

Corporate Governance Report

CORPORATE GOVERNANCE

YAOKO CO., LTD.

Last Update: June 24, 2025

Yaoko Co., Ltd.

Sumito Kawano, President and Representative Director

Contact: Masanobu Kamiike, Senior Managing Director Chief Administrative Officer

Stock code: 8279

<https://www.yaoko-net.com>

The corporate governance of Yaoko 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 basis for corporate governance of Yaoko is to maximize corporate value by meeting the expectations of our shareholders and all other stakeholders, and conducting efficient and sound corporate management. In order to do so, we consider it crucial for us to comply not only with the Companies Act but also various other laws, rules, and social norms, and maintain our high ambitions for management and unity, while executing fair and transparent business and maintaining stable, continuous growth as a corporation.

Through our supermarket business, we contribute to customers and communities by broadly fulfilling our corporate social responsibility (CSR) such as ensuring the safety of our products and conforming to the social environment, and we have given special status to management with the goal of creating a unique presence.

To put the above views on corporate governance into practice, the Board of Directors effectively supervises the execution of duties by directors and ensures financial reliability based on thorough compliance, while also paying particular attention to maintaining high morale and motivation among employees, who are the drivers of the supermarket business, which is heavily reliant on people. This approach is based on the belief that instilling the Company’s founding spirit, as expressed in the Company’s management philosophy and company policy will spontaneously lead to the creation of a company where corporate governance is put into effect. Any problems that do arise will be dealt with quickly and appropriately by the Company’s management through a unified and systematic approach.

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

[Supplementary Principle 1-2-4 Use of Electronic Voting Platform]

The Company uses an electronic voting service and provides a partial English translation of its notice of annual general meeting of shareholders. Taking the Company’s shareholder composition and other factors into consideration, the Company does not use the electronic voting platform. The Company will consider using the electronic voting platform in light of future changes in its shareholder composition, the status of exercise of voting rights and other factors.

[Supplementary Principle 4-8-2 Determination of Lead Independent Director]

The Company has not appointed a lead independent director for the following reasons.

- The appointment of a lead independent director may result in the creation of a pecking order among independent outside directors and foster dependency on the lead independent director.
- The Company wants independent outside directors to each be exceptionally knowledgeable and demonstrate their respective special abilities, and believes, therefore, that consensus among independent outside directors is not absolutely essential.

Disclosure Based on each Principle of the Corporate Governance Code

[Principle 1-4 Cross-shareholdings and Exercising Voting Rights as to Cross-shareholdings]

(1) Basic Approach

The Company holds cross-shareholdings from a medium-to-long-term perspective out of consideration for cooperation and business strategies with various companies across all kinds of processes, including product development and procurement, logistics, sales, store openings, and stable procurement of funds. At the same time, the Company endeavors to reduce its cross-shareholdings, including selling any shares deemed no longer necessary.

(2) Verification of cross-shareholdings

The Company’s Board of Directors examines the mid- to long-term economic rationale and future outlook of major cross-shareholdings and verifies the objective and rationale behind cross-shareholdings on an annual basis.

The number of stocks held as cross-shareholdings decreased from 12 as of the end of March 2016 to 11 as of the end of March 2025.

(3) Exercise of voting rights

When exercising voting rights in relation to cross-shareholdings, the Company considers whether to vote for or against proposals through dialogue with the issuing company, taking into consideration factors such as the investee's management policies and strategies, and investment return. More specifically, the Company takes action as appropriate, in accordance with standards for the exercise of voting rights established separately.

[Principle 1-7 Related Party Transactions]

When the Company engages in competing transactions or transactions involving conflict of interest as defined by laws and regulations with any of its officers, the Company always obtains the approval of the Board of Directors. All transactions other than the sale of products, including the purchase and sale of land and buildings, purchase of products and business process outsourcing, always undergo third-party transaction checks through the circulation of proposals to the General Manager of Finance Department via the internal ringi system. The Company also conducts a survey on related party transactions once a year with regard to the officers of group companies.

[Supplementary Principle 2-4-1 Diversity in the Promotion of Core Human Resources]

The Company discloses its action plan and actual practices for the participation and advancement of women in the workplace, as well as the status of appointment of foreign nationals, including those on the technical intern training program, and the employment of persons with disabilities in the Company Information/Sustainability/Society webpages of its website. As for the disclosure of human capital information in Company Information/For Shareholders and Investors (IR)/IR Library/Annual Securities Report/Quarterly Report/Annual Securities Report webpage, the Company discloses human capital information in the Company Information/For Shareholders and Investors (IR)/IR Library/YAOKO Group Integrated Report webpage of its website respectively.

(<https://www.yaoko-net.com/sustainability/contribution.html>)

(<https://www.yaoko-net.com/ir/library/securities.html>)

(<https://www.yaoko-net.com/ir/library/annual.html>)

[Principle 2-6: Human Resources and Operational Practices in Regard to the Management of Corporate Pension Funds]

The Company transferred all but some pension assets from a defined benefit plan (DB) to a defined contribution plan (DC) on March 1, 2022.

The Company has developed and properly provides a program for the selection of asset managers and investment products and the provision of education to employees about asset management.

[Principle 3-1: Disclosures]

- (1) The Company discloses information about its founding spirit, corporate philosophy and basic management policies on the Company Information/Company Information webpage of its website, information about the Group Medium-term Management Plan on the Company Information/For Shareholders and Investors (IR)/Management Policies/Group Medium-term Management Plan webpage of its website, and information about its basic policy on sustainability on the Company Information/Sustainability/Sustainability Basic Policy webpage of its website.

(<https://www.yaoko-net.com/corporate/>)

(<https://www.yaoko-net.com/ir/management/strategy.html>)

(<https://www.yaoko-net.com/sustainability/policy.html>)

- (2) The Basic Policy on Corporate Governance is disclosed on the Company Information/Sustainability/Corporate Governance webpage of the website.

(<https://www.yaoko-net.com/sustainability/governance.html>)

- (3) The Board of Directors has established the Nominating Committee and the Compensation Committee as voluntary advisory bodies, and refers matters related mainly to the election and dismissal of directors and the recommendation of auditor candidates to the Nominating Committee and matters related mainly to compensation for individual directors to the Compensation Committee, and gives due consideration to the report of each committee when making decisions.

- (4) The amount of compensation, etc. for directors is determined based on a policy for determining the details of compensation, etc. for individual directors determined by the Board of Directors, within a maximum total amount of compensation determined by the general meeting of shareholders.

The Company has also introduced a stock compensation plan for internal directors separate from the above maximum amount of compensation. Under this stock compensation plan, the Company's shares are delivered to internal directors through a trust in proportion to the number of points granted to them in accordance with share delivery regulations established by the Company's Board of Directors.

- (5) When nominating director and auditor candidates, the Company's policy is to select as candidates individuals with the knowledge and experience required to be able to execute the duties of directors and auditors.

- (6) Reasons for the election of individual outside officers and reasons for the nomination of director and auditor candidates are described in the Company Information/For Shareholders and Investors (IR)/Stock Information/Shareholders' Meeting Information/Notice of the Annual General Meeting of Shareholders webpage of the website.

(<https://www.yaoko-net.com/ir/stock/meeting.html>)

* Proposals for the dismissal of directors are determined by the Board of Directors in light of factors such as whether the following duty of loyalty and duty of care have been upheld.

1. Officers shall act in accordance with the provisions of the Articles of Incorporation, laws and regulations, and company rules
2. Officers shall be aware that they are in a position of management responsibility and serve as an example for others.

3. Officers shall take the lead in executing business and make sincere and honest efforts without regard for their own personal circumstances or appearances.
4. Officers shall report to each other and liaise closely, and shall refrain from upsetting the order by acting arbitrarily or overstepping their authority.
5. Officers shall not leak the Company's confidential information, and shall avoid actions that could harm the Company's reputation or interests.
6. Officers shall always distinguish between public and private affairs.

[Supplementary Principle 3-1-3 Disclosure of Initiatives for Sustainability]

The Group has adopted "By enriching the daily lives of local consumers, we contribute to the improvement and development of regional culture" as its management philosophy, and incorporates a sustainability perspective into its business operations in order to realize this philosophy and further enhance its corporate value. Information about the Company's sustainability policy and practices are disclosed in the annual securities report. In particular, the Company publishes information about investment in human capital and action on climate action in accordance with the four pillars: Governance, Strategy, Risk Management, and Metrics & Targets.

The Company discloses its sustainability basic policy on the Company Information/Sustainability/Sustainability Basic Policy webpage of its website. Furthermore, in addition to disclosures in the Company Information/For Shareholders and Investors (IR)/IR Library/YAOKO Group Integrated Report webpage of its website, the Company also discloses information about human capital investment and other practices in the Company Information/For Shareholders and Investors (IR)/IR Library/Annual Securities Report/Quarterly Report/Annual Securities Report webpage, information about health, the environment, society and corporate governance in the Company Information/Sustainability webpage, and information about climate change risks and opportunities in the Company Information/Sustainability/Response to TCFD Recommendations webpage.

(<https://www.yaoko-net.com/sustainability/policy.html>)

(<https://www.yaoko-net.com/ir/library/annual.html>)

(<https://www.yaoko-net.com/ir/library/securities.html>)

(<https://www.yaoko-net.com/sustainability/>)

(<https://www.yaoko-net.com/sustainability/tcf.html>)

[Supplementary Principle 4-1-1: Delegation by the Board of Directors]

The Rules of the Board of Directors stipulate matters to be submitted to the Board of Directors, while the Rules on Decision-Making Authority stipulate in detail specific matters to be delegated, decision-makers, and those involved in the circulation of decision-making documents.

[Principle 4-9: Establishment and Disclosure of Independence Standards]

The Company selects outside directors who are independent officers in accordance with the independence criteria specified by the Tokyo Stock Exchange.

[Supplementary principle 4-10-1: Approach to the Independence of the Nominating and Compensation Committee, as well as Its Authority and Role]

The Nominating Committee and the Compensation Committee are each made up of a majority of independent outside directors and are chaired by an independent outside director, ensuring their independence as committees. The reports of both committees are reflected in agendas for meetings of the Board of Directors, with the Nominating Committee deliberating and reporting to the Board of Directors on matters related mainly to the election and dismissal of directors and the recommendation of auditor candidates, and the Compensation Committee deliberating and reporting to the Board of Directors on matters related mainly to compensation for individual directors.

The role of the Nominating Committee and the Compensation Committee is to deliberate on individual election and compensation proposals, etc. based on already established policies and standards.

[Supplementary Proposal 4-11-1: Directors' Skills Matrix and Policies and Procedures for Electing Directors]

The skills matrix for directors is shown on the Company Information/For Shareholders and Investors (IR)/Stock Information/Shareholders' Meeting information/Notice of The Annual General Meeting of Shareholders webpage of the website.

(<https://www.yaoko-net.com/ir/stock/meeting.html>)

For details of policies and procedures for the election of Directors, refer to disclosures for Corporate Governance Code Principle 3-1, (3), (5) and (6).

[Supplementary Principle 4-11-2: Concurrent Positions Held by Directors and Auditors]

The policy on concurrent positions at other companies held by directors and auditors is described in the Basic Policy on Corporate Governance on the Company Information/Sustainability/Corporate Governance webpage of the website. Significant concurrent positions are also described in the Company Information/For Shareholders and Investors (IR)/Stock Information/Shareholders' Meeting Information/Notice of the Annual General Meeting of Shareholders webpage of the website each year.

(<https://www.yaoko-net.com/sustainability/governance.html>)

(<https://www.yaoko-net.com/ir/stock/meeting.html>)

[Supplementary Principle 4-11-3 Evaluation of Effectiveness of the Board of Directors]

The Board of Directors carried out an analysis and evaluation of the effectiveness of the Board of Directors as a whole for FY2024. The method and results of the evaluation are summarized below.

1. Subjects

All directors (8) and all auditors (4) as of the end of February 2025

2. Method

All subjects completed a self-evaluation based on a Board of Directors' Effectiveness Evaluation Survey from February through March 2025.

* The Board of Directors' Effectiveness Evaluation Survey was prepared by the secretariat of the Board of Directors with reference to the opinion of a third-party outside advisor.

3. Questions

- (1) Operation and Support Systems of the Board of Directors
- (2) Deliberation by the Board of Directors
- (3) Composition of the Board of Directors
- (4) Function of the Board of Directors
- (5) Opinion exchange meetings
- (6) Officer training camps and training opportunities
- (7) Evaluation of the effectiveness of the Board of Directors and efforts to address issues

4. Evaluation method

Directors exchanged opinions based on the aggregated survey results and, based on this exchange of opinions, directors and auditors then held discussions at a meeting of the Board of Directors, before evaluating the effectiveness of the Board of Directors, evaluating efforts to address issues over the one-year period, and determining issues to be addressed going forward.

5. Outline of evaluation results

The results of the survey and the results of discussions between directors and auditors confirmed that the effectiveness of the Company's Board of Directors is secured.

It was found that directors execute their duties quickly in line with a business plan determined by the Board of Directors, and the Board of Directors properly supervises the execution of duties by Directors.

In terms of efforts to address issues identified the previous year, the Board of Directors succeeded in increasing discussion among internal and external directors, conducting a shareholder identification survey, and reporting investor feedback gathered by the Corporate Brand Strategy Department at meetings of the Board of Directors, with the aim of increasing discussion at meetings of the Board of Directors about dialogue with shareholders. Efforts to be made going forward include efforts to strengthen reporting on issues related to non-financial information, efforts to increase the attendance of directors at meetings with investors, and efforts to enhance the content of officer training.

The Company will continue working to ensure the effectiveness of the Board of Directors and further improve its function.

[Supplementary Principle 4-14-2 Training for Directors and Auditors]

As a general rule, the Company runs an annual two-day intensive training camp for directors, and provides outside directors and outside auditors with internal training on the Group's history and management philosophy.

[Principle 5-1: Dialogue and Meetings with Shareholders]

In response to requests for meetings from shareholders and institutional investors, the Company regularly holds one-on-one small meetings either in-person or online or by phone, and holds briefings for individual investors on an irregular basis. The Company also endeavors to enhance the content of meetings by, for example, getting relevant departments to provide information as appropriate. Information obtained through dialogue is fed back to management by the Corporate Brand Strategy Department where necessary.

In addition, it is not only IR staff members who actually deal with shareholders; taking the requests and interests of shareholders and information to be discussed into consideration, the Company also organizes within reason individuals meetings between shareholders and directors, including outside directors.

The Corporate Brand Strategy Department and the Human Resources and General Affairs Department cooperate with each other as the departments in charge of dialogue with shareholders in general. Comments, questions and opinions, etc., made by shareholders at general meetings of shareholders and shareholder gatherings are summarized and analyzed by the Human Resources and General Affairs Department, reported to the Board of Directors and used in the day-to-day execution of duties. The Company holds financial results briefings for its full-year results and interim results in a hybrid format, both in-person and online. The President himself explains the results of operations, the future management plan, shareholder returns policy and other relevant matters, and holds a Q&A session. A video of the financial results briefing and details of Q&A are published on the website, in an attempt to share information with investors who could not attend the meeting. In addition, the Company frequently posts information for shareholders on the Company Information/For Shareholders and Investors (IR) webpage of its website. (<https://www.yaoko-net.com/ir/>)

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

Content of Disclosure	Disclosure of Initiatives (Update)
Availability of English Disclosure	Available
Date of Disclosure Update	05 /12/ 2025

Explanation of Actions

The Company disclosed its Capital Allocation Basic Policy in its Medium -Term Management Plan covering the period from the fiscal year ended March 31, 2025 to the fiscal year ending March 31, 2027. Specifically, the Company aims to secure an ROE of 10% or more and will focus on the following measures.

- (i) Investing as necessary for the growth of business while maintaining financial soundness
 - (ii) Gradually raising the dividend payout ratio
 - (iii) Using ROIC as an investment indicator and being conscious of the cost of capital in investment decisions
- (<https://www.yaoko-net.com/ir/management/strategy.html>)

Information about the Medium -Term Management Plan covering the period from the fiscal year ended March 31, 2025 to the fiscal year ending March 31, 2027 is described in the Group Integrated Report, while information about progress in the fiscal year ended March 31, 2025 and forecasts for the fiscal year ending March 31, 2026 is described in the presentation materials for the financial results briefing held on May 12, 2025. Both of these are disclosed in English on the Company's website.

(<https://www.yaoko-net.com/ir/library/annual.html>)

(<https://www.yaoko-net.com/ir/>)

(<https://www.yaoko-net.com/en/>)

2. Capital Structure

Foreign Shareholding Ratio	10% or more but less than 20%
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Status of Major Shareholders

Name or Company Name	Number of Shares Owned	Percentage (%)
Kawano Co. Ltd.	7,679,758	18.33
KAWANO PARTNERS CO., LTD.	4,222,600	10.07
The Master Trust Bank of Japan, Ltd. (Trust account)	3,495,300	8.34
Kawano Masanori Memorial Public Interest Incorporated Foundation for Promotion of Pediatrics	1,900,800	4.53
The Musashino Bank, Ltd.	1,292,544	3.08
Sumitomo Mitsui Banking Corporation	1,292,544	3.08
Custody Bank of Japan, Ltd. (account in trust)	1,141,539	2.72
Custody Bank of Japan (account E in trust)	1,111,500	2.65
Yaoko Employee Shareholding Association	917,731	2.19
Kiyomi Kawano	819,564	1.95

Name of Controlling Shareholder, if applicable
(excluding Parent Companies)

Name of Parent Company, if applicable

None

Supplementary Explanation

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Tokyo Stock Exchange, Prime Market
Fiscal Year End	March
Business Sector	Retail Trade
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	¥100 billion or more but less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	Fewer than 10

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

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

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

1. Organizational Composition and Operation

Corporate Governance System	Company with Audit and Supervisory Board*
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*Referred to as "Company with *Kansayaku* Board" in the Corporate Governance Code reference translation

Directors

Number of Directors Stipulated in Articles of Incorporation	12
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	8
Election of Outside Directors	Elected
Number of Outside Directors	3
Number of Independent Directors	3

Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Asako Saito	From another company											
Takashi Kuzuhara	From another company								△			
Yumiko Kamada	From another company								△			

* Categories for "Relationship with the Company".

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

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

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Asako Saito	○	Designated as independent officer. [Significant concurrent positions] Outside Director, Mitsubishi Pencil Co., Ltd. Outside Director, CIRCULATION Co., Ltd. Representative Director, BLOOM Co., Ltd. Outside Director (Audit and Supervisory Committee Member), SPARX Group Co., Ltd. The Company has no special interest with Mitsubishi Pencil Co., Ltd., CIRCULATION Co., Ltd., BLOOM Co., Ltd. or SPARX Group Co., Ltd.	The Company appointed Ms. Asako Saito for the purpose of strengthening corporate governance, and further improving corporate value and management transparency. She was appointed on the basis that she has achievements and insight as an executive manager and is deemed to have been sufficiently fulfilling her role in strengthening the Company's management structure and supervising business execution. Moreover, the Company designates her to be an independent officer of the Company because she does not breach the requirements for independent directors defined by Tokyo Stock Exchange, Inc. and is deemed unlikely to have a conflict of interest with general shareholders.
Takashi Kuzuhara	○	Designated as independent officer. External Director Takashi Kuzuhara served as Corporate Executive Officer of Recruit Co., Ltd. and President and Representative Director of Recruit Jobs Co., Ltd. until 2020. The Company currently has recruitment related transactions with Recruit Co., Ltd.; however, the amount of the transactions is insignificant, corresponding to less than 1% of the annual net sales of Recruit Co., Ltd. and has no impact on independence. [Significant concurrent positions] Outside Director, Pac. EX Holdings Co., Ltd. The Company has no special interest with Pac. EX Holdings Co., Ltd.	The Company appointed Mr. Takashi Kuzuhara for the purpose of strengthening corporate governance, and further improving corporate value and management transparency. He was appointed on the basis that he has achievements and insight as an executive manager and is deemed to have been sufficiently fulfilling his role in strengthening the Company's management structure and supervising business execution. Moreover, the Company designates him to be an independent officer of the Company because he does not breach the requirements for independent directors defined by Tokyo Stock Exchange, Inc. and is deemed unlikely to have a conflict of interest with general shareholders.
Yumiko Kamada	○	Designated as independent officer. External Director Yumiko Kamada served as Senior Executive Officer and Head of the Business Development Division at Calbee, Inc. until 2019. There are currently indirect transactions related to product purchases between Calbee, Inc. and the Company; however, the amount of the transactions is insignificant, corresponding to less than 1% of the annual net sales of Calbee, Inc. and has no impact on independence. [Significant concurrent positions] President and Representative Director, ONE GLOCAL Outside Director, Infrastructure Investment Promotion Corporation, Ltd. Outside Director, Aoba-BBT, Ltd. The Company has no special interest with ONE GLOCAL, Infrastructure Investment Promotion Corporation, Ltd., Aoba-BBT, Ltd. or Tama University Graduate School.	The Company appointed Ms. Yumiko Kamada for the purpose of strengthening corporate governance, and further improving corporate value and management transparency. She was appointed on the basis that she has achievements and insight as an executive manager and is deemed to have been sufficiently fulfilling her role in strengthening the Company's management structure and supervising business execution. Moreover, the Company designates her to be an independent officer of the Company because she does not breach the requirements for independent directors defined by Tokyo Stock Exchange, Inc. and is deemed unlikely to have a conflict of interest with general shareholders.

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

Established

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

	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Director	Outside Experts	Others	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	Nominating Committee	5	0	2	3	0	0	Outside Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Compensation Committee	5	0	2	3	0	0	Outside Director

Supplementary Explanation

The Board of Directors has established the Nominating Committee and the Compensation Committee as voluntary advisory bodies, and refers matters related mainly to the election and dismissal of directors and the recommendation of auditor candidates to the Nominating Committee and matters related mainly to compensation for individual directors to the Compensation Committee, and gives due consideration to the report of each committee when making decisions.

Audit and Supervisory Board Member*

*Referred to as "kansayaku" in Corporate Governance Code reference translation

Establishment of Audit and Supervisory Board	Established
Number of Audit and Supervisory Board Members Stipulated in Articles of Incorporation	4
Number of Audit and Supervisory Board Members Number of Members of Board of Corporate Auditors	4

Cooperation among Audit and Supervisory Board Members, Accounting Auditors and Internal Audit Departments

Auditors hold regular meetings with the Accounting Auditor, and receive reports from and exchange opinions with the Accounting Auditor about audit plans and the progress and results of audits implemented during the fiscal year. In addition, Auditors attend the Accounting Auditor's audits and exchange opinions on countermeasures to address any issues with the audit structure. Auditors conduct joint audits with the Internal Audit Departments on matters related to security and hygiene management from the viewpoint of risk management. The results of audits by the Internal Audit Departments are also reported each time to the Executive Auditor, who exchanges information as necessary with the Board of Corporate Auditors in light of these results.

Appointment of Outside Audit and Supervisory Board Members	Appointed
Number of Outside Audit and Supervisory Board Members	3
Number of Independent Audit and Supervisory Board Members	3

Relationship with the Company (1)

Name	Attributes	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Yukio Sato	From another company													
Katsuhiro Hashimoto	From another company													
Tsuyoshi Ikarashi	Tax accountant													

*Categories for "Relationship with the Company".

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

relative of the director fell under the category in the past.)

- a. Person who executes business for the Company or its subsidiary
- b. A non-executive director or an accounting advisor of the Company or its subsidiaries
- c. Person who executes business for or a non-executive director of the Company's parent company
- d. An Audit and Supervisory Board Member of a parent company of the Company
- e. Person who executes business for a fellow subsidiary
- f. Person/entity for which the Company is a major client or a person who executes business for said person/entity
- g. Major client of the Company or a person who executes business for said client
- h. 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 and Supervisory Board Member
- i. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
- j. Person who executes business for a client of the Company (excluding persons categorized as any of f, g, or h above) (applies to the auditor him/herself only)
- k. Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to the director/auditor him/herself only)
- l. Person who executes business for an entity receiving donations from the Company (applies to the person him/herself only)
- m. Other

Outside Audit and Supervisory Board Members' Relationship with the Company (2)

Name	Designation as Independent Audit and Supervisory Board Member	Supplementary Explanation of the Relationship	Reasons for Appointment
Yukio Sato	○	Designated as independent officer.	The Company appointed Mr. Yukio Sato to draw on his abundant experience and insight and to benefit from the effective advice and information he provides on store security measures and the prevention of criminal activity against the Company, and also to strengthen and enhance the Company's audit structure. Moreover, the Company designates him to be an independent officer of the Company because he does not breach the requirements for independent directors defined by Tokyo Stock Exchange, Inc. and is deemed unlikely to have a conflict of interest with general shareholders.
Katsuhiro Hashimoto	○	Designated as independent officer.	The Company appointed Mr. Katsuhiro Hashimoto to draw on his abundant experience and insight and to benefit from the effective advice and information he provides on the hygiene management of food especially fresh food, and also to strengthen and enhance the Company's audit structure. Moreover, the Company designates him to be an independent officer of the Company because he does not breach the requirements for independent directors defined by Tokyo Stock Exchange, Inc. and is deemed unlikely to have a conflict of interest with general shareholders.
Tsuyoshi Ikarashi	○	Designated as independent officer. [Profile] July 2018 Retired from Kantoshinetsu Regional Taxation Bureau August 2018 Registered and started in practice as tax accountant (to present) [Significant concurrent positions] Auditor (Part-time), ECHIGO CHUETSU AGRICULTURAL COOPERATIVE ASSOCIATION Auditor (Full-time), NCT Corporation The Company has no special interest in ECHIGO CHUETSU AGRICULTURAL COOPERATIVE ASSOCIATION or NCT Corporation.	The Company appointed Mr. Tsuyoshi Ikarashi to benefit from the effective advice and information he provides on the appropriateness of the execution of duties by management from a tax perspective, and also to strengthen and enhance the Company's audit structure. Moreover, the Company designates him to be an independent officer of the Company because he does not breach the requirements for independent directors defined by Tokyo Stock Exchange, Inc. and is deemed unlikely to have a conflict of interest with general shareholders.

Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members

Number of Independent Directors and Independent Audit and Supervisory Board Members	6
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Other Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members
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Incentives

Implementation Status of Measures related to Incentives Granted to Directors	Other
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Supplementary Explanation for Applicable Items
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Introduced stock compensation plan

Persons Eligible for Stock Options	
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Supplementary Explanation for Applicable Items
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Director Remuneration

Status of Disclosure of Individual Director's Remuneration	Disclosure for Selected Directors
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Supplementary Explanation for Applicable Items
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Compensation for directors is split into basic compensation, bonuses and stock compensation (reversal of provision for stock compensation for directors), and the Company discloses the total amount of compensation.
Compensation for individual officers whose compensation is 100 million yen or more is disclosed in the securities report.

Policy on Determining Remuneration Amounts and Calculation Methods	Established
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Disclosure of Policy on Determining Compensation Amounts and Calculation Methods
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(1) Basic Policy

Director compensation at Yaoko is based on a system that sufficiently functions as an incentive to continuously increase corporate value, and when decisions are made regarding compensation for individual directors, appropriate levels are set based on the position and duties of each director. Specifically, it consists of performance-linked compensation and compensation that is not performance-linked (fixed compensation), and for outside directors who serve in a supervisory capacity, only fixed compensation is paid in light of their duties.

(2) Fixed compensation is monthly fixed monetary compensation. It is determined by considering all factors, including an evaluation of performance based on the position and duties, operating results, years of service, and employee salary levels.

(3) Performance-linked compensation consists of compensation linked to short-term performance (bonuses) and compensation linked to medium/long-term performance (stock compensation). Compensation linked to short-term performance is cash compensation (bonuses), and an amount calculated by using the degree of attainment of a target value for ordinary income in each business year as a guide is paid at a certain time every year. The target KPI is an ordinary income margin of 4% or more; however, this is revised based on the report of the Compensation Committee according to changes in the environment. Compensation linked to medium-to-long-term performance is non-cash compensation, etc. (stock compensation). The Company's stock is delivered to individual directors according to the number of points granted to them each month in accordance with position-specific standards stipulated in stock delivery regulations according to the degree of their responsibilities. (In principle, the Company's stock is granted to the Directors when they retire from office.)

(4) The percentages of the different types of compensation for directors excluding external directors are roughly 30% performance-linked compensation and 70% compensation not linked to performance.

(5) The Representative Director and President shall be delegated the authority to determine the specific details of the amount of individual compensation in accordance with a resolution of the Board of Directors, and the scope of such authority shall include the amount of fixed compensation for each Director and the evaluation and allocation of compensation linked to

short-term performance (bonuses) according to the responsibilities of each Director. To ensure that such authority is appropriately exercised by the President and Representative Director, the Board of Directors shall submit a draft proposal to the Compensation Committee and obtain a report from the committee, and the President and Representative Director subject to the above-mentioned delegation shall determine details of compensation according to the content of said report.

As regards the position-standard points for compensation linked to medium-to-long-term performance (stock compensation), the Compensation Committee shall check the appropriateness of the points and shall make a report to the Board of Directors urging revision where necessary.

Support System for Outside Directors (and/or Outside Audit and Supervisory Board Members)

In terms of support for external directors, the Company achieves a shared understanding of information and issues by sending board meeting materials to directors in advance and exchanging information with directors who participate in various committees, etc.

In terms of support for external auditors, the Executive Auditor seeks to share information with them by reporting on monthly performance and management issues and by communicating internal and external audit information to them at regular meetings of the Board of Corporate Auditors. Efforts are also made to foster a unified understanding of issues through the submission of reports on issues by general managers.

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

The Board of Directors, which is the Company's ultimate decision-making body, comprises eight directors. The Board convenes once a month in principle and flexibly on an as-needed basis to determine important matters concerning management and to supervise the execution of duties. For the execution of day-to-day operations, the Company has established a structure consisting of three headquarters: Sales Management, Store Development, and Administration and it delegates necessary authority to the director of each headquarters to speed up management decision making and business operations. In addition, the four Auditors attend meetings of the Board of Directors, audit the execution of duties by directors, and provide advice and information based on their respective areas of expertise.

Auditors gather information about the Company mainly by attending meetings of the Board of Directors and other important management meetings and viewing important documents such as decision-making documents, and audit the execution of duties by Directors. Auditors also convene the Board of Corporate Auditors once a month, in principle, to share information with each other and ascertain each other's intentions. There are no transactions or other special interests between Auditors and the Group.

Auditors may use members of the Internal Audit Department as assistants if needed for the execution of their duties. The authority to issue instructions to those assisting Auditors in the execution of their duties lies with the Auditors themselves.

The Board of Directors has established the Nominating Committee and the Compensation Committee as voluntary advisory bodies, and refers matters related mainly to the election and dismissal of directors and the recommendation of auditor candidates to the Nominating Committee and matters related mainly to compensation for individual directors to the Compensation Committee, and gives due consideration to the report of each committee when making decisions.

The Company has concluded contracts for the limitation of liability, by which the liability for damages stipulated in Article 423, paragraph (1) of the Companies Act of Japan is limited by the provision of Article 427, paragraph (1) of the said Act, with all three External Directors and all three External Auditors. The maximum amount of liability under these agreements is the minimum liability limit stipulated by law.

Regarding accounting audits, the Company has concluded an audit agreement with A&A Partners to check any statutory requirements and accounting-related issues as necessary and implements appropriate accounting practices.

3. Reasons for Adoption of Current Corporate Governance System

The Company has developed a corporate governance structure consisting of a Board of Directors, which makes decisions on the execution of important business for the entire Group and supervises the execution of duties by directors, and Auditors and the Board of Corporate Auditors, which are independent from the Board of Directors and audit the execution of duties by Directors. The Company's Board of Directors is made up of eight Directors including three External Directors (all of whom are independent officers). The External Directors supervise management by drawing on their own knowledge and external perspectives to offer advice, take part in discussions and make decisions at Board meetings.

The Company's Board of Corporate Auditors consists of four Auditors, including three External Auditors (all three of whom are independent officers). The External Auditors share their expertise and deep insight in areas such as finance and accounting, attend Board meetings where they express opinions from an objective standpoint, and conduct audits. The Company believes that, through the foregoing, it has developed a structure for adequately ensuring the objectivity and neutrality of the management supervisory function.

III. Implementation of Measures for Shareholders and Other Stakeholders

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

	Supplementary Explanation
Scheduling of the General Meeting of Shareholders on a Non-Peak Day	Since the fiscal year ended March 31, 2004, the Company has held the ordinary general meeting of shareholders on a date that avoids peak dates.
Other	For matters to be reported, the Company uses PowerPoint to deliver presentations that are easy to understand. The Company also holds informal meetings for shareholders separate from the general meeting of shareholders to increase interaction with shareholders.

2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	The Company's basic policy is to proactively and fairly disclose information aiming to achieve highly transparent management. The Company has established a disclosure policy committing to the timely and appropriate disclosure of material information about the Company and useful company information to help deepen understanding about the Company among shareholders and investors, and it publishes this policy on its website. (https://www.yaoko-net.com/ir/management/irpolicy.html)	
Regular Investor Briefings held for Analysts and Institutional Investors	The Company posts materials such as financial results, financial results reference materials, financial results presentation materials, annual securities reports, integrated reports and other timely disclosure materials. (https://www.yaoko-net.com/ir/)	Held
Online Disclosure of IR Information	The Company posts materials such as financial results, financial results reference materials, financial results presentation materials, annual securities reports, integrated reports and other timely disclosure materials. (https://www.yaoko-net.com/ir/)	
Establishment of Department and/or Placement of a Manager in Charge of IR	The Company has appointed a manager in charge of IR in the Corporate Brand Strategy Department.	

3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	The Company clearly sets out action guidelines in relation to stakeholders in the Sustainability Basic Policy (Yaoko Group Code of Conduct). The Company has also established a Multi-stakeholder Policy and focuses on collaborating appropriately with diverse stakeholders. (https://www.yaoko-net.com/sustainability/policy.html) (https://www.yaoko-net.com/sustainability/multi-stakeholder.html)
Implementation of Environmental Preservation Activities and CSR Activities, etc.	The Yaoko Group aims to help promote health in local communities through the supermarket business in accordance with its management philosophy. Besides serving as a community lifeline, the Company is also seriously tackling environmental issues by reducing environmental impacts throughout the entire supply chain, and implements sustainable management that protects the environment, making local communities glad to have Yaoko. The Company discloses information about activities related to ESG, sustainability and climate action on its website and in its integrated report. Please refer to disclosures for

	Supplementary Principle 3-1-3 of the Corporate Governance Code.
Other	<p>The Company actively uses diverse human resources including women and foreign nationals, and promotes the development of vibrant and rewarding workplaces for all employees.</p> <p>The use of part-time employees, especially in stores, is a long-established practice; however, the Company has appointed staff in charge of promoting diversity in the Personnel and General Affairs Department to encourage the active participation of women, the elderly, foreign nationals and persons with disabilities.</p> <p>Examples of initiatives include:</p> <ul style="list-style-type: none"> (1) extending the maximum age for employment of part-time workers to 70; (2) establishing a geographically confined employment program as a step towards the appointment of female managers; (3) providing training to next-generation female manager candidates; and (4) establishing in-house daycare centers. <p>Regarding the current status of the appointment of women at the Company, the Company has appointed two female directors. In addition, the number of female managers is 81, including two department general managers, three Division Chiefs five store managers and 13 deputy store managers (8.5% of all managerial posts, as at March 31, 2025).</p> <p>Please also refer to the disclosure for Supplementary Principle 2-4-1 of the Corporate Governance Code.</p>

IV. Matters Concerning the Internal Control System

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

1. Fundamental Views on Internal Control System

The Company's internal control is based on its management philosophy and company policy. Articulating the Company's founding spirit, the Company's management philosophy is "By enriching the daily lives of local consumers, we contribute to the improvement and development of regional culture." It is not simply about pursuing profit, thinking "if the company makes money, that's good enough." Through its business, the Company aspires to contribute to everyone in the community having an enjoyable and abundant day-to-day life, especially in the area of food, which will in turn help improve and enhance the local culture. At the same time, in line with the company policy, "A cheerful life will create a cheerful store," the Company puts cheerfulness at the heart of company management, and believes that it all comes down to doing honest business with transparent and sound management, free of lies and trickery.

Based on the foregoing, the Company has established a Basic Policy on Internal Control for the "development of systems necessary to ensure that the execution of duties by directors complies with laws and regulations and the articles of incorporation, and other systems prescribed by the applicable Ordinance of the Ministry of Justice as systems necessary to ensure the properness of operations of a Stock Company" as stipulated in Article 362, (4), (vi) of the Companies Act and "development of a framework for the development and operation of internal controls over financial reporting" as stipulated in the Financial Instruments and Exchange Act.

In accordance with the Companies Act and the Regulations for Enforcement of the Companies Act, this policy was enacted by resolution of the Board of Directors at a meeting held on May 1, 2006 and has since been partially amended eight times, most recently at a meeting of the Board of Directors on May 12, 2025.

(<https://www.yaoko-net.com/sustainability/governance.html>)

2. Development of internal control systems

(1) Compliance System

- a. The Company has established the Compliance Committee as an organization that oversees compliance, with the Risk Management Office serving as secretariat.
- b. Presided over by the President, the Compliance Committee considers and determines important compliance-related matters, including formulating a basic policy and annual plan in relation to compliance, enacting, amending and operating various compliance-related regulations and systems, implementing compliance-related awareness-raising and employee training activities both inside and outside the company and promoting fair trade.
- c. The Compliance Committee has established the Yaoko Group Code of Conduct setting out the required standards of behavior for the Yaoko Group, provides compliance-related education and training, and raises awareness of the importance of compliance. The committee also provides necessary information and knowledge about compliance and seeks to instill a mindset of respect for compliance.
- d. The Company has established the Internal Control Committee as an organization tasked with evaluating and improving the development and operation of internal systems for ensuring the appropriateness of financial reporting. The committee is presided over by the President and the Risk Management Department serves as its secretariat.
In addition, the Company ensures the appropriateness of financial reporting by developing Accounting Regulations and other internal regulations and complying with accounting standards and other relevant laws and regulations.
- e. In the event of discovery of a serious violation of a law or ordinance or other serious fact in relation to compliance, employees will immediately report to this effect to the Risk Management Department through their line manager.
- f. The Company has established an internal reporting channel in accordance with the Whistleblower Protection Act within the Risk Management Department as a means for employees to provide information about compliance violations or compliance-related suspicions directly to the General Manager of the Risk Management Department.
- g. A director or employee who has reported a matter to the Risk Management Department or an Auditor will not be fired or treated unfavorably because of such consultation or report.
- h. In the event of a report of a serious violation of a law or ordinance or other serious fact in relation to compliance, the Risk Management Department will direct and supervise an investigation into the reported fact and will implement recurrence prevention measures and other necessary measures upon consultation with the President. The details of serious whistleblowing reports are shared with those responsible in the relevant departments and the Company takes action as necessary. At the same time, the results, etc. are reported to relevant directors, etc. and efforts are made to raise awareness.

(2) Information Management Structure

- a. The Company takes appropriate action to deal with important decision-making documents and reports such as the minutes of Board meetings in accordance with the Document Management Regulations that set out rules for the creation, saving and disposal of documents and other related management rules.
- b. The Company protects, uses and manages personal information appropriately in accordance with laws and regulations and

the Personal Information Management Regulations, MyNumber and Specified Personal Information Management Regulations and other relevant internal rules, and any important matters in this regard are considered and determined by the Compliance Committee.

(3) Risk Management System

- a. The Company has established the Risk Management Committee as an organization that oversees matters related to the Group's risk management. The committee is presided over by the President and the Risk Management Department serves as its secretariat. The Risk Management Committee determines important matters related to the identification of risks surrounding the Company and the development of procedures and systems for preventing the materialization of risk and policies and systems for addressing any risks that do materialize.
- b. As regards crisis management, the Company seeks to take appropriate action in accordance with a crisis management plan and manuals for various emergency scenarios such as earthquake and fire.
- c. The Company will promptly appoint a Director responsible for measures in response to any new risk that has arisen.

(4) Systems for the Efficient Execution of Duties

- a. The Company holds a regular meeting of the Board of Directors once a month, in principle. The Board of Directors makes decisions on important matters stipulated in the Board of Directors' Regulations and supervises the execution of duties by Directors. The Company has also established the Management Promotion Council as an organization that discusses and determines important executive policies in relation to corporate management and the operation and management various business operations. The council meets once a month, in principle. The Management Promotion Council is made up of the directors, those responsible for head office business units, and the directors of subsidiaries, and it discusses important management matters such as medium-and long-term management plans, annual budgets and financial results, fund procurement, and matters related to organizations, systems and stores.
- b. In regard to actual business operations, the Company clearly sets out company targets to be achieved based on the medium-term management plan and annual budget, etc. determined in accordance with the previous item and proposes concrete measures for business units to achieve their respective targets.

(5) Group Company Management Systems

- a. In addition to the establishment of a business unit in charge of managing subsidiaries, the Company has established Subsidiary Management Regulations, and appropriately manages, supports and guides subsidiaries according to their situation based on these regulations, laws and regulations, accounting principles, tax laws, etc.
- b. The Company's President and Directors in charge of managing subsidiaries require subsidiaries to report regularly and demand suitable explanations as necessary, while also improving the management efficiency of the Group as a whole and reasonably resolving important management-related matters that arise between the parent company and subsidiaries and between subsidiaries.
- c. The Audit Department implements business audits of subsidiaries as necessary, auditing them to assess the appropriateness of business operations in general, and reports the audit results to the Company's President, the Directors in charge of managing subsidiaries and the Executive Auditor as necessary.
- d. Auditors cooperate with the Audit Department to conduct audits of the Group as a whole, including audits of subsidiaries, in an appropriate manner.

(6) Auditing System

- a. Auditors may use members of the Audit Department as assistants if needed for the execution of their duties. The authority to issue instructions to those assisting Auditors in the execution of their duties lies with the Auditors themselves. Personnel evaluation of those assisting Auditors in the execution of their duties is conducted by the Auditors, and the consent of Auditors is obtained for decisions on other personnel matters related to them.
- b. The President and Directors in charge of executing business report on the execution of their duties as necessary at meetings of the Board of Directors and other important meetings.
- c. Directors and employees report to Auditors in the event of the occurrence or potential occurrence of a matter that will be seriously damaging to the Company, in the event of discovery of an unlawful or fraudulent act, or in the event of occurrence of another matter which the Board of Corporate Auditors has stipulated as a matter that must be reported.
- d. The Directors, Auditors and employees of subsidiaries report to the Risk Management Department in the event of the occurrence or potential occurrence of a matter that will be seriously damaging to subsidiaries and in the event of discovery of an unlawful or fraudulent act, and the General Manager of the Risk Management Department immediately reports to the Auditors.
- e. Auditors attend meetings of the Board of Directors and various management-related meetings where necessary and also view decision-making documents and other important documents to collect information about the company and adequately

supervise the execution of duties by directors.

- f. A majority of Auditors are External Auditors to ensure external transparency.
- g. The Board of Corporate Auditors seeks to achieve accurate and efficient audit operations through the exchange of opinions and interviews with the President and Directors responsible for business execution to quickly gather information and communicate appropriately.
- h. The Audit Department cooperates with the appropriate implementation of audit by working closely with Auditors to jointly implement audits, etc.
- i. Where necessary, Auditors seek communication with experts such as lawyers, certified public accountants and tax accountants to ensure smooth audit activities.
- j. The Board of Corporate Auditors may use legal and accounting experts at the Company's expense where necessary to form an independent opinion when conducting audits.

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

1. Basic views on eliminating anti-social forces

Recognizing that antisocial forces cause enormous damage to companies including their employees, the Company believes that having no ties whatsoever with antisocial forces is essential from the viewpoint of self-defense and social responsibility and is compliance in action.

The Company states to this effect in its Code of Conduct and adopts a basic policy of responding to antisocial forces as an organization, cooperating with external specialist organizations, having no transactions or other relations whatsoever with antisocial forces and prohibiting any backroom deals with them or their funding. The Company will also not hesitate to take civil or criminal legal measures against any unjustified demands.

2. Establishment of a system to help eliminate antisocial forces

- (1) The Company's policy for the elimination of antisocial forces is expressed in the Yaoko Group Code of Conduct, Chapter 4: Building Social Trust, Section 4: Relationship with Local Communities.

○ Relationship with local communities

The Yaoko Group fulfils its responsibility as a member of local communities by seeking cooperation and collaboration with local communities and maintaining positive relationships with them. The Group also supports the creation of affluent consumer lifestyles.

The Group stands firmly against antisocial forces and never gives in to intimidation from them.

a ~ d omitted

- e. The Group does not have relationships with antisocial forces, organizations or groups that threaten the social order or the safety of civil society and will stand resolutely against these forces and eliminate them.
- (2) The Group instills commitment to the principles of not colluding with antisocial forces, not giving in to pressure from antisocial forces and not tolerating racketeering through intercession in civil disputes, and ensures a resolute firm stance in face of antisocial forces.
Specifically, this consists in a basic approach (basic policy) and action on a day-to-day basis to prevent damage from antisocial forces and action in response to unjustified demands (appointing those responsible for countermeasures, reporting to the police and eliminating involvement of antisocial forces as intermediaries).
In addition, appropriate business operations are a prerequisite for preventing damage from antisocial forces. As such, the Group clearly positions internal control systems as a compliance and risk management matter necessary for ensuring appropriate business operations.

V. Other

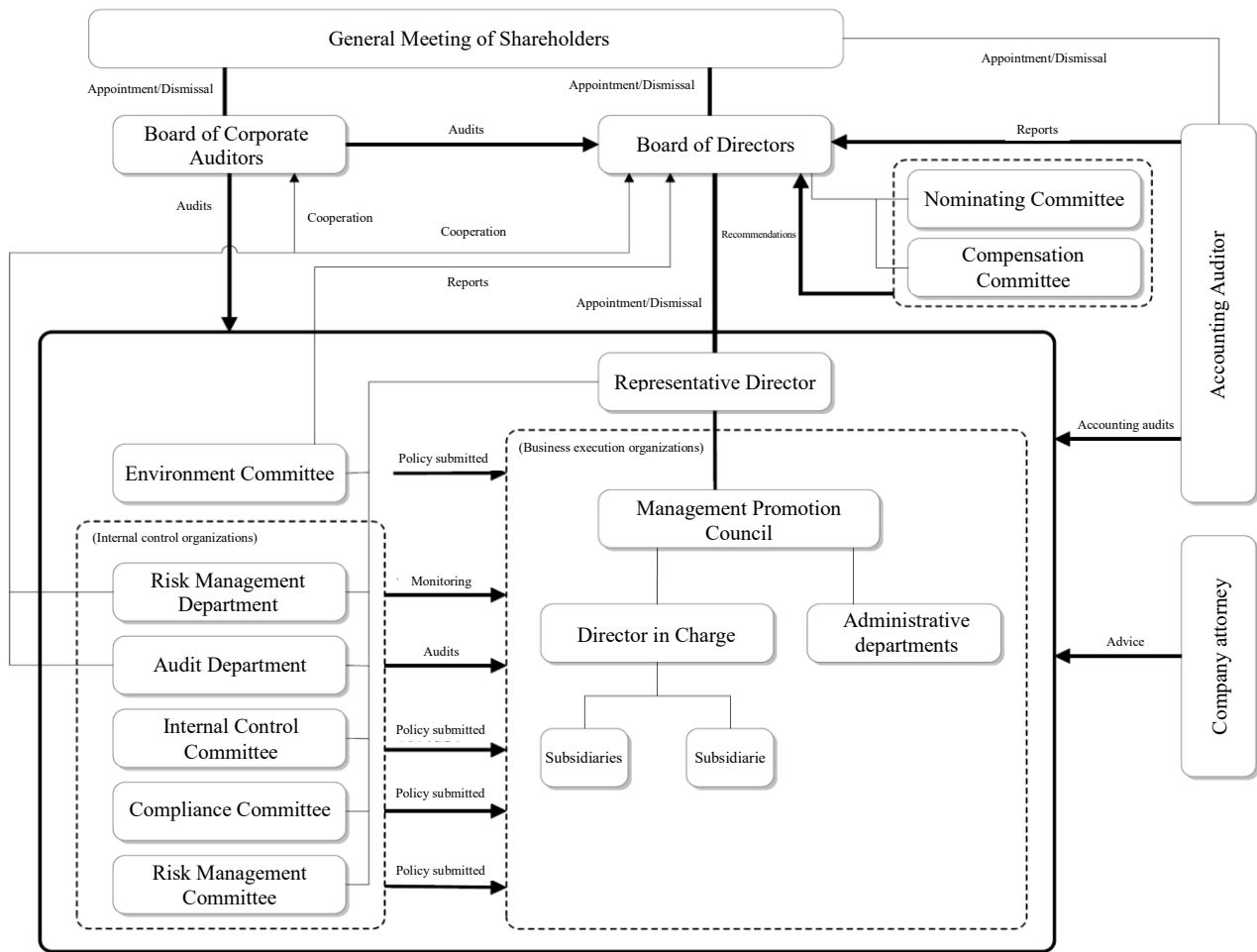
1. Adoption of Anti-Takeover Measures

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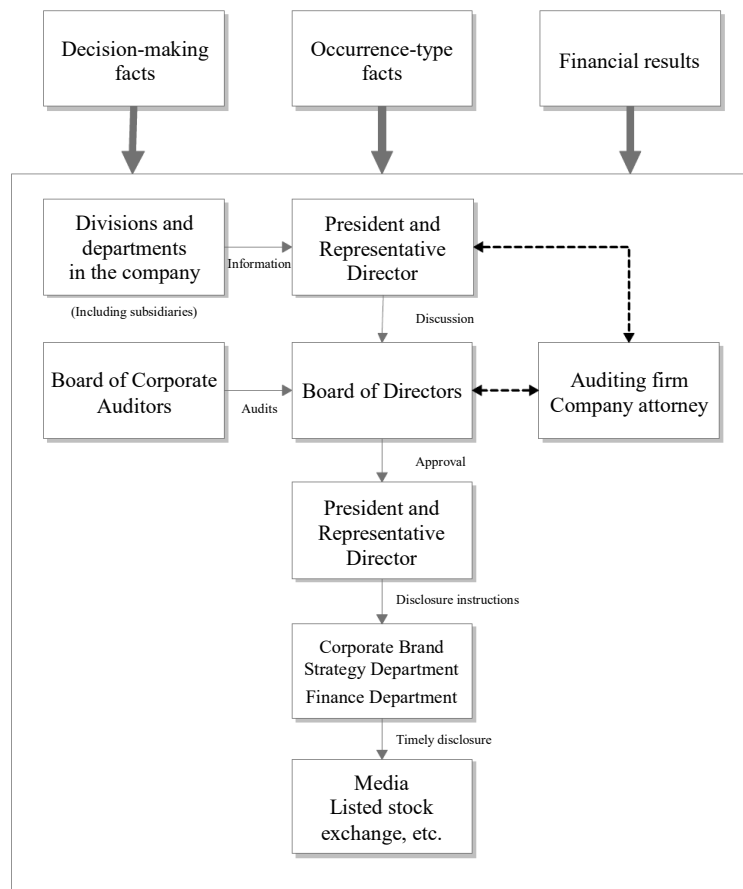
2. Other Matters Concerning Corporate Governance System

Schematic Diagram of Corporate Governance Structure

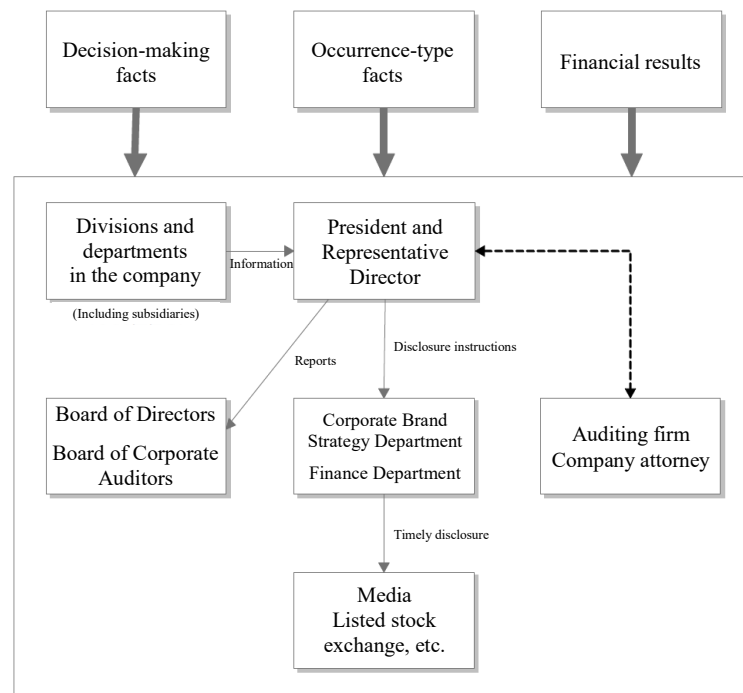


Overview of Timely Disclosure System

[Regular disclosures]



[Urgent disclosures]



Information disclosure

- (1) Transmission of announcement data to TSE via TDnet and publication on TSE website
- (2) Publication on the Company's website
- (3) Publication on the intranet to raise internal awareness