

Last Update: June 24, 2026

en Inc.

Michikatsu Ochi, Chairman and President

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Securities Code: 4849

<https://corp.en-japan.com/en/>

The corporate governance of en Inc. (the “Company”) is described below.

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

1. Basic Views

At the Company, our goal is to contribute to our shareholders, clients, many stakeholders, and society at large through our business. We have therefore positioned building an organization that can respond to changes in the management environment as an important policy for the Group as a whole. We are therefore working to strengthen corporate governance and make it robust to enable healthy growth of our corporate group, and are working to create a fair management system.

We think that ensuring even stronger ethical values and integrity among our officers and employees is the basic premise upon which earning the true trust of our many stakeholders is built. We will continue to work on building an even stronger system of internal management through thorough education on compliance and other means. We will ensure sound management by making sure that this system functions properly.

[Disclosure Based on the Principles of the Corporate Governance Code] - Updated

[Principle 1.4]

1. Policy on cross-holdings

The Company does not hold the shares of listed companies, in principle. However, when we do hold the shares of a listed company based on the reasonable purpose of a business alliance or other business purpose, we periodically confirm that the reason for holding the shares is still valid. We sell the shares of companies that we have determined will no longer fulfill the purpose for which they are held over the medium to long-term, as the stock price and market trends permit.

2. Details of verification of cross-shareholdings

The Company periodically scrutinizes the significance of continued shareholdings for each stock it holds, ascertains the status of transactions with the companies whose stock it holds, the financial condition of the companies whose stock it holds, and other factors, and verifies the reasonableness of holding for each individual stock once a year by comprehensively taking into account the return on investment, risks associated with holding, and other relevant factors.

3. Exercise of voting rights

In exercising voting rights on cross-shareholdings, we make a decision on each stock based on the perspective of whether it will lead to an increase in corporate value and shareholder return from a medium to long-term perspective. We exercise especial caution in regard to resolutions that could have an adverse effect on the corporate value of the company concerned.

[Principle 1.7]

The Company has established Guidelines on Managing Transactions with Interested Parties to clarify the procedural flow for ascertaining the scope of transactions with interested parties and managing transactions appropriately. We ascertain the scope of transactions with interested parties via questionnaires that the Administrative Division updates once a year. Any transaction with an interested party requires either approval by the Board of Directors in advance or approval based on the Rules on Ringi Proposals and Applications, depending on the importance. General Manager determines the importance of transactions effected with interested parties based on ASBJ Guidance No. 13 Guidance on Accounting Standard for Related Party Disclosures, and a summary of those decisions is disclosed in the annual securities report.

[Principle 2.4.1]

The Company believes that it is essential to have a diverse workforce in order to create innovative businesses that are not bound by uniform perspectives or traditional stereotypes. In addition to promoting the advancement of women, which we have been focusing on for a long time, we are also promoting diversity and inclusion through a variety of measures, such as hiring overseas personnel mainly through global recruitment agency en world, diversifying career paths for existing employees, developing LGBT-friendly systems, and promoting employment of persons with disabilities.

In the General Employers Action Plan (plan period: April 1, 2025 to March 31, 2030), we set a target of increasing the ratio of female employees (managers) to 30% or more, and we are working to monitor candidates for managerial positions and nurture a culture of early promotion (disseminating information to managers, providing career counseling for managerial candidates, listening to the thoughts and opinions of female managers, etc.)

Actual results are as follows. The Company has two female officers, a ratio of female managers of 26.9%, and a ratio of managers hired mid-career of 40.4% (all current as of June 24, 2026). Nevertheless, we are working to increase these ratios from their current level through the Challenge Manager Program and other measures.

In addition to four foreign officers (current as of June 24, 2026), the Group has multiple foreign managers. However, we are working to maintain this number at its current level or to increase it.

[Principle 2.6]

The Company does not have a corporate pension plan. In order to help employees build assets, we have adopted a corporate defined contribution pension plan (corporate DC).

[Principle 3.1]

- i. The Company has stated that our purpose (the significance of our existence in society) is to make the world a better place by increasing the number of people who work hard for someone and society—Inner Calling & Work Hard.
- ii. Our basic views on corporate governance are posted on our corporate website.
- iii. The compensation the Company pays to officers is within the scope of compensation approved by the General Meeting of Shareholders. It consists of fixed monthly wages (basic compensation).
The voluntary Nomination & Compensation Committee, which consists mainly of Outside Directors, checks and verifies the compensation of Directors (excluding Directors who are Audit & Supervisory Committee members). The Board of Directors then determines the compensation of Directors based on the content of the report from the committee.
The compensation of the Directors who are Audit & Supervisory Committee members is determined through discussions with the Audit & Supervisory Committee.
The Company has also decided to provide Directors (excluding Directors who are Audit & Supervisory Committee members and Outside Directors) with performance-based compensation (cash bonus) in addition to basic compensation.
This system is designed so that management shares the advantage of improving business performance as well as the risk of declining business performance with shareholders. We consider this to be compensation that raises the motivation of Directors to improve business performance each fiscal year and gives them the incentive to aim for a sustainable increase in corporate value.
Furthermore, we introduced share-based stock options as mid- to long-term incentive compensation in the fiscal year ended March 31, 2023.

The actual and predicted future performance-based compensation of Directors as a result of that is as follows. (This excludes Directors who are Audit & Supervisory Committee members and Outside Directors.)

- Fiscal year ended March 31, 2026: Fixed compensation: 74% / Performance-based compensation: 26%
- Fiscal year ending March 31, 2027 (scheduled): Fixed compensation: 56% / Performance-based compensation: 44%

*We have calculated the proportion of performance-based compensation from the fiscal year ending March 31, 2027 onward assuming 100% achievement of the target indicators.

The evaluation indicators for performance-based compensation (cash bonus) are as follows.

• **Evaluation Weight of Each Indicator**

<u>Indicator</u>	<u>Evaluation Weight</u>
Consolidated net sales	40%
Consolidated operating income	40%
Consolidated net income	20%

• **Payment Rate According to Target Achievement Rate for Each Indicator**

<u>Achievement Rate</u>	<u>Payment Rate</u>
Less than 80%	0%
80% or more but less than 100%	50%
100% or more but less than 120%	100%
120% or more	120%

Moreover, the evaluation indicators for the share-based stock options are as follows.

• **Evaluation Weight of Each Indicator**

<u>Indicator</u>	<u>Evaluation Weight</u>
Consolidated net sales	40%
Consolidated operating income	40%
Consolidated net income	20%

• **Payment Rate According to Target Achievement Rate for Each Indicator**

<u>Achievement Rate</u>	<u>Payment Rate</u>
Less than 90%	0%
90% or more but less than 100%	50%
100% or more	100%

- iv. The Company nominates individuals for election as internal Directors (excluding Directors who are Audit & Supervisory Committee members) who are suitable to promote a highly efficient management system that can respond quickly, flexibly and accurately to changes in the business environment in addition to possessing a high degree of expertise in their fields of responsibility. The prerequisite for this is that such individuals will be able to jointly develop the corporate philosophy of the Company and then focus their efforts on a daily basis toward achieving that.

The individuals we nominate for election as Outside Directors are capable of independent management oversight from an objective perspective while sympathizing with the corporate philosophy of the Company without being unduly influenced by management or special interests, and possess broad insight.

We consider dismissal of Directors, including Outside Directors, when questions arise about a Director's capabilities. Such instances include when a Director is deemed to have failed to fulfill the duties of due care of a good manager and to have not acted in good faith in the execution of his or her duties, or is deemed to not be contributing to sustained profit growth and growth in corporate value. Engaging in fraud or violation of laws and regulations or other rules will result in the dismissal of a Director.

When nominating candidates for Director (excluding Directors who are Audit & Supervisory Committee members), the Board of Directors examines such candidates based on the opinions of the voluntary Nomination & Compensation Committee, which consists mainly of Outside Directors, before making a decision.

When nominating candidates for Directors who are Audit & Supervisory Committee members, the Board of Directors first solicits the opinions of the Outside Directors and obtains consent from the Audit & Supervisory Committee, then considers the content proposed by the Representative Director and makes a decision.

- v. The Company discloses the career and other matters of the candidates for Directors (including Directors who are Audit & Supervisory Committee members) in the Reference Documents for the General Meeting of Shareholders, together with the reasons for their respective recommendations.

[Reasons for recommending candidates for Directors (excluding Directors who are Audit & Supervisory Committee members)]

Refer to the Notice of the 26th Annual Meeting of Shareholders

[Reasons for recommending candidates for Directors who are Audit & Supervisory Committee members]

Refer to the Notice of the 26th Annual Meeting of Shareholders

[Supplementary Principle 3.1.3]

The Group's sustainability initiatives, initiatives to reduce environmental impact mainly through promoting paperless operations and teleworking, and investments in human capital, intellectual property, and other areas are disclosed in the Integrated Report (https://corp.en-japan.com/company/report/en_IR_2024_e.pdf). In addition, we have established the Basic Environmental Policy as a measure to mitigate and adapt to climate change, and our initiatives to reduce environmental burden are disclosed on our corporate website (<https://corp.en-japan.com/sustainability/>).

With regard to risks and profit opportunities related to climate change, we recognize that climate change may affect the economic activities of various companies and indirectly affect our business. However, given the characteristics of our business, we believe that the direct impact of climate change on our business is limited. Nevertheless, we believe that supporting the achievement of the sustainable development goals by protecting the global environment is one of our important responsibilities, and therefore, we conduct numerical measurements with the aim of reducing GHG emissions.

[Supplementary Principle 4.1.1]

The Company has designated the Board of Directors as the body that oversees the performance of duties by Directors. The Board of Directors meets once a month and also convenes meetings as necessary. It monitors the status of performance of duties. The Board of Directors monitors progress on performance for each business division and the company as a whole. It also discusses matters that are important to management of the business and decides the course of action. Matters subject to resolution by the Board of Directors are specified in the Rules on the Board of Directors. Other decisions and performance of other duties are based on the Rules on Responsibilities and Authority, and the Rules on Ringi Proposals and Applications. These documents clearly specify the authority to deliberate on and approve matters, as well as other types of authority.

[Principle 4.9]

The Company has established our own Criteria for Determining the Independence of Outside Officers. We disclosed this in the securities report. When selecting candidates to serve as independent Outside Directors, we select those who satisfy the Company's own standards in addition to the standards stipulated by the Companies Act and the Tokyo Stock Exchange.

[Supplementary Principle 4.10.1]

The Company has elected four independent Outside Directors among our seven Directors to enhance the accountability of the executive management team and to further improve transparency. It is necessary to obtain approval at a meeting of the Board of Directors attended by independent Outside Directors to determine important matters such as the election, dismissal and compensation of Directors.

We use a system involving the voluntary Nomination & Compensation Committee, which consists mainly of Outside Directors, to nominate Directors. We determine the management structure in the next term based on the contents of the report from the voluntary Nomination & Compensation Committee.

Moreover, in relation to compensation, we determine basic compensation, performance-based compensation (bonuses) and stock compensation based on the contents of the report from the voluntary Nomination & Compensation Committee.

The majority of the Nomination & Compensation Committee members are independent Outside Directors. We believe that this ensures the independence of the Nomination & Compensation Committee.

The structure and activities situation of the Nomination & Compensation Committee is as follows.

Four of the five members of the committee are Outside Directors and an Outside Director serves as the chairperson from June 2025.

In fiscal 2025, the committee held five meetings, discussed the following themes, and reported them to the Board of Directors.

- The policy and procedures of nominating Directors.
- The policy and procedures of determining the compensation of Directors.
- The skills matrix of Directors.
- Candidates to be Director and candidates to be substitute Director.
- The compensation limits and amounts for Directors.
- The introduction of a stock compensation system.

[Supplementary Principle 4.11.1]

The Company's views on balance and diversity in knowledge, experience, and skills in the Board of Directors as a whole closely align with its views on nominating candidates for Director as stated in Section 3.1. (iv). These are disclosed in the Corporate Governance Report.

The en Articles of Incorporation specify a maximum of 10 Directors (excluding Directors who are Audit & Supervisory Committee members) and a maximum of four Directors who are Audit & Supervisory Committee members. We currently have seven elected Directors (two internal Directors and five Outside Directors) which we consider an appropriate number for pursuing a system of highly efficient management.

We disclose a skills matrix that lists the knowledge, experience and abilities of each officer in our convocation notices. Yuri Hayashi, Rikako Onishi, Toshihiko Ishikawa, and Takeshi Nishikawa, independent Outside Directors, have management experience in other companies.

[Supplementary Principle 4.11.2]

Concurrent positions in other listed companies held by Directors are disclosed in the Notice of the Annual Meeting of Shareholders.

[Supplementary Principle 4.11.3]

The Company gave all Directors a questionnaire on the effectiveness of the Board of Directors. The Board of Directors analyzed and evaluated the results of that. The Board of Directors evaluated the composition of the Board of Directors, the content of the agenda items and discussions, the situation of deliberations and the situation of operation toward stimulating discussions and deliberations. This led to the Board of Directors finding the results of this evaluation to be appropriate. Furthermore, the Board of Directors also received a positive evaluation in terms of the state of governance. Accordingly, the Board of Directors concluded that it is effective. The Board of Directors of the Company will endeavor to further improve its effectiveness. This will be achieved by conducting this analysis and evaluation every year in the future while maintaining the superiority of the governance structure that the Company has worked on and constructed up to now.

An overview of the results of the evaluation of the effectiveness of the Board of Directors in the previous fiscal year is as follows.

- There was an overall improvement compared with the previous year. Additionally, the following were cited as items to be evaluated.

- (1) Is sufficient time secured for deliberations by the Board of Directors?
- (2) Does the Board of Directors allocate sufficient time to discuss important agenda items by minimizing the amount of time spent on reports and explanations from management?
- (3) Are Board of Directors materials provided in an easy-to-understand, organized, and analyzed format?
- (4) Do they feel that their own opinions are appropriately reflected in decisions and judgments?

- The following items were cited as future issues.

- (1) When deciding on management strategies and management plans, does the Board of Directors have sufficient discussions with a view to profitability, capital efficiency, etc.?
- (2) Are opportunities available for training (such as acquiring the knowledge required for roles and responsibilities) required of officers?
- (3) Are there sufficient opportunities for outside officers to exchange opinions outside the Board of Directors meetings?

[Supplementary Principle 4.14.2]

Directors are elected from among candidates who possess a broad range of expertise in business, finance, organizations, and other areas. We provide training to Directors when elected, as necessary. The Company

also assumes the cost when Directors participate in external training and other types of education, as necessary.

[Principle 5.1]

(1) Basic views

Aiming to enhance the Group's medium- to long-term corporate value and shareholder value, our basic philosophy is to build long-term relationships of trust through active dialogue with shareholders, domestic and overseas institutional investors, analysts, and others, and obtain appropriate corporate valuation.

(2) IR system

With the President and Representative Director as the Chief Executive, and the Director and Executive Officer and Head of the Corporate Management Office as the supervising executive, the Company has established a team dedicated to IR operations in the Corporate Planning Division under their supervision. By establishing this team within the Corporate Planning Division, which is responsible for planning and managing management strategies, the Company will coordinate management strategies, business performance, and capital market trends to accurately grasp the situation in the Group and provide timely and appropriate information.

(3) Method of dialogue

In IR activities, we create communication tools centering on items of high interest to capital market stakeholders, such as the progress of management policies and strategies and financial conditions, as well as the business environment and competitive environment, and create opportunities for dialogue. Specifically, after each announcement of quarterly financial results, the Company holds a financial results briefing attended by the President and Representative Director, the Director and Executive Officer and Head of Corporate Management Office, and senior management, and deepens dialogue by explaining an overview of financial results, the progress of management plans, future policies and strategies, and other items to capital market stakeholders such as domestic and overseas institutional investors, and analysts, as well as by answering questions thereto and by taking other measures. In addition, the Company participates in conferences, large meetings, and small meetings sponsored by securities companies; visits to offices of domestic and overseas institutional investors; briefings for individual investors sponsored by securities companies, IR support companies, and other companies; and takes other measures. In addition, we are working to promote dialogue by actively disclosing information on our corporate website, enhancing our integrated report, and taking other measures. For individual investors and overseas capital market stakeholders, information gaps are minimized mainly by preparing specialized tools and English-language materials.

(4) Feedback to management and management of insider information

Information obtained through IR activities and feedback comments from capital market stakeholders are reported quarterly to the Board of Directors as the IR Report. For highly important matters or matters that require prompt action, feedback is provided to the President and Representative Director, and the Director and Executive Officer and Head of Corporate Management Office as appropriate without waiting for the opportunity to report quarterly. By accurately grasping the requests and expectations of capital markets and capital market stakeholders, the Company contributes to management strategies, financial and capital strategies, and other strategies with a view to enhancing corporate value and shareholder value. In addition, in the management of insider information, we have formulated confidential information management regulations and are focusing on preventive measures. In particular, trading of the Company's own shares is

conducted under certain rules based on the Company's stock trading rules, and continuous education is provided to officers and employees.

(5) Conducting substantial shareholder surveys

In principle, the Company conducts a substantial shareholder survey twice a year, endeavors to ascertain the shareholder composition, and reflects it in subsequent IR activities.

The details of IR activities in fiscal 2025 are posted on our corporate website based on the Promotion and Disclosure of Dialogue with Shareholders (announced by the Tokyo Stock Exchange on March 31, 2023).
<https://corp.en-japan.com/en/IR/governance.html>

[Principle 5.2]

[Measures to Achieve Management Conscious of Cost of Capital and Stock Price]

The Company's basic financial policy is sustainable sales and profit growth, capital efficiency that exceeds the cost of capital, and the implementation of financial strategies that contribute to medium- and long-term corporate value enhancement.

In order to both ensure financial soundness and pursue capital efficiency, the Company has set capital adequacy ratio targets with a view to achieving the desired level. In addition, the Return on Equity (ROE) is maintained at a level higher than the Company's independently calculated cost of capital (approximately 9% to 10%) and it strives to increase corporate value with the aim of exceeding it in the medium to long term. In the most recent fiscal year, the Company has confirmed that it has achieved a return on capital that exceeds the cost of capital.

In addition, the Company has an accurate grasp of its own cost of capital and return on capital. In principle, the Company applies the cost of equity that is calculated once a year and strives to manage with capital efficiency in mind, such as by using cost of equity for business portfolio optimization, business execution, new investment decisions, withdrawal criteria, and other purposes. The fiscal year ending March 2027 marks the second year of structural reforms and is positioned as a year of transformation aimed at regrowth, and we are aiming for an ROE of 16%.

Going forward, the Company will continue to pay close attention to the needs of capital markets through investor relations activities and strive to promote the understanding of the Company's management policy and specific measures to enhance corporate value.

In addition, the Company plans to announce the policies, measures, and specific targets for the Measures to Achieve Management Conscious of Cost of Capital and Stock Price in conjunction with the business performance plan for the next fiscal year at the time of the year-end financial results announcement. We will also promptly announce any changes in strategy or policy during the fiscal year.

2. Capital Structure

Foreign Shareholding Ratio	20% or more but less than 30%
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[Status of Major Shareholders] - Updated

Name / Company Name	Number of Shares Owned	Percentage (%)
Michikatsu Ochi	4,383,900	11.61
The Master Trust Bank of Japan, Ltd. (Trust account)	3,836,800	10.16
en Human Capital Education Association Inc.	3,060,000	8.10
Custody Bank of Japan, Ltd. (Trust account)	2,665,600	7.06
En-Kikaku Ltd.	2,665,600	5.79
JP JPMSE LUX RE UBS AG LONDON BRANCH EQ CO	2,184,800	4.31
Akiyuki Ochi	1,625,876	3.91
THE BANK OF NEW YORK MELLON 140044	1,475,200	2.91
BNP PARIBAS LONDON BRANCH FOR PRIME BROKERAGE SEGREGATION ACC FOR THIRD PARTY	1,100,500	2.89
BNYGCMCLIENTACCOUNT JPRDAC ISG (FE-AC)	1,090,138	2.75

Controlling Shareholder (except for Parent Company)	-----
Parent Company	None

Supplementary Explanation

3. Corporate Profile

Stock Market and Market Section Listed on	Tokyo Stock Exchange, Prime Section
Fiscal Year-End	March
Type of Business	Service business
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	More than 1000
Sales (Consolidated) as of the End of the Previous Fiscal Year	From ¥10 billion to less than ¥100 billion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 10 to less than 50

4. Policy on Measures to Protect Minority Shareholders When the Company Engages in Transactions with Controlling Shareholder

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

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

1. Organizational Composition and Operation

Organization Form	Company with an Audit & Supervisory Committee
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[Board of Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	14
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors – Updated	7
Appointment of Outside Directors	Appointed
Number of Outside Directors – Updated	5
Number of Outside Directors Designated as Independent Officers – Updated	4

Outside Directors' Relationship with the Company (1) - Updated

Name	Qualifications	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Taisuke Igaki	Attorney											
Toshihiko Ishikawa	Certified public accountant											
Yuri Hayashi	From another company											
Takeshi Nishikawa	From another company								○			
Rikako Onishi	From another company								○			

* Categories for “Relationship with the Company”

* “○” when the director presently falls or has recently fallen under the category;

“△” when the director fell under the category in the past

* “●” when a close relative of the director presently falls or has recently fallen under the category;

“▲” when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiaries

b. Non-executive director or executive of a parent company of the Company

c. Executive of a fellow subsidiary of the Company

d. A party whose major client or supplier is the Company or an executive thereof

e. Major client or supplier of the Company or an executive thereof

f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/ audit & supervisory board member

g. Major shareholder of the Company (or an executive of the major shareholder if the shareholder is a legal entity)

- h. Executive of a client or supplier of the Company (which does not correspond to d, e, or f) (refers only to the director)
- i. Executive of a company which has the same individual(s) as the Company appointed as outside directors/ audit & supervisory board members (refers only to the director)
- j. Executive of a company or organization that has received a donation from the Company (refers only to the director)
- k. Others

Outside Directors' Relationship with the Company (2) - Updated

Name	Audit and Supervisory Board Member	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Taisuke Igaki	○		———	Mr. Taisuke Igaki is well-versed in the business of the Company. He has provided us with positive opinions and proposals in meetings of the Board of Directors from a comprehensive perspective utilizing his professional experience as an attorney at law and an outside officer. In addition, he serves as the chair of the Nomination & Compensation Committee. Through that role, he is enhancing the transparency and fairness of the processes to elect, dismiss and determine the compensation of officers. We have determined he is the right person to supervise management to achieve the sustainable growth of the Group and an improvement in our corporate value. Therefore, we have re-elected him as an Outside Director who is an Audit & Supervisory Committee member. He satisfies all the requirements of an independent officer as stipulated in Article 436.2 of the securities listing regulations of the Tokyo Stock Exchange. Therefore, we have determined that there is no risk of a conflict of interest arising between him and general shareholders. Nevertheless, we will not designate him as an independent officer or make a notification of such in accordance with the policy of the law firm to which he belongs.

Toshihiko Ishikawa	○	○	———	Mr. Toshihiko Ishikawa has a wealth of experience in corporate management. He also has a high level of insight as a certified public accountant. Accordingly, he provides positive opinions and proposals in meetings of the Company's Board of Directors and the Audit & Supervisory Committee. In addition, he serves as a member of the Nomination & Compensation Committee. Through that role, he is enhancing the transparency and fairness of the processes to elect, dismiss and determine the compensation of officers. We have determined that he will continue to utilize his specialized knowledge and experience in the Company's audit structure in the future. Therefore, we have re-elected him as an Outside Director who is an Audit & Supervisory Committee member. He meets the standards of independence specified by the Tokyo Stock Exchange and we have therefore determined that he presents no risk of a conflict of interests with general shareholders and have designated him as an independent officer.
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Yuri Hayashi		○	Although the Company receives recruitment support expenses from INEC Inc., of which Ms. Yuri Hayashi serves as an outside director, the terms are the same as for ordinary transactions, and the annual transaction amount is 1% or less of INEC and the Company's consolidated net sales. Therefore, this does not fall under the category of special interests or a specified related business operator.	Ms. Yuri Hayashi has a wealth of knowledge in marketing and management from her many years of experience working at Recruit Co., Ltd. Moreover, she took up a post as the first female Deputy Mayor of Shijonawate in Osaka Prefecture in 2017. She utilized her experience of working in the private sector to strive for organizational reform and promoted child-rearing policies and urban development. In addition, she serves as a member of the Nomination & Compensation Committee. Through that role, she is enhancing the transparency and fairness of the processes to elect, dismiss and determine the compensation of officers. We have determined she is the right person to supervise management to achieve the sustainable growth of the Group and an improvement in our corporate value. Therefore, we have re-elected her as an Outside Director. She meets the standards of independence specified by the Tokyo Stock Exchange and we have therefore determined that she presents no risk of a conflict of interests with general shareholders and have designated her as an independent officer.
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Takeshi Nishikawa	○	○	Although the Company receives recruitment support expenses from Panasonic Connect Co., Ltd., of which Mr. Takeshi Nishikawa is the Representative Director, the terms are the same as for ordinary transactions, and the annual transaction amount is 1% or less of Panasonic Connect and the Company's consolidated net sales. Therefore, this does not apply to special interests or a specified related business operator.	Mr. Takeshi Nishikawa has been in charge of accounting at Panasonic Holdings Corporation for 30 years and currently serves as CFO, and has extensive financial and accounting experience. He also serves as a director of subsidiaries in the United States and Belgium and has knowledge in global business. He also has experience in multiple M&As, including large-scale and cross-border transactions. We have determined his experience and knowledge will contribute to the Company. Therefore, we have elected him as an Outside Director who is an Audit & Supervisory Committee member. In addition, he serves as a member of the Nomination & Compensation Committee. Through that role, he is enhancing the transparency and fairness of the processes to elect, dismiss and determine the compensation of officers. He meets the standards of independence specified by the Tokyo Stock Exchange and we have therefore determined that he presents no risk of a conflict of interests with general shareholders and have designated him as an independent officer.
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Rikako Onishi		○	Although the Company receives recruitment support expenses from Kotora Co., Ltd., of which Ms. Rikako Onishi serves as Representative Director, the terms are the same as for ordinary transactions, and the annual transaction amount is 1% or less of Kotora and the Company's consolidated net sales. Therefore, this does not fall under the category of special interests or a specified related business operator.	In addition to her experience at financial institutions, Ms. Rikako Onishi has contributed to solving various issues related to human resources at companies as the head of a high-class professional recruitment company she herself founded. Since then, she has not only managed her own company, but also served as an outside director for banks and listed companies. Through her public positions, including as a member of the Ministry of Economy, Trade and Industry's Council for Small and Medium Enterprise Policy, she has been deeply involved in policy proposals that shape the nation's future and in fostering the next generation. We have determined that her experience and knowledge will contribute to the growth of the Group, and have therefore elected her as an Outside Director. She meets the standards of independence specified by the Tokyo Stock Exchange and we have therefore determined that she presents no risk of a conflict of interests with general shareholders, and so we have designated her as an independent officer.
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[Audit & Supervisory Committee]

Composition of Committee Members and Attributes of the Chairperson

	Total Members	Full-time Members	Internal Directors	Outside Directors	Chairperson
Audit & Supervisory Committee	3	0	0	3	Outside director

Directors and Employees Who Assist with the Duties of Audit & Supervisory Committee

Yes

Matters Concerning Independence of the Applicable Directors and Employees from Executive Directors

The personnel in charge of human resources will report personnel evaluations, personnel transfers, and disciplinary measures taken with respect to an employee who is assisting with Audit & Supervisory Committee member duties to the Audit & Supervisory Committee in advance, and shall obtain approval of the Audit & Supervisory Committee when necessary.

The assisting employee will also report directly to the Audit & Supervisory Committee member.

Cooperation among the Audit & Supervisory Committee , the Accounting Auditor and the Internal Audit Department

The Audit & Supervisory Committee audits the execution of business by Directors based on the auditing policies and plans established by the Audit & Supervisory Committee .

In addition, it establishes opportunities to communicate with management on a periodic basis. Together with this, it receives reports on the implementation of audits by the Accounting Auditor and cooperates with the Internal Audit Department. Through that, the Audit & Supervisory Committee strives to conduct effective audits.

[Voluntary Committees]

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Compensation Committee	Yes
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Establishment of Voluntary Committees, Composition of Committee Members and Attributes of the Committee Chairperson - Updated

	Name of the Committee	Total Members	Full-time Members	Internal Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntary committee equivalent to a nomination committee	Nomination & Compensation Committee	6	0	1	5	0	0	Outside Director
Voluntary committee equivalent to a compensation committee	Nomination & Compensation Committee	6	0	1	5	0	0	Outside Director

Supplementary Explanation

The Nomination & Compensation Committee functions as both a nomination committee and a compensation committee.

The chairperson and members of the Nomination & Compensation Committee are selected by the Board of Directors so that outside officers are the main members. The Nomination & Compensation Committee deliberates on the selection of candidates for Director and the determination of individual compensation amounts for Directors. It then reports its findings to the Board of Directors.

[Independent Officers]

Number of Independent Officers -Updated	4
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Matters relating to Independent Officers

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[Incentives]

Incentive Policies for Directors	A performance based stock compensation system and system of stock options have been introduced.
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Supplementary Explanation

The compensation of the Company's Directors (excluding Directors who are Audit & Supervisory Committee members) is comprised of performance-based compensation (bonuses) and performance-based stock compensation in addition to basic compensation. The aim of this is to increase the motivation and morale to improve performance among internal Directors. We pay compensation within the range of the compensation limits determined at General Meetings of Shareholders.

The Nomination & Compensation Committee, which consists mainly of Outside Directors, checks and verifies the compensation of Directors (excluding Directors who are Audit & Supervisory Committee members). The Board of Directors then determines the compensation of Directors based on the content of the report from the committee.

Recipients of Stock Options	Internal Directors, employees and Directors of subsidiaries
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Supplementary Explanation

We grant stock options to the Company's Directors (excluding Directors who are Audit & Supervisory Committee members and Outside Directors) and employees and Directors of our subsidiaries. The aim of this is to increase their motivation and morale to improve the performance of the Company.

[Director Compensation]

Disclosure of Individual Directors' Compensation	Individual compensation is not disclosed.
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Supplementary Explanation -Updated

Total amount paid to Directors in the most recent fiscal year:

Directors: 138 million yen (including 21 million yen to seven Outside Directors)

* The compensation paid to Director (excluding Outside Directors) as noted above includes expenses associated with call options awarded as stock options.

Policy on Determining Compensation Amounts and Calculation Methods-Updated	Established
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Disclosure of Policy on Determining Compensation Amounts and Calculation Methods

The compensation of the Company's Directors (excluding Directors who are Audit & Supervisory Committee members) is comprised of basic compensation, performance-based compensation (bonuses) and performance-based stock compensation. We pay compensation within the range of the compensation limits determined at General Meetings of Shareholders.

The Nomination & Compensation Committee, which consists mainly of Outside Directors, checks and verifies the compensation of Directors (excluding Directors who are Audit & Supervisory Committee members). The Board of Directors then determines the compensation of Directors based on the content of the report from the committee.

The amount of basic compensation is decided for each individual based on a report from the Nomination & Compensation Committee by the Representative Director who has been entrusted to handle this matter by the Board of Directors.

Bonuses for Directors (excluding Directors who are Audit & Supervisory Committee members and Outside Directors) are calculated using the three indicators of consolidated net sales, consolidated operating income and consolidated net income for each individual by multiplying the standard amount set according to position and responsibilities by the payment rate obtained according to the evaluation weight of each indicator and the achievement rate of targets.

It was resolved at the General Meeting of Shareholders held on June 28, 2022 to set the limit on compensation of Directors (excluding Directors who are Audit & Supervisory Committee members) at a total of 300 million yen a year (of which, the limit on the compensation of Outside Directors is 20 million yen a year). That amount does include share-based stock options and the employee salary of Directors who are also employees.

Moreover, it was resolved at the General Meeting of Shareholders held on June 28, 2022 to grant share-based stock options as compensation of Directors (excluding Directors who are Audit & Supervisory Committee members and Outside Directors) up to a total of 500 million yen a year.

There are four Directors (excluding Directors who are Audit & Supervisory Committee members) as of the last update date of this report. (That number includes two Outside Directors.)

The compensation of Directors who are Audit & Supervisory Committee members is comprised only of fixed monthly wages (basic compensation) from the viewpoint of emphasizing neutrality and objectivity with respect to management. That compensation is determined by the Audit & Supervisory Committee from among the compensation set aside for those Directors based on a report from the Nomination & Compensation Committee.

It was resolved at the General Meeting of Shareholders held on June 28, 2022 to set the limit on compensation of Directors who are Audit & Supervisory Committee members at a total of 30 million yen a year. There are three Directors who are Audit & Supervisory Committee members as of the last update date of this report. (That number includes three Outside Directors.)

[Support System for Outside Directors]

The divisions concerned provide advance explanation of agenda items to outside directors as necessary to help ensure sufficient discussion of agenda items at Board of Directors meetings.

2. Matters Concerning the Functions of Business Execution, Auditing, Oversight, and Nomination and Compensation Decisions (Overview of Current Corporate Governance System) - Updated

<Overview of Current System >

1. The Company has designated the Board of Directors as the body that oversees the performance of duties by Directors. The Board of Directors meets once a month and also convenes meetings as necessary. It monitors the status of performance of duties. The Board of Directors monitors progress on performance for each business division and the company as a whole. It also discusses matters that are important to management of the business and decides the course of action.

2. The Company transitioned from being a company with an audit & supervisory board to being a company with an audit & supervisory committee according to a resolution at the 22nd Ordinary General Meeting of Shareholders held on June 28, 2022. This has made the Audit & Supervisory Committee members who are responsible for auditing the execution of duties by Directors into members with voting rights of the Board of Directors. The aim of this is to further enhance corporate governance through an additional reinforcement of the supervisory structure by strengthening the supervisory functions of the Board of Directors.

In addition, the Audit & Supervisory Committee is comprised of three Outside Directors. In addition to conducting Audit & Supervisory Committee audits, it provides its cooperation such as by proactively exchanging opinions with the Internal Audit Department and the Accounting Auditor.

3. The Company has retained Ernst & Young ShinNihon LLC as its accounting auditor. There are no notable conflicts of interest between the Company and the employees of the Accounting Auditor who perform work for the Company. The names of the certified public accountants (CPAs) and other audit team members are listed below.

- Names of CPAs who performed work in the recent fiscal year:

(Name and title of CPA who performed work)

Tomohiro Miygawa, Designated Employee with Limited Liability and Managing Partner

Kinuyo Matsuo, Designated Employee with Limited Liability and Managing Partner

(Name of firm the CPA is affiliated with)

Ernst & Young ShinNihon LLC

- * The number of years of successive audits is less than 7 years, and therefore has been omitted.

- Composition of supporting team members involved in audit work:

CPAs: 7

Other: 13

- * Others includes team members who have passed the CPA exam and those in charge of system audits.

<Initiatives to Ensure Audits by the Audit & Supervisory Committee Are Conducted Effectively>

Directors (excluding Directors who are Audit & Supervisory Committee members) provide an environment in which it is possible for the Audit & Supervisory Committee to coordinate with attorneys at law, certified public accountants and other outside experts if the Audit & Supervisory Committee deems it is necessary when it is executing its duties.

<Limited Liability Agreements>

The Company has entered into agreements with the Outside Directors to limit liability for the damages in Article 423, Paragraph 1 of the Companies Act under the provisions in Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability under these agreements is the amount prescribed in laws and regulations.

3. Reasons for Adoption of Current Corporate Governance System

The Company has selected the structure of a company with an audit & supervisory committee. The aim of this is to strengthen audit and supervisory functions while improving corporate value greater than ever before by further enhancing the corporate governance structure through the construction of a swift and agile management structure.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Ensure Dynamic General Shareholder Meetings and Smooth Exercise of Voting Rights - Updated

	Supplementary Explanations
Early Notification of Annual Meeting of Shareholders	The Company works to send the Notice of the Annual Meeting of Shareholders early (sent on June 8 for the Annual Meeting of Shareholders held on June 23, 2026. We also post it on TDnet and on our corporate website prior to sending it (posted on June 1 for the Annual Meeting of Shareholders held on June 23, 2026).
Scheduling the Annual Meeting of Shareholders on a date when many other companies are not holding theirs	We take care not to schedule the meeting on a day on which many other companies are holding their annual meetings so that more shareholders can attend (held on June 23 in 2026).
Electronic Exercise of Voting Rights Allowed	It has become possible to exercise voting rights over the Internet from the Annual Meeting of Shareholders held on June 24, 2020.
Participation in an Electronic Voting Platform or Other Means to Increase the Exercise of Voting Rights	We have been participating in an electronic voting platform since the General Meeting of Shareholders held on June 28, 2022.
Convocation Notice in English Provided	We have produced an English version of the Notice of the Annual Meeting of Shareholders and posted it on TDnet and on our corporate website.

2. IR Activities - Updated

	Supplementary Explanations	Explanation from Representative
Creation/publication of disclosure policy	Preparation and Publication of a Disclosure Policy For details, please refer to our website.	
Regular Investor Briefings for Individual Investors	We participate as appropriate in the events of IR support companies to provide investor briefings for individual investors.	Yes
Regular Investor Briefings for Analysts and Institutional Investors	In principle, we hold financial results briefings once a quarter. We also distribute investor briefing and explanatory videos every quarter as appropriate. Furthermore, we proactively hold small meetings and individual meetings with Japanese and foreign analysts and institutional investors.	Yes
Regular Investor Briefings for Foreign Investors	We proactively participate in conferences organized by securities companies in Japan and overseas.	Yes
Posting of IR Materials on Website	We post summary financial statements, financial results briefing materials and IR news on our IR site. Moreover, we disclose the English version of our financial results briefing materials at the same time as the Japanese version. We also publish the English version at the same time for timely disclosures that are considered to be particularly important.	
Establishment of Department and/or Manager in Charge of IR	The Director and Executive Officer and Head of Corporate Management Office is the Officer in Charge of IR, and the Company has established a department dedicated to IR in the Corporate Management Office under this person's supervision.	

3. Measures to Ensure Respect for Stakeholders' Positions - Updated

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	One of the tenets of the Company's corporate philosophy is subjective justice. We believe that doing what is right for society and contributing to society, without falling into the trap of believing the profit is the only goal, are why we exist.
Other	At the Company, we actively promote hiring and promotion of female employees, and female employees comprise 56.9% of all employees (as of June 1, 2026). We will continue to work actively to establish an environment that enables female employees to work with passion and enables them to advance their careers in various fields. We are currently implementing WOMen Lab, an internal project to promote the advancement of women. The content of that program is communicated internally and externally in the blog for the project and the internal new bulletin, ensoku! <Main Initiatives and Systems > • WOMen Lab management course (to develop managerial level women) • Networking events for female employees • Networking events and luncheons held to support employees on childcare leave • Female employee satisfaction survey • The Smart Growth System (a system aimed at preventing the stalling of a woman's career and decline in income by choosing shorter work hours after returning from childcare leave), etc. • Formulation of various rules for LGBT individuals with partners • Diversity surveys to understand the actual situation of diversity within the Company

IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and Progress on System Development

<Basic Views>

At the Company, our goal is to contribute to our shareholders, clients, many stakeholders, and society at large through our business. We have therefore positioned building an organization that can respond to changes in the management environment as an important policy for the Group as a whole. We are therefore working to strengthen corporate governance and make it robust to enable healthy growth of our corporate group, and are working to create a fair management system.

<Status of Progress on Establishing Internal Controls >

A. Status of Progress on Establishing Internal Controls

The Company has established a basic policy for the development of an internal controls system based on the Companies Act. Going forward, we will strive to ensure the legality and efficiency of management as well as to manage risks that may hinder management. At the same time, we will develop and enrich our management structure so that we can respond to the rapidly changing environment.

B. System to Ensure Efficient Performance of Duties by Directors and Employees of the Company and Group Companies

The Company holds regular Board of Directors meetings once a month, and holds additional Board of Directors meetings when necessary. We have established a system that enables agility and swift decision making on matters of importance to the Group. The Board of Directors has also established a body to oversee the performance of duties by Directors to ensure that those duties are properly performed. The Board of Directors formulates and promotes concrete policies and measures aimed at achieving the management plan, ascertains the status of progress on achieving goals and challenges that exist, and takes steps to resolve any challenges. In addition, the Audit & Supervisory Committee also meets once a month in principle and holds extraordinary meetings as necessary. It discusses matters stipulated by laws/ordinances and the Articles of Incorporation and important audit operations while working to enhance the audit structure in line with the audit policies and division of duties which have been stipulated.

C. System for Ensuring that the Performance of Duties by Directors and Employees of the Company and Group Companies Meets Legal and Regulatory Requirements and Those Specified in the Articles of Incorporation

The Company has established a compliance structure for overseeing the compliance function in the entire group. The Compliance Division is responsible for the work involved in promoting compliance activities across all organizations in the Group. The Compliance Division works with each company in the Group to establish a compliance structure for the region it is in charge of, and promotes compliance with laws and regulations and internal company rules as well as other compliance activities. The Internal Audit Department, which reports directly to the President and Representative Director, is in charge of the internal auditing function, and works to monitor the status of compliance with internal controls. It also performs regular internal audits and works together with Audit & Supervisory Committee and Accounting Auditors by exchanging opinions on the results of such audits, and cooperating in other ways. Internal audit reports are submitted to the President and Representative Director from the head of the Internal Audit Department.

Whistleblowing system: The Company has established a system to protect whistleblowers by establishing

the Rules on Treatment of Public-Interest Whistleblowers. Under this system, an employee who has become aware of actions that he or she suspects is a compliance violation can report it to the internal whistleblowing hotline and the Company will protect the whistleblower from any repercussions.

D. Status of Progress on Developing a Risk Management Structure

The persons responsible for risks associated with routine conduct of business in each division collectively predicts and gauges the extent of such risks and then takes steps to prevent them from materializing in the Company's risk management structure. Risks associated with each division are also reported to the Board of Directors or the President and Representative Director who then swiftly takes the appropriate steps to address them.

In an emergency, the Company will activate an emergency response headquarters with the President and Representative Director in charge. The emergency response headquarters will work together with an attorney and other external experts to respond rapidly to prevent greater damages or loss and mitigate it to the extent possible. In addition, the Company's basic policy is to have absolutely no relationship with anti-social forces. If we come into contact with anti-social forces in any way, we will immediately cooperate with the police and attorneys at law to deal with that systematically.

E. System to Ensure Proper Conduct of Operations by the Corporate Group That Consists of the Company and Our Subsidiaries

The management of our subsidiaries and associated companies (hereinafter "Affiliated Companies") is handled by the Administrative Division in accordance with the Rules on Management of Affiliated Companies. It works together with the divisions concerned at each of those Affiliated Companies. Based on those rules, some management matters require approval by the Board of Directors or mandate reporting to the Board of Directors and the division concerned. The Internal Audit Department and the Internal Audit Committee conducts internal audits on major Affiliated Companies in the same way as with the internal audits on the Company. Moreover, they cooperate in auditing the status of progress on developing internal control systems in Affiliated Companies and press for improvements based on the results of those audits.

F. Matters Concerning Employees Who Assist with Audit & Supervisory Committee Member Duties

When an Audit & Supervisory Committee member requests an employee to assist with audit & supervisory duties, Directors will allocate an appropriate person to assist with those duties. This assistant will work alone or together with the relevant division to perform the research, analysis, and reporting of matters subject to audit at the direction of the Audit & Supervisory Committee, and will assist the Audit & Supervisory Committee member in performing onsite audits when necessary.

G. Matters Concerning the Independence of Employees Who Assist Audit & Supervisory Committee Members from Directors (Excluding Directors Who Are Audit & Supervisory Committee Members) and Matters Concerning Ensuring the Viability of Instructions to Such Assistants

The personnel in charge of human resources will report personnel evaluations, personnel transfers, and disciplinary measures taken with respect to an employee who is assisting with Audit & Supervisory

Committee member duties to the Audit & Supervisory Committee in advance, and shall obtain approval of the Audit & Supervisory Committee when necessary.

The assisting employee will also report directly to the Audit & Supervisory Committee member.

H. System for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members) and Employees to Report to Audit & Supervisory Committee Members and System for Ensuring That Persons Who Have Reported Are Not Subjected to Retaliation Because They Reported

Directors (excluding Directors who are Audit & Supervisory Committee members) or employees will promptly report legally mandated matters and matters that would have a serious impact on the entire company. In addition to this, they will also promptly report on the status of internal audit implementation, protection and management of personal information, and the details regarding such matters upon request of an Audit & Supervisory Committee member.

Moreover, when an officer or employee is convinced that the Company's policies or business activities have violated (or are in danger of violating) laws/ordinances and regulations or internal company rules and policies, the Company encourages that person to immediately report that fact.

The Company has established and maintains a system for treating people who make such reports fairly and not permitting any retaliatory action against them, regardless of whether the report was made to an Audit & Supervisory Committee member or not.

I. Matters Concerning Policies Relating to the Procedures for the Advance Payment and Reimbursement of Expenses in the Execution of Duties by Audit & Supervisory Committee Members (Limited to Expenses Relating to the Execution of Duties by Audit & Supervisory Committee Members) and the Other Processing of Expenses and Debts Incurred in the Execution of Those Duties

If an Audit & Supervisory Committee member requests the advance payment or reimbursement of expenses incurred in the execution of his or her duties, the Company will promptly process those expenses or debts except in the event it is deemed they were not necessary in the execution of duties by the said Audit & Supervisory Committee member.

J. System to Ensure That Other Audits by Audit & Supervisory Committee Members Are Performed Efficiently

Directors (excluding Directors who are Audit & Supervisory Committee members) provide an environment in which it is possible for the Audit & Supervisory Committee to coordinate with attorneys at law, certified public accountants and other outside experts if the Audit & Supervisory Committee deems it is necessary when it is executing its duties.

K. System for Retaining and Managing Information Relating to Performance of Duties by Company Directors

The Company has established rules on the retention period and method of management for documents (including electronically recorded documents) that contain information on the performance of duties by Directors. The information is retained and properly managed in accordance with these rules.

2. Basic Views on Eliminating Anti-Social Forces

The Company cooperates with law enforcement agencies in regard to antisocial forces that exert an adverse impact on social order or sound corporate operations. Our basic policy is to respond to such threats resolutely and in a systematic manner, and we make sure that all officers and employees are aware of this.

V. Other

1. Adoption of Takeover Response Policy

Adoption of Takeover Response Policy	Not Adopted
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Supplementary Explanation

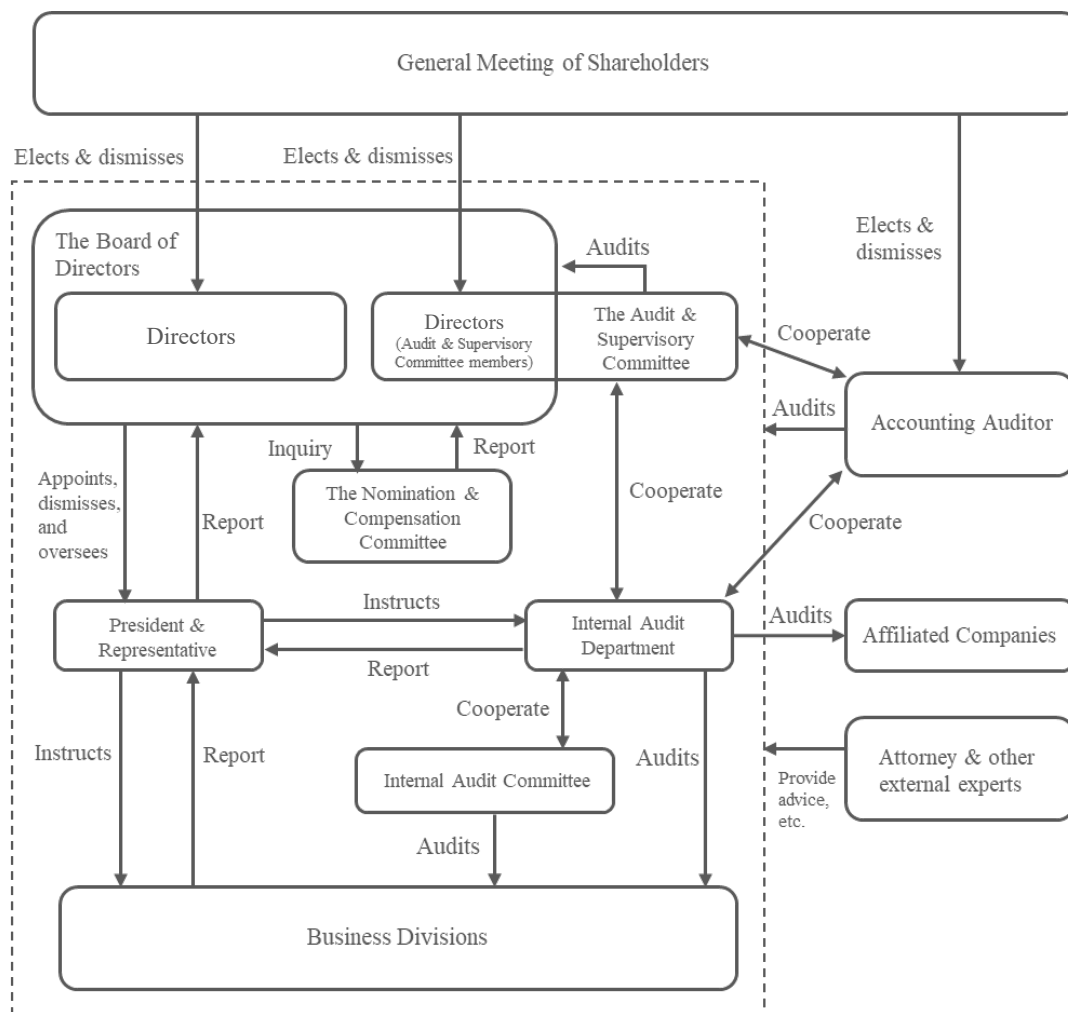
The Company has not introduced specific anti-takeover measures to response to so-called hostile takeovers, at present.

2. Other Matters Concerning to Corporate Governance System

[Status of Internal System for Timely Disclosure]

The Company complies with the Financial Instruments & Exchange Act, other relevant laws and regulations, and the rules of the Tokyo Stock Exchange. As shown in the attached diagram, we have established an internal structure that enables accurate and fair disclosure of information in a timely manner. The Chief Information Officer directs the divisions in charge of information disclosure to check and verify the various kinds of information reported to it by the divisions in charge of that information.

[Reference Material: Organizational Diagram]



[Internal System to Ensure Timely Disclosure]

