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ITOKI CORPORATION

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Securities code: 7972

<https://www.itoki.jp/en/>

The status of our corporate governance is as described below.

1. Basic policy regarding corporate governance, capital composition, corporate attributes, and other basic information

1. Basic policy

Our corporate group engages in corporate governance with the aim of improving corporate value by complying with laws and regulations, improving the transparency and fairness of management, and proactively disclosing information to increase our corporate reliability in accordance with corporate ethics and the spirit of compliance.

Our company formulated the “basic policy for corporate governance” for the purpose of realizing effective corporate governance in accordance with the basic principles of the Corporate Governance Code.

We uphold the following six corporate philosophies, and make efforts to diffuse them among all employees.

【Corporate philosophies】

1. We will retain the vigorous pioneering spirit of the founder.
2. We will exert our originality and ingenuity to all matters, to create new value.
3. We will stick to legitimate commerce, and spare no effort in working.
4. All of us will join hands to overcome hardships and bring prosperity.
5. We always aim to become No.1 in this industry.
6. Each of us will achieve self-actualization and lead a life without regret.

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

Principle 4-10 (1) Establishment of a discretionary advisory committee so that independent outside directors can be involved

Our company has the board of auditors, and does not have a discretionary committee, such as a nomination and remuneration committee, but when we discuss the nomination of candidates, remuneration, etc. for officers and directors, the chairperson voluntarily seeks comments from independent outside directors, receiving appropriate advice and allowing their involvement. Accordingly, the current system suffices.

【Disclosure Based on the Principles of the Corporate Governance Code】 (Updated)

We disclose the following items in accordance with the principles of the Corporate Governance Code.

Principle 1-4 Policy for strategically held shares

Our basic policy is to hold shares strategically, only when it can be considered that said strategic shareholding would contribute to the economic growth of our corporate group and the medium/long-term improvement in our corporate value, from the viewpoints of maintenance and cementing of relationships with business partners.

Every year, the board of directors examines whether it is reasonable to keep holding the strategically held shares by checking whether the

benefits of the strategic shareholding are worth capital costs. If it is concluded after the examination that the strategic shareholding is hardly meaningful, we will sell the strategically held shares. In FY 2024, we have sold the shares of two companies. The following table shows the number of strategically held shares sold and the ratio of consolidated net assets in each year.

	2018	2019	2020	2021	2022	2023	2024
Number of shares sold [companies]	6	0	12	14	3	5	2
Ratio of consolidated net assets [%]	5.5	6.8	3.9	4.1	3.5	3.8	6.4

When exercising the voting rights of strategically held shares, we do not unconditionally agree to the proposals submitted by each share issuing company, but discuss whether each proposal would contribute to the improvement in our corporate value and then exercise our voting rights in principle.

Principle 1-7 Framework for securing the appropriateness of transactions with related parties

Before our company conducts an ordinary transaction or a conflict-of-interest transaction with a director, the board of directors deliberates said transaction while soliciting opinions from outside directors and auditors and decides whether to approve said transaction, in accordance with laws, regulations, and our company's rules for directors. After each transaction, the important fact about said transaction is reported at a meeting of the board of directors. Every year, we confirm with directors and auditors whether there are any transactions between directors or their relatives within the second degree of kinship and our company or a consolidated subsidiary thereof, and if we find any transaction that needs to be disclosed, we will disclose said transaction through the securities report and convocation notices.

Principle 2-4 (1) Securing of diversity in the promotion of core personnel and so on

① Policy for securing diversity

Under the primary commitment, our company considers our fellows with a variety of sexes, ages, nationalities, disabilities, employment types, workstyles, customs, views, etc. as "diverse human resources," and aims to enable each employee to exert his/her abilities while utilizing his/her characteristics vigorously. In addition, we recruit personnel with a wide array of values regardless of gender, career, and nationality.

■ ITOKI's vision for diversity (our three goals)

1. To vitalize our organization

If individual skills are exerted, employees will be motivated, and our organization will be invigorated.

2. To create new value

The combination of knowledge, experiences, and values of diverse human resources will facilitate the emergence of new ideas.

3. To improve productivity and make our jobs more worthwhile

All employees can work flexibly with a high degree of productivity, while enjoying a sense of fulfillment.

② Voluntary and measurable goals for securing diversity, and progresses toward them

■ Variation and targets of the ratio of female managers

<Records> 8.3% in 2020, 9.2% in 2021, 10.7% in 2022, 10.3% in 2023, 10.7% in 2024

<Targets> 13.0% at the end of 2026, 30.0% in 2030

■ Status of diversity

Ratio of women recruited: 38.2% in 2020, 40.8% in 2021, 41.6% in 2022, 40.4% in 2023, 38.6% in 2024

Ratio of mid-career workers recruited: 27.1% in 2020, 30.6% in 2021, 65.0% in 2022, 67.4% in 2023, 72.9% in 2024

③ Policies for developing personnel and an in-company environment, and their progresses

The details of development of an environment in which employees can grow and exert their abilities and our initiatives for supporting diverse workstyles of individual employees are available in our website.

We make efforts to develop an environment in which employees can work vigorously. <https://www.itoki.jp/en/company/sustainability/>

While upholding the objective: “to design the ‘workstyles’ of tomorrow” in our mission statement, our company first engages in the development of a workplace (including an organization, systems, and corporate culture) in which individual employees can work vigorously and safely with no worry while feeling that their jobs are worthwhile and exert their full potential.

■ Strategy

ITOKI considers that it is indispensable to execute interlinked HR strategies in order to attain the goals of our management strategies. In this light, we have formulated staffing plans, including the recruitment based on business strategies, and established educational systems for supporting the growth of individual employees according to the ideal states of personnel and their career paths and HR systems for facilitating the growth of employees and making their jobs more worthwhile. We do not consider human resources as “subjects of costs,” but “subjects of capital investment,” and will invest in human resources to improve the value of our business. Furthermore, we will train human resources while considering diversity and adopt HR systems that match the workstyles in the post-pandemic period as soon as possible, to get closer to the goals of our management strategies with our HR strategies.

*The details are mentioned in 06 of 7 Flags in the medium-term management plan released on Feb. 13, 2024.

【Policy for developing human resources and cases】

ITOKI implements various curricula based on the educational systems for supporting the growth of individual employees according to the ideal states of personnel and their career paths. In addition, we hold online or face-to-face interviews and training programs according to their contents, to improve overall quality.

Cases: training programs for managers, setting and diffusing visions, evaluators, optional subjects, the basics of business, cross-industrial exchange, and each division; and e-learning

*The details are mentioned in “Policy and initiatives for sustainability” of the securities report for the fiscal year ended December 2024.

【Recruitment policy and cases】

ITOKI proceeds with projects by involving various people and organizing teams. We make efforts to recruit personnel who can ponder their roles and how to contribute to customers, society, and the company and complete each task responsibly while involving people around them without being afraid of failure.

Cases: In addition to the recruitment of new graduates, including that with referrals, we have enhanced the recruitment of experienced workers and non-Japanese personnel.

*The details are mentioned in “Policy and initiatives for sustainability” of the securities report for the fiscal year ended December 2024.

【Policy for Diversity Equity & Inclusion (DE&I) and cases】

Under the primary commitment, ITOKI considers our fellows with a variety of ages, sexes, sexual orientations and identities, nationalities, disabilities, employment types, workstyles, customs, views, etc. as “diverse human resources,” and aims to enable each employee to exert his/her

abilities while utilizing his/her characteristics vigorously.

Cases:

D&I Award 2023: Certified as the “Best Workplace,” the highest rank in D&I AWARD, in 2024 for the third consecutive year

PRIDE Index 2024: Received the Gold and got certified as the Rainbow.

Concluded a partnership agreement with the Hanoi University of Science and Technology in Vietnam, adopted a system for subsidies for supporting employees in returning to work after childcare leave and a partnership system, held seminars about DE&I × WORKPLACE and support in balancing work and nursing care, gave lectures about LGBTQ, formed alliances with local facilities for supporting the employment of disabled people, and gave lectures about unconscious bias.

*The details are mentioned in “Policy and initiatives for sustainability” of the securities report for the fiscal year ended December 2024.

【SPLi, a community for empowering women】

ITOKI is developing an environment in which diverse employees can flourish and implements various measures while considering the development of leadership of women as an important managerial measure, so that a variety of characteristics will be fused and vitalized, leading to significant innovative changes and growth.

SPLi is a community for supporting continuous career development, by developing an environment and plans in which individual employees can exert leadership while taking advantage of a variety of individuality and originality. About 150 members, including those from group companies, get together voluntarily and conduct various activities.

【API, a community for facilitating global activities】

We established ITOKI Global Initiative “API,” a platform that enables the members of the ITOKI Group inside and outside Japan to “learn voluntarily and mutually and become personnel who can work globally” beyond all kinds of barriers, including differences in language, way of thinking, and custom. By profoundly understanding the differences in culture, religion, custom, etc. among countries, we aim to deepen the understanding, concept, and awareness of diversity and what “global” means. About 130 members, including those from group companies, participate.

【Initiatives for improving the engagement of employees】

Since 2016, ITOKI has carried out a survey on the engagement of employees, to grasp the status of motivation of employees and factors in influencing it. Survey results are reflected in our initiatives for improving the engagement of our organization, which is one of important management indicators, and utilized for transformation into a vigorous, affluent company in which individual employees can shine. Among many indicators, we consider the ratio of employees who think that “ITOKI is a company where I can work with pride” as the most important, and set a management goal for increasing this ratio. The management takes the initiative and each department takes measures for improving the engagement of employees. In the past 3 years, the ratio in the entire ITOKI Group increased by 18.9 points to the order of 80%. In 2025, we continue the initiatives with the goal of increasing the ratio to 85% or higher in 2026, the last fiscal year of the medium-term management plan, in order to further improve the quality of engagement.

■ Indicators and goals

Important indicator of the engagement of employees

<Results> 56.2% in 2021, 63.6% in 2022, 74.7% in 2023, 82.5% in 2024

<Target> 85% or higher in 2026

In addition, as a company that creates a working environment, ITOKI considers the development of a comfortable working environment or the investment in facilities as an important measure that should be implemented for human capital-based business administration, and puts it into practice. We believe that the continuous investment in the development of highly productive, worry-free, safe offices would contribute to human capital-based business administration.

*The details are mentioned in the section about return on investment in offices (human capital) on page 35 of the medium-term management plan released on February 13, 2024.

■ Number of investments in our facilities

<Results in 2024> We renovated or relocated a total of 5 offices, including Tokyo Head Office.

Principle 2-6 Fulfillment of the functions as an owner of corporate pension assets

For the operation of our corporate pension plan, we established an asset management committee, which is composed of the executives in charge of accounting and personnel affairs and the representatives of employees, to execute the plan. The members of the asset management committee possess adequate qualities, and attend external seminars, etc. to improve their qualities. The asset management committee has discussions and makes decisions about asset management policies and the ratio of strategically owned assets.

The financial standing of our corporate pension plan is sound. Our policy is to refrain from taking an excessive risk in asset management and put importance on downward risk reduction. The ratio of strategically owned assets is reviewed and altered when necessary.

The management of reserve funds for our corporate pension plan is fully outsourced, because expertise is required. The outsourcee selects investees and makes decisions about the exercise of voting rights in accordance with our asset management policy for the corporate pension plan. We monitor the outsourcee, to control the conflict of interest with employees and maximize the benefits of employees.

Principle 3-1 (i) Management philosophies, strategies, plans, etc.

Our corporate ethos, medium-term management plan, and management strategy are described in our website, reference material for results briefing sessions, convocation notices, etc.

Corporate ethos: <https://www.itoki.jp/en/company/about/concept/>

Medium-term management plan: <https://www.itoki.jp/en/company/ir/policy/management-plan/>

Reference material for results briefing sessions: <https://www.itoki.jp/en/company/ir/accounts/closing/>

Convocation notice: <https://www.itoki.jp/en/company/ir/stockholder/notification/>

Principle 3-1 (ii) Concept and basic policy for corporate governance

Our concept and basic policy for corporate governance are described in our website and corporate governance report.

1. Concept

Our corporate group engages in corporate governance by complying with laws and regulations thoroughly and improving the transparency and fairness of business administration in accordance with our corporate ethics and spirit of compliance and disclosing information proactively to make our company more reliable and improve our corporate value.

2. Basic policy

The basic policy is described in our website.

<https://www.itoki.jp/en/company/ir/policy/governance/>

Principle 3-1 (iii) Policies and procedures for determining the remuneration for each of executives and directors

The amount of the remuneration, etc. for executives is composed of fixed remuneration, variable remuneration linked with performance, and restricted stock compensation. Regarding the remuneration for each director, fixed remuneration is the monthly monetary remuneration approved by the board of directors with reference to the monthly remuneration table for each post within the range of the total remuneration resolved at a general meeting of shareholders. The amount of variable remuneration is determined by the board of directors while considering the performance level of our company and individuals, etc. within the range of the total remuneration resolved at a general meeting of shareholders, and paid after the end of each fiscal year. The performance of each executive is evaluated based on evaluation indicators set for each business and each function in each field. Restricted stock compensation is determined by the board of directors while considering the situation of our company and the balance between monetary remuneration and share-based one within the range of the total remuneration resolved at a general meeting of shareholders, and paid to existing executives in each fiscal year after the start of the medium-term management plan, in order to motivate them to achieve medium-term goals. The remuneration of each executive officer is calculated in accordance with the in-company regulations approved by the board of directors.

Principle 3-1 (iv) Policies and procedures for appointing or dismissing executives and nominating candidates for directors and auditors

For nominating the candidates for directors and auditors, the representative director selects personnel who would contribute to sustainable growth and further improvement of corporate value of our company and can fulfill their duties based on their skills, experiences, and character evaluations while considering the diversity, balance, and appropriate scale of the board of directors and the board of auditors, and then the board of directors has sufficient discussions. Regarding the dismissal of a director or an auditor, if it is considered that a director or an auditor has not fulfilled his/her duty to a sufficient degree, the board of directors will have discussions, make a resolution, and submit a proposal to a general meeting of shareholders. In addition, executive officers are appointed, after the board of directors has sufficient discussions while considering the knowledge, experiences, skills, track record, etc. of individuals.

Principle 3-1 (v) Description of the appointment and dismissal of individual executives and the nomination of candidates for directors and auditors

Individual executives are appointed, after the board of directors reviews their skills, experiences, and character evaluations. If it is considered that an executive has failed to fulfill his/her duty to a sufficient degree, the board of directors will have sufficient discussions and decide whether or not to dismiss said executive. The work histories of candidates for directors and auditors are mentioned in a convocation notice for a general meeting of shareholders, and the reasons for selecting respective candidates are mentioned in a convocation notice for a general meeting of shareholders.

Principle 3-1 (2) Promotion of disclosure and provision of information in English, considering the ratio of non-Japanese investors and so on

Considering the shareholder composition, our company translated the “summary of brief financial reports,” “corporate information,” “some convocation notices for general meetings of shareholders,” our “integrated report,” which describes all ESG initiatives of our company, and “securities report” into English for overseas stakeholders, including overseas institutional investors, and uploaded them to our global website. In addition, we produced the English version of our “corporate governance report,” in which overseas institutional investors have interest, to disclose information.

Principle 3-1 (3) Initiatives for sustainability

Under the vision statement: “so that people are vigorous and the earth is lively,” our company engages in sustainable business activities while supporting people in “working” to contribute to the happiness of individuals, enterprises, and society. On the other hand, social issues, including global warming, human rights, declining birthrate, and aging population, are becoming more serious year by year, so we are required to care

about social issues, such as the response to climate change, the respect for human rights, and investment in human capital and digital transformation (DX), more than ever before. Under these circumstances, our corporate group defined the “practice of ESG-oriented management” as an important policy in “RISE ITOKI 2023,” a 3-year medium-term management plan for the period from 2021 to 2023, and has implemented some measures from diverse viewpoints, including energy saving, the utilization of sustainable materials, and the execution of HR strategies linked with management strategies.

The new medium-term management plan “RISE TO GROWTH 2026,” which was started in FY 2024, is centered around the priority strategies “7 Flags” and ESG strategies, which serve as the base for business strategies.

In addition, our corporate group defined material issues in 2018, in order to solve various social issues related to workplaces in the future. In response to changes in social issues, we revised our priority theme while summarizing two material issues: “to bring happiness to society and people” and “our company and employees will become happy” through dialogues with the management. Furthermore, we reviewed and revised the priority theme from the viewpoint of fusing management and sustainability at the time of formulation of the new medium-term management plan “RISE TO GROWTH 2026.” Our new priority theme is to manage the progress of various activities based on material issues and the progress of the medium-term management plan in the same manner using KPIs.

*The governance and risk control for sustainability have been disclosed in the section “Policy and initiatives for sustainability” of the securities report for the fiscal year ended December 2024.

Considering the response to climate change as an important managerial issue, our corporate group agreed with the recommendations of Task Force on Climate-related Financial Disclosures (TCFD) in June 2020. Based on the recommendations of TCFD, we analyzed the impact of climate change on business. Regarding the climate change forecast in the long term, we defined three scenarios (sustainable, standard, and stagnant scenarios) with reference to multiple existing scenarios announced by IPCC*, and analyzed them. As a result, it was clarified that there is a possibility that climate change will significantly affect the business of our corporate group in the short, medium, and long terms through the risks of political measures, laws, and regulations. In addition to the increase of frequency and scale of abnormal weather, which has already become evident, there are the adoption of a carbon tax, the augmentation of procurement costs, the shrinkage of the existing market, etc.

While considering climate change as an important managerial issue, our corporate group has set priority themes: “contribute to carbon-neutral society” and “conserve the natural environment and promote the recycling of resources” as material issues. Under these priority themes, we will set goals for reducing CO₂ emissions in the medium or long term, promote workstyles with less CO₂ emissions by promoting DX and reforming the workstyles of clients, adopt renewable energy for achieving eco-friendly workstyles, and develop or design environmentally friendly products. Furthermore, we will proceed with these activities by implementing the PDCA cycle steadily to attain goals.

*IPCC: Intergovernmental Panel on Climate Change

*The governance and risk control for coping with climate change have been disclosed in the section “Policy and initiatives for sustainability” of the securities report for the fiscal year ended December 2024.

■ Indicators and goals

To cope with climate change, our corporate group set goals for reducing CO₂ emissions in the medium or long term, reflecting them in concrete action plans. This year, we reconsidered the existing goal for reducing CO₂ emissions by 2030, and set a new goal while considering the 1.5°C level, which is indicated by Science Based Targets initiative (SBTi). Most CO₂ emissions from our corporate group fall under Scope 3,

Category 1 “Purchased products and services,” so we will develop more cooperative systems with suppliers, increase the precision of data aggregation, and reduce CO₂ emissions.

【Target CO₂ emissions】

Goal for 2030: To reduce Scope 1 and 2 emissions by 42.7% from 2022, and Scope 3 emissions by 25% from 2022

Goal for 2050: To make net Scope 1 and 2 emissions zero

Principle 4-1 (1) Determination of the scope of delegation to the management

Our company produced the regulations for the board of directors, to clearly specify items that require a resolution as set forth in law, regulations, or the articles of incorporation and related important items, and the board of directors makes a resolution in accordance with said regulations. In addition, we hold a weekly meeting of the board of managing directors, which is attended by directors (excluding the representative director and outside directors), executive officers with executive posts, and full-time auditors, and a meeting of executive officers, which is attended by directors (excluding outside directors) and all executive officers, when considered necessary by the representative director, to deliberate the items that require a resolution of the board of directors, determine important items other than the items that require a resolution of the board of directors, and check whether our management policy is followed and the progress of business operations.

Principle 4-8 Effective utilization of independent outside directors

Our company appointed two outside directors in 2011, in order to enhance the function to oversee business execution and enrich fair business activities. From November 2018 to March 2020, the number of outside directors was only one, because an outside director passed away, but in March 2020, we appointed another outside director, recovering the number of outside directors to 2. In 2025, we also appointed two female outside directors, increasing the number of outside directors to 4. As of now, outside directors make up half (50%) of all directors.

Outside director	Term of office	Experience of business administration
Hiroshi Nagata	Mar. 2008 to Mar. 2025	○
Terutake Miyamoto	Mar. 2011 to Mar. 2014	○
Toshio Nagashima	Mar. 2014 to Nov. 2018 (deceased)	○
Shiro Nitnai	Mar. 2020 to Present	○
Mariko Bando	Mar. 2023 to Present	×
Yasuyuki Kawasaki	Mar. 2025 to Present	○
Toshie Tanaka	Mar. 2025 to Present	×

For the ratio of outside directors, the ratio of those who have the experience of business administration to outside directors, and the number of female directors, please see the integrated report.

https://www.itoki.jp/company/ir/accounts/annual/assets/pdf/accounts_annual_2024_en_00.pdf

Principle 4-9 Criteria for independence of outside directors and their qualities

In order to contribute to the sustainable growth of the company and the improvement in medium/long-term corporate value, our company has specified criteria for the independence of outside directors, and disclose them in the corporate governance report as an item regarding independent executives. We select those who satisfy our unique criteria for independence as well as the criteria specified by the Companies Act and stock exchanges as independent outside directors.

【Criteria for independence】

1. The person has not been an executive member of our company, a subsidiary or affiliated company thereof in the past 10 years.
2. The person is not a major shareholder of our company who holds 10% or more of all voting rights or an executive member thereof
3. The person is not an executive member of a major business partner of our company (a business partner for which annual transaction amount exceeds 2% of our consolidated sales or a supplier for which annual procurement amount exceeds 2% of consolidated sales of said company)
4. The person is not an executive member of a major lender (a financial institution for which annual borrowed amount exceeds 2% of our total assets)
5. The person is not a consultant, an accountant, a lawyer or the like who receives 10 million yen or more in cash or other assets per year from our company in addition to the remuneration for executives.

Principle 4-11 (1) Policy for the balance of knowledge, etc., diversity, and scale of the entire board of directors, and the policy and procedures for appointing directors

Our company puts importance on the securing of diversity in the entire board of directors, and appointed a female director for the first time in 2023. So that the scale is appropriate for having high-quality discussions and the balance in the entire board of directors is secured, the board of directors is composed of executive directors who are versed in business operations and so on and can execute business swiftly and outside directors who possess expertise and are expected to give advice about business administration from a broad perspective and supervise business operation.

Our company has produced a skills matrix tabulating the skills, career, and expertise of each director, and disclosed it via our integrated report and the reference material for general meetings of shareholders.

Integrated report: https://www.itoki.jp/company/ir/accounts/annual/assets/pdf/accounts_annual_2024_en_00.pdf

Reference documents for the general meetings of shareholders: <https://ssl4.eir-parts.net/doc/7972/announcement1/107254/00.pdf>

Two out of the 4 outside directors possess the experience of management in other companies while the other two have the experience of exerting leadership in the fields of administration and education. One out of the two outside auditors is a lawyer, while the other is a certified public accountant. Namely, they are experts in law and accounting, respectively.

Principle 4-11 (2) Concurrent posts of outside directors and auditors

As disclosed in the convocation notice, etc., four outside directors and two outside auditors of our company have concurrent posts as directors and auditors of other listed companies, but the number of the other companies in which they have concurrent posts is considered within the reasonable range, and they fulfill their roles and duties properly.

Principle 4-11 (3) Analysis and evaluation of the effectiveness of the entire board of directors, and the results thereof

Once a year, the board of directors of our company has discussions while listening to the opinions of executives about the effectiveness of the entire board of directors in terms of proceedings, agendas, etc. to analyze and evaluate the effectiveness. We checked the status of items pointed out at the meeting of the board of directors held on January 29, 2024 in FY 2024, the directors in charge gave supplementary explanations on the progress and future trends, and we collected opinions from all executives about the effectiveness of the board of directors of our company in free-discussion format.

Issue No. 1 Personnel development

Activity in FY 2024 On Sep. 30, 2024, “our initiatives for diversity” were reported at an information sharing session of directors and auditors.

Issue No. 2 Review of risk control

Activity in FY 2024 On Apr. 24, 2024, “risk management” was reported at an information sharing session of directors and auditors.

On Aug. 5, 2024, an interim report on “risk management” was submitted at an information sharing session of directors and auditors.

On Dec. 16, 2024, a year-end report on “risk management” was submitted at a meeting of the board of directors and an information sharing session of directors and auditors.

Issue No. 3 Initiatives for ESG

Activity in FY 2024 ESG lectures for executives on Apr. 23 and Nov. 5, 2024

Issue No. 4 Enrichment of the functions of outside directors and auditors

Activity in 2024 In FY 2024, an information sharing session of directors and outside directors was held five times (in April, June, August, September, and December).

On the other hand, during discussions, the details of training to executives from the viewpoints of human capital and personnel development and proposals for improvement of information sharing sessions of directors and auditors through the enrichment of the themes are reported. We aim to improve the effectiveness of the board of directors further.

Principle 4-14 (2) Policy for training directors and auditors

In principle, we provide directors and auditors of our company with opportunities to attend external lectures and financial support at the time of and after appointment, so that they can recognize their roles and fulfill their roles and duties. The details of the support system are as follows.

1. Directors and auditors are provided with opportunities to learn and update necessary knowledge, etc. when necessary at the time of appointment to fulfill their roles and duties appropriately.
2. Newly appointed outside directors and auditors receive explanations on our business and visit major bases of our company at the time of appointment.
3. We hold a lecture on compliance with laws and regulations once or more a year, in order to improve their skills for corporate governance and compliance.

Principle 5-1 Policies for dialogues with shareholders

Our policies for dialogues with shareholders are as follows.

1. All kinds of dialogues with shareholders are managed by the director in charge of IR, who promotes relevant executives to take concrete measures.
2. For dialogues, the IR department cooperates with related sections in an organic manner.
3. As means for dialogues other than individual meetings, we hold small meetings, results briefing sessions, etc.
4. Important requests, opinions, etc. collected through the dialogues with shareholders are reported and shared at meetings of the board of directors.
5. At the time of each dialogue with shareholders, we care for the management of insider information and comply with laws and regulations.

*The situation of our IR activities has been disclosed in the integrated report (P20).

https://www.itoki.jp/company/ir/accounts/annual/assets/pdf/accounts_annual_2024_en_00.pdf

【Measures for realizing business administration conscious of capital cost and share price】【English version disclosed】【Updated on Dec. 27, 2024】

Our company summarized the measures for realizing business administration conscious of capital cost and share price, made a resolution at a

meeting of the board of directors, and disclosed them.

Japanese version: Medium-term management plan, 7Flags07 P25

<https://ssl4.eir-parts.net/doc/7972/tdnet/2395479/00.pdf>

English version: Medium-term management plan, 7Flags07 P26

https://ssl4.eir-parts.net/doc/7972/ir_material12/229136/00.pdf

Japanese version: Integrated report 2024 P17

https://www.itoki.jp/company/ir/accounts/annual/assets/pdf/accounts_anual_2024_00.pdf

English version: Integrated report 2024 P17

https://www.itoki.jp/company/ir/accounts/annual/assets/pdf/accounts_annual_2024_en_00.pdf

2. Capital composition

Ratio of shares held by non-Japanese investors	10% or over and less than 20%
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【Situation of major shareholders】 (Updated)

Name	Number of shares held	Ratio [%]
The Master Trust Bank of Japan, Ltd. (Trustee)	5,979,800	11.20
Custody Bank of Japan, Ltd. (Trustee)	3,467,000	6.49
Nippon Life Insurance Company	2,225,860	4.16
Assist Co., Ltd.	1,609,500	3.01
ITOKI subcontractor company stock holding association	1,456,492	2.72
GOLDMAN, SACHS & CO. REG	1,293,436	2.42
Mizuho Bank, Ltd.	1,121,402	2.10
Sumitomo Mitsui Banking Corporation	1,069,057	2.00
GOLDMAN SACHS INTERNATIONAL	891,600	1.67
Masamichi Yamada	851,700	1.59

Whether there are any controlling shareholders, excluding the parent company	-----
Whether there is a parent company	No

Supplementary explanation

3. Corporate attributes

Stock exchange and market on which our company is listed	Prime Market of Tokyo Stock Exchange
Account closing month	December

Business category	Other products
Number of employees of our consolidated group as of the end of the previous fiscal year	1000 or more
Consolidated sales in the previous fiscal year	100 billion yen or more and less than 1 trillion yen
Number of consolidated subsidiaries as of the end of the previous fiscal year	10 or more and less than 50

4. Guidelines for measures for protecting minority shareholders at the time of transactions, etc. with controlling shareholders

5. Special circumstances that could produce significant effects on corporate governance

II. Statuses of the business administration organization and other corporate governance structure related to the decision making, execution, and supervision for management

1. Items regarding the institutional composition, organizational management, etc.

Organizational form	Company with auditors
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【Items related to directors】

Maximum number of directors specified in the articles of incorporation	12
Term of office of directors specified in the articles of incorporation	1 year
Chair of the board of directors	Chairperson (excluding the case where he/she concurrently serves as president)
Number of directors	8
Status of appointment of outside directors	Appointed
Number of outside directors (Updated)	4
Number of outside directors designated as independent executives (Updated)	4

Relationship with the company (1) (Updated)

Name	Attribute	Relationship with the company*										
		a	b	c	d	e	f	g	h	i	j	k
Shiro Nitnai	From another company								△			
Mariko Bando	From another company								△			
Yasuyuki Kawasaki	From another company								△			
Toshie Tanaka	From another company											

* Regarding the relationship with the company:

* "○" if he/she currently meets or has recently met a criterion. "△" if he/she has met it in the past.

* "●" if his/her close relative currently meets or has recently met a criterion. "▲" if his/her close relative has met it in the past.

- a Executive of the Company or its Subsidiary
- b Executive or Non-executive Director of the Parent Company of the Company
- c Executive of a Fellow Subsidiary of the Company
- d A Party whose Major Business Partner is the Company or an Executive thereof
- e A Major Business Partner of the Company or an Executive thereof
- f A Consultant, an Accounting Expert, or a Legal Expert who Receives a Large Amount of Money or Assets in addition to Executive Remuneration from the Company
- g A Major Shareholder of the Company (or an Executive thereof, if said Major Shareholders is a Corporation)
- h [He/she is] a Business Partner of the Company (excluding d, e, and f)
- i [He/she is] an Executive of a Party in which an Outside Executive has a Concurrent Post
- j [He/she is] an Executive of a Party to which the Company Donated
- k Other

The relationship with the company (2) (Updated)

Name	Independent executive	Supplementary Explanation of Compliance Items	Reason for Appointment
Shiro Nitnai	○	Mr. Shiro Nitnai worked for Japan Post Holdings Co., Ltd., a company we do business with. However, our transactions with them amount to less than 1% of our sales and are considered typical business dealings. Therefore, we believe this poses no risk of influencing shareholder or investor judgment and have decided to omit the brief description of his work there.	Mr. Shiro Nitnai has been appointed as an outside director to bring their significant corporate management experience and expertise to our company. Operating independently, he participates in board meetings and offers valuable perspectives, enhancing the board's supervisory capabilities. As he meets all the independence criteria and has no current or past conflicts of interest with our management, we have designated him as an independent executive, ensuring no potential conflict with general shareholders' interests.
Mariko Bando	○	While Ms. Mariko Bando is the Chancellor of Showa Women's University, which is our business partner, our transaction volume with them is less than 1% of our sales. Furthermore, although she is an outside director of MS&AD Insurance Group Holdings, Inc., our transactions with its subsidiaries, Aioi Nissay Dowa Insurance Co., Ltd., and Mitsui Sumitomo Aioi Life Insurance Co., Ltd. amount to less than 1% of our sales. Given that these are typical business dealings and are unlikely to influence shareholder or investor decisions, we have omitted the brief description.	Ms. Mariko Bando has been appointed as an outside director to leverage her significant experience and expertise in public administration and education for our company's benefit. Operating independently, she participates in board meetings and offers specialized insights, especially in diversity and talent development, enhancing the board's supervisory capabilities. As she meets all independence requirements and has no current or past conflicts of interest with our management, we have designated her as an independent executive, ensuring no potential conflict with general shareholders' interests.
Yasuyuki Kawasaki	○	While Mr. Yasuyuki Kawasaki formerly held executive roles in our business partners,	Mr. Yasuyuki Kawasaki has been appointed as an outside executive to bring his

		<p>Sumitomo Mitsui Banking Corporation and SMBC Nikko Securities Inc. (where he currently serves as a Special Advisor), our transaction volume with them is less than 1% of our sales. Furthermore, although he is an outside director (Audit and Supervisory Committee member) of House Foods Group Inc., our transactions with them and their subsidiary, House Foods Corporation, amount to less than 1% of our sales. As these are typical business dealings that meet our "Criteria for Judging the Independence of Outside Directors" and are unlikely to influence shareholder or investor decisions, we have omitted the brief description.</p>	<p>significant corporate management experience and expertise, honed over a long career in the management of financial institutions, to our company. Operating independently, he participates in board meetings and offers pertinent opinions, enhancing the board's supervisory capabilities. As he meets all independence requirements and has no current or past conflicts of interest with our management, we have designated him as an independent executive, ensuring no potential conflict with general shareholders' interests.</p>
Toshie Tanaka	○	----	<p>Ms. Toshie Tanaka has been appointed as an outside director to bring his significant experience and expertise in public administration to our company. Operating independently, she participates in board meetings and offers specialized insights, especially in risk management, compliance, and diversity initiatives, enhancing the board's supervisory capabilities. As she meets all independence requirements and has no current or past conflicts of interest with our management, we have designated her as an independent executive, ensuring no potential conflict with general shareholders' interests.</p>
The existence of any discretionary committee equivalent to a Nominating or Compensation Committee			None

【Concerning Corporate Auditors】

Whether or not a board of auditors has been established	Yes
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Number of corporate auditors under the Articles of Incorporation	5
Number of corporate auditors (Updated)	4

Cooperation among corporate auditors, independent auditors, and the internal audit department

The corporate auditors will work closely with our independent auditor, KPMG AZSA LLC, through quarterly meetings to receive reports on audit strategies, key areas, and findings and exchange opinions, in order to carry out the audit work. Furthermore, they will attend the independent auditor's on-site audits as needed to exchange information regarding the progress and details of the audit.

Audit findings are communicated to the relevant operational departments, and we provide guidance to ensure they drive business improvements. The Audit Department handles our internal audit function. The corporate auditors are briefed on the audit plan at the start of the fiscal year and conduct regular and ad hoc reviews throughout the period to assess operational audits and the status of internal control system development and operation.

Appointment of Outside Corporate Auditors	Appointed
Number of Outside Corporate Auditors	2
Number of outside auditors designated as independent executives	2

Relationship with the company (1)

Name	Qualifications	Relationship with the Company (*)												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Osamu Ishihara	Lawyer													
Hisashi Shirahata	Certified Public Accountant													

*Regarding the relationship with the company:

* "○" if he/she currently meets or has recently met a criterion. "△" if he/she has met it in the past.

* "●" if his/her close relative currently meets or has recently met a criterion. "▲" if his/her close relative has met it in the past.

- a Executive of the Company or its Subsidiary
- b Non-Executive Director or Accounting Advisor of the Company or its Subsidiary
- c Executive or Non-Executive Director of the Company's Parent Company
- d Corporate Auditor of the Company's Parent Company
- e Executive of a sister company of the Company
- f A major client of the Company or an executive of that client.

- g A major business partner of the Company or an executive of that partner.
- h A consultant, an accounting expert, or a legal expert who receives significant compensation or other assets from the Company beyond their director's remunerations.
- i A major shareholder of the Company (or, if the major shareholder is a corporation, an executive of that corporation).
- j [He/she is] an executive of a business partner of the Company (excluding those falling under categories f, g, and h).
- k [He/she is] an executive of a company that has a director serving as an outside director of the Company, and vice versa.
- l [He/she is] an executive of an organization to which the Company makes donations.
- m Other

Relationship with the company (2)

Name	Independent executive	Supplementary Explanation of Compliance Items	Reason for Appointment
Osamu Ishihara	○	----	We have appointed Mr. Osamu Ishihara as an outside corporate auditor to leverage his significant professional knowledge and extensive experience as a lawyer, which we believe will strengthen our audit framework. As he meets all independence requirements and has no current or past conflicts of interest with our management, we have designated him as an independent executive, ensuring no potential conflict with general shareholders' interests.
Hisashi Shirahata	○	----	We have appointed Mr. Hisashi Shirahata as an outside corporate auditor to leverage his significant professional knowledge in finance and accounting and his extensive experience as a certified public accountant, which we believe will strengthen our audit framework. As he meets all independence requirements and has no current or past conflicts of interest with our management, we have designated him as an independent executive, ensuring no potential conflict with general shareholders' interests.

【Concerning Independent Executives】

Concerning Independent Executives (Updated)	6
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Other Information Related to Independent Executives

The company designates all outside executives who fulfill the independence criteria set forth by the Companies Act and the stock exchange, as well as our own internally established independence standards, as independent executives.

【Independence Criteria】

1. The person is not currently and has not been, within the past 10 years, an executive of our company, our subsidiaries, or our affiliates.
2. The person is not currently an executive of one of our company's major shareholders (a shareholder holding 10% or more of the total number of voting rights), or an executive thereof
3. The person is not currently an executive of one of our major business partners (a client whose annual transaction amount exceeds 2% of our consolidated net sales or a supplier for which our annual purchase amount exceeds 2% of that company's consolidated net sales).
4. The person is not currently an executive of one of our major lenders (a financial institution for which our annual borrowings exceed 2% of our total assets).
5. The person is not a consultant, an accountant, a lawyer, or another expert who receives 10 million yen or more annually in monetary or other assets from our company, other than director compensation.

【Concerning Incentives】

Status of implementation of measures for directors' incentives	Adoption of a Performance-Based Compensation System
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Additional Explanation on Relevant Items

Director compensation includes fixed remuneration, variable remuneration linked with performance, and restricted stock compensation.

As part of an overhaul of our executive compensation structure and to incentivize directors to focus on sustainable corporate value enhancement while better aligning their interests with shareholders, we received shareholder approval at the annual meeting of shareholders on March 28, 2018, to implement a new restricted-stock compensation plan.

Recipients of Stock Options	
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Additional Explanation on Relevant Items

【Concerning Director Compensation】

Status of Disclosure (of Individual Director Compensation)	Partial Individual Disclosure
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Additional Explanation on Relevant Items (Updated)

Our securities report and business report for the fiscal year ended December 2024 detail the total amount of directors' compensation, which was broken down by internal and outside directors. This includes 288 million yen for internal directors and 30 million yen for outside directors. Additionally, for the same financial year, executive bonuses were 115 million yen for internal directors and 9 million yen for outside directors, and restricted stock compensation amounts were 37 million yen for internal directors and 2 million yen for outside directors.

Policy on setting compensation amounts or calculation methods (Updated)

Yes

Details of the Disclosed Policy for Determining the Amount or Calculation Method of Compensation

Director compensation is composed of (1) a fixed remuneration, (2) variable remuneration linked with performance, and (3) restricted stock compensation (non-cash). The representative director determines the allocation among these components.

(1) The fixed remuneration is a monthly cash payment determined according to position and based on a compensation table approved by the Board of Directors after assessing the appropriateness of the levels.

(2) The variable remuneration is a cash bonus tied to the current fiscal year's consolidated operating income, reflecting overall company performance. It is calculated based on position and individual achievements and paid after the end of each fiscal year to improve business results. The consolidated operating income for the current fiscal year is detailed in the consolidated income statement. Individual performance is assessed using key performance indicators set for each business and function within their respective areas.

(3) Restricted stock compensation is granted annually at the beginning of each fiscal year of our medium-term plan, based on each director's role. This is intended to drive sustainable corporate value and enhance alignment with shareholder interests. The provision of these restricted stocks is contingent upon the director's continued service with the company to improve medium-term performance.

The shareholders approved a maximum director compensation of 50 million yen per month (with a limit of 10 million yen per month for outside directors, excluding any employee salaries) at the annual meeting of shareholders on March 26, 2025. As of the closing of that meeting, the Board comprised eight directors, four of whom were outside directors. In addition to the fixed compensation limit, shareholders approved a variable compensation pool at the annual meeting of shareholders on March 27, 2013, capped at 10% of the company's annual net income (with an annual limit of 10 million yen for outside directors). Furthermore, at the annual meeting of shareholders on March 26, 2025, a restricted stock compensation amount of up to 500 million yen per year (including the amount of up to 20 million yen for outside directors) was approved. The number of directors in office as of the conclusion of these meetings was six (two outside directors) and eight (four outside directors), respectively.

In accordance with the board's director compensation policy, the authority to set the compensation amount for each director has been delegated to the representative director and chairperson, Mr. Masamichi Yamada, and the representative director and president, Mr. Koji Minato. This delegated authority is for determining the fixed remuneration and variable remuneration linked with performance amounts for each director. It was considered that the representative directors are best suited to assessing each director's performance within their respective areas, considering the company's overall results.

【Structure for Supporting Outside Directors (Outside Corporate Auditors)】

- We have appointed personnel within the General Affairs Department's Secretarial Section to support our outside directors and outside corporate auditors.
- We ensure that all executives receive the agenda and relevant information for board meetings beforehand.

2. Functions Related to Business Execution, Audit/Supervision, Nomination, Compensation Decisions, etc. (Summary of the Current Corporate Governance Structure) (Updated)

As a company with corporate auditors, our board of directors consists of eight members, four of whom are outside directors. The board typically meets once a month to discuss matters stipulated by laws, regulations, and the articles of incorporation, as well as important management issues, and to oversee the execution of business operations. Our outside directors attend

board meetings independently and have no current or past conflicts of interest with our management. Reflecting their extensive experience and deep insights in corporate management, they provide informed opinions, thereby playing a crucial role in strengthening the board's management oversight function.

Our audit and supervisory board is composed of four members: two full-time corporate auditors and two outside corporate auditors with diverse expertise. The board generally meets once a month to discuss and decide on matters related to our audits. Each corporate auditor performs their duties according to the audit policies, plans, and assigned responsibilities set by the board. All corporate auditors attend board of directors' meetings, and the full-time auditors also participate in key management meetings like the meetings of the managing directors' committee and the executive officers' meetings.

The term of office for directors was set at one year to establish a flexible management structure capable of responding quickly to changes in the business environment.

To support the board of directors, the managing directors' committee (consisting of internal directors and some executive officers) meets weekly, and an executive officers' meeting (including internal directors and all executive officers) is held when necessary at the representative director's discretion. These forums discuss key decisions, reinforce management strategies, and monitor business performance.

Furthermore, to strengthen business execution, improve management efficiency, and facilitate rapid response and decision-making in a changing business environment by clearly defining management responsibilities and operational execution, we have implemented an executive officer system.

To enhance the functions of our corporate auditors, we collaborate with the independent auditor and the internal audit department, as outlined in "Concerning Corporate Auditors," and appoint outside corporate auditors with significant experience and specialized knowledge.

We have the Audit Department, staffed with 14 individuals, which systematically carries out internal audits.

To ensure proper accounting, accurate investor disclosure, and the continuity of our business, we have appointed KPMG AZSA LLC as our independent auditor under the Companies Act and our auditor under the Financial Instruments and Exchange Act.

3. Reason for Selecting the Current Corporate Governance Structure (Updated)

Our current governance structure was designed to enhance the audit and oversight of management by effectively utilizing our outside directors (four of eight) and outside corporate auditors (two of four), thereby improving management transparency and fairness.

III. Status of implementation of measures related to shareholders and other stakeholders

1. Status of initiatives for energizing the general meetings of shareholders and making the exercise of voting rights smoother (Updated)

	Supplementary explanation
Early dispatch of convocation notices for general meetings of shareholders	We dispatched the convocation notices for the 75 th annual meeting of shareholders held on March 26, 2025 on March 5, twenty days prior to the date of said meeting. In addition, we uploaded the convocation notice to the websites of Tokyo Stock Exchange and our company on March 4, three weeks prior to the date of said meeting, in accordance with the electronic provision system.

Scheduling of general meetings of shareholders to avoid the dates on which many other companies hold general meetings of shareholders	We held the 75 th annual meeting of shareholders on March 26, 2025, avoiding the dates on which many other companies held general meetings of shareholders in March, so that many shareholders can attend our meeting.
Exercise of voting rights with electromagnetic methods	Since 2016, we have allowed the exercise of voting rights with electromagnetic methods.
Adoption of a platform for exercising voting rights electronically and other measures for improving the environment for the exercise of voting rights by institutional investors	In 2022, we adopted a platform for exercising voting rights electronically.
Provision of the English versions of convocation notices (summaries)	Since 2016, we have uploaded the English versions of convocation notices (summaries) to the websites of Tokyo Stock Exchange and our company three weeks prior to each general meeting of shareholders.
Other	We upload convocation notices and reports on resolutions to our website. (https://www.itoki.jp/en/company/ir/stockholder/notification/)

2. Status of IR activities (Updated)

	Supplementary explanation	Whether there is an explanation by the representative
Production and announcement of a disclosure policy	We have produced a disclosure policy and uploaded it to our website.	
Holding of regular briefing sessions for analysts and institutional investors	At results briefing sessions, the representative explained our business, performance trend, and future plans. (Aug. 6, 2024 and Feb. 14, 2025)	○
Uploading of IR documents to our website	Our financial results, other timely and voluntarily disclosed documents, securities reports, material for results briefing sessions, etc. are available in our website (URL: https://www.itoki.jp/en/company/ir/).	
Establishment of an IR section (staff)	As a section in charge of IR, we established IR Section in IR/SR Division, Corporate Communication Control Dept.	

3. Status of measures for respecting the positions of stakeholders

	Supplementary explanation
Implementation of environment conservation activities, CSR activities, etc.	<p>As a section that promotes CSR activities, we established a sustainability promotion section in Management Planning Division, Management Planning Control Dept., Planning Headquarters.</p> <p>In addition to existing sustainability reports, we have been issuing “ITOKI Integrated Report” from FY 2020, and they are available in our website (URL: https://www.itoki.jp/en/company/sustainability/).</p>

IV. Items regarding our internal control system, etc.

1. Basic Views on an Internal Control System and Progress with the Development Thereof (Updated)

Our company has formulated our basic policies as follows regarding the development of structures for ensuring that our directors execute their respective duties in compliance with relevant laws and regulations, and our Articles of Incorporation with the aim of establishing a group-wide, comprehensive, and unified internal control system:

1. Structure for ensuring that the directors execute their duties in compliance with relevant laws and regulations, and the Articles of Incorporation (Item vi, Paragraph 4, Article 362 of the Companies Act)

(1) Our company draws up the Itoki Group’s Code of Conduct as a code of conduct designed for our directors and employees and makes every necessary effort to enhance and promote it in order to comply with relevant laws and regulations and establish corporate ethics.

(2) Our company explicitly specifies the authority vested in each position and the responsibility assigned to each position for executing duties faithfully in the regulations for the Board of Directors and the regulations for allocation of duties. Furthermore, our company supervises the execution of duties by our directors through necessary resolutions and reports at meetings of the Board of Directors held each month.

(3) The Audit & Supervisory Board members attend meetings of the Board of Directors and other important meetings and audit the execution of the duties by our directors.

2. Structure concerning retention and management of information related to the execution of the duties by the directors (Item i, Paragraph 1, Article 100 of the Regulations for Enforcement of the Companies Act)

(1) Our company records minutes and written requests for prior approval of meetings of the Board of Directors and other important meetings, and other information in relation to the execution of the duties by our directors in the form of documents or in electromagnetic media, and retains and manages them appropriately in accordance with relevant laws and regulations, our Articles of Incorporation, and our rules of document management.

(2) Our company formulates various rules, regulations, and policies, such as the basic rules for information security and the basic policies on information security, and strives manage information appropriately.

3. Rules, regulations, and other structures related to management of the risk of loss in our company and our subsidiaries (Item ii and v, Paragraph 1, Article 100 of the Regulations for Enforcement of the Companies Act)

(1) Our company formulates the Itoki Group’s basic rules of risk management, and develops and operates a structure for accurately recognizing and understanding all kinds of risks that could possibly occur in the course of our business operations and appropriately managing them.

(2) Our company sets up a risk management committee that is chaired by our president, and determines policies on risk management and approaches to take when group-wide preventative measures are required.

(3) The risk management committee designates a department in charge and a responsible person for each risk category, grasps, analyzes, and assesses the risks in our corporate group, institutes appropriate risk management measures, and thoroughly educates all of our officers and

employees in them with the aim of minimizing the risks.

(4) The internal audit department regularly audits how each department manages risks, and reports the results to the Board of Directors and the Audit & Supervisory Board.

4. Structure for ensuring that the directors execute their duties efficiently (Item iii, Paragraph 1, Article 100 of the Regulations for Enforcement of the Companies Act)

(1) In addition to meetings of the Board of Directors held once every month, our company holds meetings of the board of managing directors once a week and meetings of the executive officers in a timely manner as the representative director considers it necessary, and carries out such tasks as deliberations regarding important matters to be resolved, thorough enforcement of our business policies, and checking of business performance and progress therewith during such meetings in order to complement the Board of Directors. This allows our company to accommodate changes in the business environment and swiftly make decisions.

(2) Our company adopts the executive officer system in order to separate business administration and business execution functions, streamline business administration, and clarify responsibilities.

(3) Our company adopts a system in which a headquarters is established for each function with the aim of making the most of the effect brought about through mergers and enhancing the group-wide functions in accordance with the concept of total optimization.

(4) Our company clearly specifies the authority vested in each position regarding business execution and the procedures for exercising the authority in the regulations for the Board of Directors, the regulations for allocation of duties, and the regulations for written requests for prior approval.

5. Structure for ensuring that employees execute their duties in compliance with relevant laws and regulations, and the Articles of Incorporation (Item iv, Paragraph 1, Article 100 of the Regulations for Enforcement of the Companies Act)

(1) Item (1) of Paragraph 1 above applies to our employees as well.

(2) Our company sets up a compliance committee, discusses and determines important matters related to compliance at meetings of the committee held as needed, and reports results to the risk management committee in order to promote compliance-oriented business operations.

(3) Our company establishes a legal and compliance office as the secretariat of the compliance committee and develops a compliance structure with members of the compliance committee and personnel in charge of promotion of compliance assigned.

(4) The legal and compliance office discusses progress with compliance at any time in cooperation with the internal audit department.

(5) Our company sets up desks for receiving reports about illegal acts committed inside and outside our company and has lawyers of a law firm receive reports from the outside of our company.

6. Structure for ensuring the properness of the business of the corporate group consisting of our company and our subsidiaries (Item v, Paragraph 1, Article 100 of the Regulations for Enforcement of the Companies Act)

(1) Our company distributes the Itoki Group's Code of Conduct to our subsidiaries in order to thoroughly require them to comply with relevant laws and regulations.

(2) Our company sets up a group management promotion office as a desk for receiving reports and notifications from our subsidiaries and obligates them to obtain approval of our company and submit reports to our company in accordance with the regulations for managing group companies.

(3) Our company's accounting auditors, Audit & Supervisory Board members, and internal audit department conduct audits of any of our subsidiaries if necessary.

(4) Our company develops whistle-blowing systems in our company and our subsidiaries.

(5) Our company adopts consolidated business indicators and performance management indicators, and holds meetings to carry out such tasks as formulation of group-wide basic business strategies.

7. Structure for ensuring reliability of financial reports

In order to ensure that our financial reports are reliable and submit internal control reports efficiently and properly pursuant to the Financial Instruments and Exchange Act, our corporate group develops and operates an internal control system, constantly assesses whether the system functions properly, and takes improvement measures when necessary in accordance with the Itoki Group's basic policies on financial reports that our company has framed.

8. Particulars related to employees who assist the Audit & Supervisory Board members with their duties in the case where the Audit & Supervisory Board members have requested that such employees be appointed (Item i, Paragraph 3, Article 100 of the Regulations for Enforcement of the Companies Act)

When the Audit & Supervisory Board members have requested that employees be appointed to assist with their duties, our directors shall discuss a system related to the employees with the Audit & Supervisory Board members and take appropriate measures.

9. Particulars regarding the independence of the employees mentioned in the preceding paragraph from the directors (Item ii, Paragraph 3, Article 100 of the Regulations for Enforcement of the Companies Act)

Consent of the Audit & Supervisory Board members shall be obtained for appointing, dismissing, and changing such employees.

10. Particulars related to ensuring the effectiveness of the instructions given by the Audit & Supervisory Board members to the employees (Item iii, Paragraph 3, Article 100 of the Regulations for Enforcement of the Companies Act)

Our company thoroughly educates our company's executives and employees about the provision that the employees assigned to assist the Audit & Supervisory Board members with their duties shall follow the instructions and orders given by the Audit & Supervisory Board members.

11. Structure related to reporting by the directors and employees to the Audit & Supervisory Board members and other structures related to reporting to the Audit & Supervisory Board members (Item iv, Paragraph 3, Article 100 of the Regulations for Enforcement of the Companies Act)

- (1) The full-time Audit & Supervisory Board members must attend meetings of the board of managing directors, meetings of the board of executive officers, other important meetings or committee meetings, as well as meetings of the Board of Directors in order to understand important decision-making processes and progress with business execution, and express their opinions if necessary.
- (2) The directors and employees of our company shall swiftly report to our Audit & Supervisory Board members on matters that could have significant impact on the business operations or performance of our company or our subsidiaries, results of internal audits, whether reports are submitted via the internal reporting system and details of reports submitted if any, as well as matters stipulated by laws and regulations.
- (3) When requested by the Audit & Supervisory Board members, the directors and employees of our company shall swiftly submit reports to the board members on matters related to the execution of their respective duties.
- (4) When requested by our Audit & Supervisory Board members, the directors and employees of our subsidiaries shall swiftly submit reports to the board members on matters related to the execution of their respective duties.

12. Structure for ensuring that those who make reports to the Audit & Supervisory Board members are not treated disadvantageously due to the reporting (Item v, Paragraph 3, Article 100 of the Regulations for Enforcement of the Companies Act)

Our company shall not disadvantageously treat any directors or employees of our company or our subsidiaries who have made reports to our company's Audit & Supervisory Board members due to the reporting.

13. Particulars related to policies on the procedure for advance payment or reimbursement of expenses that arise with regard to the execution of

the duties of the Audit & Supervisory Board members and any other processing of expenses or obligations that arise regarding the execution of the duties (Item vi, Paragraph 3, Article 100 of the Regulations for Enforcement of the Companies Act)

When the Audit & Supervisory Board members request our company to bear expenses arising with regard to the execution of their duties, our company will swiftly deal with the request.

14. Other structures for ensuring that the Audit & Supervisory Board members perform audits effectively (Item vii, Paragraph 3, Article 100 of the Regulations for Enforcement of the Companies Act)

(1) The Audit & Supervisory Board members and the representative director of our company have meetings regularly with each other and strive to deepen their reciprocal recognition and cement their relationship of trust.

(2) The Audit & Supervisory Board members shall cooperate with the accounting auditors and the internal audit department of our company by having meetings with them regularly or irregularly so that comprehensive and efficient audits can be performed effectively.

2. Basic Views toward Elimination of Anti-Social Forces and Progress with Development of Measures for Eliminating Anti-Social Forces

Our company clearly specifies in the Itoki Group's Code of Conduct that our company rejects any relationships with anti-social forces and organizations and thoroughly educates all of our officers and employees in it as a rule to comply with. Our company designates the General Affairs Department as the desk for dealing with unreasonable demands from anti-social forces, appoints dedicated staff, and endeavors to collect information and exchange information with other companies. In preparation for contingencies, our company produces a manual of countermeasures and enhances cooperation with the police and our corporate lawyer.

V. Others

1. Whether or Not Our Company Has Anti-Takeover Measures in Place

Whether or not our company has anti-takeover measures in place
(Updated)

No

Supplementary explanation regarding the matter (Updated)

Our company adopted countermeasures against large-scale acquisitions of our company's shares (anti-takeover measures) with the approval of our shareholders obtained at the 58th ordinary general meeting of shareholders held on March 28, 2008, and has continuously implemented the measures since then with the approvals of our shareholders gained at annual shareholders' meetings, including the 73rd ordinary general meeting of shareholders held on March 23, 2023, which is the most recent meeting at which we obtained approval (the countermeasures that were resolved to be continued at the 73rd ordinary general meeting of shareholders held on March 23, 2023 are hereinafter referred to as "the Plan"). The Plan was resolved to be valid until the end of our company's 76th ordinary general meeting of shareholders scheduled for March 2026; however, believing that steady promotion of various measures and policies in accordance with our medium-term business plan and further enhancement of our stable and sustainable growth and corporate governance framework will contribute to ensuring and improving our corporate value and shareholder's benefit, we resolved at the meeting of the Board of Directors held on February 13, 2025 to discontinue the Plan before it expires.

2. Other Particulars regarding Corporate Governance Framework, etc. (Updated)

Details of the matters regarding our company's internal systems related to timely disclosure of corporate information are as follows:

1. Basic attitude toward timely disclosure

As our company fully recognizes that timely and appropriate disclosure of corporate information forms the basis for development of a healthy

capital market, our company, in principle, discloses consistent and reliable information on our company to players of the capital market, including investors, in a timely manner and strives for fair information disclosure so that all market players can equally access the information that our company discloses in accordance with such relevant laws and regulations as the Financial Instruments and Exchange Act and various rules set forth by the stock exchange on which our company is listed.

Of the following corporate information, our company has defined undisclosed information as important information that should be made public:

- (1) Information that is required to be disclosed by relevant laws and regulations, and such rules as the timely disclosure rules formulated by stock exchanges
- (2) Corporate information that should be disclosed voluntarily to the stock exchange on which a company is listed although it does not fall under the category of information specified in Item (1) above, because it is considered that such information would have significant influence on investors' decisions on investment

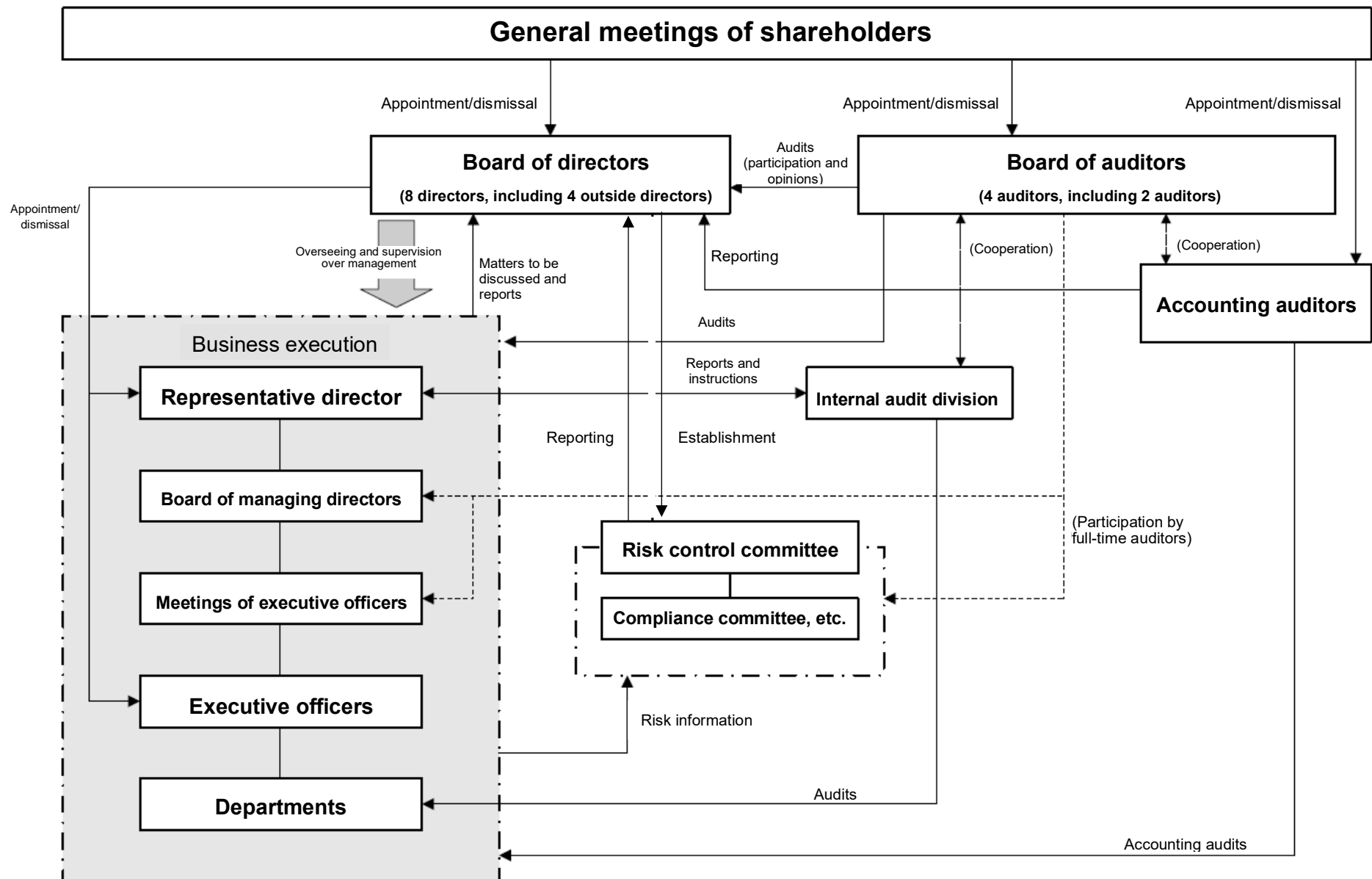
Our company registers and discloses important information falling under the aforementioned categories of information in the system for conveying timely disclosed information operated by the Tokyo Stock Exchange (known as the Timely Disclosure network or TDnet for short), then swiftly sends materials for disclosure to such media as news agencies by mail, and uploads the information to our company's website. In addition, our company announces such information at press conferences or the like, if necessary.

2. Internal system related to timely disclosure

Based on the basic attitude specified in Paragraph 1 above, our company defines important corporate information (financial results, decisions, and actual events) as matters to be discussed and reported at meetings of the Board of Directors in the regulations of the Board of Directors and the regulations for allocation of duties, and matters to be discussed and reported that have been submitted by each department to the Board of Directors are deliberated by the board of managing directors and then collected by the head of the General Affairs Department, who serves as the secretariat of the Board of Directors. The head of the General Affairs Department has thorough discussion and consideration regarding each matter in cooperation with not only the executive officer in charge of the General Affairs Department, who is responsible for information treatment, but also such relevant departments as the IR/SR Department and the Accounting Department and determines whether or not it is important information. If any question or doubt arises in the course of this process, our company shall consult with relevant organizations, such as the stock exchange on which our company is listed. When it is determined that a matter is important information and needs to be disclosed in a timely manner, our company will swiftly complete the designated procedure for timely disclosure after the department in charge prepares materials for disclosure and the Board of Directors approves the matter. The Audit & Supervisory Board members attend meetings of the Board of Directors and audit the process of timely disclosure.

The head of the General Affairs Department instructs relevant departments to manage information rigorously so that important information will not leak inside or outside our company before it is made public, and manages acquisition of treasury shares and trading of shares in our company by our executive officers and employees. Our company has specified in the rules for preventing insider trading that the executive officers and some of the employees of our company must obtain permission of the head of the General Affairs Department in advance in order to trade shares in our company.

Corporate governance structure of Itoki Corporation



<Our in-company system for timely disclosing important information, such as financial results, decisions, and events>

