

## T-Gaia Corporation

Masato Ishida,

President & Chief Executive Officer

Contact: Corporate Planning & Strategy Department

+81-3-6409-1010

Securities Code: 3738

<https://www.t-gaia.co.jp>

The corporate governance of T-Gaia Corporation (the “Company”) is described below.

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

#### 1. Basic Views

The Company views corporate governance as a framework for the control of corporate business activities and considers it critically important that the rights and interests of our shareholders be protected and equally guaranteed. We also believe it is imperative that we respect the rights and interests of – and build positive relationships with – stakeholders other than shareholders including our clients, business partners, employees, and local communities. Our basic view related to corporate governance has been specified as the Basic Policy on Corporate Governance, which is disclosed on the Company website. We recognize that corporations have a social mission to pursue their business operations while striving to build and maintain better frameworks for governance. In line with that awareness, we have pursued our day-to-day operations in the interest of refining our institutional frameworks and improving their effectiveness from two perspectives: namely “assuring managerial transparency” and “boosting corporate value.”

#### [Reasons for Non-compliance With the Principles of Japan’s Corporate Governance Code]

The Company complies with all principles of Japan’s Corporate Governance Code after its revision in June 2021.

#### [Disclosure Based on the Principles of Japan’s Corporate Governance Code] Updated

Details of disclosure based on the principles of Japan’s Corporate Governance Code are as follows.

##### [Principle 1.4 Stockholdings]

The Company’s business is categorized into the Consumer Mobile Business Segment, Enterprise Solutions Business Segment, and Payment Service Business and Other Business Segment. The Company holds shares of other companies if it deems it necessary to establish, maintain, or strengthen relationships with business partners in each business segment.

It considers a range of issues, such as the scale, growth potential, and profitability of business with the relevant company, to examine the continuance and economic rationality of the stockholding. If the stockholding is deemed to have no rationality due to reasons such as a contraction in the scale of business, the shares will be sold.

As for exercise of voting rights, after examining each proposal, the Company determines approval or disapproval for the proposal based on a comprehensive consideration of conformance to its stockholding policy and contribution to enhancement of its corporate value as well as governance system of investee companies, contribution to enhancement of the corporate value, and other factors.

##### [Principle 1.7 Related Party Transactions]

Of transactions with its officers or major shareholders, as for those which are of significant importance, the Company deliberates the content of such transactions at the Management Conference and the Board of Directors meetings to determine approval or disapproval for their implementation.

In addition, each year, the Company confirms whether there is any transaction between the Company or its consolidated subsidiaries and officers or the parent company, and verifies that there are no transactions that harm the interests of the companies and the common interests of their shareholders.

##### [Supplementary Principle 2.4.1 Ensuring Diversity in the Promotion of Core Human Resources, Etc.]

The Company believes diversity among human resources with various difference “perspectives,” “sensitivity” and “mindsets” is important for sustainable growth of the Group and to create new value, and has established the Diversity & Inclusion Promotion Policy as an important business strategy based on the corporate philosophy. Moreover, the Company also calls for “promoting respect for diversity and advancing human resource development” in the “Sustainability Policy” and “TG Material Issues” (eight important business matters), and promotes various initiatives aiming at ensuring diversity.

<Promotion of active participation of women>

Aiming to create an organization where the Company's employees can build their career and actively participate, the Company concentrates its efforts to establish an environment where women who account for approximately 60% of its sales staff can perform to the best of their potential, as well as human resource development and promotion of active participation.

To help balance child rearing and work, we have established an environment where female employees can work comfortably, by expanding childbearing and child rearing support systems. In addition, training programs such as the "Management Development Program" and the "Career Design Program" for female employees are implemented to cultivate employees at the leader level and the level of candidates for leaders, and opportunities to take on challenges are offered so that women can actively participate in various fields.

As a result of such efforts, the Company maintains the ratio of women in middle managerial positions at 10% at which it has aimed, and keeps the third stage of "Eruboshi" certification as an excellent company that meets standards of the "Act on the Promotion of Female Participation." The second female executive officer was born in April 2020. In the hope that more female employees will actively participate in the core of management in the future, the Company made an upward revision of the target ratio of women in middle managerial positions to be achieved by FY2026 to 15% in April 2021.

<Hiring of foreign nationals>

Based on the notion of assigning the right people to the right positions, the Company screens and hires people fairly regardless of gender and nationality while emphasizing their qualifications, etc. and respecting diversity. The ratio of foreign national employees in new graduates hired for career positions is 2.7%. They continue to actively participate in overseas businesses, new businesses, etc. by making use of their abilities, skills, etc. after entering the Company. In addition, approximately 50 foreign national employees are currently working in the Company, including midcareer hires. Of them, nearly 70% are engaged in sales services (for mobile phones, etc.).

<Midcareer employment>

Midcareer hires are screened and recruited on the assumption that they will be promoted to middle managerial positions or digital human resources, senior professional positions or middle managerial positions holding national certifications, etc. in relation to legal affairs, finance and others, or other senior professional positions according to their background, abilities/skills, etc. Midcareer hires constitute the majority of middle managerial positions, and many of such employees exercise their abilities and actively participate.

<Proactive recruitment and promotion of active participation of people with special needs>

We also proactively work on the creation of work environments that enable long-term service for employees with various special needs by making use of their abilities and competence, etc. They actively participate in sales, clerical work, marketing and others, regardless of job types.

As for recruitment of people with special needs, we aim to maintain the ratio of hiring people with special needs higher than the statutory employment rate.

Please refer to the Diversity & Inclusion Promotion Policy and status of implementing various measures, which are disclosed on the Company's website. Diversity & Inclusion Promotion Policy (<https://www.t-gaia.co.jp/company/csr/staff.html>) (in Japanese only)

[Principle 2.6 Functioning as Asset Owner of Corporate Pension Funds]

Since the Company has adopted a defined contribution pension plans, it is never directly involved in pension fund management as asset owner. However, the Company supports pension fund management for employees by implementing life plan training programs and briefings, distributing e-mail newsletters, and other means.

[Principle 3.1 Enhancement of Information Disclosure]

- (i) Please refer to the "corporate philosophy" and "Medium-Term Management Plan," which are disclosed on the Company's website.

Corporate philosophy (<https://www.t-gaia.co.jp/english/ir/vision.html>)

Medium-Term Management Plan (<https://www.t-gaia.co.jp/english/ir/plan.html>)

- (ii) Please refer to the "Basic Policy on Corporate Governance," which is disclosed on the Company's website. Basic Policy on Corporate Governance (<https://www.t-gaia.co.jp/english/ir/governance.html>)

- (iii) For policies and procedures of the Board of Directors in determining remuneration of Directors and executive officers, please refer to "Chapter 2 Corporate Governance System" of "The Basic Policy on Corporate Governance," which is disclosed on the Company's website, and "1. Organizational Composition and Operation [Director Remuneration]" in "II. Business Management Organization and Other Corporate Governance Systems Regarding Decision-making, Execution of Business, and Supervision in Management" of this report.

- (iv) For policies and procedures of the Board of Directors in the appointment and removal of the senior management and nominations of candidates for Directors and Corporate Auditors, please refer to "Chapter 2 Corporate Governance System" of the "Basic Policy on Corporate Governance," which is disclosed on the Company's website, and "1. Organizational Composition and Operation [Directors]" in "II. Business Management Organization and Other Corporate Governance Systems Regarding Decision-making, Execution of Business, and Supervision in Management" of this report.

[Translation]

- (v) For reasons for nominations of candidates for Directors and Corporate Auditors, please refer to “Reference Documents for the Ordinary General Meeting of Shareholders” in “Convocation Notice of the Ordinary General Meeting of Shareholders.” For reasons for nominations of candidates for Outside Directors and Outside Auditors, please also refer to “1. Organizational Composition and Operation [Directors] and [Corporate Auditors]” in “II. Business Management Organization and Other Corporate Governance Systems Regarding Decision-making, Execution of Business, and Supervision in Management” of this report.

[Supplementary Principle 3.1.3 Sustainability Initiatives, Etc.]

<Sustainability initiatives>

Please refer to the “Sustainability Policy,” which is disclosed on the Company’s website.

<Initiatives for human capital and intellectual property>

With its vision of “becoming a corporate group that continually creates value for a prosperous future,” the Company will enhance the corporate value by resolving social issues through its businesses, regarding people and technologies as a core.

To realize the vision, the Company has set “TG Material Issues (eight important business matters)” and reflected them in the formulation of strategy for each business in the “Medium-Term Management Plan” and the decision-making process for businesses.

The Company recognizes that its intellectual property is “systems and know-how related to the provision of its unique products and services,” “high-quality nationwide sales network” that enables it to offer such products and services, and “various enterprise clients exceeding 10 thousand companies.” While developing human resources who can make use of such property, we are advancing insourcing of operationally important systems.

In addition, we will expand “Unique Branded Service Provider” businesses (businesses that provide original service with our own brand) following QUO Card and WAMNET.

Number of points of sale as at the end of March 2022: 1,908 (of which the number of carrier shops directly managed by the Company: 386).

Number of times that training programs were implemented in the fiscal year ended March 31, 2022, etc.: 431 times

<Response to the TCFD recommendations>

In December 2021, the Company expressed support for the TCFD recommendations, and established a target of a “50% reduction in greenhouse gas emissions by 2030 (compared with FY2020)” and a greenhouse gas reduction target of “carbon neutrality by 2040” for the Company on a non-consolidated basis (Scopes 1 and 2). We will endeavor to reduce the environmental impact generated through our business activities and contribute to achieving a sustainable society.

Information disclosure based on the TCFD recommendations and measures to tackle environmental issues and climate change are disclosed on the Company’s website or in the Integrated Report.

Sustainability Policy (<https://www.t-gaia.co.jp/english/ir/csr/policy.html>)

Medium-Term Management Plan (<https://www.t-gaia.co.jp/english/ir/plan.html>)

Information disclosure based on the TCFD recommendations (<https://www.t-gaia.co.jp/english/ir/csr/tcfd.html>)

Integrated Report (<https://www.t-gaia.co.jp/english/ir/library/annual.html>)

[Supplementary Principle 4.1.1 Scope of Matters to Be Delegated to the Management]

The Company has established the Board of Directors as the managerial decision-making and supervisory body, and the Management Conference and Executive Officers’ Committee/systems and other various meeting structures as the framework for execution of business based on decisions made by the board to ensure the separation between managerial decision-making and execution of business.

The Board of Directors works on matters stipulated by laws and regulations and the Articles of Incorporation, and formulation of the Medium-Term Management Plan, and determines important matters such as disposal and receipt of significant properties of the Company and consolidated subsidiaries, and a large amount of debts, with regard to individual projects. We have clarified the scope of matters to be delegated to the management by the Work Authority Regulations, which were approved by the Board of Directors.

[Principle 4.9 Independence Standards and Qualifications for Independent Outside Directors]

The Company has established its own independence standards while taking into account the provisions set forth by the Tokyo Stock Exchange to give consideration to all stakeholders. For details, please refer to “1. Organizational Composition and Operation [Independent Directors/Officers]” in “II. Business Management Organization and Other Corporate Governance Systems Regarding Decision-making, Execution of Business, and Supervision in Management” of this report.

In addition, as the appointment of Outside Directors is also stated in the “Chapter 2 Corporate Governance System” of the “Basic Policy on Corporate Governance,” which is disclosed on the Company’s website, please refer to the section.

Basic Policy on Corporate Governance (<https://www.t-gaia.co.jp/english/ir/governance.html>)

[Supplementary Principle 4.10.1 Policy, Mandates, Roles, etc. Regarding Independence of Nominating Committee and Remuneration Committee]

The Company has established the Nominating Advisory Committee and the Compensation Advisory Committee, which are mainly composed of independent Outside Directors under the Board of Directors. The policy, mandates, roles, etc. regarding the

independence represented in the composition of committee members are as stated in “II. Business Management Organization and Other Corporate Governance Systems Regarding Decision-making, Execution of Business, and Supervision in Management” below.

[Supplementary Principle 4.11.1 Views Concerning Diversity of the Board of Directors]

For views concerning balance, diversity and size of the Board of Directors as a whole, and policies and procedures for appointment of Directors, please refer to the “Chapter 2 Corporate Governance System” of the “Basic Policy on Corporate Governance,” which is disclosed on the Company’s website. In addition, please referred to the skill matrix of Directors, which is also disclosed on the Company’s website.

Basic Policy on Corporate Governance (<https://www.t-gaia.co.jp/english/ir/governance.html>)

Skill matrix of Directors (<https://www.t-gaia.co.jp/english/ir/executive.html>)

[Supplementary Principle 4.11.2 Concurrent Holding of Positions by Directors and Corporate Auditors]

Concurrent holding of positions by officers is described and explained in the Convocation Notice of the Ordinary General Meeting of Shareholders each year. We have judged that the concurrent holding of positions by all officers remains in the reasonable scope, and considers that they will fulfill their duties appropriately.

[Supplementary Principle 4.11.3 Overview of Analysis and Evaluation of Effectiveness of the Board of Directors]

The Company conducts surveys on Directors and Corporate Auditors regarding the effectiveness of the Board of Directors as a whole while objective analyses are performed by a third-party institution.

In addition, self-evaluation of the Board of Directors is implemented through discussions by members of the Board of Directors based on the results of the surveys to enhance the function. In FY2022, the Company determined that its Board of Directors is functioning appropriately and is effective as a result of implementing self-evaluation of the Board of Directors.

<Overview of evaluation results for FY2022>

Diversity in the composition of the Company’s Board of Directors has been ensured. In addition, for a sustainable growth strategy and enhancement of the corporate value, each Director makes remarks by making use of his or her respective knowledge, experience, etc. and lively discussions have been conducted. Effectiveness has been ensured throughout the entire board, and in particular, the “process of selecting candidates in relation to a succession plan for President & Chief Executive Officer,” “ex-post review of investments and M&A” and “sharing of shareholders’ opinions” have been enhanced and improved.

[Supplementary Principle 4.14.2 Policy for Training for Directors and Corporate Auditors]

For Directors and Corporate Auditors, explanations of laws and regulations from attorneys and other experts, and distribution, sharing, etc. of books for reference on corporate management, etc. have been conducted. Furthermore, we provide training programs to Directors and Corporate Auditors in order for them to acquire knowledge necessary to perform duties. In addition to these measures, for Outside Directors and Outside Auditors, we take measures such as explanations on businesses and challenges, and site inspections of shops, etc. when necessary with an aim to deepen understanding of businesses and challenges of the Company, its consolidated subsidiary or equity method affiliate (collectively the “Group”).

[Principle 5.1 Policy for Constructive Dialogue With Shareholders]

The Company has set up a department in charge of IR within the Corporate Planning & Strategy Department, and not only makes information disclosure but also proactively conducts constructive dialogues with shareholders.

In addition, the “Disclosure Policy,” which sets the basic policy for information disclosure including IR activities, has been approved by the Board of Directors and is disclosed on the Company’s website.

In response to the legal revisions in connection with the introduction of the Fair Disclosure Rules in 2018, we have established the “Fair Disclosure Regulations” as internal regulations.

For details of IR activities, etc., please refer to “2. IR Activities” in “III. Implementation of Measures for Shareholders and Other Stakeholders” of this report.

Disclosure Policy (<https://www.t-gaia.co.jp/english/ir/disclosure.html>)

[Translation]

## 2. Capital Structure

|                            |                           |
|----------------------------|---------------------------|
| Foreign Shareholding Ratio | From 10% to less than 20% |
|----------------------------|---------------------------|

### [Status of Major Shareholders]

| Name   | Number of Shares Owned<br>(Shares) | Shareholding Ratio<br>(%) |
|--|------------------------------------|---------------------------|
| Sumitomo Corporation                                     | 23,345,400                         | 41.86                     |
| UH Partners 2, Inc.                                      | 5,516,500                          | 9.89                      |
| Hikari Tsushin, Inc.                                     | 4,730,800                          | 8.48                      |
| UH Partners 3, Inc.                                      | 3,380,700                          | 6.06                      |
| The Master Trust Bank of Japan, Ltd. (Trust account)     | 2,648,700                          | 4.75                      |
| T-Gaia Employee Shareholding Association                 | 949,900                            | 1.70                      |
| SIL, Inc.  | 785,700                            | 1.41                      |
| Custody Bank of Japan, Ltd. (Trust account)              | 782,100                            | 1.40                      |
| MLI FOR CLIENT GENERAL OMNI NON COLLATERAL NON TREATY PB | 523,097                            | 0.94                      |
| GOLDMAN SACHS INTERNATIONAL                              | 495,134                            | 0.89                      |

|   |     |
|---|-----|
| Controlling Shareholder (except for Parent) | —   |
| Parent (Listed Stock Market)                | N/A |

### Supplementary Explanation

The Shareholding Ratio (%) in the above table was calculated after treasury shares were deducted.

## 3. Corporate Attributes

|  |  |
|--|--|
| Listed Stock Market and Market Section                                 | Tokyo Stock Exchange Prime Market                |
| Fiscal Year-End  | March  |
| Type of Business   | Information & Communication                      |
| Number of Employees (Consolidated) at End of the Previous Fiscal Year  | 1,000 or more                                    |
| Net Sales (Consolidated) for the Previous Fiscal Year                  | From 100 billion yen to less than 1 trillion yen |
| Number of Consolidated Subsidiaries at End of the Previous Fiscal Year | Less than 10                                     |

## 4. Policy for Measures to Protect Minority Shareholders in Conducting Transactions With Controlling Shareholder

—

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

Sumitomo Corporation is an other affiliate holding 41.88% of the Company's voting rights. While the Company has personal and business relationships with the said company, the Company is able to make managerial decisions on its own accord and operate businesses independent of the said company in all the business fields. Therefore, the Company considers that independence has been ensured. The said company's views and policies concerning group management are as follows, and the Company sees that these views and policies do not harm interests of minority shareholders. In addition, the Company ensures that independent Outside Directors make a majority of members of the Board of Directors, has also taken measures to enhance supervisory abilities and independence, and makes efforts to improve a structure to protect minority shareholders.

[Views and policies of Sumitomo Corporation concerning group management]

The Group globally operates wide-ranging business activities in a great variety of industrial fields via subsidiaries and related companies (each of which is hereinafter referred to "each Group company") through collaboration between the Company's sales divisions and regional organizations in Japan and abroad.

Respecting "self-motivated" management conducted by each Group company, the Company's policy for group management is to be involved in important decision-making at the board of directors, etc. of each Group company based on trusting relationships

[Translation]

built through proactive “dialogues” as a shareholder, and create new value through solid “collaboration” among each Group company including the Company.

To maximize corporate value of the Group through sharing and practice of this view on group management, the Company has established the group management policy, and set the above-mentioned “self-motivation,” “dialogues” and “collaboration” as three principles for group management.

[Translation]

## II. Business Management Organization and Other Corporate Governance Systems Regarding Decision-making, Execution of Business, and Supervision in Management

### 1. Organizational Composition and Operation

|                   |                                 |
|-------------------|---------------------------------|
| Organization Form | Company with Corporate Auditors |
|-------------------|---------------------------------|

#### [Directors]

|   |   |
|---|---|
| Maximum Number of Directors Stipulated in Articles of Incorporation     | 12  |
| Term of Office Stipulated in Articles of Incorporation                  | 1 year  |
| Chair of the Board of Directors   | Director other than President, Chairman, other Representative Director and Outside Director |
| Number of Directors   | 9   |
| Appointment of Outside Directors  | Appointed   |
| Number of Outside Directors   | 6   |
| Number of Independent Directors Designated From Among Outside Directors | 5   |

#### Outside Directors' Relationship With the Company (1)

| Name                | Attribute            | Relationship With the Company* |   |   |   |   |   |   |   |   |   |   |
|---------------------|----------------------|--------------------------------|---|---|---|---|---|---|---|---|---|---|
|                     |                      | a                              | b | c | d | e | f | g | h | i | j | k |
| Katsuya Kashiki     | From another company |                                |   |   |   |   |   | ○ |   |   |   |   |
| Toshiya Asaba       | From another company |                                |   |   |   |   |   |   | △ |   |   |   |
| Kyoko Deguchi       | From another company |                                |   |   |   |   |   |   | △ |   |   |   |
| Junichi Kamata      | From another company |                                |   |   |   |   |   |   |   |   |   |   |
| Toshio Morohoshi    | From another company |                                |   |   |   |   |   |   | △ |   |   |   |
| Yoshisada Takahashi | 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; and “▲” when a close relative of the director fell under the category in the past

- Executive (a person who executes business; hereinafter, the same) of the Company or its subsidiary
- Non-executive director or executive of the parent of the Company
- Executive of a sister company of the Company
- Party whose major client or supplier is the Company or an executive thereof
- Major client or supplier of the Company or an executive thereof
- Consultant, accounting professional or legal professional who receives a large amount of monetary consideration or other property from the Company besides remuneration as a director
- Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a corporation)
- Executive of a client or supplier of the Company (which does not correspond to any of d., e., and f.) (the director himself/herself only)
- Executive of a corporation to which outside executive officers are mutually appointed (the director himself/herself only)
- Executive of a corporation that receives a donation from the Company (the director himself/herself only)
- Other

## Outside Directors' Relationship With the Company (2)

| Name            | Appointment as Independent Director | Supplementary Explanation of the Relationship  | Reasons for Appointment   |
|-----------------|-------------------------------------|--|---|
| Katsuya Kashiki |                                     | —  | Mr. Katsuya Kashiki currently serves as General Manager of Smart Communications Platform Division at Sumitomo Corporation after previously serving as Manager of Smart Infrastructure Business Department, and possesses expert knowledge and abundant experience mainly in the information communications field cultivated by serving in these positions. Because Mr. Kashiki has a sincere character and a high level of both insight and skill in corporate management, the Company regards Mr. Kashiki to be suitable as an Outside Director of the Company and has nominated him as a candidate for Outside Director. We expect that Mr. Kashiki will supervise and provide advice on the execution of business from an outside perspective, based on his aforementioned extensive knowledge and experience. |
| Toshiya Asaba   | ○                                   | Mr. Asaba was a person who executed business for Internet Initiative Japan Inc., a business partner of the Company until June 2009. However, more than 12 years have passed since he resigned from that position and the amount of the business between the Company and Internet Initiative Japan Inc. is insignificant at less than 0.1% of both Internet Initiative Japan Inc.'s consolidated total revenues and the Company's consolidated net sales, so he is deemed to be adequately independent. | Mr. Toshiya Asaba has been involved in the establishment of the Internet in Japan and building Internet service for many years. Mr. Asaba has also served as CTO and Representative Director in IT-related companies, so he possesses broad knowledge and abundant experience as an IT specialist and as a corporate manager. Because Mr. Asaba has a sincere character and a high level of both insight and skill in corporate management, the Company regards Mr. Asaba to be suitable as an Outside Director of the Company and has nominated him as a candidate for Outside Director again. We expect that Mr. Asaba will supervise and provide advice on the execution of business from an outside perspective, based on his aforementioned extensive knowledge and experience.                              |



| Name           | Appointment as Independent Director | Supplementary Explanation of the Relationship   | Reasons for Appointment   |
|----------------|-------------------------------------|---|---|
| Kyoko Deguchi  | ○                                   | <p>Ms. Deguchi was a person who executed business for Bellsystem24 Inc., a business partner of the Company, until January 2014. However, more than eight years have passed since she resigned from that position and the amount of business between the Company and Bellsystem24 Inc. is insignificant at less than 0.1% of both Bellsystem24 Inc.'s consolidated revenue and the Company's consolidated net sales, so she is deemed to be adequately independent.</p> <p>Ms. Deguchi was an Outside Director of Cookpad Inc., a business partner of the Company, until March 2018. However, more than four years have passed since she resigned from that position and the amount of business between the Company and Cookpad Inc. is insignificant at less than 0.1% of both Cookpad Inc.'s consolidated sales revenue and the Company's consolidated net sales, so she is deemed to be adequately independent.</p> | <p>Ms. Kyoko Deguchi has been involved in the finance business of many different corporations for many years, and has served as a CFO and Representative Director, so she possesses broad knowledge and abundant experience as a finance specialist and as a corporate manager. Because Ms. Deguchi has a sincere character and a high level of both insight and skill in corporate management, the Company regards Ms. Deguchi to be suitable as an Outside Director of the Company and has nominated her as a candidate for Outside Director again. We expect that Ms. Deguchi will supervise and provide advice on the execution of business from an outside perspective, based on her aforementioned extensive knowledge and experience.</p>  |
| Junichi Kamata | ○                                   | —   | <p>Mr. Junichi Kamata has been involved in the core of management for many years, serving as General Manager of the Human Resources &amp; General Administration Department, General Manager of Corporate Management Planning Office, and Director of Hitachi Metals, Ltd. He possesses broad knowledge and abundant experience as a corporate management specialist and as an executive manager. Because Mr. Kamata has a sincere character and a high level of both insight and skill in corporate management, the Company regards Mr. Kamata to be suitable as an Outside Director of the Company and has nominated him as a candidate for Outside Director again. We expect that Mr. Kamata will supervise and provide advice on the execution of business from an outside perspective, based on his aforementioned extensive knowledge and experience.</p> |

| Name                | Appointment as Independent Director | Supplementary Explanation of the Relationship  | Reasons for Appointment   |
|---------------------|-------------------------------------|--|---|
| Toshio Morohoshi    | ○                                   | <p>Mr. Morohoshi was a person who executed business for Fujitsu Limited, a business partner of the Company, until June 2007. However, more than 14 years have passed since he resigned from that position and the amount of business between the Company and Fujitsu Limited is insignificant at less than 0.1% of both Fujitsu Limited's consolidated revenue and the Company's consolidated net sales, so he is deemed to be adequately independent. Mr. Morohoshi was a person who executed business for NCR Japan, Ltd., a business partner of the Company, until February 2015. However, more than seven years have passed since he resigned from that position and the amount of business between the Company and NCR Japan, Ltd. is insignificant at less than 0.3% of both NCR Japan, Ltd.'s revenue and Company's consolidated net sales, so he is deemed to be adequately independent.</p> | <p>Mr. Toshio Morohoshi has wide-ranging knowledge and abundant experience as an IT business specialist and as a manager, involved in promoting the IT business and corporate management for many years. At Fujitsu Limited he was involved at the center of management as Managing Executive Officer following positions as President of overseas subsidiaries, etc., with much of this time spent as Representative Director and President in IT companies. Because Mr. Morohoshi has a sincere character and a high level of both insight and skill in corporate management, the Company regards Mr. Morohoshi to be suitable as an Outside Director of the Company and has nominated him as a candidate for Outside Director again. We expect that Mr. Morohoshi will supervise and provide advice on the execution of business from an outside perspective, based on his aforementioned extensive knowledge and experience.</p>                        |
| Yoshisada Takahashi | ○                                   | —  | <p>Mr. Yoshisada Takahashi has been involved in the core of management for many years, serving as Plant Manager in Japan and at an overseas subsidiary, President of the Production Division, and Executive Vice President, Chief Information &amp; Innovation Officer, and President of the Information Strategy Division at Komatsu Ltd. He possesses knowledge concerning the corporate utilization of ICT, as well as broad knowledge and abundant experience as an executive manager. Because Mr. Takahashi has a sincere character and a high level of both insight and skill in corporate management, the Company regards Mr. Takahashi to be suitable as an Outside Director of the Company and has nominated him as a candidate for Outside Director. We expect that Mr. Takahashi will supervise and provide advice on the execution of business from an outside perspective, based on his aforementioned extensive knowledge and experience.</p> |

[Translation]

|  |             |
|--|-------------|
| Establishment of Voluntary Committee(s) Equivalent to Nominating Committee or Remuneration Committee | Established |
|--|-------------|

#### Voluntary Committee's Name, Composition, and Chair's Attributes

|  | Committee's Name                | Total Committee Members | Full-time Members | Inside Directors | Outside Directors | Outside Experts | Other | Chair            |
|--|---------------------------------|-------------------------|-------------------|------------------|-------------------|-----------------|-------|------------------|
| Committee Equivalent to Nominating Committee   | Nominating Advisory Committee   | 7                       | 0                 | 1                | 6                 | 0               | 0     | Outside Director |
| Committee Equivalent to Remuneration Committee | Compensation Advisory Committee | 7                       | 0                 | 1                | 6                 | 0               | 0     | Outside Director |

#### Supplementary Explanation

The Company has established the Nominating Advisory Committee and the Compensation Advisory Committee as advisory bodies to the Board of Directors, in order to enhance transparency of management.

The Nominating Advisory Committee and the Compensation Advisory Committee are composed of Outside Directors and the Representative Director as well as Directors nominated by the President and Representative Director, and the members thereof are decided by the Board of Directors. Also, the majority of the members of each Committee are Outside Directors.

The objective of the Nominating Advisory Committee is to propose the appointment and dismissal of Directors and executive officers above Senior Managing Officers to the Board of Directors, and the objective of the Compensation Advisory Committee is to propose such matters as remuneration of Directors and executive officers above Senior Managing Officers to the Board of Directors.

The Nominating Advisory Committee and the Compensation Advisory Committee meet before the convening of the Board of Directors, which resolves the appointment and dismissal, and the remuneration amount of Directors and executive officers above Senior Managing Officers. However, when issues are raised by the Committee members, Committee meetings are held as needed. Members of the Nominating Advisory Committee and the Compensation Advisory Committee consist of seven members: Masato Ishida (President & Representative Director, Chief Executive Officer), Katsuya Kashiki (Outside Director), Toshiya Asaba (independent Outside Director), Kyoko Deguchi (the same post), Junichi Kamata (the same post), Toshio Morohoshi (the same post) and Yoshisada Takahashi (the same post). The both committees are chaired by Junichi Kamata, who is an independent Outside Director. The attendance rate of the incumbent members (excluding those who assumed office on June 22, 2022) at the committee meetings for FY2022 is 100%.

#### [Corporate Auditor]

|   |             |
|---|-------------|
| Establishment of Board of Corporate Auditor                                 | Established |
| Maximum Number of Corporate Auditor Stipulated in Articles of Incorporation | 5           |
| Number of Corporate Auditor   | 4           |

#### Cooperation Among Corporate Auditor, Accounting Auditor and Internal Audit Department

The Accounting Auditor and Corporate Auditors have established a structure to appropriately collaborate through the exchange of views and information on an audit plan, status of implementing audits, results of accounting audits, etc. and other means.

In addition, the Internal Audit Department was established under the direct control of President as the internal audit department, and dedicated staff have been assigned to the department. In accordance with the Internal Audit Regulations, business audits, personal data protection audits, independent department evaluation for internal control, and others are conducted. Although no dedicated staff is assigned to the Board of Auditors and Corporate Auditors, Corporate Auditors and the Internal Audit Department closely collaborate to increase efficiency in audits through the exchange of views and information on an audit plan of the Internal Audit Department, status of implementing audits, etc. on an as needed basis, and other means.

[Translation]

|  |           |
|--|-----------|
| Appointment of Outside Auditor                                       | Appointed |
| Number of Outside Auditor  | 3         |
| Number of Independent Officers Designated From Among Outside Auditor | 2         |

Outside Auditor's Relationship With the Company (1)

| Name            | Attribute            | Relationship With the Company* |   |   |   |   |   |   |   |   |   |   |   |   |
|-----------------|----------------------|--------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|
|                 |                      | a                              | b | c | d | e | f | g | h | i | j | k | l | m |
| Nobuo Oyama     | From another company |                                |   |   |   |   |   |   |   | ○ |   |   |   |   |
| Toshiro Kaba    | Attorney at law      |                                |   |   |   |   |   |   |   |   |   |   |   |   |
| Tetsuo Kitagawa | CPA                  |                                |   |   |   |   |   |   |   |   |   |   |   |   |

Categories for "Relationship With the Company"

“○” when the corporate auditor presently falls or has recently fallen under the category; “△” when the corporate auditor fell under the category in the past;

“●” when a close relative of the corporate auditor presently falls or has recently fallen under the category; and “▲” when a close relative of the corporate auditor fell under the category in the past

- Executive (a person who executes business; hereinafter, the same) of the Company or its subsidiary
- Non-executive director or accounting adviser of the Company or its subsidiary
- Non-executive director or executive of the parent of the Company
- Auditor of the parent of the Company
- Executive of a sister company of the Company
- Party whose major client or supplier is the Company or an executive thereof
- Major client or supplier of the Company or an executive thereof
- Consultant, accounting professional or legal professional who receives a large amount of monetary consideration or other property from the Company besides remuneration as a corporate auditor
- Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a corporation)
- Executive of a client or supplier of the Company (which does not correspond to any of f., g., and h.) (the corporate auditor himself/herself only)
- Executive of a corporation to which outside executive officers are mutually appointed (the corporate auditor himself/herself only)
- Executive of a corporation that receives a donation from the Company (the corporate auditor himself/herself only)
- Other

## Outside Auditor's Relationship With the Company (1)

| Name         | Appointment as Independent Officer | Supplementary Explanation of the Relationship | Reasons for Appointment  |
|--------------|------------------------------------|---|--|
| Nobuo Oyama  |                                    | —   | Mr. Nobuo Oyama has been involved in accounting and finance for many years. At Sumitomo Corporation he has served as General Manager of Investor Relations Dept., General Manager of Accounting Dept., Mineral Resources, Energy, Chemical & Electronics Business Unit, and General Manager of Accounting Dept., Media, ICT, Lifestyle Related Goods & Services Business Unit. He served as President and Chief Executive Officer, Sumitomo Shoji Financial Management Co., Ltd. before assuming the post as Outside Auditor of the Company. Because Mr. Oyama possesses expert knowledge in accounting and finance and experience in management cultivated by serving in these positions, and has a sincere character and a high level of insight, experience, and skill in corporate management, the Company regards Mr. Oyama to be suitable as an Outside Auditor of the Company and has nominated him as a candidate for Outside Auditor. |
| Toshiro Kaba | ○                                  | —   | Mr. Toshiro Kaba is familiar with corporate legal affairs as an attorney, has abundant experience and insight, and has deep insight also in IT and Internet fields. Also, since 2013, he has carried out the audit properly as the Outside Auditor of the Company. From the viewpoint that his experience and insight would be useful to supervise general management and for proper audit activities, the Company has nominated him as a candidate for Outside Auditor again. Although Mr. Kaba has no experience of being directly involved in company management by means other than serving as an outside executive officer, the Company considers him to be able to appropriately fulfill duties as Outside Auditor of the Company for the above reason.  |

[Translation]

| Name            | Appointment as Independent Officer | Supplementary Explanation of the Relationship | Reasons for Appointment   |
|-----------------|------------------------------------|---|---|
| Tetsuo Kitagawa | ○                                  | —   | Mr. Tetsuo Kitagawa is familiar with finance and accounting fields, and has abundant experience and insight as a certified public accountant. Also, since 2017, he has carried out the audit properly as the Outside Auditor of the Company. From the viewpoint that his experience and insight would be useful to supervise general management and for proper audit activities, the Company has nominated him as a candidate for Outside Auditor again. Although Mr. Kitagawa has no experience of being directly involved in company management by means other than serving as an outside executive officer, the Company considers him to be able to appropriately fulfill duties as Outside Auditor of the Company for the above reason. |

## [Independent Directors/Officers]

Number of Independent Directors/Officers

7

### Matters Relating to Independent Directors

[Independence standards for Outside Directors]

The Company shall consider an Outside Director independent when he/she does not fall into any of the following.

- (i) A person who is, or was an executor of business at the Group
- (ii) A person who is or was in the past ten years a director, executive officer, corporate executive officer, or manager or other employee of the Company's parent company or sister company
- (iii) A person for whom the Group is a principal business partner, or a person who is or was in the past three years his/her executor of business (a principal business partner is defined as having business transactions equivalent to 2% or more of the annual total net sales of the partner in its immediately preceding fiscal year)
- (iv) A person who is a principal business partner of the Group, or a person who is or was in the past three years his/her executor of business (a principal business partner is defined as having business transactions equivalent to 2% or more of the consolidated annual total net sales of the Group in the immediately preceding fiscal year)
- (v) A person who currently provides professional service in the capacity such as consultant, attorney or certified public accountant, gaining in return 10 million yen or more cash or other property benefits per year, apart from executive remuneration paid by the Group (if a party that gains such property benefits is an organization such as corporate body, union or partnership, a person who belongs to such organization that gains property benefits from the Group which is equivalent to 2% or more of annual revenue of such organization), or a person who was in such position in the past three years
- (vi) A person who is a principal provider of loans to the Group or a business executor of such provider (principal provider of loans refers to an entity that provides the Group with loans equivalent to 2% or more of its consolidated total assets as at the end of its immediately preceding fiscal year) or a person who was in such position in the past three years
- (vii) A person who is a major shareholder of the Company, or a business executor of such shareholder, or a person who was in such position in the past five years
- (viii) A person who receives 10 million yen per year or more donation from the Group (if a party that receives such donation is an organization such as corporate body, union or partnership, a person who serves as executor of business at such organization gaining property benefits from the Group which is equivalent to 2% or more of annual revenue of such organization), or a person who was in such position in the past three years
- (ix) A person who is engaged in the audit of the Group as its Accounting Auditor or an employee thereof, or who was engaged in the audit of the Group as employee of the Accounting Auditor in the past three years
- (x) A person who is director, executive officer, corporate executive officer, or manager or other employee of a company for which the Company is a major shareholder
- (xi) A person who is director, executive officer or corporate executive officer of a company (or its parent company or subsidiary), for which director or corporate auditor is seconded from the Group
- (xii) A person who is relative in the second degree or closer of someone who serves or served in the past three years as director,

[Translation]

- executive officer, corporate executive officer, or manager or other employee of the Group
- (xiii) A person who is relative in the second degree or closer of someone who falls into any of those listed in (ii) through (x) above (insofar as he/she is in an important position)
  - (xiv) A person who has served as an outside executive officer of the Company for more than eight years
  - (xv) A person who has specific circumstance other than listed above, which prevents him/her from carrying out his/her duty as an outside executive officer holding independence, including potential conflicts of interest with the Group

[Independence standards for Outside Auditors]

The Company shall consider an Outside Auditor independent when he/she does not fall into any of the following.

- (i) A person who is, or was an executor of business at the Company
- (ii) A person who is or was in the past ten years a director, corporate auditor, accounting adviser, executive officer, corporate executive officer, or manager or other employee of the Company's parent company or sister company
- (iii) A person for whom the Group is a principal business partner, or a person who is or was in the past three years his/her executor of business (a principal business partner is defined as having business transactions equivalent to 2% or more of the annual total net sales of the partner in its immediately preceding fiscal year)
- (iv) A person who is a principal business partner of the Group, or a person who is or was in the past three years his/her executor of business (a principal business partner is defined as having business transactions equivalent to 2% or more of the consolidated annual total net sales of the Group in the immediately preceding fiscal year)
- (v) A person who currently provides professional service in the capacity such as consultant, attorney or certified public accountant, gaining in return 10 million yen or more cash or other property benefits per year, apart from executive remuneration paid by the Group (if a party that gains such property benefits is an organization such as corporate body, union or partnership, a person who belongs to such organization that gains property benefits from the Group which is equivalent to 2% or more of annual revenue of such organization), or a person who was in such position in the past three years
- (vi) A person who is a principal provider of loans to the Group or a business executor of such provider (principal provider of loans refers to an entity that provides the Group with loans equivalent to 2% or more of its consolidated total assets as at the end of its immediately preceding fiscal year) or a person who was in such position in the past three years
- (vii) A person who is a major shareholder of the Company, or a business executor of such shareholder, or a person who was in such position in the past five years
- (viii) A person who receives 10 million yen per year or more donation from the Group (if a party that receives such donation is an organization such as corporate body, union or partnership, a person who serves as executor of business at such organization gaining property benefits from the Group which is equivalent to 2% or more of annual revenue of such organization), or a person who was in such position in the past three years
- (ix) A person who is engaged in the audit of the Group as its Accounting Auditor or an employee thereof, or who was engaged in the audit of the Group as employee of the Accounting Auditor in the past three years
- (x) A person who is director, corporate auditor, accounting adviser, executive officer, corporate executive officer, or manager or other employee of a company to which the Company is a major shareholder
- (xi) A person who is director, corporate auditor, accounting adviser, executive officer or corporate executive officer of a company (or its parent company or subsidiary), to which director or corporate auditor is seconded from the Group
- (xii) A person who is relative in the second degree or closer of someone who serves or served in the past three years as director, executive officer, corporate executive officer, or manager or other employee of the Group
- (xiii) A person who is relative in the second degree or closer of someone who falls into any of those listed in (ii) through (x) above (insofar as he/she is in an important position)
- (xiv) A person who has specific circumstance other than listed above, which prevents him/her from carrying out his/her duty as an outside executive officer holding independence, including potential conflicts of interest with the Group

The Company has designated all outside executive officers who satisfy the requirements for independent directors/officers as independent directors or officers.

[Incentives]

Implementation of Measures to Provide Incentives to Directors

Performance-based remuneration

Supplementary Explanation

The amount of performance-based remuneration is determined in accordance with (6) (ii) b. "Performance-based, etc., policy." The target performance indicator for performance-based remuneration for the fiscal year ended March 31, 2022 was set at 12,000 million yen of profit attributable to owners of parent. The actual performance was 10,579 million yen and allocated in view of the degree of attainment and other factors.

Conditions for payment of restricted stock remuneration are as stated in (6) (ii) c. "Policy on non-monetary remuneration, etc."

Recipients of Share Options

## Supplementary Explanation

—

## [Director Remuneration]

|  |                          |
|--|--------------------------|
| Disclosure (of Individual Director Remuneration) | No individual disclosure |
|--|--------------------------|

## Supplementary Explanation

The total amount of remuneration, etc. for the Company's Directors in the fiscal year ended March 31, 2022 is as follows.  
Figures in parentheses show the amount of remuneration, etc. paid to Outside Directors and the number of Outside Directors.

Remuneration paid to Directors: 169 million yen (31)

Of which: 121 million yen (31) as basic remuneration, 43 million yen (-) as performance-based remuneration, 4 million yen (-) as non-monetary remuneration, etc., and 9 (4) eligible officers

|  |             |
|--|-------------|
| Policy for Determining Remuneration Amounts or Calculation Methods Thereof | Established |
|--|-------------|

## Disclosure of Policy for Determining Remuneration Amounts or Calculation Methods Thereof

The Company has determined the policy for decisions on individual remuneration etc., for Directors.

With regard to the individual remuneration, etc., for Directors for the fiscal year, the Company's Board of Directors has confirmed that the method for determining remuneration, etc., and the details of the determined remuneration, etc., are consistent with the decision-making policy determined by the Board of Directors, and that the reports from the Compensation Advisory Committee have been respected, and has determined that such individual remuneration, etc., is in compliance with said decision-making policy.

The content of the decision-making policy for the individual remuneration, etc., of Directors is as shown below.

- a. Policy for basic remuneration  
A fixed amount based on the expectations for the role, in accordance with the position.
- b. Performance-based remuneration, etc., policy  
As a short-term incentive to raise awareness of improving performance in a single fiscal year, etc., a comprehensive evaluation is conducted that comprises both a quantitative evaluation of profit attributable to owners of parent and the profit of the department in charge, as well as a qualitative evaluation of the contribution of role in accordance with position and contribution to the Company as a whole, and the amount of remuneration is determined in accordance with the level of achievement.
- c. Policy on non-monetary remuneration, etc.  
As a long-term incentive to raise awareness of management from the perspective of shareholders, a certain number of shares will be granted for each position, based on the expectations for the role in accordance with the position (restricted stock remuneration).
- d. Policy on remuneration, etc., ratio  
A standard table has been formulated for each position; the ratio of fixed remuneration against the total remuneration for each position is approximately 60%, the performance-based remuneration is approximately 30%, and share remuneration (restricted stock remuneration) is approximately 10%. It should be noted that the remuneration for Directors seconded from the parent company will be fixed remuneration and performance-based remuneration, and the remuneration for Outside Directors shall be fixed remuneration only.
- e. Policy on timing and conditions for the granting of remuneration, etc.  
A meeting of the Compensation Advisory Committee is held in June of each year, during which an evaluation is conducted on each individual, and proposed remuneration is formulated and submitted for resolution to a meeting of the Board of Directors held in the same month.  
It should be noted that fixed remuneration and performance-based remuneration are paid monthly as a fixed monthly amount, and share remuneration is paid in July of each year.
- f. Matters relating to decisions on remuneration, etc., other than the above  
A Compensation Advisory Committee comprised of Outside Directors and the Representative Director as well as Directors nominated by the President and Representative Director has been established as a discretionary advisory body of the Board of Directors. The Compensation Advisory Committee engages in deliberations on the determination of remuneration, etc., policy, performance evaluations and establishment of a plan on individual remuneration amounts, as well as the issues relating to the evaluation system and countermeasures thereto, and then proposes the results of this to the Board of Directors. The Board of Directors, in response to reports from the Compensation Advisory Committee, determines the remuneration for officers within the range of the content and amount approved at the General Meeting of Shareholders.



[Translation]

### [Supporting System for Outside Directors and/or Auditors]

The Corporate Planning & Strategy Department is in charge of communicating information to Outside Directors and Outside Auditors. The Board of Directors meetings convene on a monthly basis in principle, notice of the Board of Directors meeting on date and time, venue and agendas of the meeting to be held is sent by e-mail or other means to each Director and each Corporate Auditor. In addition, as for agendas requiring an explanation, an explanation is provided beforehand.

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

### (1) Execution of business, and audit and supervision functions

#### (i) Board of Directors and Directors

The Board of Directors handles decisions on important matters and supervises Directors to determine whether they are performing their duties efficiently and properly.

The Board of Directors comprises nine Directors (five of whom are independent Directors) including six Outside Directors, and its meetings are also attended by all four Corporate Auditors (two of whom are independent officers). Board meetings regularly convene on a monthly basis, and extraordinary meetings are held as required to realize flexible management.

The attendance rate of Directors excluding those who assumed office in June 2022 at the Board of Directors meetings for FY2022 is 100%.

#### [Selection criteria for Directors]

A candidate for Director shall be an individual meeting the following criteria, who has profound understanding about our corporate philosophy based on TG Vision (T-Gaia's Corporate Vision), stating "T-Gaia will propose new ways of communication to provide our customers with excitement, delight and safety.", TG Mission (T-Gaia's Corporate Mission) and TG Action (Our Code of Conduct), and who is capable enough to make prompt and appropriate decisions with a view to achieving sustainable growth/development of the Group and the medium- to long-term enhancement of its corporate value.

#### a) Director (internal)

A candidate for Director (internal) shall be an individual with integrity as well as high-level management insight and capabilities, who has expert knowledge and abundant experience in the telecommunications field and other areas, regardless of gender or nationality.

#### b) Outside Director

A candidate for Outside Director shall be an individual with integrity as well as high-level management insight and capabilities, who is capable enough to supervise business execution while providing advice from an external point of view based on broad-based knowledge and experience in his/her own area of specialty and general corporate management, regardless of gender or nationality.

#### [Dismissal criteria for Directors]

If a Director meets any of the following items, he or she shall be subject to dismissal.

- a) A grave compliance violation has occurred.
- b) The Director has difficulty in continuing to perform his or her duties for health or any other reasons.
- c) The Director committed any act that seriously harms interests of shareholders and corporate value of the Group.
- d) It has been revealed that the Director no longer meets each requirement of the selection criteria.

#### [Selection criteria for Chief Executive Officer]

They conform to the selection criteria for Directors (internal).

#### [Criteria for dismissal or refusal of reappointment of Chief Executive Officer]

In addition to the dismissal criteria for Directors, there is a provision that Chief Executive Officer shall be subject to dismissal or refusal of reappointment if he or she meets the following item.

In the execution of duties, significant damages have occurred to the company's credibility, performance, future prospects, etc. during the person's terms of office due to his or her direct involvement or negligence of duty.

#### (ii) Board of Auditors and Corporate Auditors

Of the four Corporate Auditors of the Company, three are Outside Auditors (two of whom are independent officers). Using their professional background, experience, and expertise, they not only audit compliance with laws, but also give advice on overall management from a fair and neutral standpoint.

The Board of Auditors meetings convene on a monthly basis in principle, and the four Corporate Auditors hold discussions and report matters at the meetings. Corporate Auditors attend important company meetings such as the Board of Directors meetings to supervise the status of decisions on management policy and the status of performance of duties by Directors. Furthermore, Corporate Auditors appropriately collaborate with the Internal Audit Department and Accounting Auditor and work to strengthen the internal control system through the exchange of views and information with them.

[Selection criteria for Corporate Auditors]

A candidate for Corporate Auditor shall be an individual with integrity as well as high-level insight, experience and capabilities in corporate management, not least operational expert knowledge and hands-on management experience who is considered capable enough to contribute to sustainable growth/development of the Group and the medium- to long-term enhancement of its corporate value, regardless of gender and nationality. Candidate for an independent Outside Auditor in particular, shall have advanced expertise and abundant experience in the areas such as legal affairs, accounting and corporate management.

(iii) Management Conference

Management Conferences are convened to discuss matters of importance including policies of importance to Company management in general and matters for deliberation at or reporting to meetings of the Board of Directors, and Management Conference attendees strive through the exchange of information to achieve mutual understanding on matters involving the execution of business.

Management Conferences are attended by executive officers above Senior Managing Officers. Other than regularly held conferences, an extraordinary Management Conference is convened as needed.

In addition, to discuss investment matters and important matters that affect management and put together opinions as Corporate divisions, the Sustainability Committee, the Investment Conference and the ICT Committee were established as advisory bodies to the Management Conference.

(iv) Personnel Committee

The Personnel Committee discusses a basic policy for general personnel affairs, measures for personnel affairs and any other personnel-related matters.

The Personnel Committee meetings are attended by President & Chief Executive Officer, Head of Human Resources, Deputy Head of Human Resources, Corporate Officer responsible for Human Resources and General Administration, and the Committee meets on a monthly basis and is convened as needed.

When the chair deems it necessary, the committee may have officers and employees attend to ask for advice.

(v) Executive Officers' Committee

The Executive Officers' Committee has taken steps to facilitate communication among divisions by conveying and reporting important matters involving the execution of business. The Executive Officers' Committee comprises all 25 executive officers appointed by the Board of Directors.

(vi) Internal Audit Department

The Company has established the independent Internal Audit Department (24 employees), which reports directly to the President. It performs accounting audits and business audits (e.g., regular business audits, personal data protection audits), among other audits, in accordance with the Internal Audit Regulations.

The Internal Audit Department performs audits based on the predetermined internal audit plans. It performs a special audit if it is especially ordered to do so by the President.

With regard to the results of the internal audit, an internal audit report is prepared, based on which the audited division creates a follow-up report and promptly reflects it in business improvements.

(vii) Accounting Auditor

The Company has appointed Deloitte Touche Tohmatsu LLC as the Accounting Auditor, and the consecutive period of audit is 21 years. Names of certified public accountants who executed accounting audit operations and the auditing firm to which they belong are as follows.

Tokio Suzuki, Designated Limited Liability Partner and Engagement Partner, Deloitte Touche Tohmatsu LLC  
Koji Hara, Designated Limited Liability Partner and Engagement Partner, Deloitte Touche Tohmatsu LLC

(Note) The consecutive period of audit is not stated, since it is less than seven accounting periods.

Assistants of accounting audit operations consist of a total of 17 persons comprising 5 CPAs from Deloitte Touche Tohmatsu LLC and 12 other persons.

(2) Functions of nomination and remuneration decisions

For the overview of the Nominating Advisory Committee and the Compensation Advisory Committee, please refer to "1. Organizational Composition and Operation [Directors]" in "II. Business Management Organization and Other Corporate Governance Systems Regarding Decision-making, Execution of Business, and Supervision in Management" of this report.

(3) Overview of content of limited-liability agreement

The Company has entered into an agreement with each Director (excluding an Executive Director) and Corporate Auditor, which limits liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act based on Article 427, Paragraph 1 of the Companies Act and Articles 29 and 39 of the Company's Articles of Incorporation. Under these agreements, the limit of liability for damages is the amount stipulated as minimum liability amount in Article 425, Paragraph 1 of the Companies Act. In addition, said limitation of liability is given only when the Director or Corporate Auditor has performed his/her duty, which has brought about the responsibility, in good faith and without gross negligence.

[Translation]

(4) Overview of content of indemnity agreement

The Company has entered into indemnity agreements with Directors and Corporate Auditors pursuant to the provisions of Article 430-2, Paragraph 1 of the Companies Act, under which the Company will indemnify them for any expenses provided for in item (i) of the same paragraph and losses provided for in item (ii) of the same paragraph, within the scope set forth in laws and regulations.

(5) Overview of content of officer, etc., liability insurance agreement

The Company has entered into an officer, etc., liability insurance agreement as prescribed in Article 430-3 Paragraph 1 of the Companies Act with an insurance company, and in the case of a claim for compensation for damages being filed by a shareholder or third party, etc., damages such as compensation and dispute costs that are to be borne by the insured party shall be covered by said insurance contract.

Furthermore, the full amount of the insurance premiums shall be borne by the Company.

### **3. Reasons for Adoption of Current Corporate Governance System**

The Company has adopted the form of “Company with Corporate Auditors.”

This form enables us to conduct management with a sense of speed led by Directors who are familiar with operations, and at the same time, Outside Directors who are versed in the communication industry and corporate management supervise execution of duties by Directors and give advice from an outside perspective.

Moreover, under this structure, Corporate Auditors who have expert insight on corporate management, finance, accounting, legal affairs and other fields conduct audits in collaboration with the Internal Audit Department and the Accounting Auditor, resulting in ensuring the appropriateness of operations. Therefore, the form of “Company with Corporate Auditors” has been adopted.

### III. Implementation of Measures for Shareholders and Other Stakeholders

#### 1. Measures to Energize Ordinary General Meeting of Shareholders and Facilitate Smooth Exercise of Voting Rights

|   | Supplementary Explanation   |
|---|---|
| Early Notification of Ordinary General Meeting of Shareholders  | The convocation notice of the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2022 was sent on May 30, 2022, 23 days before the date of the meeting.   |
| Scheduling AGMs Avoiding the Peak Day   | The Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2022 was held on June 22, 2022 to avoid the peak day.  |
| Allowing Electronic or Magnetic Exercise of Voting Rights   | It is possible to exercise voting rights via the Internet.  |
| Participation in Electronic Voting Platform and Other Efforts to Enhance the Voting Environment for Institutional Investors | We have participated in the Electronic Voting Platform for institutional investors, which is operated by ICJ, Inc.  |
| Providing Convocation Notice in English (Translated Fully or Partially)   | Convocation notices of the Ordinary General Meeting of Shareholders in English are disclosed on the Company's website. URL ( <a href="https://www.t-gaia.co.jp/english/ir/event/meeting.html">https://www.t-gaia.co.jp/english/ir/event/meeting.html</a> )  |
| Other   | Convocation notices of the Ordinary General Meeting of Shareholders, notices of resolutions of the Ordinary General Meeting of Shareholders and results of execution of voting rights are disclosed on the Company's website.<br>The convocation notice of the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2022 was posted 28 days before the date of the meeting.<br>The Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2022 was live-streamed on the Internet, and we accepted text messages posted from the viewing screen. In addition, we also accepted advance questions on the website of the live stream ahead of the meeting. |

#### 2. IR Activities

|   | Supplementary Explanation   | Explanation by Representative |
|---|---|-------------------------------|
| Preparation and Publication of Disclosure Policy                            | The Disclosure Policy is disclosed on the Company's website. URL ( <a href="https://www.t-gaia.co.jp/english/ir/disclosure.html">https://www.t-gaia.co.jp/english/ir/disclosure.html</a> )  |                               |
| Holding Regular Investor Briefings for Individual Investors                 | Held online on September 17, 2021: 314 participants<br>Briefer: General Manager of Corporate Planning & Strategy Department<br>Content of briefing: company introduction, business strategy, and results briefing   | No                            |
| Holding Regular Investor Briefings for Analysts and Institutional Investors | Held online on November 1, 2021: 55 participants<br>Briefer: President<br>Content of briefing: briefing on results for the second quarter of the fiscal year ended March 31, 2022<br>Held online on May 2, 2022: 49 participants<br>Briefer: President<br>Content of briefing: briefing on results as at the end of the fiscal year ended March 31, 2022, and forecasts of full-year consolidated operating results for the fiscal year ending March 31, 2023   | Yes                           |
| Posting IR Materials on Website   | Summary of financial results, timely disclosure materials other than summary of financial results, materials for results briefings, shareholder letters, etc. are disclosed.<br>URL ( <a href="https://www.t-gaia.co.jp/english/ir/library/index.html">https://www.t-gaia.co.jp/english/ir/library/index.html</a> )<br>In addition, for summary of financial results, materials for results briefings, etc., materials that were translated into English later are also disclosed. English translation of securities reports will also be disclosed, starting from the report as at the end of the fiscal year ended March 31, 2022.<br>URL ( <a href="https://www.t-gaia.co.jp/english/ir/library/index.html">https://www.t-gaia.co.jp/english/ir/library/index.html</a> ) |                               |

|  | Supplementary Explanation  | Explanation by Representative |
|--|--|-------------------------------|
| Establishment of Department and/or Manager in Charge of IR | Department in charge of IR: Corporate Planning & Strategy Department, Public & Investor Relations Team<br>Personnel responsible for contact regarding IR administrative operations: Senior Managing Officer, General Manager of Corporate Planning & Strategy Department |                               |

### 3. Measures to Ensure Due Respect for Stakeholders

|   | Supplementary Explanation  |
|---|--|
| Provisions to Ensure Due Respect for Stakeholders in Internal Rules, etc. | Due respect for stakeholders is stipulated in the corporate philosophy.  |
| Implementation of Environmental Activities, CSR Activities, etc.          | <p>While eyeing various stakeholders, the Company will promote CSR activities with the aim to achieve “sustainable growth of companies and society.” We have established the CSR Promotion Conference and regularly hold discussions on the Company’s CSR action policy, measures, etc. while publishing CSR letters and conducting internal awareness activities.</p> <p>In particular, we have proactively participated in “e-Net-Caravan” educational activity for children to use the Internet and smartphones safely and securely, and 444 “e-Net-Caravan” certified instructors (as of March 2022) centered around staff of mobile phone shops across Japan hold seminars throughout the country.</p> <p>As part of our measures against global warming, we have installed solar panels at certain mobile phone shops directly managed by the Company and distribution warehouses.</p> <p>In addition, TG Power Inc., a subsidiary of the Company, started the renewable energy business utilizing unused roofs mainly at mobile phone shops across Japan in FY2019.</p> <p>●Other specific measures</p> <ul style="list-style-type: none"> <li>• Support for Eye Mate Inc. (guide dog training business), and the Japan Guide Dog Association</li> <li>• Aid for school lunch fees for children in developing countries</li> <li>• As a “JSPA official supporter,” support for promoting sports of people with special needs and activities to build athletes up</li> <li>• As a “Paralym Art official partner,” support for art of people with special needs</li> <li>• During large-scale disasters, volunteer activities in afflicted areas in addition to making donations for victims</li> </ul> |
| Formulation of Policies for Information Provision to Stakeholders         | The Company has established the “Disclosure Policy” and the “Fair Disclosure Regulations,” which stipulate proactive and fair information provision to stakeholders.   |

| Supplementary Explanation |  |
|---------------------------|--|
| Other                     | <p>&lt;Initiatives for employees and external evaluation&gt;<br/> In addition to “diversity and inclusion promotion” stated in [Supplementary Principle 2.4.1], the Company has also been proactively working on health management of employees. We believe that in order to “care for our employees and their families to ensure that everyone finds joy in work,” which the corporate philosophy calls for, it is important to proactively support employees’ health maintenance and enhancement, and developed “T-Gaia Health Declaration” in October 2018. Beyond the promotion of healthy management, we have actively taken various measures to promote diversity and inclusion and achieve workplace reform.</p> <p>Mar 2017: Won “Grand Prize in the Working Hours Reduction Category” at the “White Company Award” sponsored by JWS Japan White Spread</p> <p>Sep 2017: Certified as the third stage (highest distinction) of “Eruboshi” women’s active participation promotion mark by the Minister of Health, Labour and Welfare</p> <p>Mar 2018: Won “Grand Prize in the Childcare Support Category” at the “White Company Award” sponsored by JWS Japan White Spread</p> <p>Jan 2021: Certified as “Sports Yell Company” by the Japan Sports Agency for the second consecutive year</p> <p>Mar 2021: Certified as “Health &amp; Productivity Management Outstanding Organization” by the Minister of Economy, Trade and Industry and the Nippon Kenko Kaigi for the third consecutive year (including the “White 500” in the 2019 Certified Health &amp; Productivity Management Outstanding Organizations)</p> <p>Oct: 2021: Certified as “Kurumin” by the Minister of Health, Labour and Welfare as a childcare support company</p> <p>Nov 2021: Included in the Gold level of the “PRIDE Index 2021, which is index to evaluate efforts for LGBT</p> <p>Dec 2021: Won the “Best Workplace for Diversity &amp; Inclusion,” the fourth level (highest distinction) in the “D&amp;I Award2021,” which grants awards to D&amp;I leading companies.</p> |

## **IV. Matters Related to Internal Control System**

### **1. Basic Views on Internal Control System and Progress of System Development**

1. Basic Views on Internal Control System and Progress of System Development  
The Group understands that internal control system is a structure to promote the optimization of corporate activities by making the company-wide process (internal control) operate effectively in order to achieve four objectives of “improvement in effectiveness and efficiency of management,” “ensuring credibility of financial reporting,” “legal compliance (compliance)” and “asset protection.”
2. Development status of internal control system
  - (1) Framework to ensure that duties performed by Directors and Employees are in compliance with applicable laws and the Company’s Articles of Incorporation:
    - In the performance of its business operations, the Company has assigned top priority to legal and ethical compliance. It has accordingly established a set of Compliance Regulations that all Company officers and employees are required to observe.
    - The Company has endeavored to build a compliance framework and maintain and improve its effectiveness by establishing a Compliance Committee that is headed by a Chief Compliance Officer and whose members include the President and executive officers. The Compliance Committee convenes as necessary in accordance with the Compliance Committee Regulations, and incorporates an internal Compliance Promotion Department that serves in an administrative role.
    - To foster and strengthen an awareness of compliance company-wide, the Company has prepared and enhanced compliance training programs for its executive officers and employees.
    - Multiple channels have been set up inside and outside the Company for reporting and consultations on compliance-related issues. These include channels to outside legal counsel and third-party institutions.
    - Violators of the Company’s compliance policy are dealt with sternly and are subject to disciplinary actions under the Company’s employment regulations.
    - Mutual monitoring practices are enlisted on a daily basis to gauge compliance with applicable laws and internal Company regulations and rules. Periodic audits are also performed and potential impacts on the Company’s business are assessed.
  - (2) Framework for retention and management of information relevant to the executive duties of Directors:
    - Minutes of meetings of the Board of Directors, approval documents, and other documents and information (including digital records) relevant to the executive duties of Directors are appropriately retained and managed in accordance with the Company’s Document Management Regulations and Information System Management Regulations. The status of document retention and management is verified and the regulations are revised as necessary.
    - Directors and Corporate Auditors may promptly view these documents and other information upon request.
  - (3) Regulations and other frameworks for the management of risk of loss:
    - In order to soundly and constantly develop the Group’s business activities, the Group has established the “Basic Rules Regarding Group-wide Risks” with the aim of minimizing damage and preventing recurrence by observing various risks in a unified manner, identifying risks, preventing risks from materializing, and swiftly and accurately responding if risks materialize as well as proactively maintaining and increasing corporate value by actively controlling risks.
    - The heads of individual units within the Group execute the business operations of their respective units within the scope of authority granted under the Work Authority Regulations and manage the risks associated with those business operations. In the event certain business operations are outside their normal scope of authority, they will follow the approval request and reporting procedures stipulated in the Work Authority Regulations and manage the risk associated with those operations they are permitted to fulfill.
    - Pursuant to provisions of the Internal Audit Regulations, the Internal Audit Department performs periodic audits to determine whether the business operations of Company headquarters, regional headquarters, divisions, branches, and subsidiaries of the Company are being performed properly and in compliance with applicable laws and regulations and the Articles of Incorporation, and reports its audit findings to the President.
  - (4) Framework to ensure that duties of Directors are efficiently performed:
    - The Board of Directors handles decisions on important matters and supervises Directors to determine whether they are performing their duties efficiently and properly. The number of Directors on the Board is kept within limits that allow meetings of the Board to engage in full discussions of their agenda and reach sensible decisions in a prompt manner.
    - Management Conferences are convened to discuss matters of importance, including policies of importance to Company management in general and matters for deliberation at or reporting to meetings of the Board of Directors. Management Conference members strive through the exchange of information to achieve mutual understanding on matters involving the execution of business.
    - The executive officer framework strives to enhance the functions of the Board of Directors and facilitate the prompt execution of business by separating the management functions of “decision-making and executive supervision” from the function of “business execution.” Executive officers are appointed by the Board of Directors and fulfill duties assigned by the Board of Directors.
    - Company headquarters, regional headquarters, divisions, and branches are treated as the units of business execution. The heads of these respective units are each granted a certain measure of authority under provisions of the Work Authority Regulations in the interest of facilitating localized management of unit operations with a sense of speed.

- Company headquarters, regional headquarters, divisions, and branches are also treated as the units of profit. This ensures the transparency of managerial conditions at headquarters and regional headquarters.
- Approval request and reporting frameworks facilitate the transfer of clearly defined authority and responsibility under provisions of the Work Authority Regulations and the Segregation of Duties Regulations, and ensure that work duties are promptly executed. Permission to execute duties that are outside the scope of a Director's authority is contingent upon a decision, as stipulated in applicable regulations, that is based on deliberations by the administrative unit with field expertise. The Company endeavors to review and revise relevant regulations and approval request and reporting procedures as necessary and develop, maintain, and improve its frameworks for the efficient and proper execution of Directors' duties.
- (5) Framework to ensure the propriety of the business operations of the Corporate Group comprising the Company, its parent, and subsidiaries:
- Based on the principle of autonomous subsidiary operations and in keeping with the Regulations for the Management of Affiliates, the headquarters, regional headquarters, division, or business branch engaged in business operations most closely related to the business of a given subsidiary is the unit with supervisory responsibility for that subsidiary. Supervisory units periodically request reports containing important information about the subsidiaries under their supervision including the subsidiaries' business results and financial statements. In addition to identifying the subsidiaries' management conditions and developing and maintaining appropriate frameworks for consolidated management, the supervisory units request that subsidiaries submit reports on matters covered by the Regulations for the Management of Affiliates and reports on the findings of audits performed under provisions of the Internal Audit Regulations. As a holder of equity interest, the Company appropriately makes its intentions known to the management teams at its subsidiaries.
  - The Company has developed and put into effect a compliance framework for Group companies as a whole and also sets up frameworks for the acquisition of legal advice from outside law offices, as necessary. Additionally, it strives to cultivate an awareness of compliance through the implementation of programs of training in legal compliance for the Group officers and employees once a year.
  - The Regulations for the Management of Affiliates establish operational authority and chains of command for subsidiaries and require that subsidiaries build structures that are in compliance with these.
- (6) Matters about employees that are assigned on request from Corporate Auditors to assist in the performance of Corporate Auditors' duties:
- In the event Corporate Auditors require assistance with the performance of their duties, they may submit requests to the Representative Director asking that employees with the knowledge and skills required for audit duties be assigned to serve as their assistants.
- (7) The autonomy of employees covered in the preceding Clause from the Board of Directors:
- Directive authority over an employee that has been assigned under terms of the preceding Clause shall rest with the Corporate Auditor to whom the employee has been assigned. That employee shall not receive orders from Directors. To ensure the independence and effectiveness of an employee assigned under terms of the preceding Clause, the Representative Director shall form decisions on personnel appraisals, personnel transfers, and disciplinary actions affecting the employee only after obtaining the consent of the Statutory Auditor.
- (8) Framework for reporting to Corporate Auditors by Directors, Employees, and Others:
- (i) Corporate Auditors may attend meetings of the Board of Directors, Management Conference, Executive Officers' Committee, and other important meetings.
  - (ii) Corporate Auditors may review important documentation and request submission of that documentation.
  - (iii) Corporate Auditors may receive reports from the Group's officers and employees whenever necessary.
  - (iv) Corporate Auditors audit the management of subsidiaries through on-site audits and day-to-day coordination with corporate auditors for the subsidiaries.
  - (v) Directors, the Group's officers and employees, or persons to whom they have reported, shall submit reports to the Board of Auditors or to a Corporate Auditor ("Special Auditor") designated by the Board of Auditors under any of the following circumstances:
    - Significant damages to the Company or grave compliance violations that have either occurred or are likely to occur
    - Events about which a Special Auditor has requested reports, or that otherwise are deemed to warrant an audit (e.g., subsequent events)
    - The Regulations for Compliance Reports and Consultations stipulate that the Group officers and employees or persons to whom they have reported can submit "whistleblower" reports directly to a Corporate Auditor, and explicitly prohibit job dismissals and other adverse actions against whistleblowers solely for submitting such reports.
- (9) Other frameworks to ensure that Corporate Auditors are performing audits effectively:
- Directors are familiar with the audit standards that clarify Corporate Auditor duties and responsibilities and fully recognize the importance of audits performed by Corporate Auditors. Additionally, Directors help cultivate an appropriate environment to ensure the execution of audits performed by Corporate Auditors.
  - Corporate Auditors maintain close working relationships with the Internal Audit Department, receive timely reports from the Internal Audit Department on internal audit plans and findings, and contribute to the efficient implementation of audits.



[Translation]

- Through periodic meetings with the Accounting Auditor and participation in on-site audits at the close of the fiscal year, Corporate Auditors endeavor to exchange information and develop their understanding of the audit activities of the Accounting Auditor and help improve audit efficiency and quality.
- (10) Matters about policy on the processing of expenses incurred from the fulfillment of Corporate Auditor duties and responsibilities:
- When Corporate Auditors request advance payment or reimbursement of expenses associated with the performance of their duties, those expenses are processed as requested except in cases where they are deemed unnecessary for the performance of Corporate Auditors' duties.

## **2. Basic Views on Eliminating Anti-Social Forces and Progress of Related Efforts**

As its basic views on eliminating anti-social forces, the "Compliance Regulations" clearly states that "if improper demands are received from corporate racketeers (sokaiya) and anti-social forces, then the Company will take resolute action without giving in to an easy monetary solution" and that "the Company will not do business with anti-social forces or any business partner having a relationship with anti-social forces." In addition to making the regulations known to all its employees, the Company familiarizes employees with these views by providing nationwide seminars for person in charge of preventing unreasonable demands. Specifically, the Company has established the "Guidelines Regarding Procedures for Prior Investigations of Anti-social Forces" as procedures to prevent any relationship with anti-social forces, and eliminates anti-social forces by making preliminary reviews at the time of commencing a transaction. Furthermore, the Company, which is a member of TOKUBOUREN, has established a system for collaboration with the police and strives to gather information by attending meetings of the organization.

## V. Other

### 1. Adoption of Anti-Takeover Measures

|                                    |             |
|------------------------------------|-------------|
| Adoption of Anti-Takeover Measures | Not adopted |
|------------------------------------|-------------|

#### Supplementary Explanation

—

### 2. Other Matters Concerning Corporate Governance System

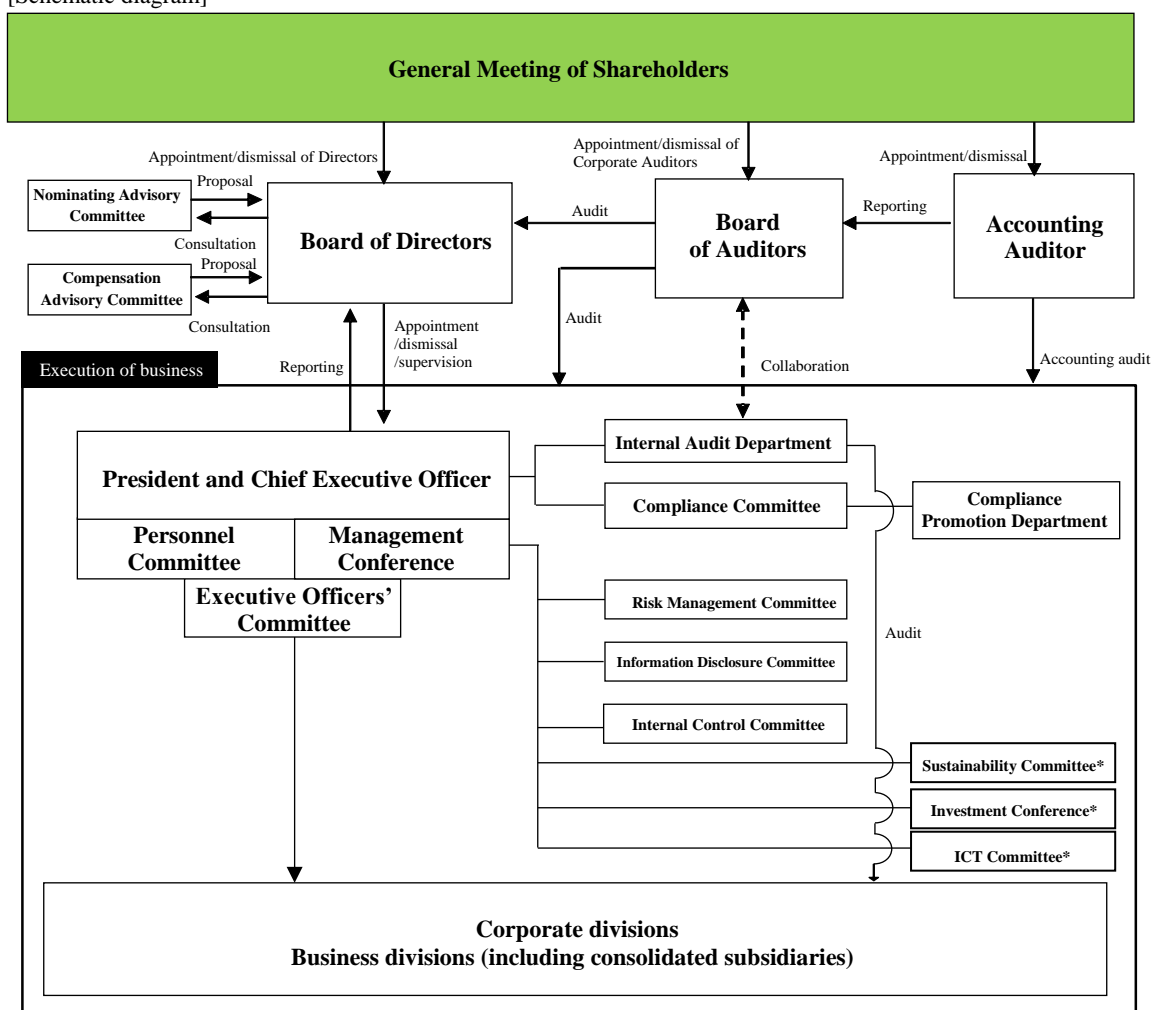
The status of the Company's internal structure for timely disclosure of corporate information is as follows.

- (1) Basic views on timely disclosure  
With the emphasis on accountability to various stakeholders, the Company works to maintain and operate appropriate governance and a compliance framework, and aims to further enhance the corporate value.  
Moreover, the Company discloses important corporate information to all stakeholders in a timely, accurate and fair manner, in accordance with the "Financial Instruments and Exchange Act," the "Rules on Timely Disclosures of Corporate Information by Issuers of Listed Securities" (the "Timely Disclosure Rules") set out by the Tokyo Stock Exchange, "Disclosure Policy" and "Fair Disclosure Regulations" established by the Company, and others.
- (2) Internal structure for timely disclosure  
The Company has set up the "Information Disclosure Committee" from a perspective of realizing information disclosure appropriately in accordance with the Financial Instruments and Exchange Act, the Timely Disclosure Rules, etc. The Company has in place a structure in which any important corporate information, regardless of facts that an important decision was made, facts that occurred and information on financial results, is managed by divisions related to the Information Disclosure Committee Department (Corporate Planning & Strategy Department, Corporate Accounting & Finance Department, Legal Department).  
Mainly divisions related to the Information Disclosure Committee Department judge whether the information is timely disclosure information or not, in accordance with the Timely Disclosure Rules, and the Information Disclosure Committee examines contents to be released and verifies the accuracy.

The Company's structure for gathering and managing important corporate information, etc. is as follows.

- (1) Facts that an important decision was made  
At the Company, important matters that fall under the category of facts that an important decision was made are resolved by the Board of Directors based on discussions at the Management Conference, in accordance with the "Board of Directors Regulations," "Management Conference Regulations" and "Work Authority Regulations."  
Therefore, under this structure, the Corporate Planning & Strategy Department, which is the secretariat for important meetings such as the Board of Directors meetings, fully grasps and manages important matters.
- (2) Facts that occurred  
At the stage where officers or employees know that an important fact occurred or may occur, they promptly report it to the officer in charge of Corporate divisions, who is the person responsible for internal information management in accordance with the "Regulations for Management of Insider Trading."  
The Legal Department, which is the internal information management division, manages and supervises facts that occurred and shares information with the Corporate Planning & Strategy Department.
- (3) Information on financial results  
As for information on financial results, while principally Corporate Accounting & Finance Department prepares financial statements, etc., the information is also audited by the Accounting Auditor at the same time. Furthermore, in accordance with the Financial Instruments and Exchange Act and the "Regulations Regarding Evaluation of Internal Control over Financial Reporting" established by the Company, we have set up the "Internal Control Committee," which develops and supervises internal control over financial reporting from a company-wide and cross-sectional standpoint, and built a structure that enables appropriate financial reporting.

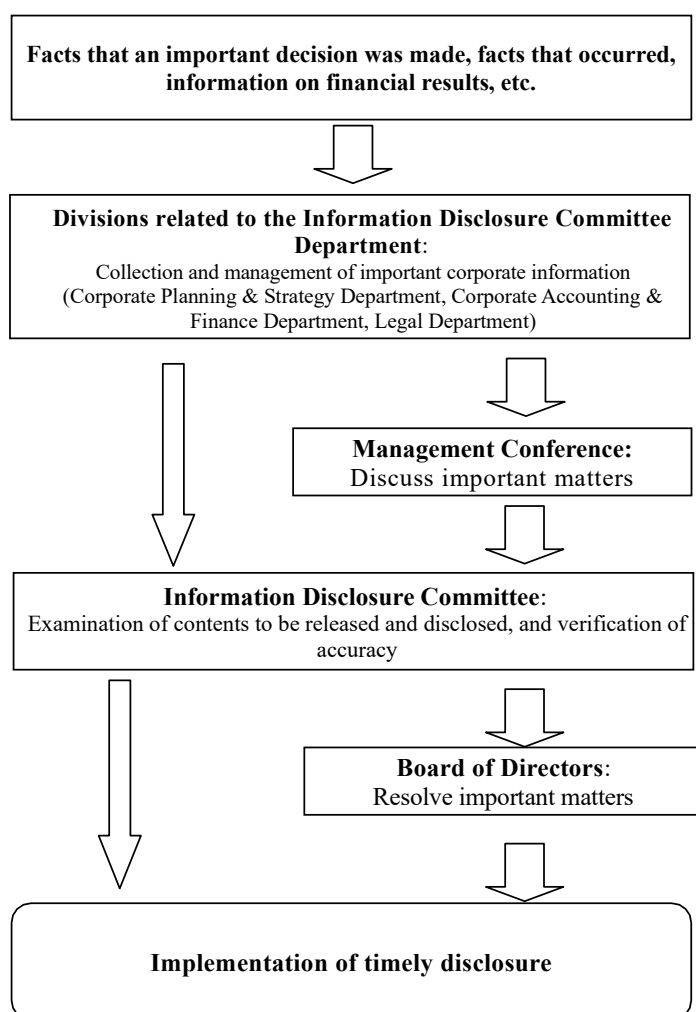
[Schematic diagram]



\*Established as advisory bodies to the Management Conference.

[Translation]

[Timely disclosure process]



\* Pursuant to the “Work Authority Regulations” established according to degree of importance and risk level, the Company judges whether the information falls under important matters or not.

END