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CHANGE Holdings, Inc.
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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 concepts

(i)Our mission

Japan is projected to become a super-aging society unprecedented in the world, with approximately one in every 2.4 people expected to be aged 65 or older by 2070.

Population concentration in Tokyo continues, and local governments face severe fiscal constraints and declining populations. Even as the number of government employees decreases, their workload continues to grow, making AI Transformation (hereafter "AX") and Digital Transformation (hereafter "DX") indispensable for improving operational efficiency and sustaining public services.

At the governmental level, concrete measures are being developed for "Crisis Management Investments" addressing economic security, food and energy security, cybersecurity, and national resilience, as well as "Growth Investments" in strategic areas such as AI and semiconductors, and the "Regional Future Strategy" to promote local industrial clustering. Public and private investment and initiatives toward sustainable growth have advanced further domestically.

In this environment, the CHANGE Group operates under the mission of "Change People, Change Business, Change Japan," with the vision of "Change Productivity." By combining "People × Technology," the Group aims to dramatically improve Japan's productivity and, despite population decline, create a sustainable society. To this end, the Group pursues businesses centered on the digitalization of business models and operational processes, as well as the development and training of digital human resources, and has been providing solutions to meet the AX and DX needs of many customers since its founding.

(ii)Basic policy on corporate governance

The Company believes that corporate governance is a framework for clarifying management responsibility and accountability to our stakeholders, including shareholders, customers, and employees, and for providing benefits through maximization of corporate value by ensuring transparency in management and business execution, thorough compliance, and simultaneously promoting efficient management. The Company will utilize the Corporate Governance Code as a tool to confirm that this framework is progressing in the right direction, and will work on continuously enhancing and further deepening our corporate governance.

The Company transitioned from a company with a Board of Corporate Auditors to a company with an Audit and Supervisory Committee upon approval at the 23rd Annual General Meeting of Shareholders held on June 26, 2025. Through this transition, we are working to enhance corporate value by accelerating decision-making through delegation of authority from the Board of Directors to the executive team, strengthening the supervisory function of the Board of Directors by further enriching deliberations centered on management policies and strategies, and improving the efficiency of group management.

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

We are implementing each principle of the Corporate Governance Code.

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

[Principle 1-4]

We strategically hold shares for the purpose of strengthening relationships and alliances with business partners.

With respect to individual strategic shareholdings, the Investment Advisory Committee, which includes outside members, examines whether they are necessary for our growth and whether there is any other effective use of funds, as appropriate, and consults with the Board of Directors, as necessary. We exercise voting rights related to these shares after comprehensively taking into account whether the proposal contributes to the efficient and sound management of the issuing company, and whether it is expected to enhance corporate value.

We have not established a uniform standard on this matter at this time because we have to make qualitative and comprehensive judgment, one by one, based on individual shares.

This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.

[Principle 1-7]

We are fully aware that transactions between related parties may impair the soundness of management. Therefore, based on the “Related-party Transaction Rules,” the Board of Directors reviews and approves the transaction after carefully examining the necessity of the transaction, the validity of its conditions, and whether the conditions are appropriate compared with other external transactions, under the condition that the relevant officer shall be excluded from the quorum for such resolution. We require each Director to report on the status of concurrent appointment periodically and promptly as executives of other entities, related parties, and other issues. We have established a system to always follow the latest information and report all continuing related party transactions at the first meeting of the Board of Directors to be held after the beginning of the new fiscal year. In the event of transactions between related parties, we disclose the transaction results to the Annual Securities Report in accordance with the Companies Act, the Financial Instruments and Exchange Act, and other applicable laws and regulations, as well as the rules of the Tokyo Stock Exchange.

In addition, although transactions with any companies, etc., whose shareholding ratio in the Company’s shares is between 10% and 50% and with subsidiaries of such companies, etc. do not fall under related party transactions, they may force us unnecessary transactions or distort transaction conditions, which we consider a high level of caution for us. Therefore, such transactions are required to be reported to the Board of Directors for properly checking.

Regarding the status of these transactions, not only Corporate Control Unit ascertains the transaction details, amounts, etc., but also the Audit and Supervisory Committee confirms them.

[Principle 2-4(1)]

■Basic concept for promoting diversity, equity and inclusion)

We recognize that the most important source of creating value for the Group is "people," and that the most important management resource in business growth is "human resources." We believe that "diversity, equity and inclusion" not only has the function of maintenance and promotion of an organizational environment in which each employee respects each other's individuality and values and maximizes the power of each employee, but also are the corporate and business activities themselves aimed at realizing the mission by improving the performance of the entire organization. Based on this recognition, we are actively promoting diversity, equity and inclusion.

■Targets and status of actions for ensuring diversity

<As a whole>

In order to improve corporate value over the medium to long term, we believe it is important to maintain diversity and to create an environment in which all human resources can actively work regardless of their nationality, gender, age, or disability. To this end, we have provided a variety of training programs to encourage each employee to develop skills and self-improvement. In addition, we have introduced a variety of programs to create a comfortable and flexible working environment, including child-care and family-care holidays and telework systems. We publish the overall status of our efforts on our sustainability website.

Our sustainability website: https://www.changeholdings.co.jp/sustainability/

<Female>

We are working to develop an internal environment where all employees, regardless of gender, can choose diverse work styles that meet various needs in their personal lives and life stages, and as a result, can continue working with high motivation while demonstrating their individual personalities and talents.

Specifically, we are working to expand various systems available to both men and women to enable work-life balance even amid various environmental changes accompanying life events such as childbirth, childcare, and nursing care. We will continue to strive to achieve the government's target of increasing the proportion of women in leadership positions to "at least 30%."

<Foreigners>

Our Basic Policy on Sustainability stipulates that no discrimination, exclusion, nor priority shall be imposed on employees based on race, color of skin, nationality, ethnicity, language, etc. We appoint employees to managerial posts who have the personality, experience, ability, and knowledge necessary for the performance of their duties, irrespective of gender, nationality, or background of employment. In the future, we intend to continue to develop our internal environment with the aim of achieving a higher ratio than the current level.

< Mid-career hires>

In the past year, more than 50% of new employees are mid-career employees. Currently, mid-career hires account for more than 90% of all full-time employees, many of whom play a core role in each division. We appoint persons who have the personality, experience, ability, and knowledge necessary for the performance of their duties, irrespective of gender, nationality, or background of employment, to managerial posts, and do not discriminate in any way with respect to the promotion of mid-career hires to managerial posts.

As a result, in recent years the ratio of mid-career hires among all managers has consistently exceeded 50%.

Since becoming a holding company in April 2023, we have not hired new graduates. On the other hand, we have been actively recruiting mid-careers, so it is expected that the ratio of mid-career hires will increase in the future.

[Principle 2-6]
We do not have a corporate pension fund system.

[Principle 3-1]
(1) Company's goals (management philosophy, etc.), management strategies, and business plans
We have established a system of philosophies, consisting of our Mission and Vision, and our officers and employees are implementing these in accordance with our Principles of Conduct. We disclose our "Mission" and "Vision" on our website and in our financial results briefing materials, etc.

(2) Basic approach to corporate governance and basic policies
It is described in "I.1. Basic Concepts" in the Corporate Governance Report.

(3) Policies and procedures for the Board of Directors to determine the remuneration of Directors
In order to strengthen the independence, objectivity and accountability of the functions of the Board of Directors related to the remuneration of Directors (excluding Directors who are Audit and Supervisory Committee members), we have established the Remuneration Advisory Committee as an advisory body to the Board of Directors, of which majority is composed of Independent Outside Directors. The Remuneration Advisory Committee discusses issues related to the policies for determining individual remuneration for the Director(excluding Directors who are Audit and Supervisory Committee members), including the selection of performance-related indicators and the standard for giving share-based remuneration, which are linked to performance-based remuneration, as well as issues related to individual remuneration of the Director(excluding Directors who are Audit and Supervisory Committee members), and reports to the Board of Directors. At a meeting of the Board of Directors held on December 15, 2020, we adopted a policy for determining individual remuneration for Directors(excluding Directors who are Audit and Supervisory Committee members). The Remuneration Advisory Committee is consulted in advance on the agenda for the resolution to be made at the Board of Directors and receives a related report. At a meeting of the Board of Directors on December 24, 2021, the Company decided to change the performance-linked remuneration policy so that "the performance-linked remuneration indicator will only consist of the net profit (consolidated results) attributable to the owners of the parent for the relevant fiscal year", from the fiscal year ending March 2022."

a. Basic remuneration policy
Remuneration for Directors, (excluding Directors who are Audit and Supervisory Committee members) excluding Outside Directors, consists of fixed remuneration and performance-linked remuneration. Fixed remuneration is determined by comprehensively judging the duties, roles, and contributions, etc. regarding the execution of duties as Directors(excluding Directors who are Audit and Supervisory Committee members). Performance-linked remuneration is based on profit attributable to owners of the parent (consolidated results) for the year ending March 2027 as remuneration for the execution of duties for the year ending March 2027. With regard to remuneration linked to medium-to long-term performance, we believe that Directors(excluding Directors who are Audit and Supervisory Committee members), excluding Outside Directors, have already earned sound incentives for sustainable growth at this moment because they have sufficient number of shares of the Company.
Remuneration for Outside Directors (excluding Directors who are Audit and Supervisory Committee members) is based only on fixed remuneration from the viewpoint of independence and objectivity with respect to management, and we determine it after comprehensively assessing management responsibility as the Director, our business performance, economic trends, and other factors.
Remuneration for the Director who are the Audit and Supervisory Committee member consists solely of fixed remuneration from the viewpoint of independence and objectivity with respect to management.

b. Policy on performance-linked remuneration
Indicators for the performance-linked remuneration are profit for the fiscal year ending March 2027 attributable to owners of the parent (consolidated results). These indicators are readily understandable and affect the capital resources and stock prices towards growth investments. Therefore, we consider them the most important indicators for us because the stock market is highly interested in these indicators.

c. Policy on determination of payment ratio of performance-linked remuneration and other remuneration
Our Directors' (excluding Directors who are Audit and Supervisory Committee members) remuneration consists of fixed and performance-linked remuneration, and performance-linked remuneration is determined with the objective of ensuring that sound incentives work toward the achievement of the Group's and the Company's annual performance goals. Remuneration for Outside Directors only consists of fixed remuneration.

d. Policy for determining the timing or conditions for the provision of the remuneration to the Directors.

Regarding the fixed remuneration of Directors(excluding Directors who are Audit and Supervisory Committee members), only the monthly fixed remuneration is applied. In addition, the amount of basic remuneration for Directors who are Audit and Supervisory Committee members is determined by the discussion of the Audit and Supervisory Committee within the range of the maximum remuneration approved at the General Meeting of Shareholders.

The performance-linked remuneration for the Directors will be paid once a year within one month after the end of the General Meeting of Shareholders in the relevant business year.

e. Matters concerning delegation of determination of remuneration, etc.

The Board of Directors does not delegate decisions on individual remuneration, etc. to others.

(4) Policy and procedures for the Board of Directors to appoint Executive and Director

In order to strengthen the independence, objectivity and accountability of the functions of the Board of Directors in connection with the nomination of Directors (excluding Directors who are Audit and Supervisory Committee members, including successors), we have established the Nomination Advisory Committee as an advisory body to the Board of Directors, of which majority is composed of Independent Outside Directors. The Nomination Advisory Committee discusses issues related to the election, re-assignment, and removal of the Director (excluding Directors who are Audit and Supervisory Committee members, as well as issues related to the successor (including training) of the Representative Director, and reports to the Board of Directors.

The Board of Directors has received a report from the Nomination Advisory Committee, reviewed and decided candidates of Directors(excluding Directors who are Audit and Supervisory Committee members) based on their personality, experience, capabilities, knowledge, and so on which contribute to our growth and medium- to long-term improvement in corporate value.

In addition, the Board of Directors decided candidates who are Audit and Supervisory Committee members with consultation and consent from the Audit and Supervisory Committee based on their personalities, experience, abilities and knowledge which enable them to conduct audits neutrally and objectively.

On the other hand, in the event that a reason for dismissal of the Director(excluding Directors who are Audit and Supervisory Committee members) arises, the Board of Directors shall review and deliberate the matter based on discussion and report by the Nomination Advisory Committee and submit a proposal for dismissal to the General Meeting of Shareholders in accordance with laws and regulations and dismiss the Director by a resolution of the General Meeting of Shareholders.

In addition, in the event that a reason for dismissal of the Director who are Audit and Supervisory Committee member arises, the Board of Directors shall review and deliberate the matter, submit the proposal for dismissal to the General Meeting of Shareholders in accordance with laws and regulations and dismiss the Director who are Audit and Supervisory Committee member by a resolution of the General Meeting of Shareholders.

(5) Explanation about individual elections and designations regarding present Directors.

Hiroshi Fukudome (Representative Director, President and Executive Officer)

Mr. Hiroshi Fukudome is a founding member of the Company and has been responsible for his duties as the Representative Director since April 2003. The Company has determined that he will be able to continue to use his knowledge about overall business of the Company to strengthen the functions of the Board of Directors and has appointed him.

Akira Ito (Director, Executive Officer and Vice President)

Mr. Akira Ito is a founding member of the Company and has been responsible for his duties as the Director since April 2003. The Company has determined that he will be able to continue to use his knowledge about corporate management and DX, etc. to strengthen the functions of the Board of Directors and has appointed him.

Yutaka Yamada (Director and Executive Officer, CFO)

Mr. Yutaka Yamada has been responsible for his duties as the Director since June 2014. The Company has determined that he will be able to continue to use his knowledge about corporate management, finance, and accountings, etc. to strengthen the functions of the Board of Directors and has appointed him.

Takeshi Matsumoto (Outside Director, Independent Officer)

Mr. Takeshi Matsumoto has been involved in IT businesses for many years and possesses a wealth of experiences and a broad insight as a manager. Based on his knowledge and experience, we expect him to ensure the objectivity and neutrality of the management by incorporating his external perspective and monitoring function. We have determined that he will contribute to further growth of the Group and the enhancement of corporate governance. For this reason, the Company has determined that he can properly perform his duties as the Outside Director and has appointed him.

Kayo Takigawa (Outside Director, Independent Officer)
Ms. Kayo Takigawa is a qualified lawyer, being familiar with corporate laws, and having a wide range of knowledge regarding legal issues. Based on her knowledge and experience, we expect her to ensure the objectivity and neutrality of the management by incorporating her external perspective and monitoring function. Although she has not been involved in corporate management other than being an outside director, the Company has determined that she can properly perform her duties as the Outside Director and has appointed her for the above reason.

Takehiko Kubo (Outside Director, Audit and Supervisory Committee member, and Independent Officer)
Mr. Takehiko Kubo has considerable knowledge of compliance, internal control, risk management, finance, and accounting through his management experience at large corporations and many years of experience at financial institutions, and has appropriately performed his duties as the Corporate Auditor and the Audit and supervisory Committee member since 2022. We expect that he will continue to play an appropriate role in strengthening the supervisory function of our Board of Directors by providing supervision and advice on the execution of duties by Directors from the perspectives of compliance, internal control, risk management, finance, and accounting as an Outside Director independent from management, and he has been appointed as an Outside Director who is an Audit and Supervisory Committee member.

Hiroyuki Yaji (Outside Director, Audit and Supervisory Committee member, and Independent Officer)
Mr. Hiroyuki Yaji has extensive experience in corporate accounting audits over many years as a certified public accountant, possesses advanced and broad knowledge and insight regarding corporate governance and compliance, and has appropriately performed his duties as the Corporate Auditor and the Audit and supervisory Committee member since 2023. In order to ensure the soundness of management and enhance the medium- to long-term corporate value of our Group, we expect that he will continue to play an appropriate role in strengthening the supervisory function of our Board of Directors by providing supervision and advice on the execution of duties by directors from the perspectives of finance and accounting as an Outside Director independent from management, and he has been appointed as an Outside Director who is an Audit and Supervisory Committee member.

Ryuzo Koide (Outside Director, Audit and Supervisory Committee member, and Independent Officer)
Mr. Ryuzo Koide has extensive practical experience at large corporations, abundant experience as a manager, and broad insight, and has appropriately performed his duties as the Corporate Auditor and the Audit and supervisory Committee member since 2023. In order to ensure the soundness of management and enhance the medium- to long-term corporate value of our Group, we expect that he will continue to play an appropriate role in strengthening the supervisory function of our Board of Directors by providing supervision and advice on the execution of duties by Directors from a management perspective as an Outside Director independent from management, and he has been appointed as an Outside Director who is an Audit and Supervisory Committee member.

[Supplementary Principle 3-1(3)]
■Sustainability initiatives
Under the mission of “Change People, Change Business, Change Japan” and the vision of “Change Productivity,” we are working to co-create a sustainable society with a variety of stakeholders (realizing a sustainable society). In order to make Japan a sustainable society despite a decreasing population, we are developing businesses, such as digitization of business models and business processes, support for the development of digital human resources, and co-creation of self-sustaining local communities. We are providing a variety of solutions to many customers. We believe that the themes for businesses of companies of the Group themselves incorporate the perspectives of sustainability, and that the Group's growth strategy is based on the concept of sustainability. Our basic approach to sustainability and examples of initiatives by the Group as well as the impact of risks and opportunities related to climate change on our business activities and earnings are disclosed in detail on our sustainability website. Regarding the relationship between our approach to sustainability and our management strategies and issues, we disclose and provide specific information in an easy-to-understand manner in the Midterm Business Plan announced on May 14, 2026.
Our sustainability website: https://www.changeholdings.co.jp/sustainability/society/
Revised Midterm Business Plan: https://ssl4.eir-parts.net/doc/3962/ir_material5/268927/00.pdf

■Disclosures based on TCFD or equivalent framework
The Group's business strategy is tied closely to the environment. One of the strategic areas of the Group's Midterm Business Plan is to "resolve social issues faced by local communities and make them sustainable," with the aim of "addressing critical and urgent sustainability challenges in areas where sustainability is at stake." In particular, the impact of climate change, including CO2/GHG (GHG) emissions, have a direct impact on the community's people, society, and economics, and the Group provides many solutions and services aimed at

mitigating the impacts of climate change. We believe that to address these issues seriously is one of the Group's important social responsibilities, as well as providing new business opportunities. Based on the above understanding, we disclose “business risks and opportunities associated with climate change” on our sustainability website (https://www.changeholdings.co.jp/sustainability/environment/climate/#sec2). In the future, we will continue to evaluate and improve our governance structure and the management systems based on TCFD framework and will work to further enhance the quality and volume of the information we disclose.

■Human and intellectual property investment
<Human capital>
We consider the proactive provision of training opportunities aimed at improving employee skills to be an extremely important theme from the perspective of continuously improving corporate value and competitive advantage. In order to maximize each employee's ability and create new value, we are continuously maintaining and promoting a "culture of mutual learning" so that employees can learn actively and maintain their desire to continue improving their skills and capabilities. We also provide in-house training (by job type, level and age) throughout the year. We intend to provide a variety of training sessions to improve skills so that each employee can actively challenge various fields without being afraid to experiment and learn from mistakes. Our concrete efforts for human capital are disclosed on our Sustainability Site (https://www.changeholdings.co.jp/sustainability/society/employee/).

<Intellectual property>
We are promoting digital transformation through training in services and digital human resources, using AI, voice internet, mobility, IoT, big data, cloud, security and other algorithms, and infrastructure technologies (collectively called "Libraries"). To help realize customers' digital transformation, it has become possible for us to combine Libraries based on customer needs and to provide a comprehensive digital transformation solution for them. In order to utilize new technologies, such as AI, voice internet, mobility, IoT, big data, cloud, and security, which composes the NEW-IT Business, both the offensive aspect of "application development to create effects" and defensive aspect of "secure and efficient operation management" must be successfully turned. In line with the emergence of new technologies, we develop applications tailored to each industry and business category, and systematize our technologies and knowledge, including organizational improvements and skill enhancements. In addition, it is important to establish a timely supply system for the Libraries. Regarding new technologies, we are constantly updating our Libraries by maintaining extensive information networks and continuously evaluating emerging technologies, evaluating them from the viewpoint of practicality, availability, and reliability. Based on the Libraries, we invest in intellectual property through the execution of an intellectual property transfer agreement or license agreement that is considered necessary, or through M&A of a company that owns the intellectual property.

[Supplementary Principle 4-1 (1)]
We have introduced the Executive Officer System in which a portion of important business execution is delegated from the Board of Directors to Executive Officers in order to build a swift and highly effective business execution system and to strengthen the management oversight function of the Board of Directors. The Board of Directors has defined the items that require the decision-making of the Board, the items that are delegated by the resolutions of the General Meetings of Shareholders, and important items that affect our business operations in the Rules of the Board of Directors, and based on this, it makes these decisions.
With regard to deliberations and decisions other than those to be decided by the Board of Directors, we have broadly delegated authority to Executive Officers and other officers, based on internal regulations, such as organizational regulations, division of duties regulations, consensus-building regulations, and administrative authority regulations. In addition, we have clarified responsibilities in the execution of operations, and are working to ensure flexibility and speed in the execution of operations.

[Principle 4-9]
We have established and practiced our own standards regarding independence for the appointment of Outside Directors, having referred to the Companies Act and the Tokyo Stock Exchange's Criteria for the Independence of Outside Directors

< Criteria for the Independence of Outside Officers>
If our Outside Director does not fall under any of the following (1) to (13), he or she can be judged to be independent. Hereinafter, the Company and our affiliated companies (referring to the parent company, subsidiaries , and a sibling company (referring to any company having the same parent company)) are referred to as “the Group.” Executive Director, Executive Officer, manager, and other employee are referred to as “Executive Director, etc.”

(1) Executive Director, etc. of a company whose current Major Shareholder (a shareholder with 10% or more voting rights, the same shall apply hereafter) is the Group
(2) If the Major Shareholder or the Major Shareholder of the Group is a company in the last five years, the Executing Director, etc. of such company or its parent company or its Significant Subsidiary (referring to the subsidiary that is described as a Significant Subsidiary in the item of "Status of the Significant Parent Company and Subsidiary" or any other material publicized by such company in general in the business report for the most recent business year of the company).
(3)The Main Business Partner of the Group (referring to a person or a company who received payment from the Group for 2% or more of the total annual sales of the Group in the past three business years) or its Executive Director, etc.
(4)The Main Lender of the Group (referring to that who provides the Group with a credit equal to or greater than 10 million yen per year or 30% of the average annual costs of the related organization, whichever is greater, on average over the past three business years) or its Executive Director, etc.
(5) Certified public accountants (or certified tax accountants) or members, partners or employees of the accounting auditor or the audit firm (or certified tax accountant firm) who are accounting advisor of the Group.
(6) Certified public accountants (or certified public tax accountants) or partners or employees of audit firm (or certified public tax accountant firm) who were the accounting auditor or the accounting adviser of the Group and who were actually in charge of auditing activities of the Group (except for those who were supplementarily involved) for the past three business years
(7) Lawyers, certified public accountants, certified tax accountants, or other consultants who do not fall under (5) and (6) above, BUT those who have gained more than 10 million yen per year in the form of money or other property benefits from the Group other than the executive officers' Remuneration in the past three business years
(8) Employees, partners, associates, or employees of a legal firm, auditing firm, certified public tax accounting firm, consulting firm, or other specialized advisory firm that does not fall under (5) and (6) above, BUT whose main client is the Group (meaning a firm who received from the Group payment for Remuneration exceeding 2% of the consolidated sales of such firm or \100 million, whichever is higher, in the past three business years).
(9) Persons or Executive Officers , etc. who have received donations or subsidies of 10 million yen or more per year from the Group in any of the past three business years.
(10) Executive Director, etc. of a company or its affiliate that accepts a board member (whether full-time or part-time) from the Group.
(11) Persons who fall under any of the following items within 10 years before assuming office:
(a) Executive Director, etc. or a director who does not correspond to the Executive Director, etc. of our parent company.
(b) Corporate auditor of our parent company (provided that, regarding outside corporate auditors, they are independent outside corporate auditors)
(c) Executive Director, etc. of our sibling company
(12) Spouses or relatives within the second degree of kinship of the person who falls under (1) to (11) above.
(13) Otherwise, persons who have a possibility of a constant substantial conflict of interest with our general shareholder as a whole due to circumstances other than those considered in (1) to (12) above.

※Even if a person does fall under any of the above-mentioned items as an Independent Outside Director, such person can be appointed by our Board of Directors as an Independent Outside Director in light of the personality and insights of the person can be regarded as such, provided that, the Company shall explain the reason for considering that the person is appropriate as the Independent Outside Director, unless it violates the standards set by the Tokyo Stock Exchange and the Companies Act and other laws and regulations.

[Supplementary Principle 4-10(1)]
Please refer to the following sections of this Report.
II. Status of the business management organization and other corporate governance systems related to management decision-making, execution, and supervision

1. Organizational structure and operation
[Optional Committee]
Status of the establishment of optional committees, attributes of the members and the chairperson, and supplementary explanation

[Supplementary Principle 4-11 (1)]

In order to realize our Group's mission, we believe it is necessary to conduct management that contributes to the resolution of social issues from a long-term perspective, based on the values of various stakeholders and the social influence of the Company. Therefore, from the perspective of enhancing corporate value over the medium to long term, the Board of Directors endeavors to ensure that knowledge, experiences, abilities, and diversity are optimal as a whole. Currently, the Board of Directors is composed of Internal Directors who are familiar with each division and Independent Outside Directors who possess a high level of expertise, and we believe that we maintain a sufficient set of skills and diversity as a whole. The basic idea of the size of the Board of Directors is that it shall consist of a sufficient and appropriate number to conduct extensive discussions. The number of Directors (excluding Directors who are Audit and Supervisory Committee members) is up to seven for the Board of Directors and up to five for Directors who are Audit and Supervisory Committee members as stipulated in the Articles of Incorporation. Currently, the Board of Directors consists of three Internal Directors, five Independent Outside Directors. We believe that the Board of Directors has the necessary skills as a whole.

Please see the Skill Matrix Table at the end of the report/

Principle 3-1 (4) describes the policies and procedures for the election of the Director and the Director who are Audit and Supervisory Committee members.

[Supplementary Principle 4-11(2)]

We disclose the status of important concurrent positions held by the Outside Directors as well as Internal Directors in the Notice of Convocation of the General Meeting of Shareholders and in the Annual Securities Report.

[Supplementary Principle 4-11(3)]

We have annually been conducting analyses and evaluations of the effectiveness of the Board of Directors in accordance with the following evaluation process since the fiscal year ended March 31, 2021.

<Evaluation process>

Our Board of Directors conducts a registered on 32 items for all members of the Board of Directors, including Outside Directors. In addition, the Board of Directors deliberates on issues to be addressed in the future based on the results of analysis regarding the questionnaire.

The evaluation results for the fiscal year ended March 31,2026 are summarized below:

<Evaluation results>

As a result of the analysis of the questionnaires and interviews, the majority of the Board of Directors have evaluated them positively, regardless of the attribution of each Director of the Board (his or her independency or execution of business, etc.). Therefore, we believe that the effectiveness of the Board of Directors is largely secured in light of the size of our company and the nature of our business. On this basis, the Board of Directors has confirmed that the following measures will be taken in order to continuously improve the effectiveness of the Board of Directors and further strengthen corporate governance. We intend to further improve the effectiveness of the Board of Directors.

<Recognized issues and policy for future actions>

●To further enhance discussions on group-based business strategies, portfolio management, sustainability, etc., we will strengthen the analysis system of the management information. In addition, we will refine matters to be discussed by the Board of Directors so that the Board of Directors can concentrate on deliberations on important matters in group management.

●To further enhance the effectiveness of group management and realize sustainable business growth, we will refine the process of developing the group's management personnel, remuneration(incentives) and evaluation, etc.

[Supplementary Principle 4-14 (2)]

The Company provides necessary training opportunities so that each Director can fully fulfill their expected roles and responsibilities, taking into account their individual knowledge and experience, and encourages them to participate in various seminars, study sessions, cross-industry exchange meetings, etc. as appropriate, and to strive for self-improvement such as acquiring necessary knowledge and industry trends. The Company bears the costs for such activities. All Directors attend officer study sessions held at least once a year with external lecturers invited after Board of Directors meetings, and strive for self-improvement.

Upon the appointment of new Directors, we provide opportunities to explain in advance to such Directors the roles and responsibilities required under the Companies Act, as well as the business content of the Company and the Group, and the financial status and the status of internal control system development of the Company and the Group.

[Principle 5-1]

In order to promote constructive dialogues with shareholders, we have designated the Corporate Management Unit as the IR-related department. At the same time, we have implemented the following initiatives annually and the Representative Director, President and Executive Officer directly presents financial results and responds to Q&A sessions.

<Quarterly>
・Online financial results briefings for individual and institutional investors and analysts
<At the General Meeting of Shareholders>
・Dialogue with Shareholders (conducted directly following the General Meeting of Shareholders.)
In addition, we actively hold individual IR meetings with institutional investors and analysts in order to realize sustainable and medium-to long-term improvements in corporate value.
We disclose information on our website, including information on our management plans and business results (https://www.change-jp.com/ir/news).

(3) Measures to Realize Management with an Awareness of the Cost of Capital and Share Price
(i)Description
Disclosure of initiatives (update)
(ii)Availability of English disclosure
Yes
(iii)Update date
June 26, 2026
(iv)Explanation of relevant items
The Company believes that it is still in the process of growth and expansion, and aims to achieve further enhancement of corporate value by building up retained earnings for strengthening the management base and aggressive business development, and allocating them to working capital or investment for strengthening the financial structure and business expansion.
Regarding the practice of management conscious of capital efficiency, the Company formulated and disclosed the current situation analysis and action policy for further enhancement of corporate value on June 26, 2026.
Regarding the Company's Response toward Realizing Management Conscious of Cost of Capital and Stock Price:
https://ssl4.eir-parts.net/doc/3962/tdnet/2842896/00.pdf

2.Capital structure

Foreign shareholders ratio	less than 10%

[Status of major shareholders]

Name	Number of shares held	Percentage
S B I Holdings, Inc.	23,813,200	37.09
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,360,500	4.82
Yoshihisa Jimbo	2,840,000	4.08
Hiroshi Fukudome	2,229,500	3.20
Akira Ito	1,262,000	1.81
Tetsuya Ishihara	1,258,000	1.80
Kenji Kaneda	1,208,000	1.73
Tamayo Sunaga	1,195,292	1.71
The Custody Bank of Japan, Ltd. (Trust Account)	961,000	1.40
Norimitsu Takahashi	908,000	1.30

Controlling shareholders (excluding the parent)	-----

Parent	None

Supplementary explanation

1. The shareholding ratio is calculated by deducting 4,273,415 treasury shares, which are excluded from the above major shareholders.

2. This is prepared based on the shareholder registry as of the end of March 2026.

3.Corporate attributes

Listing market section	Prime
Fiscal year end	March
Industry type	Information & communication
Number of (consolidated) employees at the end of the most-recent fiscal year	more than 1,000
(Consolidated) Sales for the most-recent fiscal year	10 billion yen to less than 100 billion yen
Number of consolidated subsidiaries at the end of the most-recent fiscal year	10 to 50 companies

4.Guidance regarding how to protect minority shareholders when dealing with the controlling shareholders

None

5.Other special circumstances which may have a material impact on the corporate governance

(i)Approach to Group Management

Under the mission of "Change People, Change Business, Change Japan," and based on the vision of "Change Productivity," CHANGE Group (or simply, the "Group") has been developing business models, digitizing business processes, and supporting for the development of digital human resources in order to dramatically increase Japanese productivity and make Japan a more sustainable society in the face of the decreasing population. On May 15, 2022, the Group announced the Mid-term Business Plan (revised version) called "Digitize & Digitalize Japan (Phase 2)" whereby, under the flag of "Digital" × "Local" × "Social", the Group has been resolving social issues faced by local communities through the use of digital technology, actively hiring digital human resources to make local communities sustainable, expanding new business domains by using cutting-edge technologies, developing IT platform services, SaaS services, and other products for local governments, and striving to grow businesses that will dramatically improve Japanese productivity including local areas.

On April 1, 2023, the former CHANGE, Inc. changed its corporate name to "CHANGE Holdings, Inc." (or simply, "we") and shifted to a holding company structure. Currently, we have 32 Group companies (as of June 25, 2026). Based on the Group's mission, we aim to build a management structure in which we respect the independence of group companies. At the same time, we intend to build the "federal system" that will create synergies among members of the Group and maximize the corporate value of the Group. As the parent company, we will strengthen the Group's strategic functions, optimize the allocation of management resources, and promote the development of management personnel for the next generation in order to increase the corporate value of the Group. In addition, we have established internal rules, such as the "Affiliated Company Management Regulation" to monitor and supervise the execution of Group companies. Important decision-making and compliance-related matters of Group companies will be reported to our Board of Directors and approved thereby.

(ii)Significance of having listed subsidiaries

We acquired E-Guardian, Inc. (or simply, the "Company") which is listed on the Prime Market of the Tokyo Stock Exchange and is included in the Group. We own 52.51% of the outstanding shares of the Company through a tender offer that was completed in October 2023 and the assumption of the Company's third-party allotment of shares that was also executed in the same month. As a result of the International Financial Reporting Standards (IFRS), we have included the Company in our consolidated subsidiaries. The Company has a wide range of businesses related to Internet security, and we expect that the Group will play a core role in the top-class security vendors in the cyber security field in Japan through the reorganization of the security industry. In addition, the CHANGE Group and the Company have different customer bases, therefore by providing each other crossly with their respective services, they are expected to satisfy the customer needs of both companies, improve their sales capabilities and profitability, which will contribute to enhancing the corporate value of both companies. In particular, in order to satisfy the needs of our customers for increasing their security personnel, it is important for the Group to promote the Company's security services and to jointly develop new services through the alliance with the Company. We believe that it is significant that we will maintain the Company as a subsidiary.

In addition, we believe that it is important for the Company to foster its unique corporate culture firmly rooted in the businesses it has developed and to raise awareness of its credibility among the society and cybersecurity industry in order to acquire more security specialists. Therefore, it is significant to maintain its management autonomy and keep it as a publicly traded company for the interests of all shareholders, including other

shareholders of the Company, as well as for enhancing the corporate value of the Group as a whole.
We believe that even if we do not consolidate the Company into our wholly owned subsidiary, it will be possible to share the knowledge of both companies, conduct wide-ranging personnel exchanges, and effectively utilize management resources. However, after discussing the rationality of holding based on the Company's situation, we have determined the holding policy including the form of holding, and will continue to consider the optimal form of collaboration while taking into account changes in the business environment of the company and our Group.

(iii)Approach to ensuring the effectiveness of the governance structure of a listed subsidiary
In response to our disclosure requirements, we have required the Company to provide a prior report on any issues which are related to the exercise of voting rights at our General Meetings of Shareholders, those that affect our timely disclosure, and those that have a significant impact on our consolidated financial statements. In addition, in order to conduct a tender offer for the Company's shares, which was completed in October 2023, we have prescribed matters requiring prior discussions and prior approvals with and by us in the "Capital and Business Alliance Agreement" (hereinafter, the “Agreement”) with the Company dated August 2, 2023. These matters are only limited to material matters that may affect the management of the Group, taking into account conflicts of interest with other shareholders of the Company. The Agreement provides that we have the right to designate one director of the Company for its board membership, and we will dispatch one board member from us after the approval of the Company's 26th General Meeting. The director (candidate) is in a position to supervise the execution of business in order to increase the Company's corporate value but will basically respect the judgment of the Company's management. The director (candidate) is assumed to make every effort to ensure that the interests of other shareholders of the Company will not be unduly impaired.
In addition, with regard to the terms and conditions of transactions between a group company (excluding the Company and its subsidiaries and affiliates) and the Company and its subsidiary and affiliate, the Special Committee consisting of Independent Outside Directors has been established as the sub-committee of the Company's Board of Directors, and the "Guidelines on Inter-Group Transactions" has been established by the two companies to prohibit transactions which are unfairly favorable or unfavorable as compared with the same or similar transactions with independent third parties and to prohibit transactions for the purpose of transferring profits, losses or risks, in order to avoid unduly harming the interests of both shareholders.

II. Status of the management mechanism and other corporate governance system related to managerial decision-making, execution, and supervision

1.Items related to organizational structure and operation

Organizational form	A company with the Audit and Supervisory Committee

[Related to Directors]

Number of Directors in the Articles of Incorporation	12 persons
Term of Directors in the Articles of Incorporation	1 year
Chairman of the Board of Directors	the President
Number of Directors	8 persons
Appointment of Outside Directors	Already selected
Number of Outside Directors	5 persons
Number of Outside Directors appointed as an Independent Director	5 persons

Related to the Company (1)

Name	Attribute	Relationship with the Company (*1)										
		A	B	C	D	E	F	G	H	I	J	K
Takeshi Matsumoto	From other company											
Kayo Takigawa	Lawyer						〇					
Takehiko Kubo	From other company							△				
Hiroyuki Yaji	From other company								△			
Ryuzo Koide	From other company											

* Selection items concerning relationship with the Company
* If the individual currently or recently falls under each item, indicate with "〇"; if in the past, indicate with "△"

This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.

* If a close relative currently or recently falls under each item, indicate with "●"; if in the past, indicate with "▲" a. Executive of the Company or their subsidiary
b. Manager or non-executive directors of the parent of the Company
c. Executive of a brother company of the Company
d. A person whose main business partner is the Company, or an executive thereof
e. Major business partner of the Company, or its business executive
f. Consultant, accounting expert, and legal expert who has received significant money and other property from the Company in addition to the executive remuneration
g. Major shareholder of the Company (if the major shareholder is a company, the business executor of such company)
h. Execute of the Company's business partner (not applicable to either d, e, or f) (only a person)
i. Executive of a company which has a relationship of the mutual assignment of Outside Directors with the Company (only a person)
j. Executive of an entity to which the Company makes donations (only a person)
k. Other

Relationship with the Company (2)

Name	Audit and Supervisory Committee	Independent Officer	Supplementary Explanation Concerning Relationship with the Company	Reason for Appointment
Takeshi Matsumoto		○	-	Mr. Takeshi Matsumoto has been involved in IT businesses for many years and possesses a wealth of experiences and a broad insight as a manager. Based on his knowledge and experience, we expect him to ensure the objectivity and neutrality of the management by incorporating his external perspective and monitoring function. We have determined that he will contribute to further growth of the Group and the enhancement of corporate governance. For this reason, the Company has determined that he can properly perform his duties as the Outside Director and has appointed him. There is no interest of conflict to be described between him and the Company.
Kayo Takigawa		○	We have signed a contract with the Nagashima, Ono, and Tsunematsu Legal Office, to which Ms. Kayo Takigawa belongs, regarding the delegation of legal work. However, because the Group is not their major business partner, their sale to the Group is less than 1% of their total sales, and she has never been involved in our business, we believe that her independence is sufficiently assured.	Ms. Kayo Takigawa is a qualified lawyer, being familiar with corporate laws, and having a wide range of knowledge regarding legal issues. Based on her knowledge and experience, we expect her to ensure the objectivity and neutrality of the management by incorporating her external perspective and monitoring function. Although she has not been involved in corporate management other than being an outside director, the Company has determined that she can properly perform her duties as the Outside Director and has appointed her for the above reason.
Takehiko Kubo	○	○	Mr. Takehiko Kubo, who was an	Mr. Takehiko Kubo has considerable knowledge of compliance, internal

			officer of Sumitomo Mitsui Banking Corporation, our main bank, until March 2017, was not involved in transactions with us during his tenure and has passed a certain period since his retirement. Therefore, we judge that his independence is sufficiently assured.	control, risk management, finance, and accounting through his management experience at large corporations and many years of experience at financial institutions, and has appropriately performed his duties as a Corporate Auditor of the Company since 2022. We expect that he will continue to play an appropriate role in strengthening the supervisory function of our Board of Directors by providing supervision and advice on the execution of duties by directors from the perspectives of compliance, internal control, risk management, finance, and accounting as an Outside Director independent from management, and he has been appointed as an Outside Director who is an Audit and Supervisory Committee member. Mr. Kubo has attended all Board of Directors meetings and Board of Corporate Auditors meetings (Audit and Supervisory Committee meetings) that he should have attended, held up to the present in the fiscal year ending March 2026. There is no direct relationship of interest between the Company and him.
Hiroyuki Yaji	○	○	Mr. Hiroyuki Yaji was a partner of Ernst & Young ShinNihon LLC, our Accounting Auditor, until October 2022. Over the last three years, he has not actually been in charge of the auditing operations of the Group. We believe that his independence is sufficiently assured.	Mr. Hiroyuki Yaji has extensive experience in corporate accounting audits over many years as a certified public accountant, and possesses advanced and broad knowledge and insight regarding corporate governance, compliance, etc., and has been appropriately performing his duties as the Corporate Auditor since 2023. In order to ensure the soundness of management and enhance the medium- to long-term corporate value of the Group, we expect that he will continue to play an appropriate role in strengthening the supervisory function of our Board of Directors by providing supervision and advice on the execution of duties by Directors from the perspectives of finance and accounting as an outside director independent from management, and he has been appointed as an outside director who is an Audit and Supervisory Committee member. Mr. Yaji has attended all Board of Directors meetings and Board of Corporate Auditors meetings (Audit and Supervisory Committee meetings) that he should have attended, held up to the present in the fiscal year ending March 2026. There is no direct relationship of interest between the Company and him.
Ryuzo Koide	○	○	-	Mr. Ryuzo Koide has extensive practical experience at large corporations, rich experience as a manager, and broad knowledge, and has been appropriately performing his duties as a Corporate Auditor since 2023. In order to ensure the

				soundness of management of our corporate group and enhance corporate value over the medium to long term, we have nominated this individual as a candidate for outside director who is the Audit and Supervisory Committee member, expecting that they will continue to fulfill an appropriate role in strengthening the supervisory function of our Board of Directors by providing supervision and advice on the execution of duties by directors from a management perspective, as an outside director in a position independent from management. Mr. Koide has attended all meetings of the Board of Directors and the Board of Corporate Auditors (Audit and Supervisory Committee) that they were required to attend among those held up to the present in the fiscal year ending March 2026. There is no direct relationship of interest between the Company and him.

(3) Audit and Supervisory Committee
(i) Committee composition and attributes of the Chairman
Total committee members: 3
Full-time members: 1
Internal Directors: 0
Outside Directors: 3
Chairman: Outside Director

(ii) Existence of Directors and employees who shall assist in the duties of the Audit and Supervisory Committee
None

Reasons for adopting the current structure
When a request for assistance with audit duties is received from the Audit and Supervisory Committee, the Internal Audit Division shall assist the duties of the Audit and Supervisory Committee, as necessary. Assistants who receive instructions necessary for audit duties from the Audit and Supervisory Committee shall not be subject to direction and orders from Directors (excluding directors who are audit and supervisory committee members) with respect to such instructions.

(iii) Status of cooperation among the Audit and Supervisory Committee, Accounting Auditor, and Internal Audit Division
Internal audit personnel, the Audit and Supervisory Committee, and the Accounting Auditor exchange information as appropriate in order to conduct audits effectively and efficiently. Specifically, they cooperate as described below.
・Cooperation between the Audit and Supervisory Committee and the Internal Audit Division
The Audit and Supervisory Committee receives explanations and conducts Q&A sessions with the Internal Audit Division regarding the audit plan conducted by the Internal Audit Division (identification of risks, implementation of risk assessments, selection of priority audit themes based on risk assessment results, audit schedule, etc.). Additionally, Directors who are Audit and Supervisory Committee members attend on-site inspection hearings conducted by the Internal Audit Division as necessary, to understand issues related to business execution, and exchange opinions with the Internal Audit Division regarding identified issues. The Audit and Supervisory Committee receives the internal audit report upon completion of audits. Furthermore, the Internal Audit Division holds meetings with directors who are audit and supervisory committee members on an ongoing basis.
・Cooperation between the Audit and Supervisory Committee and the Accounting Auditor
The Audit and Supervisory Committee receives explanations and conducts Q&A sessions with the Accounting Auditor regarding the audit plan conducted by the Accounting Auditor (audit structure, audit methods, etc.), and receives the accounting audit report based on laws and regulations upon completion of audits. Additionally, meetings regarding individual matters and exchanges of opinions regarding changes to systems are held, as necessary.
・Cooperation among the Audit and Supervisory Committee, Accounting Auditor, and Internal Audit Division
The Company holds three-way audit meetings at least once a year for the purpose of conducting audits effectively and efficiently and enhancing the effectiveness of the audits themselves.

[Voluntary Committee]

Existence of a committee equivalent to a nominating committee or a remuneration committee	Yes

Status of establishment of voluntary committees, committee composition, and attributes of the chairperson
Name of committee: Nomination Advisory Committee
Total committee members: 3
Full-time members: 0
Internal Director: 1
Outside Directors: 2
Outside experts: 0
Others: 0
Chairman: Internal director

Name of committee: Remuneration Advisory Committee
Total committee members: 3
Full-time members: 0
Internal Director: 1
Outside Directors: 2
Outside experts: 0
Others: 0
Chairman: Internal Director

Supplementary explanation

<Nomination Advisory Committee>
In order to strengthen the independence and objectivity of the functions of the Board of Directors in connection with the nomination of the Directors (including successors), and to strengthen accountability, we have established the Nomination Advisory Committee as an advisory body to the Board of Directors, of which majority is composed of Independent Outside Directors. Our Nomination Advisory Committee discusses and reports to the Board of Directors on issues related to the election, re-assignment, and removal of board members, as well as issues related to successor planning (including training) of the Representative Directors. In addition, we have established rules of the Nomination Advisory Committee, which define the position of the Nomination Advisory Committee and how to operate it.

●Composition
Please see "Status of the establishment of a voluntary committee, the composition of the committee and the attribute of the chairman.”

●Events
The Nominating Advisory Committee was held twice during the fiscal year ending March 2024, and other discussions were made separately by committee members. The date of the meeting are as follows:

1st Nomination Advisory Committee held on April 28, 2026
2nd Nomination Advisory Committee held on May 12, 2026

●Attendance
Hiroshi Fukudome (Internal Director) attended all (twice)
Takashi Matsumoto (Outside Director) attended all (twice)
Kayo Takizawa(Outside Director) attended all (twice)
<Remuneration Advisory Committee>
In order to strengthen the independence, objectivity and accountability of the functions of the Board of Directors (excluding Audit and Supervisory Committee members) related to their remuneration, we have established the Remuneration Advisory Committee as an advisory body to the Board of Directors, of which majority is composed of Independent Outside Directors. The Remuneration Advisory Committee discusses issues related to the policies for determining individual remuneration for each Director (excluding Audit and Supervisory Committee members), including the selection of performance-related indices and the standard for giving share-related remuneration, which are linked to performance-based remuneration, as well as issues related to individual remuneration for each Director, and reports the discussion results to the Board of Directors. In addition, we have established rules of the Remuneration Advisory Committee that clarify the status of the Remuneration Advisory Committee and how it is operated.

●Composition

Please see " Status of the establishment of a voluntary committee, the composition of the committee and the attribute of the chairman." ●Events The Remuneration Advisory Committee meetings were held twice in the fiscal year ended March 2024 to discuss Director's remuneration, etc., and other discussions were made separately by committee members. The dates of the meeting are as follows. 1st Remuneration Advisory Committee held on April 28, 2026 2nd Remuneration Advisory Committee held on May 12, 2026 ●Attendance Hiroshi Fukudome (Internal Director) attended all (twice) Takeshi Matsumoto (Outside Director) attended all (twice) Kayo Takigawa (Outside Director) attended all (twice)

[Related to Independent Directors]

Number of Independent Directors	5 persons

Other Items Related to Independent Directors

We have established and practiced our own standards regarding independence for the appointment of Outside Directors, having referred to the Companies Act and the Tokyo Stock Exchange's Criteria for the Independence of Outside Directors. For the criteria for determining the independence of our Outside Directors, please refer to I. "Basic Approach to Corporate Governance, Capital Structure, Corporate Attributes and Other Basic Information" [Disclosure Based on Principles of the Corporate Governance Code] in Principle 4-9.

[Incentives]

Implementation concerning incentives for Directors	We have introduced a performance-linked remuneration system and a share option system

Supplementary explanation

We have introduced a share option plan with the aim of enhancing motivation and morale to improve business performance and enhancing shareholder value over the medium to long term. Details of the performance-linked remuneration system are described in [Directors' remuneration].

Eligible persons for the share option	Directors, Outside Directors, employees, directors of subsidiaries, employees of subsidiaries

Supplementary explanation

We have introduced a share option plan with the aim of enhancing motivation and morale to improve business performance and enhancing shareholder value over the medium to long term.

[Director's remuneration]

Disclosure status	Not disclosing individual remuneration

Supplementary explanation

Since there is no Director whose total remuneration is 100 million yen or more, individual disclosure of remuneration is not necessary. Remuneration for the Directors is disclosed in the total amount basis for each category.

Existence of a policy for determining the amount of remuneration or the calculation method thereof	Yes

Disclosure of the policy for determining the remuneration or the method for calculating such amount

(a) Policy for determining remuneration, etc. Please refer to the following section of this Report. I. Basic views on corporate governance, capital structure, corporate attributes, and other basic information

1.Basic concepts
[Disclosure based on each principle of the Corporate Governance Code]
[Principle 3-1]
(3)Policies and procedures for the Board of the Directors to determine the remuneration of Executives and Directors

(b)Method of calculating performance-linked remuneration for the fiscal year ending March 2027
We determined the performance-linked remuneration for the fiscal year ending March 2027 and pay it based on the following method after the performance-linked index figures are finalized.
a. Total payment
The total amount to be paid is the total of the individual payments of b. (i) and (ii) (the maximum amount is 100,000,000 yen).
b. Individual payments
The specific calculation formula for individual payments is shown below:
(i) Performance-linked remuneration based on the consolidated performance
Index: Profit for the fiscal year ending March 2026 attributable to owners of the parent before recording performance-linked remuneration

Total amount of performance-linked remuneration based on consolidated performance = B × C
A = Net profit attributable to owners of the parent before recording performance-linked remuneration for the fiscal year ending March 2027 / net profit attributable to owners of the parent for the fiscal year ending March 2027 (7,311,589,503 yen)
B = 5,000,000 yen
C = (A-1.00) ×100 (decimal point to be truncated, 0.17 is the upper limit)
Calculation basis for individual payment = Total payment of performance-linked remuneration based on consolidated performance × position points / total number of eligible position points
Position points are as follows:
Representative Director, President and Executive Officer: 50
Director, Executive Officer and Vice President: 25
Director and CFO: 25

(iii) Description of performance indicators and that regarding the fiscal year ended March 2026

(Millions of yen)

Details of performance indicators	Target value for the fiscal year ended March 2026	Actual value for the fiscal year ended March 2026	Total amount paid based on the above calculation formula
Incentive fee based on consolidated results	7,904	6,928	--

[Support system for Outside Directors]

In order to build a system in which Outside Directors can accurately and effectively implement supervision and monitoring of management from an independent standpoint, we have established a system to provide necessary materials related to management and explain the circumstances whenever necessary in cooperation with the Administrative Division and the Internal Audit Division.

<Status of those who has retired from our Representative Director>

■Names of consultants, advisors, etc., who are former presidents and representatives

Name	Position	Duties	Working conditions (full-time or part-time, paid or not, etc.)	Retirement date	Term
Yoshihisa Jimbo	Chairman and Founder	Advisory for management, the performance of certain internal issues, planning and operations for employee training	Full-time and paid	June 27, 2023	-

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■Total number of consultants and advisors who were the former Representative Director, etc.
1 person

■Other Matters
On June 27, 2023, Mr. Yoshihisa Jimbo, the Chairman of the previous Board, retired the position of the Representative Director and was newly assigned as the Chairman, Founder and Executive Officer on June 28, 2023. The Chairman, Founder and the Executive Officer has been delegated authorities from the Board to be engaged on some internal issues in accordance with the Rules for Executive Authority. However, he will not be involved in decision-making and execution of other management, and also do not basically participate in the Board of Directors.

2.Issues related to the functions of business execution, auditing and supervision, designation, and remuneration determination (overview of the current corporate governance system)

The management structure and other corporate governance system related to managerial decision-making, execution, and supervision are as follows:

a. Board of Directors

The Company's Board of Directors is composed of a total of 8 members: 5 Directors (excluding Directors who are Audit and Supervisory Committee members) (of which 2 are Independent Outside Directors) and 3 Directors who are Audit and Supervisory Committee members (all of whom are Independent Outside Directors). By composing the Board of Directors with directors who are Audit and Supervisory Committee members responsible for management supervision functions and directors who responsible for management decision-making, we aim to develop a a system for supervising business execution and ensure fairness in decision-making. Additionally, Outside Directors compose the majority of the Board of Directors to ensure objectivity and neutrality of the management supervision function by incorporating external perspectives. As the proposal (resolution item) "Election of 5 Directors (excluding Directors who are Audit and Supervisory Committee Members)" was approved as originally proposed at the Annual General Meeting of Shareholders held on June 25, 2026, the composition of the Board of Directors will be a total of 8 members: 5 Directors (excluding Directors who are Audit and Supervisory Committee members) (of which 2 are Independent Outside Directors) and 3 Directors who are Audit and Supervisory Committee members (all of whom are Independent Outside Directors).

The Board of Directors holds regular Board meetings once a month in principle, as well as Board meetings related to quarterly financial results, and convenes extraordinary Board meetings as necessary to make decisions on important matters related to management and business execution. Major matters for deliberation include matters related to management plans and business plans, matters related to officers, matters related to finance, and matters related to compliance, risk management, and governance.

Additionally, the Articles of Incorporation stipulate that the Company's Directors (excluding Directors who are Audit and Supervisory Committee members) shall be no more than 7, and directors who are Audit and Supervisory Committee members shall be no more than 5. Additionally, the election of Directors shall be conducted separately for Directors who are Audit and Supervisory Committee members and other Directors, at General Shareholder Meetings attended by shareholders holding one-third or more of the voting rights of shareholders entitled to exercise voting rights, by a majority of such voting rights, and shall not be made by cumulative voting.

b. Nomination Advisory Committee

The Company has established a "Nomination Advisory Committee" (composed of 3 members: the Representative Director, President and Executive Officer and 2 Independent Outside Directors) as an advisory body to the Board of Directors, with a majority of committee members being Independent Outside Directors, to ensure the validity and objectivity of Director nominations (including succession planning). The Company's Nomination Advisory Committee deliberates on matters related to the appointment, reappointment, and dismissal of Directors, as well as matters related to the succession plan for the Representative Director (including development), and provides recommendations to the Board of Directors.

I

c. Remuneration Advisory Committee

The Company has established a "Remuneration Advisory Committee"(composed of 3 members: the Representative Director, President and Executive Officer and 2 Independent Outside Directors) as an advisory body to the Board of Directors, with a majority of committee members being Independent Outside Directors, to ensure transparency and objectivity regarding Director compensation. The Remuneration Advisory Committee deliberates on matters related to the policy for determining individual compensation, etc. for Directors (including selection of performance indicators subject to performance-linked compensation, criteria for granting share-related compensation, etc.) and matters related to the content of individual compensation, etc. for Directors, and provides recommendations to the Board of Directors.

d. Management Committee

The Company has established the Management Committee as an advisory body to the Board of Directors to discuss management policies, management strategies, business plans, and other matters. The Management Committee consists of Executive Directors, Executive Officers and other officers designated by the Representative Director, President and Executive Officer. A full-time Director who is an Audit and Supervisory Committee member may attend the meetings at their discretion. In principle, the Management Committee meets once a month.

e. Audit and Supervisory Committee

e. Audit and Supervisory Committee

The Company's Audit and Supervisory Committee consists of three members: one full-time Director who is an Audit and Supervisory Committee member and two other Directors who are Audit and Supervisory Committee members, all of whom are Independent Outside Directors. As an independent body entrusted by the shareholders, the Audit and Supervisory Committee audits the execution of duties performed by Directors excluding Directors who are Audit and Supervisory Committee members.Specifically, through attending important meetings, including meetings of the Board of Directors, and maintaining effective coordination with the Internal Audit Division and other relevant departments, the Audit and Supervisory Committee investigates the status of the Company's business operations and assets and verifies the contents of reports received from Directors excluding Directors who are Audit and Supervisory Committee members, employees, the Accounting Auditor, and other relevant persons.　When the Audit and Supervisory Committee deems it necessary, it reports to, makes proposals to, or expresses opinions to the Board of Directors, and provides advice or recommendations to Directors excluding Directors who are Audit and Supervisory Committee members or to the internal control department. Through these activities, the Audit and Supervisory Committee seeks to establish a sound corporate governance system and fulfills its supervisory and audit functions with respect to management.

f. Risk Management System

The Company recognizes risk management as an extremely important aspect of management. Specifically, the Directors are responsible for executing business operations, while the Board of Directors supervises such execution. In addition, to strengthen the risk management system, the Company has established the Group Compliance and Risk Management Committee and is working to enhance its internal control functions through the formulation of business plans, budgetary control, the operation and monitoring of business activities in accordance with internal rules and regulations, and the strengthening of internal audits.

g. Internal Audit

The Company has established an independent Internal Audit Office. A dedicated internal auditor, acting under the direction of the Representative Director, President and Executive Officer, conducts operational audits and reports the audit results to the Representative Director, President and Executive Officer, who serves as Chairperson of the Board of Directors, and to the full-time Director who is an Audit and Supervisory Committee member.Based on the audit results, the Representative Director, President and Executive Officer instructs the audited departments to make improvements and requires them to report on the results of such improvements, thereby maintaining and enhancing the Company's internal control system.In addition, the internal auditor, the Audit and Supervisory Committee, and the Accounting Auditor exchange information as appropriate in order to conduct audits effectively and efficiently.

h. Contracts for Limitation of Liability

The Company's Articles of Incorporation provide that the Company may enter into contracts with Directors excluding Executive Directors, etc. to limit their liability for damages under Article 423, Paragraph 1 of the Companies Act.Based on this provision of the Articles of Incorporation, the Company has entered into contracts for limitation of liability with all Directors excluding Executive Directors, etc. The maximum amount of liability for damages under these contracts is the minimum liability amount prescribed in Article 425, Paragraph 1 of the Companies Act.

3.Reason for adopting the current corporate governance system

The Company has adopted the current corporate governance structure to enhance the quality and speed of management decisions, improve management efficiency, and ensure management effectiveness and transparency.

Specifically, the Company transitioned to a company with an Audit and Supervisory Committee upon approval at the 23rd Annual General Meeting of Shareholders held on June 26, 2025, and has established a General Meeting of Shareholders, Board of Directors, Audit and Supervisory Committee, and Accounting Auditor as statutory bodies under the Companies Act.

Additionally, the Company has introduced an Executive Officer system to build a prompt and highly effective business structure, and to strengthen risk management systems, is working to enhance internal control functions

through the formulation of business plans, budget control, operation and checking of business based on various regulations, and strengthening of internal audits. Furthermore, various advisory bodies to the Board of Directors have been established, distributing agenda items according to the nature of each advisory body, with each advisory body conducting focused deliberations on important matters to ensure management validity and transparency. In addition, the Company strives to incorporate external perspectives and ensure objectivity and neutrality of management supervision functions by appointing Outside Directors who have extensive experience in the Company's business areas, or specialized and broad knowledge of corporate law, accounting, etc., or experience as officers at multiple companies.

III. Implementation of measures for shareholders and other stakeholders

1.Initiatives to activate the General Meeting of Shareholders and facilitate the exercising of voting rights

	Supplementary explanation
Early dispatch of the General Meeting of Shareholders Convocation Notices	In order to ensure adequate time for consideration in the exercise of voting rights, we are working to deliver them as soon as practicable. We sent the notice of convocation for the General Meeting of Shareholders in the fiscal year ended March 2026 on June 9, 2026. The information contained in the notice is also published on our website on June 4, 2026.
Scheduling of the General Meeting of Shareholders to avoid concentration (with other companies)	We are avoiding concentrated dates with other companies. We held the Annual General Meeting of Shareholders in the fiscal year ended March 2026 on June 25, 2026.
Voting by electromagnetic method	Voting rights can be exercised via the Internet.
Participation in the Electronic Voting Platform and other measures to improve the environment for the exercising of voting rights by institutions	We have been participating in the Electronic Voting Platform for institutional investors operated by ICJ, Inc.
Availability of a notice (summary) in English	We released the English version of the convocation notice on our website on June 4, 2026.
Others	We have introduced a virtual general meeting (hybrid participating type) with the aim of achieving the revitalization of the General Meeting of Shareholders. At the General Meeting of Shareholders, we visualized various materials, and received inquiries via the Internet. This is an opportunity for shareholders who are unable to attend the General Meeting of Shareholders to understand the nature of our business and our business conditions.

2.Investor relations activities

	Supplementary explanation	Presentation by the CEO
Creating and publishing the Disclosure Policy	We believe that it is necessary to communicate the information necessary for investment decisions in a prompt, accurate, and fair manner in order to build long-term relationships of trust with our shareholders and investors. Therefore, we have formulated our Disclosure Policy, announced, and posted it on our website. Disclosure Policy: https://www.changeholdings.co.jp/disclosure_policy/	
Regular briefings for individual investors	We hold online financial results briefings every quarter. Representative Director, President and Executive Officer appears and is appointed to provide a direct explanation of our business overview and operating results.	Yes
Regular briefings for analysts and institutional investors	We hold online financial results briefings every quarter. Representative Director, President and Executive Officer appears and is appointed to provide a direct explanation of the Company's business overview and operating results.	Yes
Regular briefings for overseas investors	We regularly hold online conferences. In addition, we have active opportunities for dialogue, including participation in	Yes

	conferences hosted by security companies.	
Publication of IR data on the website	Information on IR is available on our website. https://www.changeholdings.co.jp/ir/	
Creation of an IR Division (IR Officer)	The Corporate Management Unit is in charge of IR.	

3.Measures to ensure respects for stakeholders
We adopted the Basic Sustainability Policy at a meeting of the Board of Directors held on December 24, 2021. One of the policies therein is to build relationship of trust with stakeholders.

<Basic Sustainability Policy (excerpt)>
Building Trust with Stakeholders
・We deeply understand that we are developing our businesses through relationships with a diverse range of stakeholders, including shareholders, customers, vendors, employees, and communities, and will work to build relationships of trust with them through smooth and mutual communication.
In addition, we have prepared various internal regulations which stipulate the establishment of a business promotion and management system that respects the perspectives of stakeholders.

<Approaches to climate change and environmental preservation activities>
Our Group's business strategy is tied closely to the environment. One of the strategic areas of the Group's Midterm Business Plan is to "resolve social issues faced by local communities and make them sustainable," with the aim of "addressing critical and urgent sustainability challenge in areas where sustainability is at stake." In particular, the impacts of climate change, including CO2/GHG (GHG) emissions, have a direct impact on the community's people, society, and economics, and we have many services for providing solutions to mitigate the impacts of climate change if so required. We believe that to address these issues seriously is one of the Group's important social responsibilities, as well as providing new business opportunities. Our Group's approach to climate change countermeasures and specific initiatives are disclosed in detail on our sustainability website.
"Concept of Climate Change and Environmental Conservation Activities": https://www.change-jp.com/sustainability/environment/climate.html#sec1
"Concrete Efforts to Reduce Greenhouse Gas":
https://www.change-jp.com/sustainability/environment/climate.html#sec3

<Initiatives for local community contribution and CSR activity>
To create a sustainable future for local communities, we have established new alliances with partners having the same ambition, involving corporations, organizations, and citizens, based on the value of "co-creation in the region", and developing solutions to social issues, not just to expand their businesses. Our Group's specific initiatives are disclosed in detail on our sustainability website.
Specific initiatives related to community involvement and CSR activities: https://www.change-jp.com/sustainability/society/community.html#sec1

Establishment of Policies for Providing Information to Stakeholders
In order to achieve sustainable growth and improve corporate value over the medium to long term, we believe it is important to promote business activities while understanding the needs of our stakeholders. Accordingly, in order to provide our stakeholders with appropriate information on the status of our activities, we disclose not only the business and other various reports, such as Securities Reports, and timely disclosure information contained in the Notice of Convocation of the General Meeting of Shareholders, but also voluntarily disclose other information that we deem necessary from the standpoint of social responsibility.

<Approaches to respect for human rights>
As a company responding to the expectations of its stakeholders and actively fulfilling its social responsibilities, the Group believes that one of our important social missions is to respect human rights and proactively address various human rights issues. The Group understands that the provisions of the "International Bill of Human Rights (the Universal Declaration of Human Rights and the International Covenant on Human Rights and the International Covenant on Civil and Political Rights)" and the "Fundamental Principles at Work" (the Four Fields and the 8 Conventions) of the International Labor Organization (ILO), as well as the "Ten Principles on Human Rights, Labor Standards, the Environment and Anticorruption in the United Nations Global Compact" should be observed at a minimum. To express this recognition, we have established the "Basic Policies on Respect for Human Rights."
Basic Policy on Respect for Human Rights: https://www.change-jp.com/sustainability/society/humanrights.html#sec1

<Status of diversity and female active participation>
For information on the active participation of our diversity and women, please refer to Principle 2-4(1), Disclosure Based on the Principles of the Corporate Governance Code.

<Systems to support diverse working styles>
We introduced and are still keeping a telework system for all employees since March 2020 and are currently applying this system. When introducing the telework system, we have designed a system that allows employees to choose a variety of working styles according to their own situation, such as working at the office in consideration of the difficulty of working at home due to various circumstances. In addition, we have introduced a full-fledged online contract signing system so as not to prevent diverse ways of working. In the future, we intend to further expand a variety of systems that will support a variety of ways of working in addition to the existing childcare and family care vacation systems.

IV. Items related to internal control system, etc.

1.Basic policy and structures regarding the internal control system

The Board of Directors has already decided on a system to ensure the appropriateness of operations as set forth in the Companies Act and the Regulations for Enforcement thereof, and the details are as follows:

1. System to ensure that the performance of duties by Directors and employees complies with laws and regulations and the Articles of Incorporation

A) The Company has established the "CHANGE Group Code of Ethics and Conduct," group-wide common regulations, and company-specific regulations to ensure conduct that complies with corporate ethics, and our Group (including CHANGE Holdings, Inc. and its group companies) as a whole is committed to business activities with high ethical standards, as well as compliance with laws and regulations.

B) We have established the "Group Compliance and Risk Management Committee" under the Board of Directors, which formulates basic compliance policies, deliberates on plans for compliance dissemination activities, and verifies the status of responses to compliance violation cases.

C) We conduct compliance education for officers and employees of our Group to foster the knowledge and ethical awareness necessary as members of our Group, and have established a reporting system for suspected compliance violations. We have built a system that enables prompt reporting in accordance with the "Group-wide Internal Reporting Regulations" while ensuring confidentiality of whistleblowers and preventing them from suffering any disadvantage. In addition, the Group Compliance and Risk Management Committee verifies the operational status of the internal reporting system and deliberates on measures to prevent recurrence.

D) In the event of a compliance violation, we investigate the facts in accordance with the "Group-wide Compliance and Risk Management Regulations," "Group-wide Internal Audit Regulations," and other regulations, and work with relevant departments and external experts to minimize damage and prevent recurrence. Strict disciplinary action is taken against officers and employees who have committed violations.

2. System for the preservation and management of information relating to the performance of duties by Directors

The Company legally and appropriately preserves and manages information relating to the performance of duties by Directors in the form of documents or electronic records, in accordance with internal regulations such as the “Document Retention and Management Regulations.”

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

A) Regarding risk of loss, in accordance with the "Group-wide Compliance and Risk Management Regulations," we have established a system to appropriately identify risks, formulate and implement countermeasures according to their importance, and monitor the results. We take necessary measures against risks arising in the execution of operations of each organization, and strive to prevent the occurrence of risks and the escalation of crises.

B) Regarding the activities of each organization related to risk management, the management officer reports the status of compliance and risk management to the Board of Directors, and the Internal Audit Division conducts audits on the effectiveness of the risk management system.

C) The Compliance Department maintains close coordination with other departments and consolidates information related to compliance and risk management.

4.System for ensuring efficient execution of Directors' duties

A) To ensure that duties of Directors will be executed in an efficient manner, the Board of Directors meets monthly and holds extraordinary meetings as necessary, thereby establishing an appropriate and efficient decision-making system.

B) In executing business based on decisions made, Executive Officers appointed by the Board of Directors and managers of each organization make necessary decisions on matters delegated to them based on the "Rules on Job Authority," striving to clarify and expedite decision-making.

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

A) The person responsible for managing subsidiaries monitors and supervises the performance of duties by the directors of the subsidiaries in accordance with internal regulations, including the "Subsidiary Management Regulations."

B) Important decisions relating to the management activities of subsidiaries must be reported to and approved by the Company's Board of Directors before they are implemented.

C) The Company regularly holds meetings with its subsidiaries to facilitate information sharing and communication within the Group and to align the Group's management policies.

D) The Company's Internal Audit Division regularly conducts operational audits, internal control audits, and other audits of subsidiaries, and reports the results to the Representative Director, President and Executive Officer and the full-time Director who is an Audit and Supervisory Committee member.

6. System related to employees when the Audit and Supervisory Committee requested that an employee be assigned to assist its duties, and matters related to the independence of such employees from Directors (excluding Directors who are Audit and Supervisory Committee members)

A) To enhance the effectiveness of audits conducted by Directors who are Audit and Supervisory Committee members and to facilitate the performance of their audit functions, the Company may assign employees to assist them when requested by the Audit and Supervisory Committee. Such employees are selected by the Board of Directors, in consultation with the Directors who are Audit and Supervisory Committee members, from among persons possessing the appropriate knowledge and abilities necessary for audit work.

B) These employees may concurrently hold other positions. However, if the Directors who are Audit and Supervisory Committee members request that any such employee be dedicated exclusively to assisting with their duties, the Company will comply with that request.

C) Personnel transfers, performance evaluations, and disciplinary actions concerning these employees are determined with the approval of the Directors who are Audit and Supervisory Committee members.

7. System for Directors (excluding Directors who are Audit and Supervisory Committee members) and employees to report to the Audit and Supervisory Committee, and other systems related to reporting to the Audit and Supervisory Committee

A) Directors who are Audit and Supervisory Committee members may attend management meetings in addition to the Board of Directors to understand the important decision-making processes and the status of business execution.

B) Directors who are Audit and Supervisory Committee members may review approval documents and other important documents, and relevant documents and materials are immediately submitted upon request.

C) Directors who are not Audit and Supervisory Committee members immediately report to Directors who are Audit and Supervisory Committee members when there is a risk of causing significant damage to the Group in the course of their duties.

D) Directors who are Audit and Supervisory Committee members may directly request reports from Directors and employees on important matters that affect business or performance.

8. System to ensure that a person who reported to the Audit and Supervisory Committee is not treated disadvantageously on the grounds that said person made said reporting

The Group prohibits disadvantageous treatment of persons who have made reports to directors who are Audit and Supervisory Committee members on the grounds that they made such reports, and thoroughly ensures that they will not be subject to disciplinary action or other disadvantageous treatment.

9. Matters related to the policies on the procedures for advanced payment or reimbursement of costs arising from the execution of duties of the Audit and Supervisory Committee and Directors who are Audit and Supervisory Committee members, and on the processing of other costs or obligations arising from the execution of said duties

When Directors who are Audit and Supervisory Committee members request advanced payment or reimbursement of costs arising from the execution of their duties, such costs or obligations shall be processed promptly, unless it is reasonably determined that such costs are not necessary for the execution of duties of said Directors who are Audit and Supervisory Committee members.

10. Any other system to ensure that auditing by the Audit and Supervisory Committee will be conducted in an effective manner

A) When Directors who are Audit and Supervisory Committee members deem it necessary, they may request the Internal Audit Division to investigate specific matters after consultation with the Representative Director, President and Executive Officer. In addition, Directors who are Audit and Supervisory Committee members may request cooperation from the Internal Audit Division for auditing as needed at any time.

B) Directors who are Audit and Supervisory Committee members regularly exchange information with the Internal Audit Division and the Accounting Auditor, and conduct efficient audits by maintaining close collaboration through the exchange of information and opinions on the status of internal control systems, risk

assessments, and priority audit items identified by each party. 11.Structure for eliminating Anti-social forces A) The Group maintains no relationships with antisocial forces that pose a threat to civil order and safety, and takes a firm stance and organizational response to ensure that it does not comply with unreasonable demands or engage in transactions with such forces. B) To this end, the compliance department has been designated as the department responsible for dealing with antisocial forces, the "Group Common Basic Policy Against Antisocial Forces" has been established, and efforts are made to collect information from relevant administrative agencies. When such problems arise, a system has been established to deal with them organizationally by maintaining close contact with relevant administrative agencies and legal counsel. C) When commencing transactions with new customers, based on the "Group Common Basic Policy Against Antisocial Forces," in addition to independent research via the Internet, we conduct searches of newspaper and magazine articles using credit information agencies and other sources to perform thorough preliminary investigations before commencing transactions.

2.Basic approach and a system to exclude Anti-social forces

The Company recognizes that the Company, its special related parties, shareholders, business partners, and others have no relationships whatsoever with antisocial forces. Regarding specific systems and measures for the exclusion of antisocial forces, based on the "Group Common Basic Policy Against Antisocial Forces" and the Company's "Group Common Regulations for Countermeasures Against Antisocial Forces," we conduct investigations before commencing transactions with new business partners such as sales destinations, outsourcing contractors, suppliers, and officers. In addition, similar investigations are conducted once a year for ongoing business partners. Furthermore, basic transaction agreements and other documents include termination clauses in the event that relationships with antisocial forces are discovered. In addition, we have joined the Tokyo Metropolitan Center for the Movement to Eliminate Organized Crime (a public interest incorporated foundation), conduct awareness activities for employees, and collaborate with external specialized organizations such as the police and legal counsel.

V. Others

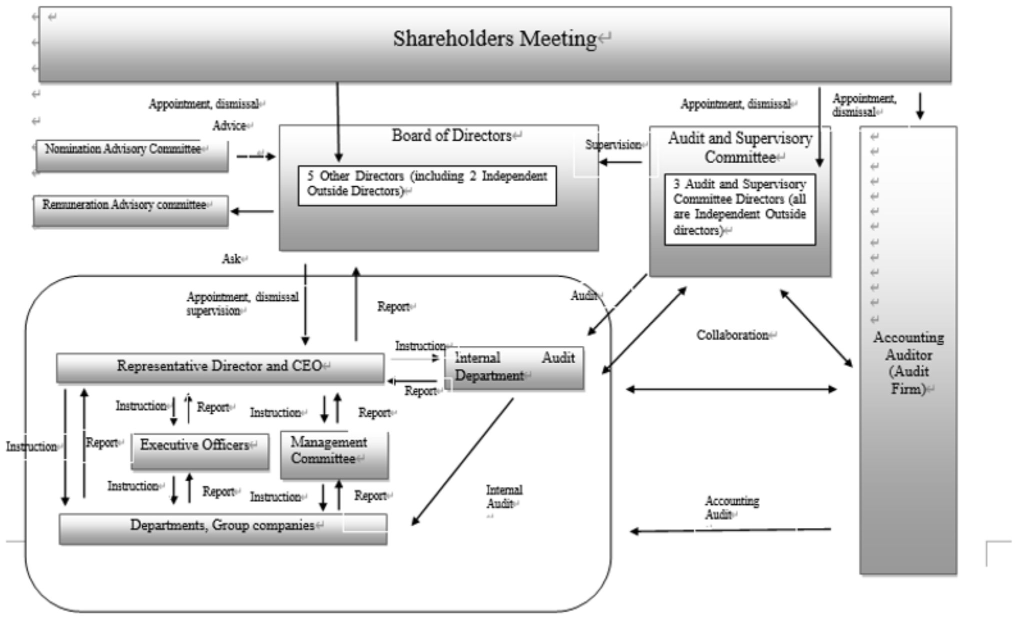
1.Introduction of anti-takeover measure

Introducing the anti-takeover measure	None

2.Other corporate governance related matters

(1) Corporate governance structure Please refer to the schematic diagram (reference data). (2) Timely disclosure system We appoint the Director supervising the IR operations as the manager in charge of timely disclosure. We will strive to ensure that we will fairly disclose corporate information in a timely and appropriate manner in compliance with the Financial Instruments and Exchange Act, the Regulations on Listing of Securities, and other relevant laws and regulations. The Director in charge of timely disclosure will collect information and disclose the information in a timely manner as long as it is the one that should be disclosed after review in accordance with the procedures. Please refer to the outline (diagram) of the timely disclosure system below.

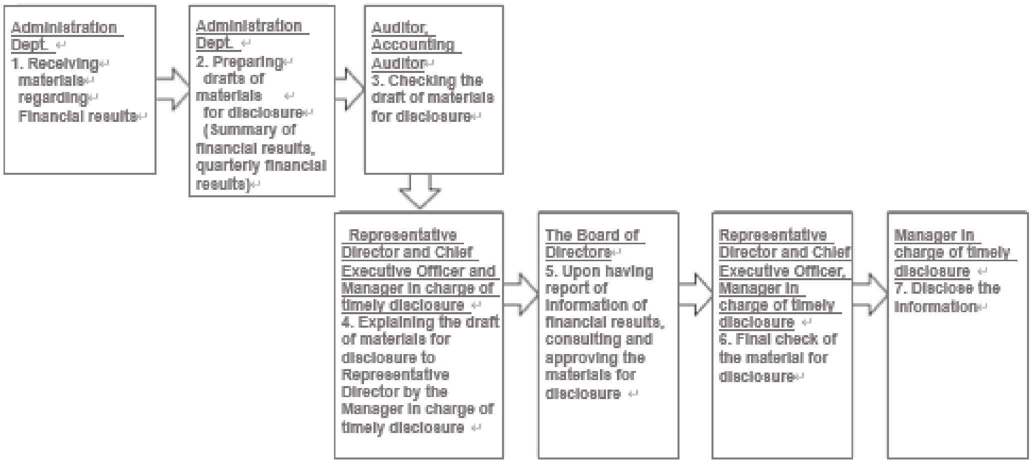
[Organization (Reference)]



This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.

[Overview of Timely Disclosure System (Diagram)]

Information of Financial Results



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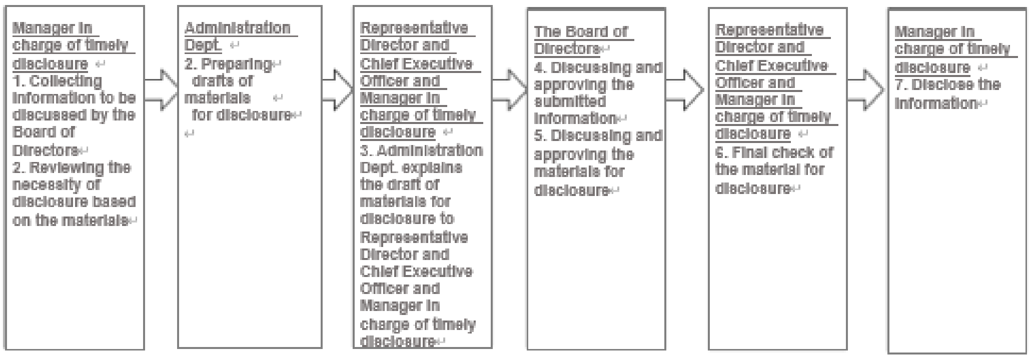

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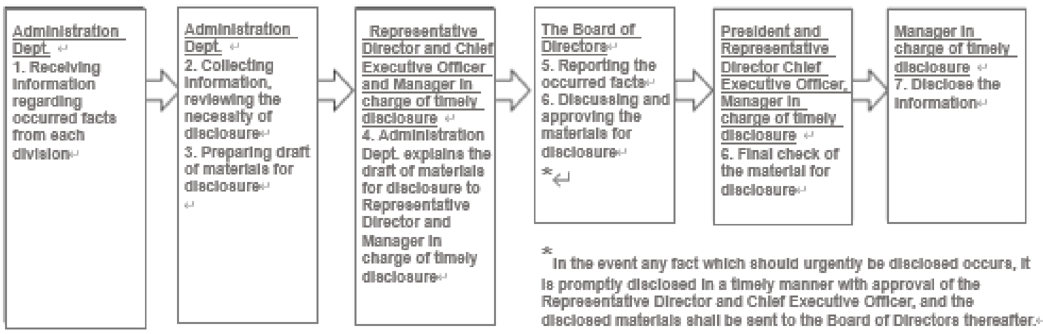

* In the event any fact which should urgently be disclosed occurs, it is promptly disclosed in a timely manner with approval of the Representative Director and Chief Executive Officer, and the disclosed materials shall be sent to the Board of Directors thereafter.

End

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