

[Notes of caution]

This document is an English translation of the Japanese original. In the event of any differences or inconsistencies between the Japanese and English versions, the Japanese language version shall take precedence.

## Corporate Governance Report

Last Update: March 27, 2026

**Japan Investment Adviser Co., Ltd.**

Naoto Shiraiwa, President and CEO

Contact: PR and IR Group: +81-3-6550-9307

Stock code: 7172

<https://www.jia-ltd.com/>

The corporate governance of Japan Investment Adviser Co., Ltd. (JIA or the Company) is described below.

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

#### 1. Basic Views **Updated**

JIA Group (the Group) strives to achieve sustainable growth and improve our corporate value, through effective corporate governance.

Therefore, we will practice the following:

- 1) Corporate ethics, legal compliance, and improvement in understanding and awareness of diversity
- 2) Improvement in the effectiveness of the internal control system
- 3) Highly transparent management system
- 4) Building trustful relationships with stakeholders

The Company has established a Board of Directors and an Audit & Supervisory Committee to ensure transparency and efficiency in management while enhancing the effectiveness of its oversight functions.

The Board of Directors makes prompt and appropriate decisions on fundamental management policies and other important matters related to business execution. The Board strives to strengthen corporate governance through oversight from diverse perspectives, including those of Outside Directors.

#### **[Reasons for Non-compliance with the Principles of the Japan's Corporate Governance Code] Updated**

The Company implements all principles of the Corporate Governance Code.

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

[Principle 1-4 Cross-Shareholding]

The Company does not hold any listed shares strategically.

[Principle 1-7 Related Party Transactions]

When the Company makes an important transaction with a related party, the Board of Directors needs to make a resolution in advance, so that said transaction will not harm the common interests of our company and shareholders. When making a resolution, the Board of Directors has discussions from multiple aspects, while considering the necessity of said transaction and the opinions of independent Outside Directors, and checking whether the conditions of said transaction are not significantly different from those of normal transactions with a third party. We have established a system for continuously monitoring the situation of said transaction, etc. and reporting them at a meeting of the Board of Directors of the Company, when necessary.

[Supplementary Principle 2-4-1 Ensuring Diversity in the Promotion to Core Human Resources]

In order to globalize and diversify its business, the Company recruits "personnel who can immediately work on actual tasks" while focusing on expertise, advanced business skills, and aptitude. As a result, mid-career workers who possess diverse values, ways of thinking, and backgrounds have started working as core personnel.

[Status of efforts for ensuring diversity in the appointment of women, foreign nationals, and mid-career hires to management positions and in the recruitment of core personnel]

i. Women

The Company implements measures for establishing an environment in which every employee can exert his/her ability regardless of gender and for increasing the ratio of female managers.

With a goal of increasing the ratio of female managers (line managers) to 20% or higher, we recruit and train personnel.

As of the end of the term ended December 2025, the ratio of female managers was 8.2%.

The general business owner's action plan produced in accordance with the Act on the Promotion of Women's Active Engagement in Professional Life and the action plan produced in accordance with the Act on Advancement of Measures to Support Raising Next-Generation Children are shown in Section III. Implementation of Measures for Shareholders and Other Stakeholders 3. Measures to Ensure Respect for Stakeholders' Positions for your reference. The Company actively worked on the empowerment of women, and received Three Stars of Eruboshi as an excellent enterprise that engages in the empowerment of women in March 2023.

ii. Foreign Nationals

In line with the globalization of our business, we have an overseas subsidiary in Ireland that will become the core of our group. Locally hired staff (25 persons, 7.3% of which is of our group staff), and Japanese staff work closely together to conduct business activities. As of the end of the term ended December 2025, the Company had no non-Japanese employees. We will keep developing an environment in which personnel who can offer diverse ways of thinking inside or outside Japan can flourish as core personnel.

iii. Mid-career hires

Mid-career hires with diverse backgrounds in terms of values and ways of thinking are performing well as core personnel. In the term ended December 2025, we recruited 56 mid-career workers.

[Human resource development policy]

The Group trains employees, who are the most important capital, and creates a working environment in which they can exert the acquired skills to the maximum degree.

The Group develops personnel who possess ambition and independence through the trainings for each level of personnel.

[In-house environment development policy for ensuring diversity]

The Group promotes diversity & inclusion while keeping a good balance.

The Group respects diverse individualities of employees, and realizes a worthwhile working environment where employees can exert their abilities and utilize their experience to the maximum degree.

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

The Company adopted the defined contribution pension system for the welfare of employees.

The Company is not involved with the management of accumulated funds in said pension system as an asset owner.

The Company selects financial institutions and instruments in an appropriate manner to support the formation of assets for employees, and educates employees about investment for asset management.

[Principle 3-1 ( i ) Corporate Vision (Management Philosophy, etc.), Management Strategy, and Management Plan]

The management philosophy of the Company is "Always be a company contributing to society by offering financial services."

The Group has formulated a three-year medium-term management plan starting from fiscal year 2024.

Please refer to the Company's website.

<https://www.jia-ltd.com/aboutus/philosophy/>

[https://www.jia-ltd.com/assets/img/ir/library/MidtermBusinessPlan\\_en.pdf](https://www.jia-ltd.com/assets/img/ir/library/MidtermBusinessPlan_en.pdf)

<https://www.jia-ltd.com/ir/library/>

The three core businesses are the Operating Lease, Renewable Energy, and Parts Out & Conversion businesses. In addition to these 3 core businesses, the Company operates the businesses of M&A Advisory, Insurance Agency, Private Equity, etc. The basic strategy of the Group is to enhance its corporate value by offering the financial solution business related to the above-mentioned diverse businesses, and the media business to investors around Japan.

[Principle 3-1 (ii) Basic Views and Basic Policy on Corporate Governance]

These are described in "I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic

Information, 1. Basic Views” of this document, and Annual Securities Report. Please refer to them.

[Principle 3-1 (iii) Policy and Procedure for Determining Compensation of Directors and Audit & Supervisory Board Members]

These are described in “II. Business Management Organization and Other Corporate Governance Systems Regarding Decision-making, Execution of Business, and Oversight in Management 1. Organizational Composition and Operation [Director Compensation]” of this document, and Annual Securities Report. Please refer to them.

[Principle 3-1 (iv) Policy and Procedure for Nomination and Dismissal of Directors and Audit & Supervisory Committee Members]

Candidates for Directors are selected from individuals who possess extensive experience and a high level of expertise, and who are capable of making impartial judgements. The appointment of Director candidates is determined by the Board of Directors following deliberation and recommendation by the Nominees and Compensation Advisory Committee.

Candidates for Audit & Supervisory Committee Members are selected from individuals who possess the experience and broad insight necessary for audits. The appointment is determined by the Board of Directors with the consent of the Audit & Supervisory Committee.

In the event that violations of laws or regulations or serious deficiencies in the performance of duties are recognized, the Board of Directors will make a prompt decision on dismissal following deliberation by the Nominees and Compensation Advisory Committee.

[Principle 3-1 (v) Providing Explanations for Individual Appointments and Nominations for the Positions of Director and Audit & Supervisory Committee Member]

When appointing or dismissing candidate Directors or Audit & Supervisory Committee Members, the Company discloses the background of each candidate and the reasons for said appointment or dismissal in a convocation notice for a general meeting of shareholders.

[Supplementary Principle 3-1-3 Disclosure Related to Sustainability]

( i ) The Company has formulated the basic policy for sustainability as follows, in order to achieve sustainable growth and improve corporate value for the Group.

[The JIA Group sustainable principle]

The Company will contribute to the realization of a sustainable society and improve corporate value sustainably through business activities under the corporate ethos. We will work to realize a sustainable society in line with the following five policies.

Policies	Details
(1) Value creation through business	We will provide products and services that solve social issues in order to contribute to realizing a sustainable society.
(2) Solving environmental issues	In our business activities, we will consider environmental issues such as responding to climate change, effective use of resources, and biodiversity conservation to achieve a sustainable society.
(3) Respect for human rights and diversity	We will respect the human rights of stakeholders involved in all corporate activities. In addition, we will create a rewarding work environment where employees respect each other's diverse personalities and maximize their abilities and experience.
(4) Harmonious coexistence with society	In addition to contributing to society through our business, we will work to coexist with society by cooperating with local governments and educational institutions to address social and environmental issues that our business activities cannot cover.
(5) Thorough compliance	We aim to be a corporate group that is trusted by society by providing stakeholders with the highest level of security and services through appropriate corporate activities in line with the laws, regulations, social norms, and corporate ethics.

Concrete measures for sustainability are shown in Section III. Implementation of Measures for Shareholders and Other Stakeholders 3. Measures to Ensure Respect for Stakeholders’ Positions for your reference.

(ii) Investments in Human Capital and Intellectual Properties

The Company provides training for all levels of employees and implement systems to support the acquisition of skills

and recognition of employees, in order to develop employees who will support JIA's sustainable growth. We inform all employees of the status of the implementation of these systems through the distribution of in-house newsletters to promote a corporate culture of active engagement.

In addition, the Company proactively engages in research based on industry-academia collaboration, business alliance, and investment through M&A, and provide opportunities for human resource exchanges in various fields.

(iii) Disclosure of Information based on TCFD Recommendations

Please refer to the details in Annual Securities Report No. 2 [Status of Business] 2 [Approach and Efforts Concerning Sustainability].

[Supplementary Principle 4-1-1 Overview of the Scope of Delegation to Management]

The Board of Directors makes decisions about important managerial items and supervises business execution from the viewpoints of sustainable corporate growth and mid/long-term corporate value improvement. The items not mentioned in the Companies Act or the regulations for authority of management as important items that require a solution of the Board of Directors will be delegated to the management.

[Principle 4-9 Independence Standards for Outside Officers]

The criteria for judging independence are described in “II. Business Management Organization and Other Corporate Governance Systems Regarding Decision-making, Execution of Business, and Oversight in Management [Independent Officers], Other matters concerning independent officers” of this document and Annual Securities Report. Please refer to them.

[Principle 4-10-1 Establishment of Independent Advisory Committee]

The Company has established the Nominees and Compensation Advisory Committee, composed of three Director(including two Outside Directors), as an advisory body to the Board of Directors. The purpose of this committee is to enhance the fairness, transparency, and objectivity of procedures related to the nomination and remuneration of Directors and to further strengthen corporate governance. This committee is chaired by an outside director.

[Principle 4-11-1 Diversity and Size of the Board of Directors]

In the Board of Directors of the Company, with the addition of one new female Outside Director, the knowledge, experience, and abilities for fulfilling its roles and duties are well-balanced. We will keep discussing internationality. Our independent Outside Directors include those who have the experience of business administration in other companies. In addition, we appoint those who possess sufficient knowledge of finance and accounting as Audit & Supervisory Board Members.

The skill matrix of Directors is disclosed at the end of the convocation notice for each annual meeting of shareholders. The skill matrix shows the qualities and experience directors should have and their balance in the Board of Directors.

[Supplementary Principle 4-11-2 Concurrent Appointments of Directors and Audit & Supervisory Committee Members]

The concurrent posts of Directors and Audit & Supervisory Committee Members of the Company are described in the Convocation Notices for General Meetings of Shareholders, Annual Securities Report, and the section for introducing executives on the website of the Company.

The important concurrent posts of Outside Directors and Audit & Supervisory Committee Members are described in “II. Business Management Organization and Other Corporate Governance Systems Regarding Decision-making, Execution of Business, and Oversight in Management [Items related to Directors] and [Items related to Audit & Supervisory Committee Members]” of this document. Please refer to them.

[Supplementary Principle 4-11-3 Analysis and Evaluation of Effectiveness of the Board of Directors]

In this section, the status of FY2025, prior to the Company’s transition to a company with an Audit & Supervisory Committee, is described.

Once a year, all Directors and all Audit & Supervisory Board Members conduct self-evaluations, and the results of the analysis and evaluation are reported to the Board of Directors.

Active discussions take place at meetings of the Board of Directors, supported by sufficient assistance provided to Outside Directors and Outside Audit & Supervisory Board Members, including advance briefings on key agenda items of the Board of Directors and explanations of management issues.

Based on these efforts, the Company has concluded that its Board of Directors functions effectively and that it ensures effective decision-making on important management matters and appropriate supervision of business execution.

Specific evaluation items include the Board’s composition in terms of size and diversity, operational practices such as the provision of information to facilitate advance review, the timeliness and comprehensiveness of information provided to enable oversight of management conditions by Outside Directors and objective management decision-making, and the depth of deliberation and examination in the resolution process. The summary of the analysis and evaluation results

for FY2025 confirmed that all evaluation items were deemed appropriate, thereby confirming the effectiveness of the Board of Directors.

The status of initiatives addressing issues identified in FY2023 is as follows.

Materials for prior review have continued to be distributed well in advance of meetings of the Board of Directors.

[Supplementary Principle 4-14-2 Policy on Training Directors and Audit & Supervisory Board Members]

In this section, the status of FY2025, prior to the Company’s transition to a company with an Audit & Supervisory Committee, is described.

The Company conducts appropriate education and training, so that Directors and Audit & Supervisory Board Members can fulfill their roles and duties properly. Corporate lawyers regularly give lectures about the obligations and responsibilities of Directors and Audit & Supervisory Board Members.

[Principle 5-1 Policy for Constructive Dialogue with Shareholders]

The Company holds constructive dialogues with shareholders, in order to achieve sustainable growth and improve its mid/long-term corporate value.

The Head of Corporate Administration Division manages the dialogues, and the PR/IR group serves as an exclusive section.

The section in charge of IR cooperates closely with related sections, and engages in IR activities.

For shareholders and investors, the President and CEO holds results briefing sessions, while executives in charge and the PR/IR group deal with inquiries from them by telephone, email or through personal interviews.

The opinions, etc. of shareholders received through dialogue are shared by the Representative Director and President and the Board of Directors.

The “Disclosure Policy,” which summarizes the basic policy for disclosing IR information, is described in the IR page of the website of the Company at: <https://www.jia-ltd.com/en/ir/disclaimer/>. Please refer to the website.

As for insider information management, the Company has produced the group-wide “Regulations for Preventing Insider Trading,” so that executives and employees of companies of the Group would follow them. Like this, the Company is striving to manage important facts appropriately and prevent insider trading.

**[Action to Implement Management that is Conscious of Cost of Capital and Stock Price]**

Status of Disclosure <b>Updated</b>	Disclosure of Measures (Update)
English Disclosure <b>Updated</b>	Available
Update Date <b>Updated</b>	March 27, 2026

Explanation of Applicable Items <b>Updated</b>
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The Company prioritizes the consistent achievement of ROE that exceeds our cost of capital. In accordance with our three-year Medium-Term Management Plan, we are committed to maintaining an optimal capital structure and enhancing corporate value.

To achieve these goals, in addition to the stable growth of our core operating lease business, we will strategically execute growth investments to nurture next-generation core businesses and improve profitability. Furthermore, we will implement stable and continuous shareholder returns, targeting a dividend payout ratio of approximately 50%.

Through these initiatives and constructive dialogue with the market, we aim to improve capital efficiency and achieve sustainable growth.

These are described in “III. Implementation of Measures for Shareholders and Other Stakeholders 2.IR Activities” of this document.

Our actions to implement management that is conscious of cost of capital and stock price are disclosed in our Medium-Term Management Plan and financial results briefing materials. For more details, please refer to our corporate website.

<https://www.jia-ltd.com/ir/library/>

<https://www.jia-ltd.com/en/ir/library/>

## 2. Capital Structure

Percentage of Shares by Foreign investors	Less than 10%
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### [Status of Major Shareholders] Updated

Name / Company Name	Number of Shares Owned	Percentage (%)
KODO Holding Co., Ltd.	21,678,200	35.81
Custody Bank of Japan Ltd. (Trust account)	6,479,900	10.70
Naoto Shiraiwa	4,434,200	7.32
The Master Trust Bank of Japan Ltd. (Trust account)	3,702,700	6.12
Teiji Ishikawa	630,000	1.04
Rakuten Securities, Inc.	584,700	0.97
SBI SECURITIES Co., Ltd.	577,174	0.95
Sojitz Corporation	400,000	0.66
JP MORGAN CHASE BANK	381,400	0.63
Taisuke Inoue	377,200	0.62

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

### Supplementary Explanation Updated

- The status of the above major shareholders and percentage of foreign shareholders is based on the list of shareholders as of December 31, 2025.
- The Company holds 477,243 treasury stocks, which are excluded in the above list. The percentage is calculated after deducting the number of treasury stocks from that of total outstanding shares.

## 3. Corporate Attributes

Stock Market and Market Section Listed on	Tokyo Stock Exchange, Prime Market
Fiscal Year-end	December
Type of Business	Securities & Commodity Futures
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	From 100 to less than 500
Sales (Consolidated) as of the End of the Previous Fiscal Year	From ¥10 billion to less than ¥100 billion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 10 to less than 50

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

None

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

None

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

### 1. Organizational Composition and Operation

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

Maximum Number of Directors Stipulated in Articles of Incorporation	10
Term of Office Stipulated in Articles of Incorporation <b>Updated</b>	1 years
Chairperson of the Board	President
Number of Directors <b>Updated</b>	6
Appointment of Outside Directors	Appointed
Number of Outside Directors <b>Updated</b>	3
Number of Independent Directors <b>Updated</b>	3

Outside Directors' Relationship with the Company (1) <b>Updated</b>
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Name	Attributes	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	
Chiharu Mariko	Attorney at law												
Yutaka Kase	Other companies							△	△				
Ai Sugiyama	Other												

\* Categories for "Relationship with the Company"

- \* "○" when the Director presently falls or has recently fallen under the category; "△" when the Director fell under the category in the past
- \* "●" when a close relative of the Director presently falls or has recently fallen under the category; "▲" when a close relative of the Director fell under the category in the past

- a. Executive of the Company or its subsidiaries
- b. Non-executive Director or executive of a parent company of the Company
- c. Executive of a fellow subsidiary of the Company
- d. A party whose major client or supplier is the Company or an executive thereof
- e. Major client or supplier of the Company or an executive thereof
- f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a Director/Audit & Supervisory Board Member
- g. Major shareholder of the Company (or an executive of the major shareholder if the shareholder is a legal entity)
- h. Executive of a client or supplier of the Company (which does not correspond to any d, e, or f) (the Director himself/herself only)
- i. Executive of a company which has the same individual(s) as the Company appointed as Outside Directors/Audit & Supervisory Board Members (refers only to the Director)
- j. Executive of a company or organization that has received a donation from the Company (refers only to the Director)
- k. Others

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

Name	Designation as Audit & Supervisory Committee Member	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Chiharu Mariko	○	○	<p>Ms. Chiharu Mariko currently serves as vice chair of the Special Ethics Committee of the Tokyo Bar Association, a Certified Support Institution for Business Innovation recognized by the Small and Medium Enterprise Agency, a partner at Mishima Law Office, and a conciliation commissioner at the Tokyo District Court. There are no conflicts of interest between the JIA Group and these organizations.</p> <p>The Company has entered into a limited liability agreement with her.</p> <p>She will have served as an Outside Director for two years as of the conclusion of the Annual General Meeting of Shareholders to be held 2026.</p>	<p>In addition to her expertise as a legal professional, Ms. Chiharu Mariko possesses knowledge gained through providing highly specialized support for various corporate management issues as a Certified Support Institution for Business Innovation recognized by the Small and Medium Enterprise Agency. The Company expects she will conduct audits of the Company's management from an objective standpoint. For these reasons, the Company proposes her election as an Outside Director who is a member of the Audit &amp; Supervisory Committee.</p> <p>(Reason for Designation as an Independent Director) The Company has determined that she satisfies the independence criteria established by the Company. As she is not affiliated with a major shareholder of the Company or any of its business partners, there is no risk of a conflict of interest with general shareholders. Accordingly, the Company considers her suitable for designation as an Independent Director.</p>

Yutaka Kase	○	○	<p>Mr. Yutaka Kase currently serves as an Outside Director of JAC Recruitment Co., Ltd; however, there are no conflicts of interest between the JIA Group and that company.</p> <p>Mr. Kase formerly served as a representative director of Sojitz Corporation, which was the Company's eighth-largest shareholder as of the end of the fiscal year ended December 2025. However, he resigned from the position of representative director and chairman of Sojitz Corporation, an officer position under the Companies Act, in June 2017, and eight years have passed since that time. Furthermore, six years have passed since he resigned from the positions of special advisor and advisor of the same company in June 2019.</p> <p>In light of the above career history, it is clear that any potential interests arising from these relationships have been extinguished due to the passage of time. In addition, he has no record of transactions with the Company in a personal capacity.</p> <p>Sojitz Corporation has held shares of the Company as one of its major shareholders since the Company's listing on the Tokyo Stock Exchange. However, its shareholding ratio, calculated after deducting treasury shares as of the end of the fiscal year ended December 2025, is less than 1%.</p> <p>Furthermore, the amount of transactions between the two companies during the past five fiscal years has been less than 1% of annual sales of both parties.</p> <p>The Company has entered into a limited liability agreement with Mr. Kase.</p>	<p>Mr. Kase possesses extensive management experience gained through many years at a general trading company, as well as expertise in management oversight as an outside director. The Company expects he will play a sufficient role in conducting effective audits of the Company's management, and therefore proposes his election as an Outside Director who is a member of the Audit &amp; Supervisory Committee.</p> <p>(Reason for Designation as an Independent Director) He satisfies the independence criteria established by the Company, and there is no risk of conflicts of interest with general shareholders. Accordingly, the Company considers him suitable for designation as an Independent Director.</p>
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Ai Sugiyama	○	○	<p>Ms. Ai Sugiyama serves as a director of Woman's Ways, a general incorporated association, and as representative director of Square Plus, also a general incorporated association. However, there are no conflicts of interest between the JIA Group and these organizations. The Company has entered into a limited liability agreement with her.</p>	<p>Although Ms. Sugiyama has not previously been involved in corporate management, she has extensive experience, having been active worldwide as a professional tennis player and later serving as a tennis commentator and sports commentator. In addition, through her activities as a director of a general incorporated foundation that supports athletes and students engaged in sports, she has developed substantial knowledge and insight regarding human resource development and the promotion of environments that support women's active participation. The Company expects she will utilize this knowledge to contribute to the Company's audits and to provide proactive opinions and recommendations regarding the Company's sustainability management. For these reasons, the Company proposes her election as an Outside Director who is a member of the Audit &amp; Supervisory Committee.</p> <p>(Reason for Designation as an Independent Director) She satisfies the independence criteria established by the Company and is not affiliated with a major shareholder of the Company or any of its business partners. Accordingly, there is no risk of a conflict of interest with general shareholders, and the Company considers her suitable for designation as an Independent Director.</p>
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**[Audit & Supervisory Committee]**

Their structure, and attributes of their chairmen **Updated**

	Total No. of members	Fulltime members	Inside Directors	Outside Directors	Chairman
Audit & Supervisory Committee	3	0	0	3	Outside Director

Presence or absence of directors and employees who are to assist the Audit and Supervisory Committee in its duties	Present
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Matters concerning the independence of such directors and employees from executive directors **Updated**

The duties of the Audit & Supervisory Committee are supported by the Internal Audit Department. The Internal Audit Department performs such supporting duties in accordance with the instructions of the Audit & Supervisory Committee. Employees engaged in such supporting duties may concurrently hold other positions; however, matters concerning their personnel assignments require the prior consent of the Audit & Supervisory Committee.

Status of cooperation among the Audit and Supervisory Committee, accounting auditor, and internal audit department **Updated**

The Audit & Supervisory Committee, the Accounting Auditor, and the Internal Audit Department maintain close coordination with one another. In addition, the Internal Audit Department reports to the Audit & Supervisory Committee as appropriate and seeks its instructions when necessary, thereby establishing a highly effective audit framework.

**[Voluntary committees]**

Voluntary Establishment of Committee(s) Corresponding to a Nomination Committee or Compensation Committee	Established
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Establishment of voluntary committees, their structure, and attributes of their chairmen **Updated**

	Committee name	Total No. of members	Fulltime members	Inside Directors	Outside Directors	Outside experts	Other	Chairman
Voluntary committee equivalent to the nomination committee	Nominees and Compensation Advisory Committee	3		1	2			Outside Director
Voluntary committee equivalent to the remuneration committee	Nominees and Compensation Advisory Committee	3		1	2			Outside Director

Supplementary Explanation **Updated**

The Company has established the Nominees and Compensation Advisory Committee as an advisory body to the Board of Directors in order to enhance the fairness, transparency, and objectivity of procedures related to the nomination and remuneration of Directors and to further strengthen corporate governance. The Committee consists of three Directors (including two Outside Directors) and is chaired by an Outside Director.

**[Independent Officers (Directors/Audit & Supervisory Committee)] Updated**

Number of Independent Officers	3
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**Other matters concerning independent officers**

For securing the appropriateness of corporate governance and tightening it further, the Company has established the criteria for the independence of Outside Directors or Audit & Supervisory Committee Members.

**Criteria for judging independence**

The Outside Directors or Audit & Supervisory Committee Members who do not fall under any of the following items are considered to be independent.

1. Those whose major business partner is JIA or those who execute the business thereof
2. A major business partner of JIA or those who execute the business thereof
3. A lawyer, certified public accountant, tax accountant, consultant, or the like who receives money or property benefits whose amount exceeds a specified amount in addition to the remuneration for executives from JIA (or a member of a group, such as a corporation and an association, that receive property benefits)
4. A major financing institution of JIA or those who execute the business thereof
5. A person or a Director of a group, such as a corporation and an association, that receive a donation or subsidy whose amount exceeds a specified amount from JIA or those who execute the business thereof
6. Those who execute the business of a company whose Outside Director executes or executed the business of JIA
7. A major shareholder of JIA or those who execute the business thereof
8. Those who fell under any of the above items 1 to 7 in the past 3 years
9. Close relatives or the like of those who fall under any of the above items 1 to 8 (limited to those who are in important positions)
10. Close relatives or the like of Directors, executive officers, managers, or other important employees of JIA or a subsidiary thereof

**(Notes)**

1. "Those whose major business partner is JIA" mean those who have received a payment accounting for 1% or higher of annual consolidated sales thereof in the latest fiscal year
2. "A major business partner of JIA" is the one that has paid an amount accounting for 1% or higher of annual consolidated sales of JIA in the latest fiscal year.
3. "Those who execute the business" mean executive directors, executive officers, managers, or other employees of a company.
4. "A major financing institution" means the one that provides JIA with a loan equivalent to 2% or higher of consolidated total assets of JIA in the latest fiscal year.
5. "A specified amount" is 10 million yen per year.
6. "A major shareholder" means a shareholder who holds voting rights accounting for 10% or higher of a total number of voting rights of JIA. Shareholding ratio is calculated while excluding treasury shares, and JIA is not considered as a major shareholder.
7. "Those who are in important positions" mean directors, excluding outside ones, executive officers, and employees in the division chief position or higher positions.
8. "Close relatives or the like" mean spouses and relatives within the second degree of kinship.

**[Incentives]**

Incentive Policies for Directors Updated	None
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**Supplementary Explanation**

Stock options were issued to Directors, but all stock options have completed their exercise period.

Recipients of Stock Options	—
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**Supplementary Explanation**

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## [Director Compensation]

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

In this section, the status of FY2025, prior to the Company's transition to a company with an Audit & Supervisory Committee, is described.

The total amount of remuneration for each of the Directors and Audit & Supervisory Board Members is disclosed in the Annual Securities Report and Business Report. There is no one whose total amount of remuneration, etc. is more than 100 million yen.

The amount of remuneration and other financial benefits paid to Directors and Audit & Supervisory Board Members in the fiscal year ended December 31, 2025 (annual amount) was 179 million yen (for 12 persons), of which 165 million yen was paid to 8 Directors (of which 27 million yen was paid to 5 Outside Directors), 14 million yen was paid to 4 Audit & Supervisory Board Members (of which 12 million yen was paid to 3 Outside Audit & Supervisory Board Members).

The amounts paid to Directors do not include the salaries of employees of directors who also serve as employees.

Policy on Determining Compensation Amounts and Calculation Methods <b>Updated</b>	Established
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### Disclosure of Policy on Determining Compensation Amounts and Calculation Methods

The compensation for each Director is determined by the Board of Directors within a total amount determined at the General Shareholders' Meeting, while taking into consideration the position and scope of duties.

The Directors of our company receive fixed compensation only, and performance-based compensation has not been adopted.

The Company reached the following resolution on the compensation for individual directors at the Board of Directors' meeting held on March 18, 2021.

- Basic Policy

The Company's basic policy is to aim for a compensation system linked to shareholder interests in the medium term, so that the compensation of the Company's Directors will function sufficiently as an incentive to sustainably enhance corporate value, and to ensure that the compensation of individual directors is determined at an appropriate level based on their respective responsibilities and the Company's business performance.

- Policy on Determining the Details and Method of Calculating Performance-Linked Compensation and Non-Monetary Compensation

The Company does not pay performance-linked compensation or non-monetary compensation.

- Policy on Determining the Ratio of the Monetary Compensation, Performance-Linked Compensation, etc., or Non-Monetary Compensation, to the Compensation of Individual Directors

Regarding the ratio of compensation for Directors by type, the Company only pays basic compensation.

- Policy for Determining Time or Conditions for Providing Compensation, etc.

The basic compensation is fixed monthly and paid in cash.

- Matters concerning decisions on the contents of compensation for individual Directors

The decision-making authority for the amount of basic compensation to be paid to each Director shall be delegated to Naoto Shiraiwa, President and Representative Director, in accordance with a resolution of the Board of Directors. The President and Representative Director shall also determine the amount of basic compensation to be paid to each Director in accordance with their position and responsibilities within the total amount of compensation, etc. determined at the General Shareholder Meeting, while taking into account the Company's business performance, etc. In making such a decision, the Company respects the contents of the report of the Nomination and Compensation Advisory Committee, which was established based on the resolution of the Board of Directors and includes Outside Directors as members. The Board of Directors has confirmed that the President and Representative Director is in a position to appropriately grasp and evaluate the responsibilities and performance of each Director in the fiscal year under review, and that it is consistent with the content of the decisions made by the Board of Directors.

- Matters concerning changes in the decision-making policies, etc. related to compensation for individual directors

In the event that there are matters that require a consideration of whether or not to review the decision-making policies regarding the content of compensation for individual directors, such as changes in social conditions, the business

environment in the Company, and institutional designs in the Company, the President and Representative Director shall review such matters from time to time and make changes as necessary through a resolution of the Board of Directors.

In view of the above policy, the compensation of Directors in charge of business execution and Outside Directors in charge of supervisory function shall be paid only as fixed compensation, and the Company's business performance shall be taken into consideration in determining the amount of compensation.

**[Support System for Outside Directors] Updated**

Regarding outside directors, the Internal Audit Department assists the Audit and Supervisory Committee, and the Corporate Administration Division provides any necessary support. Specifically, we support the duties of outside directors by providing timely explanations of our business activities and progress, as well as promptly disclosing required materials and information.

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

With the approval at the 20th Annual General Meeting of Shareholders held on March 26, 2026, the Company transitioned from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee. Accordingly, some of the following descriptions include information relating to FY2025, prior to the Company's transition to a company with an Audit & Supervisory Committee.

### 1. Board of Directors

The Board of Directors consists of six Directors (including three Outside Directors) and in principle, meets once a month, with additional meetings held as necessary. The Board makes decisions on important management matters and supervises the execution of duties by Directors. The Company has introduced an Executive Officer system to accelerate decision-making. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into liability limitation agreements with all Outside Directors. Under these agreements, the maximum liability for damages is limited to the amount stipulated by laws and regulations, and such limitation applies only when the duties are performed in good faith and without gross negligence.

#### <Status of Board of Directors Meetings in FY2025>

In this section, the status for FY2025, prior to the Company's transition to a company with an Audit & Supervisory Committee, is described.

In FY2025, the Board of Directors convened a total of 13 times. The attendance of each Director at the meetings of the Board of Directors during the fiscal year is as follows.

Name		Attendance at meeting of the Board of Directors (number of times attended / number of meetings)
Naoto Shiraiwa		100% (13 times / 13 times)
Teiji Ishikawa		100% (13 times / 13 times)
Takeshi Sugimoto		100% (13 times / 13 times)
Takashi Mori	Outside	100% (13 times / 13 times)
Shunji Yanai	Outside	100% (13 times / 13 times)
Akira Maekawa	Outside	100% (13 times / 13 times)
Ido Kiyoto	Outside	100% (13 times / 13 times)
Chiharu Mariko	Outside	100% (13 times / 13 times)

### 2. Audit & Supervisory Committee

The Audit & Supervisory Committee consists of three Outside Directors and is responsible for overseeing management. In addition to being held before and after regular meetings of the Board of Directors, meetings of the Committee are convened as necessary. While maintaining high-quality governance as an independent body, the Committee works in cooperation with the Board of Directors to fulfill its supervisory functions.

#### <Status of Audit & Supervisory Board Meetings in FY2025>

In this section, the status for FY2025, prior to the Company's transition to a company with an Audit & Supervisory Committee, is described.

In the term ended Dec. 2025, the Audit & Supervisory Board held a total of 14 meetings. The situation of attendance by Audit & Supervisory Board Members at the meetings of the Audit & Supervisory Board and the Board of Directors is tabulated below.

Name		Attendance at meeting of the Audit & Supervisory Board (number of times attended / number of meetings)	Attendance at meeting of the Board of Directors (number of times attended / number of meetings)
Hideaki Sato	Outside	100% (10 times / 10 times)	100% (10 times / 10 times)
Hitoshi Komatsuzawa	Outside	100% (14 times / 14 times)	100% (13 times / 13 times)

Hitoshi Imuta	Outside	100% (14 times / 14 times)	100% (13 times / 13 times)
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(Note) The attendance record for Mr. Hideaki Sato, Full-time Outside Audit & Supervisory Board Member, reflects the period following his appointment at the 19th Annual General Meeting of Shareholders held on March 26, 2025.

### 3. Internal Audits

Internal audits of our company are conducted by the Internal Audit Office, which reports directly to the Representative Director.

The Internal Audit Office conducts audits of business operations and internal controls in accordance with internal audit regulations and internal audit plans. Audit results are reported to the Representative Director and full-time Audit & Supervisory Board Member each time an audit is conducted. The Representative Director instructs the audited division to take action on matters that require improvement.

In addition, the status of audit implementation, instructions for improvement, and the status of improvement are periodically reported at the Board of Directors meetings. All Audit & Supervisory Board Members attend the Board of Directors meetings and receive reports from the Internal Audit Office on audit plans, internal audit results, and the results of the evaluation of internal control over financial reporting.

### 4. Nominees and Compensation Advisory Committee

In FY2025, the Nominees and Compensation Advisory Committee convened once with the attendance of all members, during which revisions to the amount of remuneration were discussed.

Following the transition to a company with an Audit & Supervisory Committee, the Company established the Nominees and Compensation Advisory Committee, composed of three Directors (including two Outside Directors).

The Company consults the Nominees and Compensation Advisory Committee when submitting important matters to the Board of Directors, including the appointment and dismissal of Directors, the dismissal of the Representative Director, and the determination of the remuneration of Directors.

### 5. Sustainability Committee

The Group established a sustainability committee, which is chaired by the Representative Director of the Company. Its purpose is to formulate important policies for sustainability-oriented management and implement measures under the policies without fail in the Group.

### 6. Compliance Committee

The Group established a compliance committee, which is chaired by the Representative Director of the Company. Its purpose is to formulate important policies for the establishment of a compliance system management and implement measures under the policies without fail in the Group.

### 7. Risk Management Committee

The Group established a risk management committee, which is chaired by the Representative Director of the Company. Its purpose is to formulate important policies for the establishment of a risk management system and implement measures under the policies without fail in the Group.

### 8. Accounting Audits

The Company has concluded an audit contract with Grant Thornton Taiyo LLC. Through the audit by said audit corporation, The Company confirms accounting problems and makes efforts to improve the appropriateness of its accounting process. The following certified public accountants executed the tasks.

Grant Thornton Taiyo LLC	Designated Unlimited Liability Partner, Engagement Partner	Ryoichi Komatsu
Grant Thornton Taiyo LLC	Designated Unlimited Liability Partner, Engagement Partner	Keita Kawashima

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

Based on the above structure, the Company has determined that the current governance framework sufficiently enhances supervisory functions and ensures effective corporate governance.

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

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

	Supplementary Explanations
Early Notification of General Shareholder Meetings	The convocation notice for the 20th annual meeting of shareholders was sent on March 5, 2026 (seven days before the statutory date), and submitted to Tokyo Stock Exchange on February 27, 2026 (six days before the dispatch date).
Scheduling General Shareholder Meetings on Days When Numerous Other Companies Are Not Holding Theirs	Dates on which many companies hold meetings of shareholders are avoided, so that many shareholders can attend the general meeting of shareholders of the Company. The 20th annual meeting of shareholders was held on March 26, 2026.
Allowing Electronic Exercise of Voting Rights	Shareholders can exercise their voting rights electronically by using the voting website designated by Sumitomo Mitsui Trust Bank, Limited, the administrator of the shareholder register.
The Environment surrounding the Exercise of Electronic Voting Rights for institutional investors	As we adopted the online platform for exercising voting rights for institutional investors, which is operated by ICJ, Inc., it became possible to exercise voting rights with an electromagnetic method.
Convocation Notice in English Provided	The reference material for the 20th annual meeting of shareholders was provided in English.
Other Matters	The voting results are disclosed on the Company's website without delay after the conclusion of the General Shareholders' Meeting. In addition, the status of approval or disapproval for each proposal is disclosed in the extraordinary report, together with the numbers of "for," "against" and "abstain" votes.

#### 2. IR Activities **Updated**

	Supplementary Explanations	Explanation from Representative
Formulation and Public Disclosure of the Disclosure Policy	The Company has set the policy for disclosing IR information, and announced it in its website at <a href="https://www.jia-ltd.com/en/ir/disclaimer/">https://www.jia-ltd.com/en/ir/disclaimer/</a> .	
Regular Investor Briefings held for Individual Investors	The Company has made videos of its earnings briefing for individual investors available on the website of Nihon Securities Journal Inc. <ul style="list-style-type: none"> <li>• August 4, 2025 (Content) Overview of Financial Results for the Six Months Ended June 30, 2025</li> <li>• February 13, 2026 (Content) Overview of Financial Results for the Fiscal Year Ended December 31, 2025</li> </ul>	Yes
Regular Investor Briefings for Analysts and Institutional Investors	In 2025, the following briefing sessions were held as below. <ul style="list-style-type: none"> <li>• July 31, 2025 (webinar) (description) Financial Results for the Second Quarter of FY2025 (participants) Institutional investors via the web (No. of participants) 50</li> <li>• February 10, 2026 (webinar) (description) Financial Results for FY2025 (participants) Institutional investors via the web (No. of participants) 55</li> </ul>	Yes

Posting of IR Materials on Website	<p>The website includes financial results and other items to be disclosed timely, Mid Term Business Plan, PR material, securities report, quarterly reports, corporate governance reports, and convocation notices for general meetings of shareholders.</p> <p>The Company discloses its financial results, explanatory material, timely disclosure material other than financial results, Mid Term Business Plan, PR material, corporate governance reports, notices of convocation of general meetings of shareholders (reference documents), and voting results in English.</p> <p>Japanese homepage: <a href="https://www.jia-ltd.com/ir/">https://www.jia-ltd.com/ir/</a>  English homepage: <a href="https://www.jia-ltd.com/en/ir/">https://www.jia-ltd.com/en/ir/</a></p>	
Establishment of Department and/or Manager in Charge of IR	The Director in charge of IR is the Head of Administration Division and the section in charge of IR is the PR & IR Group of Corporate Planning Department.	

### 3. Measures to Ensure Respect for Stakeholders' Positions **Updated**

	Supplementary Explanations
Internal regulations and other guidelines stipulate that stakeholders' viewpoints shall be respected.	The Group stated that it respects the positions of stakeholders in “JIA Group sustainable principle” which stipulates the basic policy for realizing sustainability-oriented business administration.
Implementation of environmental preservation, CSR, and other activities	<p>In the Parts Out &amp; Conversion business, the Group curtails the generation of waste aircraft and parts by utilizing aged aircraft after their lease periods in cooperation with airline companies.</p> <p>The Company is working to reduce CO2 emissions through Renewable Energy Business to realize a decarbonized society. In the Renewable Energy Business, the Company started the development and operation of solar power plants in 2014, and the cumulative output of power plants we developed reached about 580,290 MW.</p> <p>A methane fermentation biogas cogeneration project using food waste as the main raw material, in which we have invested, was commissioned in November 2023, using the knowledge we have gained from solar power generation.</p> <p>The Company is working on weeding with sheep as an environment-friendly “chemical-free weeding” to reduce the impact on the environment, as solar power plants require regular weeding at some solar power plants.</p> <p>Since November 2021, the Company and Tokyo University of Agriculture and Technology (TUAT) have engaged in the development of new technologies for forestry, by utilizing fast-growing trees, such as Eucalyptus. This agreement is for conducting demonstration research in Hamada City in Shimane Prefecture, to study suitable land for planting fast-growing trees, such as Eucalyptus, methods for nurturing and managing them, etc. based on the results of research so far. We will apply the outcomes of this research to larger demonstration research through the initiatives based on the collaboration among industry, government, and academia utilizing the strengths of each party, and aim to realize a sustainable society.</p> <p>The Company contributes to local communities through the issuance of donation-type private placement bonds underwritten by local banks. A portion of the issuance fee was donated to local governments, local medical organizations, organizations working to</p>

	<p>reduce food loss, and School attendance support. The Company aims to contribute to the SDGs through our business by entering into sustainability-linked loans and loan agreements under the SDGs Promotion Support Syndication with financial institutions with which we do business.</p> <p>(Note: Sustainability Linked Loans are loan products that comply with the Sustainability Linked Loan Principles set out by the Loan Market Association (LMA).</p>
<p>Formulation of policies and other guidelines to provide information to stakeholders</p>	<p>The Company considers that a duty as a listed company is to disclose corporate information timely and appropriately to all stakeholders, including shareholders, investors, and local communities, and recognizes well that it is indispensable to fulfill this duty as a company listed a sound securities market. Keeping it in mind, the Company will disclose corporate information swiftly, accurately, and fairly to shareholders and investors.</p> <p>The Company set Disclosure Policy, to distribute financial reports, including our business administration information, and information on our corporate activities to shareholders and investors swiftly, accurately, and fairly.</p>
<p>Others</p>	<p>The Company formulate the General Employees Action Plan Pursuant to the Act on the Promotion of Female Participation and Career Advancement in the Workplace, in order to maintain a working environment in which female employees can flourish as managers and both men and women can work for a long period of time.</p> <p><a href="https://www.jia-ltd.com/en/aboutus/actionplan/">https://www.jia-ltd.com/en/aboutus/actionplan/</a></p> <p>【Period of the plan】 from April 1, 2022 to March 31, 2026</p> <p>【Goal 1】 To increase the ratio of female managers (line managers) to 20% or higher*</p> <p>*This goal is much higher than the average in the financial industry: 14.1%.</p> <p>【Goal 2】 To improve the system for supporting employees in raising children while working</p> <p>The Company also formulated the action plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children, as follows, so that employees can raise their children while working and all employees can exert their abilities to a sufficient degree.</p> <p>【Period of the plan】 The two years and nine months from April 1, 2024 to sDecember 31, 2026</p> <p>【Goal 1】 To increase the ratio of male employees who have taken childcare leave to 30% or higher during the period of the plan</p> <p>【Goal 2】 To Expand the special leave systems related to pregnancy and childcare within the planning period. (Introduce childcare leave, nursing care leave, maternity support leave, and fertility treatment/birth support leave.)</p>

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

##### 1. Basic Views on the Internal Control System and Progress on System Development Updated

Upon approval at the 20th Annual General Meeting of Shareholders held on March 26, 2026, the Company transitioned from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee. In connection with this transition, the Basic Policy for the Establishment of an Internal Control System was revised. However, the overview of the operational status describes the situation for FY2025, prior to the transition to a company with an Audit & Supervisory Committee.

The following is an overview of the decisions made and the operational status regarding the system to ensure that the execution of duties by the Directors of the Company complies with laws and regulations and the Articles of Incorporation, and other systems to ensure the appropriateness of business operations of the corporate group consisting of the Company and its subsidiary companies:

1. System to ensure compliance by the Directors and employees of the Company and its Group companies with laws and the Articles of Incorporation in the execution of their duties
<p>(1) The Directors and employees of the Company and its subsidiary companies (hereinafter the subsidiary companies are referred to as the “Subsidiaries,” and the Company and the Subsidiaries collectively as the “Group”) shall comply with social ethics, laws and regulations, the Articles of Incorporation, internal regulations, and other applicable rules, and engage in appropriate and sound corporate activities based on the Corporate Philosophy.</p> <p>(2) The Board of Directors shall establish internal regulations related to the execution of duties, including the Rules of the Board of Directors and the Rules on Administrative Authority, and employees shall execute their respective duties in accordance with such internal regulations.</p> <p>(3) The status of compliance shall be reported by the Compliance Committee to the Directors, and the person in charge of each department shall develop and promote a legal compliance framework upon recognizing compliance-related issues specific to their respective departments.</p> <p>(4) The Internal Audit Office, which is under the direct supervision of the President, shall regularly conduct audits of matters such as business execution and compliance in each department and report the audit results to the President and the Audit &amp; Supervisory Committee.</p> <p>(5) The Group has established internal reporting contact points (Group Legal &amp; Compliance Department and external law firms) in order to appropriately address violations of laws and regulations, acts suspected of violating laws and regulations, and other similar matters.</p>
Overview of the operation of the above system
<ul style="list-style-type: none"> <li>• The Group strives to raise awareness regarding the implementation of appropriate and sound corporate activities based on the Management Philosophy and the observance of internal rules through internal training, internal newsletters, etc. In particular, all employees are required to attend compliance training courses on the prevention of insider trading and harassment to prevent misconduct.</li> <li>• The Group sees to it that its Directors and employees understand the contents of the JIA Compliance Manual, and that they confirm this every year in addition to the time of joining the Company.</li> <li>• The Representative Director receives reports on the activities of each division through regular audit reports by the Internal Audit Department and regular meetings of the Compliance Committee, of which he is the chairperson, after which he directs appropriate improvement measures. Items of high importance are reported to the Board of Directors.</li> <li>• The Group has established a whistle-blowing system in which only outside lawyers can choose to serve as contact points, and is working to protect whistle-blowers and to identify and remedy problems as early as possible.</li> </ul>
2. System for storing and managing information associated with the execution of duties by the Directors
<p>(1) Records, ringisho (documents circulated for managerial approval), and other important information associated with the execution of duties by the Directors shall be recorded in written form or in electronic media, and shall be appropriately stored and managed in accordance with laws and regulations and internal regulations</p> <p>(2) The Directors shall be able to inspect such documents and other relevant information as necessary.</p>
Overview of the operation of the above system
<ul style="list-style-type: none"> <li>• The Group has established the “Document Management Regulations” to provide details of record documents, requests for approval, and other important information related to the execution of duties by Directors and appropriately stores and manages them. The Company has established a system that enables the provision of</li> </ul>

information at any time in response to requests from Directors and Audit & Supervisory Board Members.

### 3. Regulations and Other Systems for Managing Risks of Loss

- (1) The Board of Directors shall establish internal regulations to address various risks, including compliance, personal information, natural disasters, security, and system failures, and shall review them regularly.
- (2) The person in charge of each department and the person in charge of each Group company shall report risk information and other relevant information to the Directors, and risks shall be monitored and addressed on a cross-organizational basis. Each responsible department shall appropriately address risks by conducting education and training and by preparing and distributing manuals related to risk management.
- (3) In the event of an unforeseen situation, a response headquarters shall be established under the command of the President, and prompt and appropriate measures shall be taken in cooperation with external specialized institutions, such as outside legal counsel, as necessary, in order to prevent the expansion of damage.
- (4) The Internal Audit Office shall audit the risk management status of each department and report the results to the President and Audit & Supervisory Committee, and the Board of Directors shall regularly review the risk management system.

#### Overview of the operation of the above system

- In accordance with the JIA Risk Management Rules and related regulations, the Group has established a system to prevent the occurrence of risks and minimize losses through appropriate responses.
- The Representative Director receives reports on the activities of each division through regular audit reports by the Internal Audit Department and regular meetings of the Risk Management Committee, of which he is the chairperson, after which he directs appropriate improvement measures. Items of high importance are reported to the Board of Directors.

### 4. System to Ensure the Efficient Execution of Duties by Directors

- (1) In order to enhance the decision-making and supervisory functions of the Board of Directors and improve the efficiency of business execution, the President and each Director shall execute their respective duties under the command and supervision of the President, in accordance with the resolutions of the Board of Directors and within the scope of authority and responsibility defined in internal regulations.
- (2) The Board of Directors shall meet regularly once a month or as necessary. In addition to matters prescribed by laws and regulations, the Board shall formulate management objectives, including the Corporate Philosophy, management policies, medium-term management plans, and annual budgets, and supervise the execution of duties. Each department shall formulate and implement specific measures to achieve these objectives.
- (3) Each department shall ensure promptness and efficiency by delegating authority and clarifying responsibilities in accordance with internal regulations .

#### Overview of the operation of the above system

- The Company holds extraordinary meetings of the Board of Directors as necessary, as well as regular board meetings every month in order to make decisions on the execution of duties and supervise execution of duties. During the current fiscal year, the Board of Directors held 13 meetings.

### 5. System to ensure appropriate business operations at subsidiaries

- (1) Subsidiaries shall comply with social ethics, laws and regulations, the Articles of Incorporation, and internal regulations, and shall ensure the appropriateness of their business operations and conduct effective management based on the Group's Corporate Philosophy.
- (2) In accordance with the Company's various regulations, Subsidiaries shall promote the development of regulations necessary to ensure that the execution of duties by their Directors and employees complies with laws and regulations and the Articles of Incorporation, as well as regulations concerning the storage and management of information related to the execution of duties by their Directors.
- (3) In accordance with the Company's various regulations, Subsidiaries shall promote the establishment of systems to ensure that the execution of duties by their Directors is carried out efficiently, and shall develop systems suited to the business activities and organizational structures of each Group company in order to ensure the appropriateness of business operations.
- (4) Subsidiaries shall promote the development of regulations related to the management of risks of loss, establish systems for identifying individual risks and for integrated risk management, and shall take appropriate measures to prevent the expansion of damage in the event of an unforeseen situation.

- (5) Subsidiaries shall provide the Company with necessary reports on their management.
- (6) The Company's Audit & Supervisory Committee and the Internal Audit Office shall audit the status of the execution of duties by the Directors and employees of Subsidiaries in cooperation with the Subsidiaries' corporate auditors and administrative departments.

**Overview of the operation of the above system**

- The Group strives to raise awareness regarding the implementation of appropriate and sound corporate activities based on the Group Management Philosophy and to comply with its internal rules through internal training, internal newsletters, etc. In particular, all employees are required to attend compliance training courses to prevent insider trading and harassment to prevent misconduct.
- The Group defines the department in charge of each subsidiary separately in the "Affiliate Management Regulations." The department in charge receives periodic reports on the status of the development and operation of various regulations of subsidiaries and monthly business conditions to confirm the effectiveness of internal controls.
- The Audit & Supervisory Board Members of the Company regularly exchange opinions and share issues with the Audit & Supervisory Board Members or administrative departments of subsidiaries, and the persons in charge of internal audits at the Company periodically conduct internal audits of subsidiaries and report to the Representative Director.

6. Matters concerning Directors and employees who assist the Audit & Supervisory Committee in the performance of their duties, the independence of such Directors and employees from other Directors, and measures to ensure the effectiveness of instructions given to such Directors and employees

- (1) The Company shall promptly appoint employees to assist the Audit & Supervisory Committee upon their request .
- (2) Employees who have received instructions from the Audit & Supervisory Committee shall not be subject to the command or instructions of Directors, department heads, or other personnel with respect to such instructions, in order to ensure the effectiveness of the instructions of the Audit & Supervisory Committee and the independence of such employees from the Directors.
- (3) Employees shall not be subject to any disadvantageous treatment with respect to personnel matters or other internal treatment on the grounds that they have followed instructions from the Audit & Supervisory Committee.

**Overview of the operation of the above system**

- The Company does not currently have any employees to assist Audit & Supervisory Board Members. However, the Company will have employees to assist Audit & Supervisory Board Members in their duties, upon their request.

7. System for reporting to the Audit & Supervisory Committee

- (1) The Audit & Supervisory Committee shall be able to attend important meetings, such as meetings of the Board of Directors, review ringisho and other important documents as necessary, and request explanations from Directors and employees in order to understand the process of important decision-making and the status of execution of duties.
- (2) In addition to matters prescribed by laws and regulations, the Directors and employees of the Group shall promptly report to the Audit & Supervisory Committee matters that may have a significant impact on the Group's business or financial performance, the status of internal audits, the status of reports made through the internal reporting system, and other matters requested as necessary for the performance of the duties of the Audit & Supervisory Committee. Such reportable matters shall include important matters reported to the Company's Directors and employees by Group companies.
- (3) The Company shall ensure that any person who has made a report as set forth in the preceding item shall not be subject to any disadvantageous treatment on the grounds of having made such report .

**Overview of the operation of the above system**

- The Audit & Supervisory Board Members attend important meetings, such as meetings of the Board of Directors, and understand the process of important decision-making and the status of business execution. In addition, they refer to ringisho and other important documents and ask the Directors and employees for explanations.
- Audit & Supervisory Board Members receive reports on the status of whistle-blowing through the whistle-blowing system. In addition, they receive reports from full-time Audit & Supervisory Board Members who have been designated as contact points. The Audit & Supervisory Board Members then request the Directors and employees to explain and improve upon the contents of these reports.
- Directors and employees of the Company and its subsidiaries who report to the Audit & Supervisory Board Members are prohibited from being treated disadvantageously for this reason, and the Company has made this known to them.

<b>8. Policy on the management of expenses and liabilities incurred in the execution of duties by Audit &amp; Supervisory Committee</b>	
(1)	If an Audit & Supervisory Committee Member requests the Company, pursuant to the Companies Act, to make an advance payment or reimbursement of expenses necessary for the execution of his or her duties, the Company shall make the necessary payment based on such request.
	<b>Overview of the operation of the above system</b>
	<ul style="list-style-type: none"> <li>The Company promptly processed expenses incurred in the course of the duties of Audit &amp; Supervisory Board Members in accordance with the procedures of Audit &amp; Supervisory Board Members.</li> </ul>
<b>9. Other systems to ensure the effectiveness of audits by the Audit &amp; Supervisory Committee</b>	
(1)	The Audit & Supervisory Committee shall hold regular meetings with the President to exchange information, receive reports on the status of business execution, and discuss relevant matters, thereby establishing a framework that promotes mutual understanding with the President.
(2)	The Audit & Supervisory Committee shall establish a framework to enhance the effectiveness and efficiency of audits through coordination with the internal audit department and the accounting auditor.
	<b>Overview of the operation of the above system</b>
	<ul style="list-style-type: none"> <li>The Audit &amp; Supervisory Board Members regularly hold a session for exchanging opinions with the Representative Director, the Internal Audit Office, and the accounting auditor, to improve their audit.</li> </ul>
<b>10. System to ensure the reliability of financial reporting in the corporate group</b>	
(1)	The Group shall establish an effective and appropriate internal control system in accordance with the Financial Instruments and Exchange Act and other relevant laws and regulations in order to ensure the reliability of financial reporting.
	<b>Overview of the operation of the above system</b>
	<ul style="list-style-type: none"> <li>In order to improve the reliability of financial reports, the Group has established necessary organizations and secured and deployed necessary personnel.</li> <li>The Group formulated regulations, including “accounting regulations,” and promotes the enrichment of the internal control system for financial reports and the improvement of its effectiveness.</li> </ul>

## **2. Basic Views on Elimination of Antisocial Forces and State of Preparedness**

The Company’s basic views on elimination of antisocial forces and the state of preparedness are detailed below.

### **(1) Basic Views on Elimination of Antisocial Forces**

- 1) The Group cuts off any relationship with antisocial forces, including business relationships, and refuses unreasonable demands from antisocial forces. The Group will terminate business relationships with any individuals, corporations, or organizations when they are proven to be related to antisocial forces.
- 2) The Group establishes education programs for preventing any damage by antisocial forces, and develops countermeasures and facilitates full understanding of them by its executives and employees.
- 3) The Group establishes a relationship of cooperation with the police and outside specialized agencies, such as advisory law offices, for coping with emergencies arising from unreasonable demands from antisocial forces.

### **(2) State of Preparedness for Eliminating Antisocial Forces**

- 1) The Group established a management division for responding to unreasonable demands from antisocial forces, etc. and preventing transactions with them, and make efforts to distribute information to all employees via in-house newsletters.
- 2) The Group has established the “Policy on Anti-Social Forces” and related manuals, and the Directors and employees promote operations in accordance with these regulations.

## V. Other

### 1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
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Supplementary Explanation

None

### 2. Other Matters Concerning Corporate Governance System **Updated**

Internal system for timely disclosure of Company information

Information disclosure is overseen by the Head of Administration Division, and conducted by the PR & IR Group of the Corporate Planning Department (hereinafter referred to as the "Group in charge of Timely Disclosure") as a part of the dedicated department, in accordance with the Timely Disclosure Rules, and the Group also serves as the contact point for the Tokyo Stock Exchange.

The Group in charge of Timely Disclosure strives to inform internal departments of the importance of Timely disclosure, and internal departments report to and consult with the Group in charge of Timely disclosure regarding decisions and facts that arise in the course of business activities that are considered to have a significant impact on investors' investment decisions. Such important information is collected from other departments in the Administration Division to the Group in charge of Timely Disclosure through internal reporting or the process of approval by the prescribed resolution.

Important matters such as decisions, occurrences, and financial information of subsidiaries are also required to be approved or reported as prescribed by the Company, and important or potentially important corporate information within the Group is collected from each department within the Company to the Group in charge of Timely Disclosure without omission or delay through the process of internal reporting by subsidiaries to the department in charge of the relevant subsidiary or approval by the Company.



[Reference] Expertise and Experience of Directors (Skill Matrix)

Position	Name		Corporate management	Finance	SDGs	Global experience	Legal affairs, compliance, and governance	Finance, accounting, and taxation
Directors Who are not Audit & Supervisory Board Members	Naoto Shiraiwa		○	○	○	○		○
	Teiji Ishikawa		○	○	○	○		○
	Michio Murakami		○	○	○	○		○
Directors who are Audit & Supervisory Committee Members	Chiharu Mariko	Outside			○		○	
	Yutaka Kase	Outside	○	○		○	○	○
	Ai Sugiyama	Outside			○	○		

Note: The above list does not represent all of the experience and expertise of each Director.