

Last Update: March 17, 2025

M-ULURUTomoya Hoshi, Representative Director and President
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The corporate governance of ULURU. CO., LTD. (the “Company”) is described below.

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

1. Basic Views

The Company recognizes that its basic view on corporate governance is to expand corporate value over the medium to long term, to secure sound management, and to enhance transparency from a shareholder-oriented perspective. To this end, the Company has set pursuing financial soundness, disclosing information promptly and appropriately, and ensuring that directors and Audit and Supervisory Board Members maintain independence and fulfill their responsibilities in business execution and auditing as its most important management policies. Furthermore, to enhance the effectiveness of corporate governance, the Company will promote the strengthening of its internal control systems and administrative divisions while reinforcing and firmly establishing a strong awareness of the importance of compliance throughout the company.

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

The Company complies with all basic principles of the Corporate Governance Code.

2. Capital Structure

Foreign Shareholding Ratio	Less than 10%
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Major Shareholders Status

Name or Company Name	Number of Shares Owned	Percentage (%)
Tomoya Hoshi	1,209,400	17.48
Ayers Rock Co., Ltd.	660,000	9.54
UH Partners 3, Inc.	529,200	7.65
HIKARI TUSHIN, Inc.	525,000	7.59
UH Partners 2, Inc.	525,000	7.59
Yuhei Okeyama	381,000	5.51
Daisuke Gomi	197,200	2.85
Yosuke Nagaya	192,300	2.78
Nippon Life Insurance Company	190,000	2.75
H Sekkei Kobo Inc.	181,900	2.63

Name of Controlling Shareholders, if applicable (excluding Parent Companies)	----
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Name of Parent Company, if applicable	None
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Supplementary Explanation

The Major Shareholders Status is as of September 30, 2024.

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Tokyo (Growth)
Fiscal Year-End	March
Business Sector	Information & Communication
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	100 or more but fewer than 500
Net Sales (Consolidated) for the Previous Fiscal Year	Less than 10 billion yen
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	Fewer than 10

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

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

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

1. Organizational Composition and Operation

Corporate Governance System	A Company with an Audit and Supervisory Board
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Directors

Number of Directors, Stipulated in Articles of Incorporation	10
Directors' Term of Office, Stipulated in Articles of Incorporation	2 years
Chairperson of the Board	President
Number of Directors	8
Election of Outside Directors	Elected
Number of Outside Directors	2
Number of Independent Directors	2

Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Takahiro Ichikawa	Certified public tax accountant											
Takeshi Matsuoka	From another company											

* Categories for "Relationship with the Company"

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

- a Person who executes business for the Company or its subsidiary
- b Person who executes business for or a non-executive director of the Company's parent company
- c Person who executes business for a fellow subsidiary
- d Person or entity for whom the Company is a major client or a person who executes business on behalf of that person or entity
- e Major client of the Company or a person who executes business for said client
- f Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director or Audit and Supervisory Board Member
- g Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
- h Person who executes business for a client of the Company (excluding those categorized under d, e, or f above) (applies only to the director)
- i Person who executes business for another company that holds cross-directorships or cross-auditorships with the Company (applies only to the director)
- j Person who executes business for an entity receiving donations from the Company (applies only to director)
- k Other

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Takahiro Ichikawa	○	-----	The Company expects Mr. Ichikawa to provide advice on its corporate activities from a broad and sophisticated perspective based on his abundant experience and insight as a certified public tax accountant. Since there are no special interests between Mr. Ichikawa and the Company, the Company believes that there is no risk of a conflict of interest with general shareholders.
Takeshi Matsuoka	○	-----	Since Mr. Matsuoka has many years of extensive experience and broad insights into the field of Internet services, the Company expects him to provide objective advice and suggestions on the validity and appropriateness of directors' decision-making from a bird's eye view of the Company's business. Since there are no special interests between Mr. Matsuoka and the Company, the Company believes that there is no risk of a conflict of interest with general shareholders.

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

Not Established

Audit and Supervisory Board

Establishment of Audit and Supervisory Board	Established
Number of Audit and Supervisory Board Members Stipulated in Articles of Incorporation	5
Number of Audit and Supervisory Board Members	3

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

The Company's auditing system is based on audits by auditors, internal audits, and accounting audits by the auditing company, which are independent of each other but also cooperate with each other.

Audit and Supervisory Board Members and the auditing company share audit plans and exchange information and opinions on the results of the year-end audit at the beginning and end of each fiscal year. For individual issues, information and opinions are exchanged in a timely manner.

Furthermore, the Audit and Supervisory Board receives reports from the internal audit division as appropriate and on a regular basis regarding the internal audit plans, the status of execution of duties, other internal audit results, etc., after the Executive Management Meeting or Board of Directors meeting and exchanges information and opinions with them to conduct effective audits under a mutually complementary system.

The internal audit division and the auditing company share audit plans and exchange information and opinions on the results of the year-end audit at the beginning and end of each fiscal year. For matters related to internal controls and other individual issues, meetings are held as necessary and appropriate.

Appointment of Outside Audit and Supervisory Board Members	Appointed
Number of Outside Audit and Supervisory Board Members	2
Number of Independent Audit and Supervisory Board Members	2

Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Norio Suzuki	Lawyer													
Rena Hagiwara	Lawyer													

* Categories for "Relationship with the Company"

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

- a Person who executes business for the Company or its subsidiary
- b Non-executive director or accounting advisor of the Company or its subsidiaries
- c Person who executes business for or a non-executive director of the Company's parent company
- d Audit and Supervisory Board Member of a parent company of a listed company
- e Person who executes business for a fellow subsidiary
- f Person or entity for whom the Company is a major client or a person who executes business on behalf of that person or entity
- g Major client of the Company or a person who executes business for said client
- h Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director or Audit and Supervisory Board Member
- i Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
- j Person who executes business for a client of the Company (excluding those categorized under f, g, or h above) (applies only to the director)
- k Person who executes business for another company that holds cross-directorships or cross-auditorships with the Company (applies only to the director)
- l Person who executes business for an entity receiving donations from the Company (applies only to director)
- m Other

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Norio Suzuki	○	-----	The Company expects Mr. Suzuki to conduct audits from a broad and sophisticated perspective based on his abundant experience and insight as a lawyer and a certified public accountant. Since there are no special interests between Mr. Suzuki and the Company, the Company believes that there is no risk of a conflict of interest with general shareholders.
Rena Hagiwara	○	-----	The Company expects Ms. Hagiwara to conduct audits based on her professional expertise and broad experience as a lawyer. Since there are no special interests between Ms. Hagiwara and the Company, the Company believes that there is no risk of a conflict of interest with general shareholders.

Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members

Number of Independent Directors and Independent Audit and Supervisory Board Members

4

Other Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members

Incentives

Implementation Status of Measures related to Incentives Granted to Directors

Introduction of Performance-linked Remuneration Scheme, Introduction of Stock Options Scheme, and Other

Supplementary Explanation for Applicable Items

In addition to the traditional stock option plan, the Company introduced three stock compensation plans for directors (excluding outside directors) based on the resolution of the General Meeting of Shareholders held on June 26, 2019. Specifically, it introduced (i) service condition-based restricted stock compensation plan (non-performance-linked), (ii) medium-term performance condition-based restricted stock compensation plan (performance-linked), and (iii) long-term performance condition-based restricted stock compensation plan (performance-linked).

The amounts are 56,000,000 yen or less per year for (i) above, 68,000,000 yen or less for the three fiscal years from the fiscal year ended March 2020 to the fiscal year ended March 2022 for (ii) above, and 124,000,000 yen or less for the five fiscal years from the fiscal year ended March 2020 to the fiscal year ended March 2024 for (iii) above. The specific allocation to each director is determined by the Board of Directors.

In each of the above (i) through (iii), the restriction on transfer is to be removed when the prescribed indicators or conditions are met. Such indicators and conditions are serving as director for three years or more for (i) above, achieving consolidated net sales of 3.3 billion yen or more for the fiscal year ended March 31, 2022, as stipulated in the medium-term management plan in addition to serving as director for three years or more for (ii) above, and achieving consolidated EBITDA (consolidated EBITDA = consolidated operating profit + consolidated depreciation + consolidated amortization of goodwill) of 1.5 billion yen or more for the fiscal year ended March 31, 2024, as stipulated in the medium-term management plan in addition to serving as director for five years or more for (iii) above.

The reasons for choosing said indicators or conditions are that the Company judged them to be appropriate indicators or conditions from the viewpoint of giving directors whose shareholding ratio is low an incentive for improving corporate value for (i) above, and giving an incentive for achieving the medium-term management goals for (ii) and (iii) above.

Persons Eligible for Stock Options

Inside Directors, Employees

Supplementary Explanation for Applicable Items

The Company has granted stock options to employees as well as to directors to motivate directors in charge of business execution to share the risks with shareholders and to manage the Company in a balanced manner, not only from a short-term perspective but also from a medium- to long-term perspective, and to also motivate employees. As of the date of this report, all stock options granted were exercised, and there are no dilutive shares.

Director Remuneration

Status of Disclosure of Individual Directors' Remuneration

No Disclosure for any Directors

Supplementary Explanation for Applicable Items

The total amount of remuneration for directors is disclosed.

Policy on Determining Remuneration and Calculation Methods

Established

Disclosure of Policy on Determining Remuneration and Calculation Methods

The amount of remuneration for each director is determined on a discretionary basis by the Representative Director within the limit of the amount of remuneration determined by a resolution of the General Meeting of Shareholders, taking into account each director's duties, position, achievements, results, etc.

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

The Corporate Planning Department mainly provides support for outside directors, and full-time Audit and Supervisory Board Members and the Corporate Planning Department mainly provides support for outside Audit and Supervisory Board Members. In principle, the Corporate Planning Department distributes materials to the Board of Directors in advance, ensuring that outside directors and outside Audit and Supervisory Board Members have sufficient time to examine the material and are provided preliminary explanations, as necessary.

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

■ Board of Directors

The Board of Directors consists of six directors (Tomoya Hoshi (Representative Director and President), Yuhei Okeyama, Yosuke Nagaya, Shinsuke Kobayashi, Hirokazu Kondo, Takahiko Watanabe), and two part-time outside directors (Takahiro Ichikawa, Takeshi Matsuoka). In principle, the Board of Directors meets regularly once a month to deliberate and make decisions on important management issues as the top management decision-making body. In addition, extraordinary meetings of the Board of Directors are to be held as appropriate in the event that an issue that requires prompt decision-making arises. Audit and Supervisory Board Members attend every meeting of the Board of Directors to audit the status of directors' business execution.

■ Audit and Supervisory Board Members and Audit and Supervisory Board

The Audit and Supervisory Board consists of one full-time Audit and Supervisory Board Member (Hidekazu Suzuki) and two part-time outside Audit and Supervisory Board Members (Norio Suzuki, Rena Hagiwara). In principle, the Audit and Supervisory Board meets regularly once a month and also holds extraordinary meetings of the Audit and Supervisory Board as necessary when important matters arise. The Audit and Supervisory Board exchanges opinions on the legality of decision-making by the Board of Directors in accordance with laws and regulations, the Articles of Incorporation, and the Company's Rules on Audits by Audit and Supervisory Board Members. Also, at the Audit and Supervisory Board, the full-time Audit and Supervisory Board Member reports on the status of the execution of business by directors, etc., and the opinions of the Audit and Supervisory Board are discussed and decided. Audit and Supervisory Board Members regularly attend important meetings such as regular meetings of the Board of Directors, extraordinary meetings of the Board of Directors, and strategy decision meetings. They present their opinions on the execution of business by directors as appropriate and conduct audits on the execution of business in general.

Audits by Audit and Supervisory Board Members are conducted mainly by the full-time Audit and Supervisory Board Member in accordance with the annual audit plan. Matters discovered through audits, etc., are discussed by the Audit and Supervisory Board and items pointed out in the audit are submitted to the Board of Directors.

■ Internal Audit

As to the internal audit of the Company, a total of four members are assigned to the Internal Audit Office: one full-time responsible personnel (head of the Internal Audit Office) and three persons in charge (one of whom is outsourced), while ensuring the independence of audits and reports. The Internal Audit Office conducts audits in cooperation with the Audit and Supervisory Board Members and the accounting auditor while exchanging opinions on the status of internal controls and other matters. The Internal Audit Office and the auditing company share audit plans at the beginning of each fiscal year and exchange information and opinions on the results of the year-end audit at the end of each fiscal year. For matters related to internal controls and other individual issues, meetings are held as necessary and appropriate. The head of the Internal Audit Office reports the results of internal audits to the Representative Director. The results are reported directly to the Board of Directors by the Representative Director. The head of the Internal Audit Office notifies the audited departments of the results of audits and matters requiring improvements confirmed by the Representative Director and confirms the status of improvement.

As an initiative to ensure the effectiveness of internal audits, the head of the Internal Audit Office reports the results of internal audits to the full-time Audit and Supervisory Board Member each time internal audits are conducted and exchanges of opinions so that the audits by the Audit and Supervisory Board Members and internal audits can cooperate organically.

■ Executive Management Meeting

The Executive Management Meeting is composed of the President, internal directors, all executive officers, and the General Manager of the Corporate Planning Department. The Executive Management Meeting meets regularly once a month in principle, and extraordinary meetings are held as necessary. Although the Executive Management Meeting is not a decision-making body under the administrative authority, it serves as a platform for information sharing and exchanging opinions among departments, encouraging lively discussions.

3. Reasons for Adoption of Current Corporate Governance System

The Company has adopted the current system in order to achieve highly transparent decision-making, flexible business execution, and appropriate audits.

III. Implementation of Measures for Shareholders and Other Stakeholders

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

	Supplementary Explanation
Early Posting of Notice of the General Meeting of Shareholders	The Company makes efforts to send out the notice of convocation of the general meeting of shareholders as early as possible.
Scheduling of the General Meeting of Shareholders on a Non-Peak Day	When holding a General Meeting of Shareholders, the Company tries to select a date that avoids peak days of shareholder meetings of other companies and thus would be easy for most shareholders to attend.
Electronic Exercise of Voting Rights	The Company has adopted a method that enables the exercise of voting rights via the Internet from PCs, smartphones, etc.

2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	The Company intends to conduct IR activities in a timely and appropriate manner for all stakeholders and will formulate and publish a disclosure policy in the future.	
Regular Investor Briefings held for Individual Investors	The Company is actively disseminating information through briefings for individual investors in various regions, social media, and other means.	Held
Regular Investor Briefings held for Analysts and Institutional Investors	The Company holds regular financial results briefings at the time of the announcement of financial results for the second quarter and full-year.	Held
Online Disclosure of IR Information	The Company has created an IR information page on its website and posts information on financial results (summary of financial results, quarterly summary of financial results) and timely disclosure materials other than information on financial results, securities reports, quarterly reports, etc. in Japanese and English. The Company also actively posts videos and transcripts (in Japanese and English) of its financial results briefings.	
Establishment of Department and/or Placement of a Manager in Charge of IR	The Investor Relations Division is in charge of IR.	

3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	At present, the Company does not specifically specify such in regulations, etc., but intends to stipulate respect for the position of stakeholders in line with the formulation of the disclosure policy above.
Formulation of Policies, etc. on the Provision of Information to Stakeholders	The Company intends to formulate a policy for providing information to stakeholders in line with the formulation of the disclosure policy above.

IV. Matters Concerning the Internal Control System

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

The Board of Directors held on July 18, 2023, established the “Basic Policy for the Development of an Internal Control System,” which stipulates the basic views on a system (internal control system) that should be developed to ensure the appropriateness of the Company’s business operations. It has been implemented and the entire company is working together to ensure the appropriateness of business operations.

The basic policy is overseen by the Corporate Planning Department under the direction of the Representative Director and President. Going forward, the Company will review it as appropriate to strengthen and enhance its internal control system, and revise it, as necessary. The outline of the “Basic Policy for the Development of an Internal Control System” revised by the Board of Directors on July 18, 2023, is as follows.

<Basic Policy for the Development of an Internal Control System>

1. Systems to Ensure that the Execution of Duties by Directors and Employees Complies with Laws and Regulations and the Articles of Incorporation
 - (1) Upholding a vision of “Solve the Labor Shortage and Enrich People and Companies,” the Group shall promote its business to realize it in compliance with laws and regulations and the Articles of Incorporation.
 - (2) The Group shall establish various internal rules necessary for officers and employees to conduct business in compliance with laws and regulations and the Articles of Incorporation, conduct in-house training to inform them of these rules and strive to ensure that business operations are carried out, in accordance with various internal rules.
 - (3) Considering compliance to be a top priority as a prerequisite for the development of its business, the Group shall require all officers and employees to comply with laws and regulations by the establishment and company-wide implementation of the “Compliance Regulations,” which stipulate the basic principles of compliance.
 - (4) In the event that an officer or employee of the Group discovers any act in violation of laws and regulations, the Articles of Incorporation, or other internal rules within the Group, he/she shall directly notify either the Representative Director, directors, risk management manager, or legal expert who is the contact point for whistleblowing, thereby establishing a system that enables detection and response at an early stage. The system ensures the anonymity of whistleblowers and protects them so as not to be treated disadvantageously for whistleblowing.
 - (5) The head of the Internal Audit Office, appointed by the President, shall audit each of the Group’s departments to confirm compliance with laws and regulations and the Articles of Incorporation, and report the results of internal audits to the President.
 - (6) In order to ensure the appropriateness of financial reporting, the Company will establish and operate internal controls for the appropriateness of financial reporting, in addition to establishing rules for accounting and settlement of accounts operations. Furthermore, the Company will assess their status, check for deficiencies, and make necessary improvements every fiscal year.
 - (7) The Group will have no relationship with antisocial forces and resist unreasonable demands in a resolute manner. All officers and employees will act to eliminate antisocial forces in accordance with the antisocial force response regulations and manual established by the Group.

2. Matters Concerning Storing and Managing Information Relating to the Execution of Duties by Directors of the Company
Record documents, such as the minutes of the Board of Directors meetings and approval requesting documents in which directors made decisions in the execution of their duties (including electromagnetic records), and other important information shall be properly stored in accordance with laws and regulations and the "Document Management Regulations."
3. Regulations and Other Systems Related to Managing the Risk of Loss
 - (1) The Group shall establish the "Risk Management Regulations" to identify and respond to the risk of loss surrounding the Group's business and consider how to respond to the materialized risks or potential risks.
 - (2) Each department shall regularly endeavor to identify the risks associated with its own division, and the relevant risk information shall be shared within the company through reports by the persons responsible for each department at the Executive Management Meeting held every week, and the necessary measures shall be taken. For important risks, the Board of Directors shall discuss countermeasures and implement timely, effective countermeasures and preventive measures.
4. d. Systems to Ensure the Efficient Execution of Duties by Directors of the Company
 - (1) The Company shall hold monthly meetings of the Board of Directors and, if necessary, extraordinary meetings of the Board of Directors to promptly make decisions on important matters related to the Group's business operations.
 - (2) The Company shall appropriately assign business decision-making authority to each position based on the "Regulations on Administrative Authority" to ensure efficient business execution.
 - (3) The Company shall hold every week the Executive Management Meeting, which is attended by directors and persons responsible for each department, to have them report on the status of business execution in each department, thereby concentrating information necessary for the execution of duties by directors. In addition, the Company shall establish means for sharing daily business reports within the company.
5. System to Ensure the Appropriateness of Operations of the Group
 - (1) The Company shall provide guidance and support for the establishment of a legal compliance system and other systems to ensure the appropriateness of operations at subsidiaries.
 - (2) In order to improve the soundness and efficiency of the management of the Group, the Company will dispatch directors and Audit and Supervisory Board Members to each subsidiary as necessary and designate responsible departments within the Company. Such responsible departments will receive reports from subsidiaries on important matters related to the business operations of the subsidiaries and consult with them.
 - (3) When necessary to improve the soundness of management and ensure the appropriateness of operations in the Group, important matters related to the business operations of the subsidiaries will require approval of the Company and particularly important matters will be submitted to the Company's Board of Directors for discussion.
 - (4) The responsible departments will identify risks that impede the proper or efficient execution of business by the subsidiaries they supervise, and provide guidance and support so that risk management can be conducted appropriately.
 - (5) In order to ensure the appropriateness of the operations of the Group, the Internal Audit Office and the Audit and Supervisory Board Members shall conduct audits of the Group concerning the appropriateness of operations.
 - (6) The Company shall strive to improve and standardize its business processes from the viewpoint of optimizing and streamlining the operations of the Group, and further strengthen its control through information systems.
6. Matters Concerning Employees to Assist Audit and Supervisory Board Members in Their Duties, Matters Concerning the Independence of the Relevant Employees from Directors, and the Assurance of the Effectiveness of Instructions Given to the Relevant Employees by Audit and Supervisory Board Members
 - (1) When an Audit and Supervisory Board Member requests an employee to assist in their duties, the directors shall select the employee in response to the content of the Audit and Supervisory Board Member's request and assign appropriate personnel with the consent of the Audit and Supervisory Board Member.
 - (2) The personnel assisting the Audit and Supervisory Board Member in their duties shall be independent of the directors with regard to such assistant duties, and the consent of the Audit and Supervisory Board Member shall be required as needed when conducting personnel evaluation, transfer, or disciplinary action.
 - (3) When instructions concerning assistant duties are given by the Audit and Supervisory Board Members, the assistant shall not receive instructions from directors or other employees with respect to such duties and shall be subject only to instructions from the Audit and Supervisory Board Members and the Audit and Supervisory Board.
7. Systems for Directors and Employees to Report to the Audit and Supervisory Board Members and Systems to Ensure that the Persons Who Have Made the Reports Shall Not Receive Disadvantageous Treatment as a Result of Such Reports
Directors and employees shall report on the status of the execution of their duties and other matters as needed at the request of the Audit and Supervisory Board Members. In addition, directors shall promptly report to the Audit and Supervisory Board when they become aware of a fact that may cause significant damage to the Company or a fact that violates laws and regulations and the Articles of Incorporation. The Company shall not treat disadvantageously any person who has made such reports for reporting to the Audit and Supervisory Board.
8. Systems to Ensure Effective Implementation of Audits by the Audit and Supervisory Board Members
 - (1) Audit and Supervisory Board Members will attend every meeting of the Board of Directors and provide necessary opinions on the agenda. They will also receive reports on the execution of duties by directors and ask questions as appropriate.
 - (2) Audit and Supervisory Board Members will ensure the effectiveness of audits by confirming the operational status of each department of the Group through routine department audits, receiving reports from the head of the Internal Audit Office, and receiving reports on accounting audits from the auditing company, and exchanging necessary opinions as appropriate.
 - (3) Each Audit and Supervisory Board Member will hold a meeting regularly every month and also as needed to make decisions on matters to be resolved, as well as to report on the status of their audits, and to discuss whether there are problems and important audit items, thereby improving the effectiveness and efficiency of audits.
 - (4) When an Audit and Supervisory Board Member or the Audit and Supervisory Board requests prepayment or settlement of expenses or payables necessary for the execution of their duties from the Group, such requests shall be promptly processed, except when it is deemed that such requests are not necessary for the execution of their duties.
9. Systems to Ensure the Reliability of Financial Reporting
 - (1) The Representative Director will establish an internal control system for financial reporting and ensure the reliability of financial reporting in order to conduct financial reporting in accordance with rules and regulations generally accepted in Japan.
 - (2) The head of the accounting department of the Group shall be responsible for the internal control system related to the Group's financial reporting, and decide, in consultation with the auditing company, on the important account titles and the operations requiring focused responses in terms of internal control related to financial reporting.
 - (3) The Representative Director will, after assessing the risks, document operations requiring focused responses in terms of internal control related to financial reporting of the Group, and audit the operations.

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

The basic policy for eliminating antisocial forces is as follows.

- (1) Organizational Response
Since having the person or department in charge alone handle the situation may lead to a situation where they have no choice but to comply with the demand, the Company shall respond on a company-wide basis rather than leaving it to the person or department in charge alone, and ensure the safety of the officers and employees involved.
- (2) Cooperation with External Professional Organizations
The Company shall establish close cooperative relationships with external professional organizations such as the Metropolitan Police Department and other prefectural police headquarters and presiding police stations, the National Center for Removal of Criminal Organizations in each prefecture, Tokubouren (the Metropolitan Police Department's coalition for the prevention of special violence), and lawyers.
- (3) Prohibition of Transactions
The Company will not engage in any transactions with any antisocial forces. Business partners shall be confirmed to be non-antisocial forces by the procedures separately stipulated before starting or continuing transactions. In the unlikely event that the Company has a transaction with an antisocial force without knowing it, the transaction will be promptly terminated upon discovering that the counterparty is an antisocial force or upon suspecting that the counterparty is an antisocial force.
- (4) Prohibition of Association
To prevent unreasonable demands, officers and managers will not engage in improper associations with antisocial forces. In the unlikely event that an officer or a manager has an association with an antisocial force without knowing it, they shall promptly notify the manager of the Business Promotion and Administration Department and receive necessary instructions upon discovering that the counterparty is an antisocial force or upon suspecting that the counterparty is an antisocial force.
- (5) Legal Response in the Event of an Emergency
When it becomes necessary to take legal action with the cooperation of external professional organizations such as the police and lawyers, the Company shall proactively communicate with these organizations and take legal actions, both civil and criminal.
- (6) Prohibition of Backroom Deals and Provision of Funds
Even if an unreasonable demand by an antisocial force is made on the grounds of a scandal in the Company's business activities or a scandal of an officer or employee, the Company will never engage in a backroom deal in order to conceal the facts. In addition, funding for antisocial forces will never be done even privately.

Furthermore, the Company has established the "Antisocial Force Response Regulations" and the "Detailed Regulations on Antisocial Force Response," and conducted surveys of shareholders, officers, employees, and business partners using the database services of antisocial forces to confirm that there is no relationship with anti-social forces. The Company also conducts surveys of ongoing business partners for whom more than one year has passed since the last survey was conducted, in the same manner as at the start of a new transaction.

V. Other

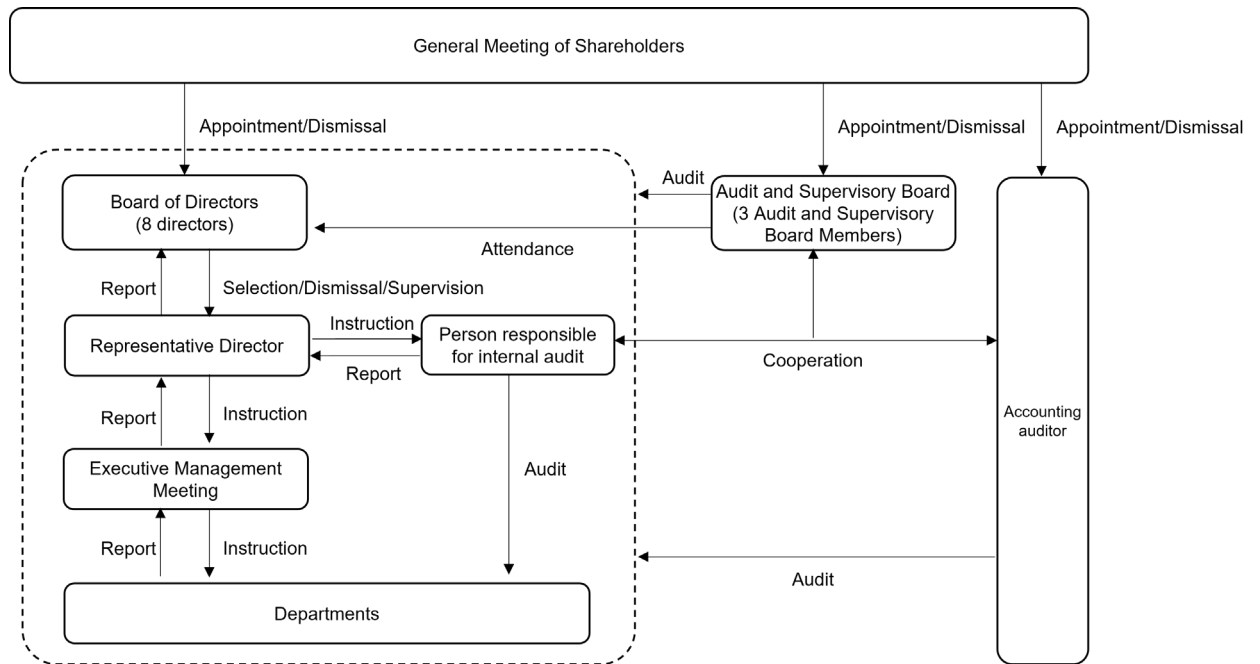
1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures

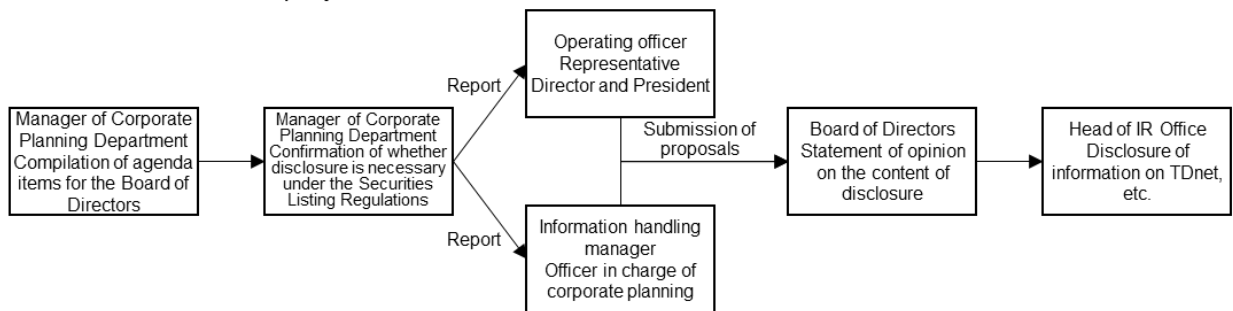
Not adopted

Supplementary Explanation for Applicable Items

2. Other Matters Concerning the Corporate Governance System



< Information on the Company's Decided Facts/Financial Results >



< Information on the Company's Occurred Facts >

