

The status of corporate governance at KOA CORPORATION is as follows.

## I Basic approach to corporate governance, capital structure, company attributes, and other basic information

### 1. Basic approach

Our corporate mission is to establish a strong relationship of mutual trust with the five stakeholders that have been supporting us: our shareholders, customers and business partners, the local community, employees and their families, and Mother Earth.

KOA Corporation ("the Company") believes corporate ethics based on compliance with laws and regulations, timely decision-making by management in response to changes in the business environment, and enhancement of the soundness, transparency, and fairness of management are necessary for the sustainable creation of corporate value. We strive to enhance our corporate governance to achieve these goals.

### Reasons for not implementing principles laid out in the Corporate Governance Code

[Supplemental principle 2-4-1 Ensuring diversity in promotion to core human resources]

The Company actively hires women, foreign nationals, people with disabilities, and mid-career hires based on the belief that diversification of human resources and the development of such human resources will lead to corporate value improvement in the medium to long term. The Company believes that "people are the foundation of sustainable growth" and, based on this principle, has positioned the realization of job satisfaction and diversity as a key management issue. We are committed to building an inclusive work environment where diverse talent can thrive, and we view increasing the percentage of women in management positions as a particularly important goal. Given the current stagnation in the number of female managers, we have established realistic, medium- to long-term numerical targets: 3% by the end of March 2027 and 10% by the end of March 2030.

To achieve these goals, we are actively working to develop an environment in which all employees can grow autonomously and take on challenges. At the same time, we are accelerating initiatives such as the review of our human resource systems and the restructuring of our talent portfolio. We aim to clarify hiring targets for women, foreign nationals, people with disabilities, and mid-career hires, recognizing that the diversification and development of human resources contribute to enhancing corporate value over the medium to long term.

We will continue to promote initiatives that support diversity and inclusion, while remaining attentive to changes in our business environment and organizational structure. We will also continue to examine the appropriateness of setting specific numerical targets for the appointment of diverse talent to management positions.

[Principle 2-6 Roles of Corporate Pension Funds as Asset Owners]

The Company entrusts the management of corporate pension funds to designated institutions, considering appropriate asset allocation to ensure stable asset formation for our employees. We also suitably manage and monitor operational performance and other aspects by receiving periodic reports from each institution. Although we have yet to assign personnel with sufficient qualifications and abilities to achieve full oversight, we have posted personnel in relevant departments to monitor the operations of those institutions appropriately. In addition, we will consider introducing the use and appointment of external experts and advisors and formulating guidelines and standards for monitoring the designated institutions according to changes in the scale of the corporate pension funds.

[Supplemental principle 4-1-3 Succession plan for CEO and other top executives]

The Board of Directors has formulated and will update management strategies to respond quickly to changes in the business environment based on the Company's corporate philosophy. The Board of Directors will also appropriately review the implementation status of those strategies, continuously discuss the image of management as it changes with the times, and strive to develop the right people for management.

### Disclosure based on principles laid out in the Corporate Governance Code

**Updated**

[Principle 1-4 Cross-shareholdings]

The Company holds shares of business partners as cross-shareholdings to strengthen business relationships. When considering such shareholdings, we decide whether to invest based on a comprehensive consideration of the advantages (profit) the Company can gain by strengthening its business relationships, the amount of the investment, and other factors. The Board of Directors regularly checks the status of holdings and verifies the appropriateness of maintaining such holdings by comparing and analyzing performance, including total returns and risk of losses. We currently have no unified standards regarding voting rights for cross-shareholdings. Still, when exercising voting rights, we carefully examine total returns and other performance indicators, whether the content of proposals subject to voting will contribute to improved shareholder value, and whether there are any concerns. If there are concerns, we will exercise the voting rights appropriately after checking with the investee company.

[Principle 1-7 Related party transactions]

If a related party transaction constitutes a conflict of interest for a director, that transaction is subject to the approval of the Board of Directors in accordance with the provisions of the Companies Act. For transactions that do not constitute a conflict of interest, our Finance Affairs Group confirms with the Company's officers at the end of each fiscal year whether there are any transactions stipulated in the "Accounting Standard for Related Party Disclosures" and reports to the Board of Directors for approval if necessary.

[Supplemental principle 2-4-1 Ensuring diversity in promotion to core human resources]

Please refer to "Reasons for not implementing principles laid out in the Corporate Governance Code" in Section I of this report.

[Principle 2-6 Roles of Corporate Pension Funds as Asset Owners]

Please refer to "Reasons for not implementing principles laid out in the Corporate Governance Code" in Section I of this report.

[Principle 3-1 Full disclosure]

(1) The Company's goals (including the management philosophy), management strategies, and management plans  
KOA's management philosophy can be found on KOA's website. In addition, at the 97th Ordinary General Meeting of Shareholders held on June 21, 2025, an amendment to the Articles of Incorporation to include the corporate philosophy was approved and adopted. The purpose of this addition is to clearly express that our commitment to practicing our corporate philosophy and enhancing corporate value remains the unwavering foundation of our management.

Articles of Incorporation: [https://www.koaglobal.com/ir/stock/teikan?sc\\_lang=en](https://www.koaglobal.com/ir/stock/teikan?sc_lang=en)

Regarding management plans, we have posted on our website our long-term vision toward 2030 (2030 Vision), our Medium-Term Management Plan for the three years from fiscal year ending March 31, 2023 to fiscal year ending March 31, 2025 (2024 Medium-Term Management Plan), as well as our Medium-Term Management Plan for fiscal year ending March 31, 2026 to fiscal year ending March 31, 2028 (2027 Medium-Term Management Plan). Under the 2027 Medium-Term Management Plan, we are working under the basic policy of "Achieve profit growth and efficiency with ROIC-based management." Our initiatives center on three key measures: a product portfolio strategy aimed at proactively expanding sales in growth markets and improving profitability of unprofitable products; a technology strategy that enhances fundamental materials research while developing products for innovation-driven markets; and the corporate structure enhancement by implementing ROIC-based management, increasing value-added productivity per employee, and reducing GHG while maintaining financial performance. Through these measures, we aim to achieve sustainable growth and enhance corporate value.

KOA's management philosophy: [https://www.koaglobal.com/corporate/principle/message?sc\\_lang=en](https://www.koaglobal.com/corporate/principle/message?sc_lang=en)

2030 Vision and 2027 Medium-Term Management Plan: [https://www.koaglobal.com/corporate/story?sc\\_lang=en](https://www.koaglobal.com/corporate/story?sc_lang=en)

(2) Basic approaches and basic policies regarding corporate governance

Please refer to "1. Basic approach" in Section I of this report.

(3) Policies and procedures in the Board of Directors' decisions on compensation for top management and directors

Please refer to "1. Organizational composition and operation," "Director compensation," "Disclosure of policy on determining compensation amounts and calculation methods" in Section II of this report.

(4) Policy and procedures for the appointment and dismissal of senior management executives (including executive officers with titles and executive officers) and for the nomination of candidates for directors and audit & supervisory board members

< Director candidates >

The Company's Board of Directors aims to maintain an appropriate number of members in order to enable prompt and appropriate decision-making. Based on this approach, the Company appoints as Directors individuals who have a thorough understanding of the Company's business and management functions, possess broad perspectives on overall management, and have the ability to appropriately supervise the execution of business operations.

Outside directors are required to meet the Company's own independence standards, which are established with reference to the Tokyo Stock Exchange's criteria for independent officers, and to have knowledge and experience related to overall management.

Based on these criteria, candidates for directors are determined by the Board of Directors after receiving a recommendation from the Nomination and Compensation Committee, a majority of whose members are independent outside directors.

< Corporate auditor candidates >

Considering the nature and scale of the Company's business, its management environment, and its auditing system, the Company selects as corporate auditor candidates individuals who are qualified to audit the status of directors' business execution from a fair and objective standpoint and contribute to improving the soundness and transparency of management, and who have extensive knowledge and experience in business management and operations.

At least half of the corporate auditors are to be outside auditors, and the Company endeavors to find personnel from a wide variety of fields who meet the independence standards established by the Tokyo Stock Exchange and the Company itself.

Based on these criteria and recommendations from the representative director, the Board of Directors determines corporate auditor candidates.

The consent of the Board of Corporate Auditors is obtained regarding these corporate auditor candidates.

< Dismissal of top management >

In cases where it is deemed a member of management is not functioning adequately based on the responsibilities to be fulfilled, or other circumstances warranting dismissal arise, the Nomination and Compensation Committee, with an emphasis on transparency, will investigate the cause, clarify where responsibility lies, deliberate the matter, and report to the Board of Directors. Based on that report, the Board of Directors will also deliberate on the matter and decide whether dismissal is appropriate.

(5) Explanation of individual selections and nominations when the Board of Directors selects top management and nominates director and corporate auditor candidates based on (4) above

Reasons for individual nominations of director and corporate auditor candidates are disclosed in reference materials accompanying the Notice of Convocation of the General Meeting of Shareholders.

[Supplemental principle 3-1-3 Disclosure of initiatives on sustainability]

Recognizing that proactive efforts to address sustainability issues are important for management, the Company formulated its "Vision for 2030" in April 2022. In the 2024 Medium-Term Management Plan, covering the three years from fiscal year ending March 31, 2023 to fiscal year ending March 31, 2025, and in the 2027 Medium-Term Management Plan, covering the three years from fiscal year ending March 31, 2026 to fiscal year ending March 31, 2028, the Company set non-financial targets related to climate change measures and human capital, and has been actively working to achieve them.

In addition, in February 2023, the Company signed and expressed its support for the United Nations Global Compact. We disclose these sustainability initiatives in our Securities Report and Integrated Report. The impacts of climate change-related risks and earning opportunities on the Company are also disclosed in the Integrated Report based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

We will continue to advance initiatives aimed at realizing our 2030 Vision.

2030 Vision and 2027 Medium-Term Management Plan: [https://www.koaglobal.com/corporate/story?sc\\_lang=en](https://www.koaglobal.com/corporate/story?sc_lang=en)

Annual Securities Report: [Annual Securities Report for the fiscal year ended March 31, 2025](#)

Integrated Report: [https://www.koaglobal.com/ir/library/integrated\\_report\\_en](https://www.koaglobal.com/ir/library/integrated_report_en)

[Supplemental principle 4-1-1 Clarification of the role of the Board of Directors and the scope of delegation to management]

The Company has established the "Regulations for the Board of Directors", "Regulations for the Executive Officers" and the "Regulations on Organization and Division of Duties" to define what the Board of Directors and top management (executive officers with titles and executive officers) should determine and decide, with the main objectives of timely decision-making in response to changes in the business environment and enhancement of the soundness, transparency, and fairness of management.

[Principle 4-9 Independence standards and qualification for independent directors]

In appointing outside directors, we select individuals who meet both the independence standards established by the Tokyo Stock Exchange and the Company's independence standards for outside directors, ensuring they have a high level of expertise and a wealth of experience and knowledge in corporate management, legal affairs, accounting, etc., and who can provide frank and constructive advice and supervision of our corporate management.

[Supplemental principle 4-10-1 Advisory committee on nomination and compensation]

The Company's Board of Directors has established the Nomination and Compensation Committee as a discretionary advisory body to improve corporate governance by enhancing the fairness, transparency, and objectivity of the Board of Directors' functions concerning the nomination and compensation of directors. The Nomination and Compensation Committee consists of two internal directors and three independent outside directors, with one of the independent outside directors serving as chair. The committee deliberates on candidates for directors and executive officers, as well as matters related to executive compensation, and provides recommendations to the Board of Directors based on the results.

[Supplemental principle 4-11-1 View on the appropriate balance between knowledge, experience, and skills of the Board of Directors as a whole, and on diversity and appropriate Board size]

The Company's Board of Directors adopts a policy of maintaining an appropriate number of members in order to enable prompt and appropriate decision-making. Based on this policy, the Company appoints as Directors individuals who have a thorough understanding of the Company's business and management functions, possess multifaceted perspectives on overall management, and have the ability to appropriately supervise the execution of business operations. At the same time, the Company seeks to achieve a Board composition that takes diversity into consideration, including gender and international experience.

Based on the above policy, proposals for the appointment of officers are resolved by the Board of Directors after considering the recommendations of the Nomination and Compensation Committee, a majority of whose members are Independent Outside Directors. The skill matrix of the Board of Directors is disclosed in the Convocation Notice for the Ordinary General Meeting of Shareholders.

Convocation Notice for the 97th Ordinary General Meeting of Shareholders: [https://www.koaglobal.com/ir/stock/soukai?sc\\_lang=en](https://www.koaglobal.com/ir/stock/soukai?sc_lang=en)

[Supplemental principle 4-11-2 Status of directors and corporate auditors concurrently holding positions at other listed companies]

The Board of Directors, which deliberates on the convening of the General Meeting of Shareholders, confirms whether concurrent positions held by the Company's officers, including outside directors and outside corporate auditors, are within a reasonable range for them to appropriately fulfill their roles and responsibilities at KOA. This information is disclosed in the business report included with the Convocation Notice for the General Meeting of Shareholders.

Convocation Notice for the 97th Ordinary General Meeting of Shareholders: [https://www.koaglobal.com/ir/stock/soukai?sc\\_lang=en](https://www.koaglobal.com/ir/stock/soukai?sc_lang=en)

[Supplemental principle 4-11-3 Analysis and evaluation of the effectiveness of the Board of Directors]

In order to improve the functions expected of the Board of Directors, the Company conduct an annual evaluation of the effectiveness of the Board of Directors.

(1) Initiatives based on the effectiveness evaluation conducted in the fiscal year ended March 31, 2024

1) Board composition and shared understanding among Directors

To ensure that the composition of the Board of Directors reflects diversity, including gender, the Board of Directors and the Nomination and Compensation Committee are discussing specific ideas and frameworks to optimize the composition of the Board.

2) Agendas

To ensure the Board of Directors can appropriately fulfill its supervisory function and institutionalize such operations, the Company introduced an Executive Officer system and established the Executive Officer Council in June 2024.

Following this, part of the authority previously held by the Board of Directors has been delegated to the Executive Officer Council. The Company has also reached a consensus on the annual plan and optimal operation methods to further strengthen the Board's supervisory function. To ensure the intended objectives of the revised corporate governance structure are achieved and maintained, the Company continues to promote understanding and awareness of the Executive Officer system and its operational framework, as well as monitor its implementation.

### 3) Consideration and reflection of stakeholder opinions

To enhance management awareness from the perspective of shareholders, the Company has begun full-scale discussions on "management conscious of capital costs and stock prices." In addition, recognizing the responsibility and importance of investor relations (IR) as a company listed on the Prime Market, the Company has started identifying existing issues and examining potential improvement measures.

## (2) Effectiveness evaluation for the fiscal year ended March 31, 2025

### 1) Analysis and evaluation process

A self-assessment questionnaire, combining both multiple-choice and open-ended questions, was distributed to all directors and auditors, and the Company obtained named responses from all. The evaluation items covered the composition of the Board of Directors, common understanding among directors, secretariat operations and information provision, agenda items, deliberations, nomination and compensation, consideration and reflection of stakeholders' opinions, internal control, and executive training.

### 2) Issues identified based on analysis and evaluation

The results of the effectiveness evaluation for the Board of Directors in the fiscal year ended March 31, 2025, confirmed that the effectiveness of the Board of Directors is ensured. However, to further enhance corporate governance, the Company has identified the following issues. The Company will thoroughly examine these issues and continue to work on improving the effectiveness of the Board of Directors.

- (i) It is necessary to promptly realize the optimized composition of the Board of Directors, which has been under consideration, and to promote a more effective corporate governance system that is appropriate for a Prime Market-listed company, thereby proactively meeting the expectations of all stakeholders, including shareholders.
- (ii) To further strengthen the Board of Directors' supervisory function and promote sound enhancement of corporate value, it is necessary to identify key strategic agenda items, formulate an annual agenda plan, and enhance the operation of the Board with a focus on deepening discussions and facilitating timely consensus building.
- (iii) From the perspective of enhancing management awareness from a shareholder standpoint, the Board of Directors must take the initiative in promoting "management conscious of capital costs and stock prices" and actively engage in investor relations (IR) activities in collaboration with the executive team.

#### [Supplemental principle 4-14-2 Training policy for directors and corporate auditors]

The Company provides training for internal directors and corporate auditors by having them participate in training sessions held outside the Company to acquire the knowledge and skills necessary for management and auditing. Training for outside directors and outside corporate auditors includes periodic explanations of the Company's business operations, management structure, and strategies, along with visits to business offices and other locations, as necessary. In addition, we provide opportunities for participation in specialized training and other training programs from time to time regarding topics that affect the business environment, such as legal revisions and social conditions.

#### [Principle 5-1 Policy for constructive dialogue with shareholders]

The Company has established the following system based on its basic policy of actively engaging in constructive dialogue with shareholders and other investors to contribute to improvement in corporate value over the medium to long term.

- (1) Designation of a member of management or a director who oversees overall dialogue with shareholders, including the matters described in items (2) through (5) below, and who ensures that constructive dialogue is achieved  
Executive Officer in charge of management strategy.

- (2) Measures for organic collaboration among IR, corporate planning, general affairs, financial affairs, legal affairs, and other departments assisting in dialogue

The Management Strategy Center and General Affairs Center work together on this. In addition, managers within each center overseeing corporate planning, general affairs, legal, finance/accounting, CSR, and human resources, meet at least once a month to confirm and analyze information that contributes to dialogue.

- (3) Efforts to enhance means of dialogue other than individual meetings (e.g., investor briefings and IR activity)

On the day following the announcement of first half and full-year financial results, we hold a briefing session for analysts and institutional investors attended by the representative director and the executive officer in charge of the Management Strategy. In addition, following the IR briefings, the general manager of the Management Strategy Center and IR personnel conduct small meetings with institutional investors and other stakeholders over a period of approximately one week.

- (4) Measures for appropriate and effective feedback of shareholder opinions and concerns obtained through dialogue to top management and the Board of Directors

Opinions and other feedback received through dialogue with shareholders are collected and consolidated through cooperation between the Management Strategy Center and the General Affairs Center, and are reported to the Board of Directors via the executive officer in charge of management strategy. The content of such feedback is also shared with the relevant departments, mainly through the responsible Executive Officers and other management members, and is examined as issues to be addressed in the Company's corporate activities.

- (5) Measures for managing insider information during dialogue

In accordance with the "Insider Trading Management Regulations," we honor the blackout period (from the business day following the accounting date to the day of the earnings announcement) and appropriately manage insider information.

## Actions to realize management conscious of capital costs and stock prices

|                                    |                                    |
|------------------------------------|------------------------------------|
| Status <b>Updated</b>              | Disclosure of initiatives (Update) |
| Availability of English disclosure | Available                          |
| Date of update                     | October 23, 2025                   |

|  |  |
|--|--|
| Supplementary explanation <b>Updated</b> | <p>Under the 2027 Medium-Term Management Plan, the Company is working to improve capital efficiency by implementing ROIC-based management. The Company aims to achieve an ROIC of 4.7%, an ROE of 6.2%, and an early realization of a PBR above 1 by the fiscal year ending March 31, 2028.</p> <p>As part of these improvement measures, the Company is enhancing its investment decision-making process and improving the cash conversion cycle. In capital allocation for the fiscal years ending March 31, 2026 to 2028, the Company will continue to make capital investments to drive profit growth and strengthen the balance sheet to enhance capital efficiency.</p> <p>From a governance perspective, under the supervision of the Board of Directors chaired by outside directors, the Company sets hurdle rates that take capital costs into account and conducts thorough deliberations and reviews of important matters. Regarding shareholder returns, for the time being, the annual dividend will be set at no less than ¥30 per share, with a consolidated dividend payout ratio of around 30% as a reference.</p> <p>Through these initiatives, the Company aims to improve capital profitability and enhance corporate value over the medium to long term.</p> <p>2030 Vision and 2027 Medium-Term Management Plan: <a href="https://www.koaglobal.com/corporate/story?sc_lang=en">https://www.koaglobal.com/corporate/story?sc_lang=en</a></p> <p>Performance Review for the Six Months Ended September 30, 2025: <a href="https://ssl4.eir-parts.net/doc/6999/tdnet/2700691/00.pdf">https://ssl4.eir-parts.net/doc/6999/tdnet/2700691/00.pdf</a></p> <p>Semi-annual Securities Report for the Six Months Ended September 30, 2025: <a href="https://ssl4.eir-parts.net/doc/6999/ir_material_for_fiscal_ym4/189977/00.pdf">https://ssl4.eir-parts.net/doc/6999/ir_material_for_fiscal_ym4/189977/00.pdf</a></p> |
|--|--|

## 2. Capital structure

|  |                                |
|--|--------------------------------|
| Ratio held by non-Japanese shareholders <b>Updated</b> | 20% or more, and less than 30% |
|--|--------------------------------|

## Status of major shareholders **Updated**

| Name  | Shares held | Ratio (%) |
|---|-------------|-----------|
| The Master Trust Bank of Japan, Ltd. (trust account)              | 3,888,600   | 10.47     |
| Nippon Life Insurance Company                                     | 2,226,650   | 6.00      |
| The Hachijuni Bank, Ltd.  | 1,627,000   | 4.38      |
| Custody Bank of Japan, Ltd. (trust account)                       | 1,476,100   | 3.98      |
| STATE STREET BANK AND TRUST COMPANY 505019                        | 1,054,700   | 2.84      |
| BNP PARIBAS LUXEMBOURG /2S/JASDEC/JANUS HENDERSON HORIZON FUND    | 938,600     | 2.53      |
| MUFG Bank, Ltd.   | 882,353     | 2.38      |
| The Nomura Trust and Banking Co., Ltd. (investment trust account) | 695,500     | 1.87      |
| KOITO MANUFACTURING CO., LTD.                                     | 680,350     | 1.83      |
| Sompo Japan Insurance Inc.  | 653,500     | 1.76      |

|   |       |
|---|-------|
| Controlling shareholders (excluding parent company) | _____ |
| Parent company                                      | None  |

- The status of major shareholders is as of September 30, 2025.
- As of September 30, 2025, the Company holds 340,887 shares of treasury stock, which are excluded from the “Status of Major Shareholders.
- Although the amendment report made available for public inspection on May 9, 2025, states that NOMURA INTERNATIONAL PLC and its co-holder, Nomura Asset Management Co., Ltd., held the following shares as of April 30, 2025, the Company has not been able to confirm the actual number of shares beneficially owned as of the end of the current interim accounting period. Therefore, they are not included in the above list of major shareholders.  
[Name / Number of Shares Held / Shareholding Percentage]  
Nomura International PLC / 227,000 shares / 0.6%  
Nomura Asset Management Co., Ltd. / 1,328,000 shares / 3.5%
- Although the Amendment Report publicly disclosed on September 16, 2025, indicates that Nippon Value Investors KK held the following shares as of September 15, 2025, the Company has not been able to confirm the actual number of shares held by them as of the end of the interim accounting period. Therefore, these shares are not included in the above table of major shareholders.  
[Name / Number of shares held / Shareholding ratio]  
Nippon Value Investors KK / 900,000 shares / 2.4%

### 3. Company attributes

|   |   |
|---|---|
| Listed stock exchanges and market segments                              | Tokyo Stock Exchange Prime Market, Nagoya Stock Exchange Premier Market |
| Fiscal year-end   | March   |
| Industry  | Electrical equipment (electronic components)                            |
| Consolidated number of employees at end of most recent business year    | 1,000 or more   |
| Consolidated sales in the most recent business year                     | JPY 10 billion or more, and less than JPY100 billion                    |
| Number of consolidated subsidiaries at end of most recent business year | 10 or more, and fewer than 50   |

### 4. Policies regarding the protection of minority shareholders in the event of transactions involving controlling shareholders

\_\_\_\_\_

### 5. Other special conditions with significant impact on corporate governance

\_\_\_\_\_

## II Status of corporate management organizations and other corporate governance structures related to management decision-making, execution, and direction

### 1. Organizational composition and operation

|                   |                                 |
|-------------------|---------------------------------|
| Organization form | Company with corporate auditors |
|-------------------|---------------------------------|

#### Directors

|   |                  |
|---|------------------|
| Maximum number of directors stipulated in Articles of Incorporation | 13               |
| Term of office stipulated in Articles of Incorporation              | 1 year           |
| Chairperson of the Board  | Outside Director |
| Number of directors   | 12               |
| Appointment of outside directors                                    | Appointed        |
| Number of outside directors   | 5                |
| Number of outside directors designated as independent directors     | 5                |

#### Relationship with the Company (1)

| Name                | Attribute            | Relationship with the Company* |   |   |   |   |   |   |   |   |   |   |
|---------------------|----------------------|--------------------------------|---|---|---|---|---|---|---|---|---|---|
|                     |                      | a                              | b | c | d | e | f | g | h | i | j | k |
| Michael John Korver | Other                |                                |   |   |   |   |   |   |   |   |   |   |
| Toru Kitagawa       | From another company |                                |   |   |   |   |   |   |   |   |   |   |
| Koji Takahashi      | From another company |                                |   |   |   |   |   |   |   |   |   |   |
| Hitoshi Ozawa       | From another company |                                |   |   |   |   |   |   |   |   |   |   |
| Sachiko Sumi        | From another company |                                |   |   |   |   |   |   |   |   |   |   |

\* Categories for "relationship with the Company"

\* "○" when the director currently 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 currently falls or has recently fallen under the category; "▲" when the close relative fell under the category in the past

- a Executive of a listed company or its subsidiaries
- b Executive or non-Executive Director of the parent company of a listed company
- c Executive of a fellow subsidiary company of a listed company
- d A party whose major client or supplier is a listed company, or an executive thereof
- e Major client for supplier of a listed company, or an executive thereof
- f Consultant, accountant, or legal professional who receives a large amount of monetary consideration or other property from a listed company aside from executive compensation
- g Major shareholder of a listed company (or an executive of the said major shareholder when the shareholder is a corporate entity)
- h Executive of a client or supplier company of a listed company (which does not correspond to any of d, e, or f)
- i Executive of a company between which external directors are mutually appointed (the said individual only)
- j Executive of a company or organization that receives a donation from a listed company (the said individual only)
- k Other



| Name                | Independent officer | Supplementary explanation of the applicable item | Reasons for appointment  |
|---------------------|---------------------|--|--|
| Michael John Korver | ○                   | ———  | <p>Mr. Michael John Korver is a highly experienced corporate strategist and business administrator, as well as a distinguished scholar. Since becoming a director of the Company, Mr. Korver has duly fulfilled his duties, including advising on business strategy and overseeing management. We are therefore confident he will continue contributing to the Company's business and help ensure that the Board of Directors functions effectively. In addition, we believe he will take part in and supervise the selection of director candidates and the determination of officer compensation of the Company from an objective and neutral standpoint.</p> <p>Mr. Korver has no special interest relationship with the Company, and we have designated him as an independent director based on the judgment that there is no risk of a conflict of interest between him and general shareholders.</p>   |
| Toru Kitagawa       | ○                   | ———  | <p>Mr. Toru Kitagawa has in-depth knowledge and experience in accounting and corporate management, much of which stems from his service as a chief financial officer and corporate planning manager at a listed company. Since becoming a director of the Company, Mr. Kitagawa has duly fulfilled his duties, including advising on business strategy and overseeing management. We are therefore confident he will continue contributing to the Company's business and help ensure that the Board of Directors functions effectively. In addition, we believe he will take part in and supervise the selection of officer candidates and the determination of officer compensation of the Company from an objective and neutral standpoint.</p> <p>Mr. Kitagawa has no special interest relationship with the Company, and we have designated him as an independent director based on the judgment that there is no risk of a conflict of interest between him and general shareholders.</p> |
| Koji Takahashi      | ○                   | ———  | <p>Mr. Koji Takahashi has a wealth of experience and knowledge, having held essential positions, mainly as an engineer in the electronic components industry. Since becoming a director of the Company, Mr. Takahashi has duly fulfilled his duties, including advising on business strategy and overseeing management. We are therefore confident he will continue contributing to the Company's business and help ensure that the Board of Directors functions effectively.</p> <p>Mr. Takahashi has no special interest relationship with the Company, and we have designated him as an independent director based on the judgment that there is no risk of a conflict of interest between him and general shareholders.</p>  |
| Hitoshi Ozawa       | ○                   | ———  | <p>Mr. Hitoshi Ozawa has a wealth of experience and knowledge as a corporate manager. Since becoming a director of the Company, Mr. Ozawa has duly fulfilled his duties, including advising on business strategy and overseeing management. We are therefore confident he will continue contributing to the Company's business and help ensure that the Board of Directors functions effectively. In addition, we believe he will take part in and supervise the selection of officer candidates and the determination of officer compensation of the Company from an objective and neutral standpoint.</p> <p>Mr. Ozawa has no special interest relationship with the Company, and we have designated him as an independent director based on the judgment that there is no risk of a conflict of interest between him and general shareholders.</p>  |
| Sachiko Sumi        | ○                   | ———  | <p>Ms. Sachiko Sumi is qualified as an industrial counselor, labor manager, and psychoanalyst. She also has expert knowledge and experience regarding human resources development as the representative of the SUMI Human Resources Education &amp; Development Laboratory. Since becoming a director of the Company, Ms. Sumi has duly fulfilled her duties, including advising on business strategy and overseeing management. We are therefore confident that, she will continue to contribute toward the Company's business and help ensure that the Board of Directors functions effectively. The Company has a consulting contract with the consulting company Ms. Sumi manages. However, the annual consulting fee is no more than JPY 5 million, and the Company recognizes the candidate as independent since she satisfies the Company's "Standards for Determining Independence."</p>   |



|   |     |
|---|-----|
| Voluntary establishment of committee(s) corresponding to nominating committee or compensation committee | Yes |
|---|-----|

#### Status of establishment of committees, member composition, and chair attributes

|  | Committee name                        | Total number of members | Full-time members | Inside directors | Outside directors | Outside experts | Other members | Chair            |
|--|---------------------------------------|-------------------------|-------------------|------------------|-------------------|-----------------|---------------|------------------|
| Voluntary committee equivalent to nominating committee   | Nomination and Compensation Committee | 5                       | 0                 | 2                | 3                 | 0               | 0             | Outside director |
| Voluntary committee equivalent to compensation committee | Nomination and Compensation Committee | 5                       | 0                 | 2                | 3                 | 0               | 0             | Outside director |

#### Supplementary explanation

•At the 97th Ordinary General Meeting of Shareholders held on June 21, 2025, an amendment to the Articles of Incorporation was approved and adopted, stipulating that the convener and chairperson of the Board of Directors shall be a director designated by the Board. Following this amendment, the convener and chairperson of the Board of Directors has been an independent outside director designated by the Board.

•The Nomination and Compensation Committee, which is a voluntary advisory committee, has been established to enhance the fairness, transparency, independence, and objectivity of the functions of the Board of Directors in relation to the nomination and compensation of directors, thereby strengthening corporate governance. The Nomination and Compensation Committee consists of two internal directors and three independent outside directors, with an independent outside director serving as the chairperson.

## Auditors

|  |             |
|--|-------------|
| Establishment of a Board of Corporate Auditors                     | Established |
| Maximum number of auditors stipulated in Articles of Incorporation | 4           |
| Number of auditors   | 4           |

#### Status of collaborations with auditors, the accounting auditor, and the internal auditing division

Corporate auditors observe on-site audits by the accounting auditor, attend audit review meetings, receive reports from the accounting auditor, and work together with the accounting auditor to enhance the effectiveness of audits.

|   |           |
|---|-----------|
| Appointment of outside auditors                               | Appointed |
| Number of outside auditors                                    | 2         |
| Number of outside auditors designated as independent auditors | 2         |

## Relationship with the Company (1)

| Name           | Attribute            | Relationship with the Company* |   |   |   |   |   |   |   |   |   |   |   |   |
|----------------|----------------------|--------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|
|                |                      | a                              | b | c | d | e | f | g | h | i | j | k | l | m |
| Yoshiko Iinuma | Tax accountant       |                                |   |   |   |   |   |   |   |   |   |   |   |   |
| Rei Sato       | From another company |                                |   |   |   |   |   |   |   |   |   |   |   |   |

\* Categories for "relationship with the Company"

\* "○" when the auditor currently falls or has recently fallen under the category; "△" when the director fell under the category in the past

\* "●" when a close relative of the auditor currently falls or has recently fallen under the category; "▲" when the close relative fell under the category in the past

- a Executive of a listed company or its subsidiaries
- b Non-Executive Director or accounting advisor for a listed company or its subsidiaries
- c Executive or non-Executive Director of the parent company of a listed company
- d Auditor of the parent company of a listed company
- e Executive of a fellow subsidiary company of a listed company
- f A party whose major client or supplier is a listed company, or an executive thereof
- g Major client for supplier of a listed company, or an executive thereof
- h Consultant, accountant, or legal professional who receives a large amount of monetary consideration or other property from a listed company aside from executive compensation
- i Major shareholder of a listed company (or an executive of the said major shareholder when the shareholder is a corporate entity)
- j Executive of a client or supplier company of a listed company (which does not correspond to any of f, g, or h)
- k Executive of a company between which external directors are mutually appointed (the said individual only)
- l Executive of a company or organization that receives a donation from a listed company (the said individual only)
- m Other

## Relationship with the Company (2)

| Name           | Independent officer | Supplementary explanation of the applicable item | Reasons for appointment   |
|----------------|---------------------|--|---|
| Yoshiko Iinuma | ○                   | _____  | <p>Ms. Yoshiko Iinuma, as a tax accountant, has a wealth of knowledge and insight about finance and accounting, and we believe she will be able to play roles in overseeing and supervising the management of the Company from a professional and neutral standpoint.</p> <p>The Company does not currently have an advisory contract with the tax accounting firm she manages, and we have designated her as an independent officer based on the judgment that there is no risk of a conflict of interest between her and general shareholders.</p>  |
| Rei Sato       | ○                   | _____  | <p>Ms. Rei Sato currently serves as general manager of the compliance department of a major foreign-affiliated coffee chain and has abundant experience and knowledge in corporate legal affairs and compliance. In addition, as a licensed attorney, we have determined that she can effectively serve in a monitoring and auditing capacity for the Company's management from a professional and independent standpoint.</p> <p>The Company has designated the individual as an independent officer, having determined that there is no special interest between the individual and the Company, and that there is no risk of a conflict of interest with general shareholders.</p> |

## Independent officers

Number of independent officers

7

Other items related to independent officers

\_\_\_\_\_

## Incentives

|  |  |
|--|--|
| Status of measures related to incentives provided to directors | Introduction of performance-linked compensation system |
|--|--|

Supplementary explanation of the items in question

Please refer to "1. Organizational composition and operation," "Director compensation," "Disclosure of policy on determining compensation amounts and calculation methods" in Section II of this report.

|                                 |  |
|---------------------------------|--|
| Persons receiving stock options |  |
|---------------------------------|--|

Supplementary explanation of the items in question

## Director compensation

|  |                                    |
|--|------------------------------------|
| Status of disclosure (of individual directors' compensation) | No individual disclosure conducted |
|--|------------------------------------|

Supplementary explanation of the items in question

Details of executive compensation for the fiscal year ended March 2025 are as follows.

- Directors (seven, excluding outside directors): JPY 249 million
- Corporate auditors (two, excluding outside corporate auditors): JPY 43 million
- Outside executives (seven): JPY 51 million

(Note)

The amount paid to directors does not include the employee salary of directors who also serve as employees.

|  |             |
|--|-------------|
| Policy on determining compensation amounts and calculation methods | Established |
|--|-------------|

Disclosure of policy on determining compensation amounts and calculation methods

At a meeting of the Board of Directors held on June 23, 2022, a resolution was passed to change the policy regarding determining the amount of compensation for officers and the method of calculating it. Details are as follows.

Director compensation comprises base compensation, executive bonuses that are performance-linked compensation, and non-monetary compensation, and the Company's policy is to set the most appropriate payment ratio for motivating each director to improve our corporate value. The amounts of base and performance-linked compensation are determined on an individual basis within the limits of the following compensation amounts, while the amount of non-monetary compensation is set independent of the monetary compensation limits. Outside directors receive only the base compensation.

1. Base compensation is determined according to the position, roles, and responsibilities.
2. Payment of executive bonuses and amounts to be paid are linked to consolidated business results (sales, operating margin, return on equity, etc.) for the relevant fiscal year.
3. Non-monetary compensation is allocated to directors in the form of shares of the Company's common stock subject to a certain transfer restriction period and reasons set by the Company for the acquisition of such shares without consideration. An overview of this "restricted stock" is as follows.

(1) The total amount of non-monetary compensation to be paid as compensation related to the restricted stock is to be no more than JPY 90 million, following a resolution at the 94th Ordinary General Meeting of Shareholders held on June 18, 2022, and this is separate from the maximum amount of monetary compensation for directors.

(2) The number of individually allotted shares is the number determined to be most appropriate for directors to share the benefits and risks of stock price fluctuations with general shareholders, and to be motivated to contribute to stock price increases and corporate value enhancement.

4. In terms of the timing of payment, base compensation is paid monthly, and executive bonuses and non-monetary compensation are paid or allocated at specific times.

Establishing or revising systems for any of these forms of compensation, and determining the amount and number of allotments for each eligible person, are subject to consultation with the Nomination and Compensation Committee, the majority of whose members are independent outside directors. If that committee reports that the proposed details are appropriate, the Board of Directors delegates the final decision to the representative director and president.

The maximum amount of director compensation was resolved at the 94th Ordinary General Meeting of Shareholders held on June 18, 2022, to be no more than JPY 450 million per year (however, this does not include the employee salary of directors who also serve as employees).

## Support system for outside directors (and outside auditors)

For outside directors, the General Affairs Center serves as a contact point and provides other support.

For outside corporate auditors, a corporate auditor assistant serves as a contact point and provides other support. In addition, information is shared and opinions exchanged with full-time auditors at monthly meetings of the Board of Corporate Auditors.

## 2. Items related to functions of business execution, auditing, oversight, nomination, and compensation decisions (overview of current corporate governance system)

### 1. Board of Directors

The Board of Directors consists of 12 directors, which we believe to be an appropriate number to enable timely and accurate decision-making. Five of the directors (including one woman) are outside directors as stipulated in Article 2, Item 15 of the Companies Act.

At monthly meetings, the Board of Directors deliberates resolutions on important matters and confirms the progress of business performance and other matters. In addition, quarterly consolidated management strategy meetings are held with directors, executives, and representatives of domestic and overseas subsidiaries and affiliates, to discuss and decide on the development of targets, confirm business execution status, respond to issues, and ensure thorough compliance.

### 2. Executive Officers' Committee

On June 24, 2024, the Company introduced the executive officer system and established the Executive Officers' Committee, composed of nine executive officers. By separating the management decision-making and supervisory functions previously handled by the Board of Directors from the business execution functions, we aim to enhance both functions, thereby speeding up decision-making and increasing the efficiency of business execution. This will also strengthen the Company's corporate governance.

### 3. Board of Corporate Auditors

The Board of Corporate Auditors consists of two full-time auditors and two outside auditors (both are women) who audit the execution of duties by directors. An outside corporate auditor Yoshiko Iinuma has considerable knowledge of finance and accounting based on her professional insight as a certified tax accountant. An outside corporate auditor Rei Sato has specialized knowledge and extensive experience in corporate legal affairs and compliance as an attorney-at-law. In addition, the Board of Corporate Auditors has been assigned one full-time staff member to assist the corporate auditors in collecting necessary materials and conducting investigations, while enhancing independence from directors and ensuring the effectiveness of the corporate auditors' instructions, in accordance with internal regulations concerning audits by the corporate auditors.

Based on an annual audit plan and duty assignments, corporate auditors attend meetings of the Board of Directors and other important meetings, view important approval documents, exchange opinions with the representative director and other directors, and share information with the internal audit department. They conduct onsite or online audits regarding business operations and assets of offices and report on their activities to the Board of Directors on a quarterly basis.

In addition to receiving reports from full-time corporate auditors, the Board of Corporate Auditors deliberates on matters such as the formulation of audit policies and plans, the preparation of audit reports, and the review of auditing standards for corporate auditors. It also exchanges opinions with the accounting auditor to strengthen collaboration.

4. Accounting audits  
The Company has entered an audit contract with Grant Thornton Taiyo LLC for accounting audits, and there is no special interest relationship between KOA and Grant Thornton Taiyo.

In addition to being audited under the Financial Instruments and Exchange Act and the Companies Act, the Company considers various issues related to accounting treatment and accounting audits from time to time and regularly holds discussions with the accounting auditor to ensure and maintain the appropriateness of our financial statements, etc.

Corporate auditors attend onsite audits by the accounting auditor, attend audit review meetings, and receive reports from the accounting auditor as they work together to improve the effectiveness of audits.

### 5. Internal controls

Since the fiscal year ended Mar 31, 2009, the Financial Instruments and Exchange Act has required listed companies to submit internal control reports related to financial reporting, so the Company has appointed a person to the Management Strategy Center to oversee the promotion of internal controls and is working to ensure that internal control reports are properly submitted, with emphasis on the improvement, operation, and evaluation of internal controls.

### 6. Internal audits

The Operations Audit Center (staffed by three people) conducts internal audits as instructed by the representative director and regularly exchanges information and collaborates with the corporate auditors, the accounting auditor, and the internal control department.

### 3. Reasons for selecting the current corporate governance system

KOA Corporation is a company with Board of Company Auditors under the Companies Act. Five of 12 directors are outside directors, and two of four auditors are outside auditors. To reflect objective opinions in the Board of Directors, the Company requests that outside directors monitor the execution of the Company's business from a management perspective, while outside auditors and full-time auditors with expertise in accounting, legal affairs, and other areas collaborate on audits with the Operations Audit Center, the department responsible for internal audits. We have adopted our current corporate governance system because we believe it ensures the appropriateness of our business operations.

## III Implementation of measures involving shareholders and other stakeholders

### 1. Measures to energize General Meetings of Shareholders and promote the smooth exercise of voting rights

|  | Supplementary explanations  |
|--|---|
| Early issue of Convocation Notice for General Meeting of Shareholders  | Aiming to provide information to shareholders as early as possible according to the purpose of the Corporate Governance Code stipulated by the Tokyo Stock Exchange, the date the Company provides convocation notices electronically and the date it mails them are both a week earlier than the statutory deadline. |
| Scheduling of General Meeting of Shareholders to avoid overlap with other companies  | The General Meeting of Shareholders is held on a Saturday in June, avoiding days when meetings tend to be concentrated.   |
| Allowing electronic exercise of voting rights by electromagnetic means   | In addition to the exercise of voting rights in writing, voting rights can be exercised online.   |
| Measures to improve the voting environment for institutional investors, including participation in electronic voting platforms | The Company participates in the Electronic Voting Platform operated by ICJ, Inc., to ensure early transmission of convocation notices and timely tracking of the exercise of voting rights.   |
| Providing the Convocation Notice (summary) in English  | We prepare an English version of the convocation notices (full text) and post it through the Company Announcements Service on the Tokyo Stock Exchange website, KOA's website, and the Electronic Voting Platform operated by ICJ, Inc.   |

### 2. IR activities Updated

|  | Supplementary explanations  | Explanation by representative |
|--|---|-------------------------------|
| Regular briefings for analysts and institutional investors | On the day following the announcement of first half and full-year financial results, we hold a briefing session for analysts and institutional investors attended by the representative director and the executive officer in charge of the Management Strategy.  | Provided                      |
| Posting of IR materials on the Company's website           | In principle, we post convocation notices for the General Meeting of Shareholders (in Japanese and English), annual securities report (in Japanese and English), financial statements (in Japanese and English), briefing materials for analysts and institutional investors (in Japanese and English), transcript of the briefing materials for analysts and institutional investors (in Japanese and English), integrated report (in Japanese and English), corporate governance report (in Japanese and English), notices of resolutions (in Japanese and English), press releases (in Japanese and English), and other materials on our website the same day they are announced.<br>Investor Relations: <a href="https://www.koaglobal.com/ir?sc_lang=en">https://www.koaglobal.com/ir?sc_lang=en</a> |                               |
| Establishment of IR department (staff)                     | The Management Strategy Center and the General Affairs Center work in close coordination under the oversight of the Director, Vice President and Executive Officer in charge of IR, Katsuhiko Momose.<br>For inquiries regarding IR activities, please contact us using the information below.<br>IR Contact Form: <a href="https://www.koaglobal.com/contact/irForm">https://www.koaglobal.com/contact/irForm</a><br>(available in Japanese only)  |                               |

### 3. Measures to ensure due respect for stakeholders Updated

|   | Supplementary explanations  |
|---|---|
| Stipulation of internal rules for respecting the position of stakeholders | In KOA's highest internal regulation, the "KOA Mind (Code of Conduct and Action Guidelines)," the Company defines its corporate mission as establishing strong relationships of trust with the five groups of stakeholders who support KOA: shareholders, customers and business partners, local communities, employees and their families, and the Earth (environment).  |
| Environmental protection, CSR, and related activities                     | We refer to our environmental management system as our "Father Sun" activities and are developing ecological conservation activities with the participation of all employees, aiming to improve both our business activities and our impact on the social environment (improving environmental performance). The status of these activities, including CSR activities, is disclosed in the Integrated Report.<br>Integrated Report: <a href="https://www.koaglobal.com/ir/library/integrated_report_en">https://www.koaglobal.com/ir/library/integrated_report_en</a> |

## IV Items related to internal control systems

### 1. Basic approach to internal control systems and the status of system implementation

Updated

KOA Corporation considers its shareholders, customers and business partners, the local community, employees and their families, and Mother Earth as the five groups of stakeholders that support the Company. We have positioned building a solid relationship of mutual trust with them as our mission, and our directors are centrally responsible for carrying out that mission. To strengthen this effort further, we will continue to improve the following systems and frameworks.

1. Framework for ensuring the execution of duties by directors and employees of KOA and its subsidiaries (the KOA Group) complies with laws, regulations, and the Articles of Incorporation

(1) The KOA Group has established KOA Mind (Code of Conduct and Action Guideline), a management philosophy system as a framework for its internal regulations, and all directors and employees are to act accordingly.

(2) The KOA Group has established whistleblowing hotlines both internally and externally. In accordance with the "Whistleblowing System Regulations, the KOA Group aims to promptly recognize and deal with any unjust, illegal, or unethical acts by the organization or individuals.

(3) By the Whistleblower Regulations and other relevant internal regulations, the Operations Audit Center, in coordination with the corporate auditors, conducts audits of the entire KOA Group, including subsidiaries, and reports the results to the audited departments and the president of the Company.

2. System for storing and managing information related to the execution of duties by directors

Information related to the execution of duties by directors is recorded in writing or on electromagnetic media and appropriately and securely stored and managed per the Document Management Regulations.

3. Regulations and other systems for managing loss risks

(1) The KOA Group analyzes risks within the Group, has established a risk management framework corresponding to each risk, maintains Risk Management Regulations as a basic policy for risk management, and strives to prevent any loss occurrence.

(2) Each executive officer in charge promotes the development of risk management systems within their respective departments and reports on the status of their implementation to the Board of Directors.

4. Framework for ensuring efficient execution of duties by directors

(1) The Company's Board of Directors makes decisions on important matters and supervises the execution of duties by directors. To further strengthen the functions of the Board of Directors and improve management efficiency, the Company holds executive board meetings and flexibly makes decisions regarding business execution and other important matters. In addition, it holds consolidated management strategy meetings with the participation of persons in charge of subsidiaries to discuss and decide on the development of goals, confirm the status of business execution, and respond to common management issues within the Group.

(2) Regarding day-to-day business execution, authority is delegated based on the Regulations on Organization and Division of Duties, etc., and systems are maintained to enable responsible persons at each level to carry out their duties efficiently.

5. Framework for ensuring the appropriateness of operations within the KOA Group

(1) The Company appoints an executive officer to be responsible for the management of each affiliated company based on the Regulations on Management of Affiliates.

(2) The executive officers overseeing affiliated companies strive for flexible management of those companies and work toward mutual development, reporting important information about the affiliates to the Company's Board of Directors.

6. Matters related to systems for employees when corporate auditors request their appointment to assist them in their duties and the independence of such employees from directors

(1) Corporate auditors may, as needed, appoint employees as audit assistants to assist them in their duties, and their selection, transfer, and evaluation are subject to discussion between directors and the corporate auditors.

(2) When an audit assistant receives instructions regarding audit work from a corporate auditor, they are not subject to instructions from directors or other employees about that work.

7. Framework for reporting by KOA Group directors and employees to the Company's corporate auditors, for reporting to other corporate auditors, and for ensuring they are not treated unfavorably because of such reporting

(1) Besides legal matters, KOA Group directors and employees are to immediately report to the Company's corporate auditors when they discover any fact that may cause significant damage to the Group.

(2) The Operations Audit Center, as the whistleblowing contact point specified in the whistleblowing system, receives reports from the Group and reports to the Ethics and Compliance Committee as necessary, depending on the importance of the report's content. Such reports are conveyed to the Company's corporate auditors via the Ethics and Compliance Committee.

(3) The KOA Group has stipulated in its internal regulations that directors and employees who have made such reports as described above must not be treated unfavorably.

8. Other measures for ensuring that audits by corporate auditors are conducted effectively

(1) Corporate auditors attend meetings of the Board of Directors and other important meetings to audit the legality and efficiency of management and hold regular meetings with the representative director to confirm management policies and exchange opinions on issues to be addressed, risks, the state of the audit environment for corporate auditors, and other important issues, to deepen mutual recognition and trust.

(2) Corporate auditors hold meetings with the accounting auditor to exchange opinions when deemed necessary.

9. Items related to the prepayment of costs arising from the execution of corporate auditors' duties, costs arising from reimbursement procedures or the execution of other duties, and policies involving the processing of debt

(1) The Company promptly handles the prepayment or reimbursement of expenses incurred in the execution of corporate auditors' duties and other costs or reimbursements incurred in the execution of related duties based on the requests from corporate auditors under the relevant internal regulations.

(2) Expenses incurred in executing corporate auditors' duties are budgeted annually based on the relevant internal regulations.

10. Framework for ensuring the reliability of financial reporting.

KOA Corporation has established "Basic Rules for Internal Controls Related to Financial Reporting" to ensure the reliability of financial reporting and improves, operates, and evaluates an internal control system based on those rules.

11. Framework for eliminating antisocial forces

The KOA Group will not yield to any unreasonable demands from antisocial forces or groups that threaten the order and safety of civil society and will take a firm stand against such demands.

## **2. Basic approach to eliminating antisocial forces, and status of related measures**

The Company will not yield to any unreasonable demands from antisocial forces or groups that threaten the order and safety of civil society and will take a firm stand against such demands. The KOA Group has declared this in its "KOA Mind," containing the Group's Code of Conduct and Action Guideline, and is working to ensure that all employees are fully aware of these principles.



## 1. Adoption of anti-takeover measures

Adoption of anti-takeover measures

None

### Supplementary explanation of the items in question

KOA Corporation respects the free trading of its shares in the market and does not generally reject even a large purchase of its shares by a specific person if such a purchase would increase the Company's corporate value and improve the interests of all shareholders. We also believe that ultimately the decision on whether to accept a proposal for a significant acquisition of shares should be left to the shareholders.

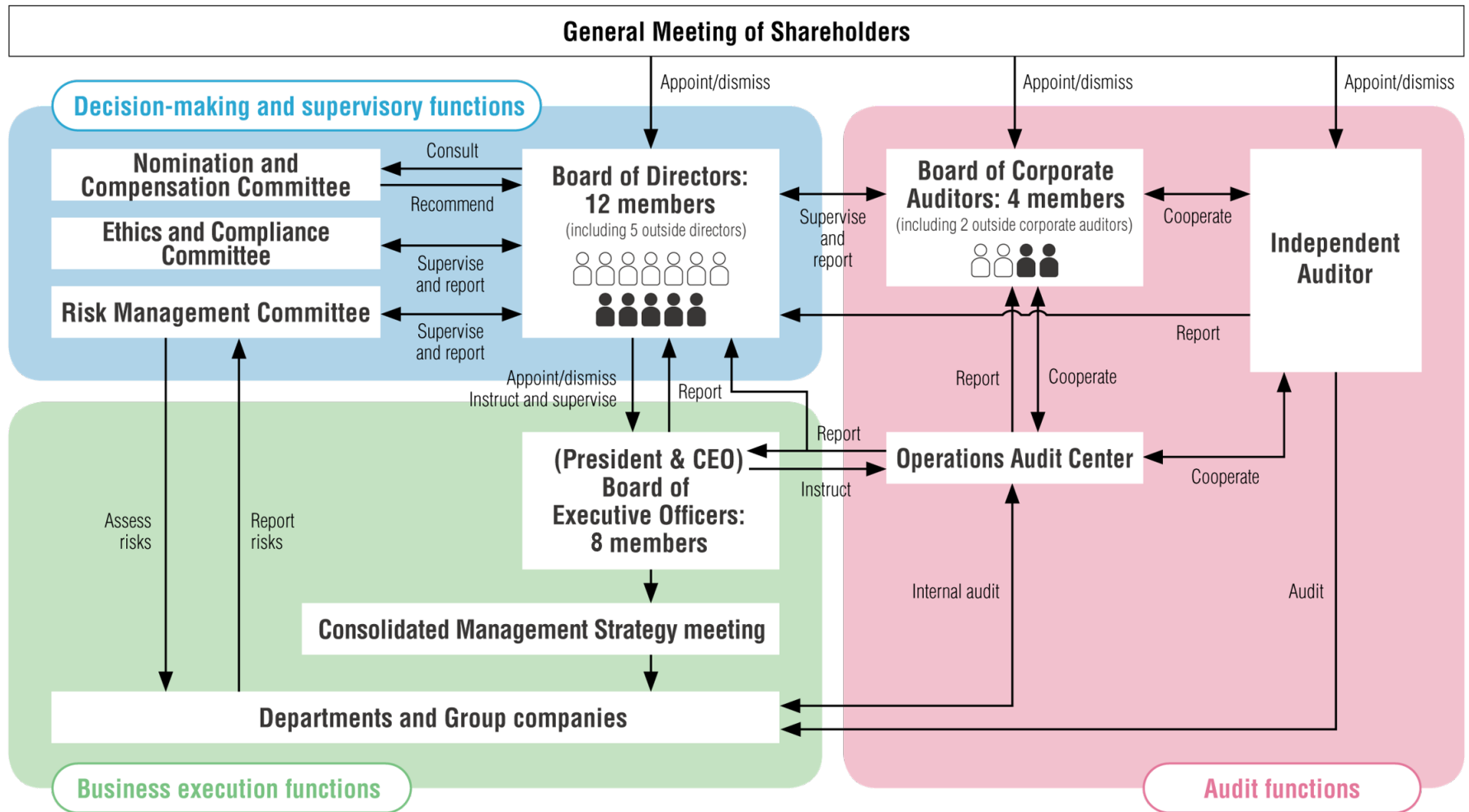
However, some large purchases of shares may harm corporate value and the common interests of shareholders, may effectively force shareholders to sell their holdings, or may not provide sufficient time or information for a target company's Board of Directors to propose an alternative plan. We ensure that those seeking to control decisions on our financial and business practices fully understand the sources of our diverse corporate value, including our corporate culture and strong relationship of mutual trust with stakeholders. We believe the Company should explain to shareholders and other stakeholders with sufficient information and evidence that those making a large purchase of shares will ensure and enhance the corporate value of our company and, ultimately, the common interests of our shareholders, allowing effective control of the Company only after obtaining adequate agreement on the matter.

As a result of repeated discussions by the Board of Directors on the opinions of several domestic and foreign institutional investors, recent trends in so-called takeover defenses after promulgation of the Corporate Governance Code, and risks and opportunities in the stock market, KOA Corporation decided to abolish the Countermeasures to Large Acquisitions of the Company's Shares, etc. (Anti-takeover Measures) as of the close of the 92nd Ordinary General Meeting of Shareholders held on June 20, 2020. By steadily promoting medium- to long-term growth strategies and striving to maximize the trust of our shareholders and investors, we aim to sustainably improve our corporate value and the interests of our shareholders.

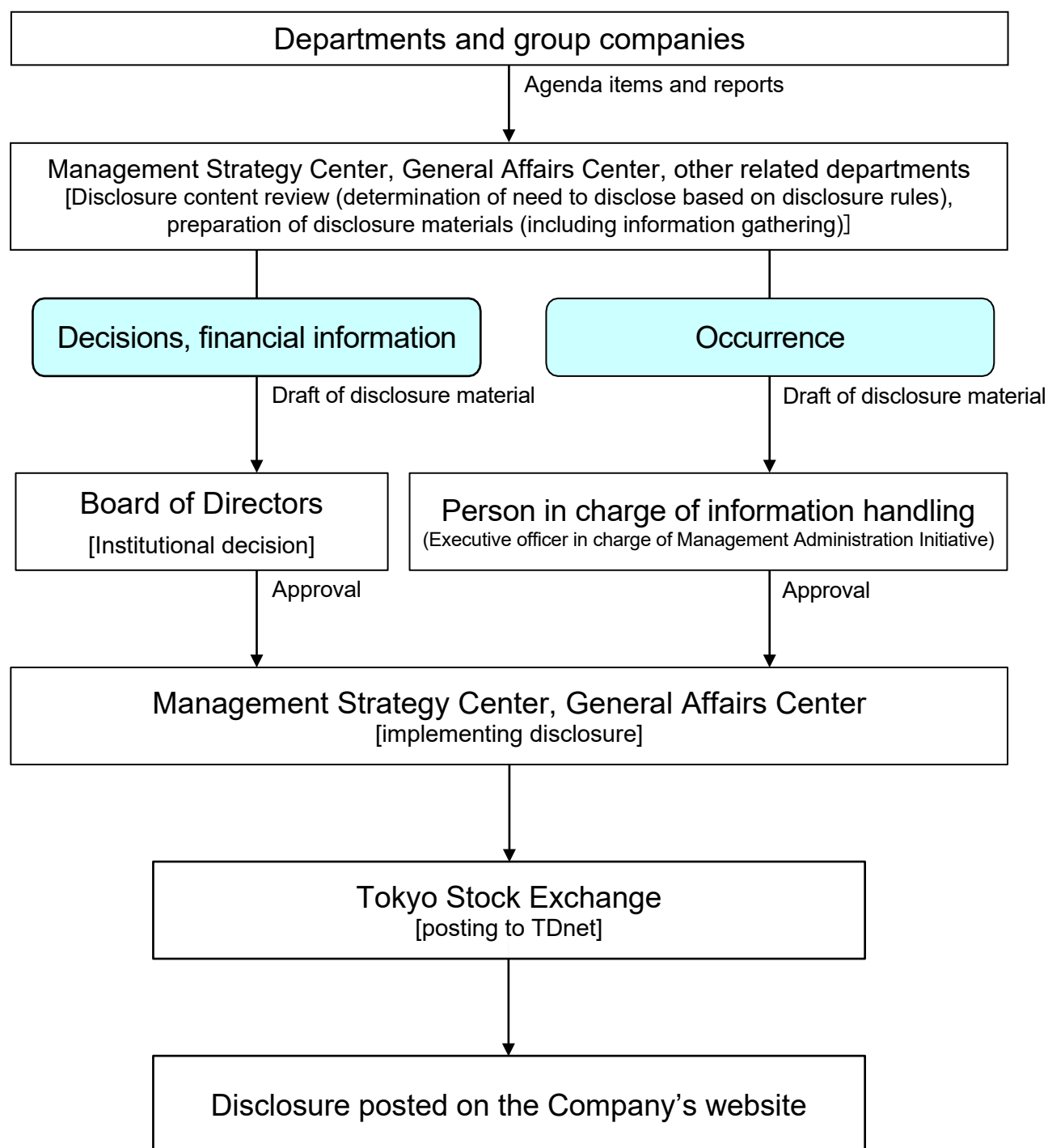
Furthermore, as part of our fiduciary responsibility to our shareholders, even after the abolition of the Countermeasures to Large Acquisitions of the Company's Shares, etc. (Anti-takeover Measures), our Board of Directors will, in the event of a proposed significant acquisition of KOA's shares, request the information necessary for our shareholders to make an appropriate decision regarding the benefits of that acquisition. In addition, the Company will take appropriate measures in accordance with the Financial Instruments and Exchange Act, Companies Act, and other related laws and regulations, including respecting the opinions of independent outside directors, disclosing the opinions, etc., of the Board of Directors of the Company, and endeavoring to secure the time and information necessary for the shareholders to adequately consider the matter.

## 2. Other items related to corporate governance systems

# Corporate governance structure



# Overview of timely disclosure system (schematic)



**Note:**

This document is a translation of the original Japanese document. In the case of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.