determined based on the contribution to performance and the maximum amount of remuneration for Eligible Directors.

In principle, after the end of the period covered by the medium-term management plan, the number of shares to be lifted from the transfer restriction will be determined according to the degree of achievement of the management goals of the medium-term management plan and the degree of improvement in corporate value.

3. Restrictions on Transfer of Performance-linked Stock Compensation

(1) Stock grants A

A transfer restriction shall be imposed for a period of three years from the date on which the Subject Directors receive the delivery of such shares, during which the Subject Directors shall not transfer, mortgage or otherwise dispose of such shares (hereinafter referred to as the "Transfer, etc.").

In principle, the transfer restriction shall be terminated at the time of expiration of the transfer restriction period.

In the event the Subject Director resigns prior to the expiration of the Restriction on Transfer due to the expiration of the term of office, death or any other justifiable reason, the Restriction on Transfer shall be terminated with respect to all such shares granted to the Subject Director after reasonable adjustment as may be necessary for the time when the Restriction on Transfer is to be terminated.

If, prior to the expiration of the Restriction Period on Transfer, the Subject Directors retire from office without the expiration of their term of office or for any other reason deemed justifiable by our Board of Directors, we will, of course, acquire free of charge all such shares allocated to such Subject Directors.

In the event that, during the Restriction Period on Transfer, a merger agreement under which we become an extinguished company, a share exchange agreement, a share transfer plan, or other matters relating to organizational restructuring, etc. (hereinafter referred to as the "organizational restructuring agreement, etc.") are approved at our general meeting of shareholders (provided, however, that, in the event that the approval of our general meeting of shareholders is not required for such organizational restructuring agreement, etc., the Board of Directors of the Company), the restriction on transfer shall be terminated with respect to all of the shares granted to such director after reasonably adjusting the time to terminate the restriction on transfer as necessary.

We will, of course, acquire without charge the shares for which the restriction on transfer has not been terminated at the time when the number of shares for which the restriction on transfer is terminated is determined.

In the event of serious fiscal improprieties or large losses, the Company will set a claimable back clause to the effect that all or part of the paid share compensation A will be refunded free of charge according to the responsibilities of each director.

(2) Stock grants B

A transfer restriction shall be established for a period of three years from the date on which the Subject Directors receive the delivery of such shares, and the Subject Directors shall not transfer, etc. such shares during such period.

In principle, after the end of the period covered by the medium-term management plan, the number

of shares to be lifted from the transfer restriction will be determined based on the degree of achievement of the management goals of the medium-term management plan and the degree of improvement in corporate value.

In the event the Subject Director resigns prior to the expiration of the Assignment Restriction Period due to expiration of the term of office, death, or any other justifiable reason, (i) in the event such resignation occurs during the period from the time when such shares are granted to the time when the number of shares for which transfer restrictions are to be cancelled is determined, the number of such shares for which transfer restrictions are to be cancelled and the time when the transfer restrictions are to be cancelled in accordance with the achievement level of the management goals of the Mid-term Management Plan and the degree of improvement in corporate value at that time, and (ii) in the event such resignation occurs during the period from the time when the number of shares for which transfer restrictions are to be cancelled to the time of expiration of the Transfer Restriction Period among such shares, the time when the transfer restrictions are cancelled shall be reasonably adjusted as required. If, prior to the expiration of the Restricted Transfers Period, the Subject Directors retire from our Directors without such cause as the expiration of their term of office or otherwise as our Board of Directors may deem justifiable, we will naturally acquire, without charge, all such allotted Shares.

In the event that a restructuring agreement, etc. is approved at a general meeting of shareholders of the Company (provided, however, that approval is not required at a general meeting of shareholders of the Company with respect to the relevant restructuring agreement, etc., at a meeting of the Board of Directors of the Company), (i) in the event such approval is given during the period from the time when the relevant shares are granted until the number of shares for which the restriction on transfer will be cancelled is determined, the number of shares for which the restriction on transfer will be cancelled and the time when the transfer restriction will be cancelled in accordance with the degree of achievement of the management goals of the medium-term management plan and the improvement of corporate value at that time, and (ii) in the event such approval is given during the period from the time when the number of shares for which the restriction on transfer will be cancelled to the time when the restriction on transfer expires, the time when the restriction on transfer will be cancelled shall be reasonably adjusted as required.

We will, of course, acquire without charge the shares for which the restriction on transfer has not been terminated at the time when the number of shares for which the restriction on transfer is terminated is determined.

In the event of serious fiscal improprieties or large losses, a clash back clause shall be set to the effect that all or part of the paid share compensation B shall be refunded free of charge according to the responsibilities of each director.

[Support System for Outside Directors]

Support for outside directors is provided by the Board of Directors (Corporate Administration Division).

In addition, to ensure that the Board of Directors has sufficient time to consider proposals, the Board of Directors sends relevant materials in advance, and the Board of Directors' Secretariat holds a pre-briefing session on proposals for outside directors. In addition, information is transmitted by telephone or E-mail as appropriate.

2. Matters related to functions such as business execution, audit and supervision, nomination, and compensation decision-making (outline of the current corporate governance system)

a. Board of Directors

The Board of Directors meets once a month and extraordinary meetings are held as necessary. In accordance with the Articles of Incorporation and laws and regulations, the Board of Directors makes decisions on important matters related to management, such as legal resolutions and management policies, as well as on business execution, and supervises the status of business execution by directors. Directors serving as members of the Audit & Supervisory Committee also attend meetings of the Board of Directors to audit the status of directors' business execution.

There are currently seven directors (including directors serving on the Audit & Supervisory Committee), two of whom are independent outside directors.

b. Audit & Supervisory Committee

The Company transitioned to a company with an Audit & Supervisory Committee. There are currently three directors serving on the Audit & Supervisory Committee, two of whom are independent outside directors, and one of whom is a full-time internal director.

In addition to the regular monthly meetings of the Audit & Supervisory Committee, the Audit & Supervisory Committee holds extraordinary meetings as necessary when important matters arise.

The Audit & Supervisory Committee makes decisions on important matters and reports on the progress of operations in accordance with laws and regulations, the Articles of Incorporation, and our Audit & Supervisory Committee Rules.

In addition, members of the Audit & Supervisory Committee attend meetings of the Board of Directors and other important meetings to express opinions on the directors' business execution as appropriate, and to monitor and audit the overall business execution. In addition, the Audit & Supervisory Committee works closely with internal auditors and accounting auditors to conduct audits based on the annual audit plan, requests reports from officers and employees as necessary, discusses matters discovered through audits, etc., and submits audit findings to the Board of Directors.

c. Accounting Auditor

The Company has appointed an Accounting Auditor. In selecting the Accounting Auditor, the Audit & Supervisory Committee considers factors such as the audit track record of the audit firm and proposes a candidate, which is then submitted to the General Meeting of Shareholders for approval. KPMG AZSA LLC is KPMG AZSA LLC's accounting auditor. The names of the certified public accountants who executed the business are as follows.

Designated Limited Liability Partner and Executive officer Partner Toru Narushima

Designated Limited Liability Partner: Business Partner: Kazuaki Sasaki

In addition, there are eleven certified public accountants and sixteen other assistants in the auditing process.

d. Business Execution Structure

The Company has adopted an executive officer system under the supervision of the Representative Director.

The President and Chief Executive Officer leads other executive officers and oversees the execution of company-wide businesses.

The executive officer system has been introduced to strengthen, streamline, and accelerate the business execution functions of management. In addition, the Company has established the Executive Committee and the Management Committee as prior advisory bodies to the Board of Directors.

The Executive Committee is attended by representative directors, full-time directors (excluding directors who are members of the Audit & Supervisory Committee), President and CEO, Vice President and CEO, Senior Managing Executive Officers, Managing Executive Officers, and persons designated by the Chairman. In principle, the Executive Committee meets once a month to discuss matters that require speed, important personnel matters, business alliances with other companies, and other matters that require confidentiality.

The Management Committee is attended by the representative director, full-time directors (excluding directors who are members of the Audit & Supervisory Committee), the President and CEO, the Executive Vice President, the Senior Management Executive Officer, the Managing Executive Officer, the head of the Internal Audit Office, and other executive officers, division heads, deputy department heads, or general managers who are designated by the representative director. In principle, the Management Committee meets once a month, and extraordinary meetings are held as necessary to share information on the status of business execution and to discuss important matters related to business execution.

e. Authority to make decisions

The authority to make decisions is clearly defined in the regulations on administrative authority, and

important decisions are made by the Board of Directors after consultation with the Executive Committee or the Management Committee.

f. Contents of Contract for Limitation of Liability

The Company and its directors (excluding those who are executive officer directors, etc.) have concluded an agreement to limit their liability for damage under Article 423, Paragraph 1 of the Companies Act in accordance with the provisions of Article 427, Paragraph 1 of the same Act. The limited amount of liability for damages under the applicable agreement is the minimum amount of liability as stipulated by law.

3.Reasons for Adoption of Current Corporate Governance System

The Company has shifted to a company with an Audit & Supervisory Committee with the aim of further enhancing the corporate governance system and achieving sustainable growth in corporate value by further strengthening the supervisory functions of the Board of Directors and improving the flexibility of business execution.

III. Implementation of Measures for Shareholders and Other Interested Parties

1.Initiatives for invigorating the general meeting of shareholders and facilitating the exercise of voting rights

	Supplementary explanation
Early Dispatch of General Meeting of Shareholders Convocation Notices	In order to ensure that shareholders have time to fully consider the agenda, the Company sent out the convocation notice for the Company's 19th ordinary general meeting of shareholders two weeks earlier than the date of the meeting. Please note that convocation notices are posted on the Company's website approximately one week prior to shipment.
Scheduling of Stockholder Meetings to Avoid Peak Periods	the Company hopes to avoid the days when general meetings of shareholders of other companies are expected to be concentrated, and to set the days when it is easy for many shareholders to attend.
Voting by Electromagnetic Method	Voting rights are exercised electronically (on the internet).
Participation in electronic voting platforms and other initiatives to improve the environment for institutional investors to exercise their voting rights	the Company participates in an electronic voting platform for institutional investors operated by ICJ Corporation.

Provision of convocation notices (summary) in English	The full text of the convocation notice is available in English on the Company's website.
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2. Investor Relations Activities

	Supplementary explanation	Presentation by The Group CEO and President
Preparation and publication of disclosure policy	This information is posted on our IR website (https://www.frontier-mgmt.com/ir/disclosure/).	
Regular briefings for individual investors	The meeting will be held as needed.	Yes
Regular briefings for analysts and institutional investors	The Company holds quarterly briefings for analysts and institutional investors. Individual visits to institutional investors are also made.	Yes
IR materials posted on our website	The Company has a IR website that contains various IR materials (earnings reports, timely disclosure materials, financial reports and quarterly reports, materials for corporate briefings, status of corporate governance, notices of convocation for general meetings of stockholders, etc.).	
Creation of an IR Dept. (IR Officer)	A person in charge of IR has been appointed in the Corporate Administration Division.	

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary explanation
Internal Rules and Regulations that Promote Respect for the Status and Position of Stakeholders	Our corporate philosophy is to contribute to society, and our Code of Conduct states that we will act to contribute to a sustainable society.

Matters related to IV. internal-control systems, etc.

1. Basic approach to internal control systems and the Status of Their Implementation

An outline of the resolutions on systems to ensure that the execution of duties by Directors complies with laws and regulations and the Articles of Incorporation, as well as other systems to ensure the appropriateness of the Company's operations, is as follows.

(1) Systems to Ensure Compliance of the Execution of Duties by Directors and Employees with

Laws, Regulations and the Articles of Incorporation

① Recognizing that thorough compliance is indispensable to the Company's survival and sustainable growth, the Company ensures that compliance policies are fully communicated to all Directors and employees, and provides compliance-related training to all Directors and employees.

② In order to confirm that the execution of duties by Directors and employees is carried out appropriately without violating laws, regulations, the Articles of Incorporation or internal rules, audits are conducted by the Audit & Supervisory Committee, and internal audits are conducted by the Internal Audit Office.

③ By establishing the Compliance Rules and the Internal Whistleblowing Rules, the Company has developed a reporting framework for violations of laws and regulations, enabling the prompt identification of and response to such conduct.

(2) Systems for the Retention and Management of Information Related to the Execution of Duties by Directors

① Documents related to the execution of duties by Directors (including electronic records) are retained and managed in accordance with laws and regulations, the Articles of Incorporation, the Document Management Rules and other related internal rules.

② Upon request by Directors, such documents (including electronic records) are made available for inspection at any time.

(3) Rules and Other Systems for Risk of Loss Management

① The Representative Director is designated as the person with overall responsibility for risk management, and the Company has established the Risk Management Rules, which define matters necessary for risk management on a company-wide basis, thereby developing a comprehensive risk management framework.

② The Company has established the Crisis Management Rules and put in place reporting and command communication systems for emergency situations, enabling prompt and appropriate identification of emergencies and efforts to minimize losses.

(4) Systems to Ensure the Efficient Execution of Duties by Directors

① In principle, the Board of Directors holds regular meetings once a month, and extraordinary meetings as necessary, to make decisions on important matters stipulated in the Board of Directors Rules and to supervise the execution of duties by Directors.

② Matters to be submitted to the Board of Directors are reviewed through advisory processes at the voluntary Nomination and Compensation Advisory Committee, the Executive Committee, or the Management Committee, as appropriate.

(5) Systems to Ensure the Appropriateness of Operations within the Corporate Group Consisting of the Company and Its Subsidiaries

① To ensure the appropriateness of operations within the corporate group consisting of the Company

and its subsidiaries, the Company has established the Subsidiary Management Rules and manages subsidiaries in accordance with these rules.

② The Company maintains routine communication with Directors of subsidiaries, discusses management matters at The Group level, and confirms that subsidiaries are operated appropriately in line with the Company's management policies.

(6) Matters Concerning Directors and Employees Who Assist the Duties of the Audit & Supervisory Committee

The Company has established an Audit & Supervisory Committee Secretariat to assist the duties of the Audit & Supervisory Committee and has assigned employees thereto. No Director is appointed to assist the duties of the Audit & Supervisory Committee.

(7) Independence of Employees from Directors Who Are Not Audit & Supervisory Committee Members

When employees described in the preceding item assist the Audit & Supervisory Committee, they do not belong to the operational command chain and act under the instructions of the Audit & Supervisory Committee. Transfers, performance evaluations, disciplinary actions and other personnel matters concerning such employees are subject to the consent of the Audit & Supervisory Committee.

(8) Ensuring the Effectiveness of Instructions Issued by the Audit & Supervisory Committee

The Audit & Supervisory Committee holds regular meetings with the employees described in item (6) to confirm the status of execution of their duties.

(9) Systems for Reporting to the Audit & Supervisory Committee

① Directors who are not Audit & Supervisory Committee members and employees report on the status of execution of their duties and other matters upon request of the Audit & Supervisory Committee.

② Audit & Supervisory Committee members attend the Executive Committee and other important meetings and receive reports on significant matters from Directors and employees.

(10) Ensuring Protection for Persons Making Reports

The Company prohibits any disadvantageous treatment of persons who make reports to the Audit & Supervisory Committee and operates such prohibition in accordance with, or by analogy to, the Internal Whistleblowing Rules.

(11) Policies Regarding Expenses Incurred in the Execution of Duties by Audit & Supervisory Committee Members

① The Audit & Supervisory Committee secures a budget necessary to implement audit plans approved by the Committee.

② When an Audit & Supervisory Committee member requests payment of expenses incurred in the execution of duties, the Company promptly pays such expenses unless they are clearly unnecessary

for the execution of such duties.

③ The management and execution of expenses related to the duties of Audit & Supervisory Committee members are handled by the Audit & Supervisory Committee members and the employees assisting their duties.

(12) Other Systems to Ensure the Effectiveness of Audits by the Audit & Supervisory Committee

① The Audit & Supervisory Committee establishes the Audit & Supervisory Committee Rules and Audit Standards, prepares an audit plan, explains its content to the Board of Directors, and obtains understanding and cooperation for audit implementation.

② The Audit & Supervisory Committee exchanges opinions with the Representative Director through regular meetings.

③ The Audit & Supervisory Committee ensures audit effectiveness through exchanges of opinions with internal auditors and close collaboration with relevant departments.

(13) Systems to Ensure the Appropriateness of Financial Reporting

Directors and employees ensure the appropriateness of financial reporting by executing their duties in compliance with the “Basic Policy on the Development, Operation and Evaluation of Internal Controls over Financial Reporting.”

(14) Basic Policy and Development Status for the Exclusion of Anti-Social Forces

The Company takes a firm stance against anti-social forces and completely severs any relationships with them. To this end, the Company has established the Compliance Rules and other internal rules, and has developed systems to ensure the exclusion of relationships with anti-social forces.

Overview of the Operational Status of Internal Control Systems

An overview of the operational status of systems to ensure compliance of the execution of duties by Directors with laws and regulations and the Articles of Incorporation, and to ensure the appropriateness of the Company’s operations, is as follows.

(1) Operational Status of Compliance Systems

① To ensure thorough compliance, the Company conducted compliance training for officers and employees. The Company has also established an environment in which officers and employees can access internal rules at any time, and promptly notified all officers and employees of any revisions to internal rules during the fiscal year.

② Audits by the Audit & Supervisory Committee and internal audits by the Internal Audit Office were conducted to confirm that the execution of duties by Directors and employees was carried out appropriately in compliance with laws, regulations, the Articles of Incorporation and internal rules.

③ In accordance with the Compliance Rules, Internal Whistleblowing Rules, and the Rules for the Prevention of Harassment in the Workplace, the Company has established and operates internal reporting and consultation desks.

(2) Operational Status of Information Retention and Management

Documents related to the execution of duties by Directors (including electronic records) are retained and managed in accordance with laws, regulations, the Articles of Incorporation and the Document Management Rules, and are maintained in a condition that allows access when necessary.

(3) Operational Status of Risk Management Systems

The Company operates appropriate risk management systems based on the Risk Management Rules and Crisis Management Rules. The Risk Management Committee continuously promotes countermeasures against risks that could have a significant impact on management, while reviewing risk management items as appropriate in line with basic risk management policies.

(4) Operational Status of Systems Ensuring Efficient Execution of Duties by Directors

During the fiscal year, the Board of Directors convened 14 meetings, during which it made decisions on important matters stipulated in the Board of Directors Rules and supervised the execution of duties by Directors.

(5) Operational Status of Group Management Systems

① To ensure the appropriateness of operations within the corporate group consisting of the Company and its subsidiaries (the “Group”), the Company managed subsidiaries in accordance with the Subsidiary Management Rules and conducted compliance training for officers and employees of subsidiaries.

② Through routine communication with Directors of subsidiaries and by requesting reports as necessary, the Company discussed management matters at The Group level and confirmed that subsidiaries were operated appropriately in line with the Company’s management policies.

(6) Operational Status of Personnel Assisting the Audit & Supervisory Committee

While no full-time employees are assigned exclusively to assist the Audit & Supervisory Committee, several employees are assigned on a concurrent basis to support the administrative operations of the Audit & Supervisory Committee.

(7) Operational Status of Independence of Supporting Personnel

Instructions to such employees are issued with due consideration for independence from Directors other than Audit & Supervisory Committee members, and disciplinary actions and other personnel matters concerning such employees are subject to the consent of the Audit & Supervisory Committee.

(8) Operational Status of Effectiveness of Instructions Issued by the Audit & Supervisory Committee

The Audit & Supervisory Committee holds regular meetings with such employees to confirm the status of their performance of assigned duties.

(9) Operational Status of Reporting Systems to the Audit & Supervisory Committee

The full-time Audit & Supervisory Committee member attends the Executive Committee and other important meetings and receives reports on significant matters from officers and employees. In addition, the Audit & Supervisory Committee receives necessary reports through interviews with

officers and employees of the Company and its subsidiaries.

(10) Operational Status of Protection for Reporting Persons

The Company has established systems to ensure that no disadvantageous treatment is imposed on persons who make reports to the Audit & Supervisory Committee.

(11) Operational Status of Policies Concerning Expenses of the Audit & Supervisory Committee

① When requests are made for expenses incurred in the execution of duties by Audit & Supervisory Committee members, such expenses are promptly paid.

② The management and execution of such expenses are handled by the Audit & Supervisory Committee members and the employees assisting their duties.

(12) Operational Status of Systems Ensuring the Effectiveness of Audits

① The Audit & Supervisory Committee conducted audits based on the audit policy and audit plan explained to the Board of Directors.

② The Audit & Supervisory Committee held regular meetings with the Representative Director twice a year to exchange opinions.

③ The Audit & Supervisory Committee regularly exchanged opinions with internal auditors.

(13) Operational Status of Systems Ensuring the Appropriateness of Financial Reporting

Directors and employees executed their duties in compliance with the "Basic Policy on the Development, Operation and Evaluation of Internal Controls over Financial Reporting."

(14) Operational Status of Measures for Excluding Anti-Social Forces

To avoid contact with anti-social forces, the Company conducts anti-social force checks prior to commencing transactions and includes exclusion clauses in contracts to sever any relationships with such forces.

2. Basic Approach and Systems to Exclude Anti-Social Forces

The Company respects the "Guidelines for Companies to Prevent Damage from Anti-Social Forces" (agreed upon at the Executive Committee of the Ministerial Conference on Anti-Crime Measures in June 2007), etc., and have established and operated the Company's systems in accordance with these guidelines. The Company's policies and standards are stipulated in the Basic Policy of the Internal Control System, and the Company are working to ensure that the content of these policies and standards is thoroughly understood at major meetings and other opportunities.

As part of our internal structure, the Business Administration Department is in charge of operations related to the elimination of anti-social forces, and the Company has prepared "Bylaws for Responding to Anti-Social Forces," "Anti-Social Forces Investigation Manual," and "Manual for Responding to Unjust Requests" as practical regulations.

In addition, the Company has established clauses in our contracts with the Company's business partners to exclude antisocial forces, and the Company are working to ensure that these clauses are

strictly enforced.

As for cooperation with external organizations, the Company consults with the police station, the Center for the Elimination of Boryokudan, etc. as necessary.

V. In addition,

1. Adoption of anti-takeover measures

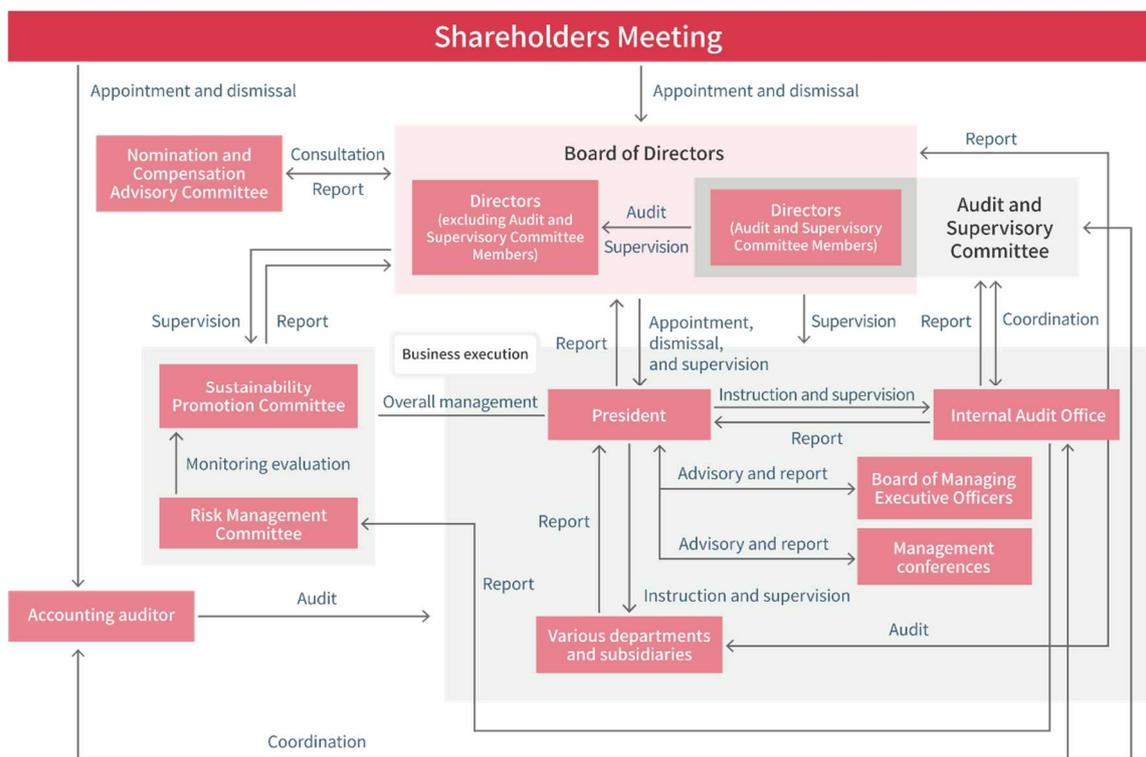
Introducing the anti-takeover measure	None
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Supplementary Explanation

2. Other corporate governance related matters

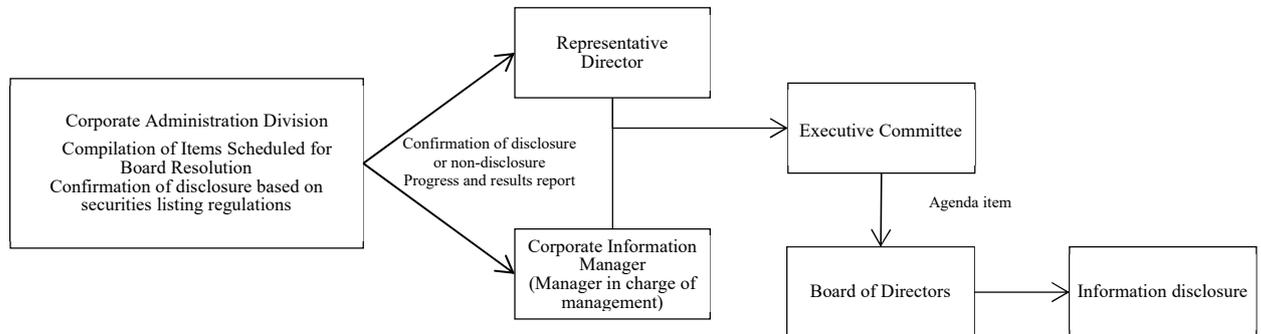
A schematic diagram of our corporate governance system and the flow of timely disclosure procedures is attached for reference.

[schematic diagram (reference data)]



[Overview of Timely Disclosure System (Diagram)]

<Information on decisions and settlement of accounts>



<Information on the fact of occurrence, etc.>

