

**Last Update:** 26 March 2026

**JAC Recruitment Co., Ltd.**

Hiromi Tazaki, Executive Director, Chairman and CEO

Contact: Tetsuya Akutsu, Senior Director and CFO

Securities code: 2124

<https://corp.jac-recruitment.jp/en>

The corporate governance of JAC Recruitment Co., Ltd. (the “Company”) is described below.

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

### 1. Basic Views

The Company believes that its mission in corporate management is to meet the trust and expectations of all stakeholders who support its corporate activities, to achieve sustainable growth and to increase corporate value over the medium to long term. The Company considers it important to pursue transparency, soundness, and efficiency in management, disclose timely and accurate management information, comply with laws and regulations, and maintain and develop good relationships with stakeholders, including shareholders, client companies, registered candidates, and employees, for the company's lasting development, and therefore will strengthen its corporate governance system.

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

The company has complied with all the principles of the Corporate Governance Code.

### Disclosure Based on each Principle of the Corporate Governance Code

The Company discloses the compliance with each principle as the “Basic Policies on Corporate Governance, JAC Recruitment Co., Ltd.” and posts it on the Company's website.

The URL of the website is:

(Japanese) <https://ir.jac-recruitment.jp/ja/investors/management/governance.html>

(English) <https://ir.jac-recruitment.jp/en/investors/management/governance.html>

respectively.

(Measures to achieve cost of capital and share price conscious management) (English-language disclosure available)

(Updated on 26 March 2026)

The Company discloses the compliance with "Measures to achieve cost of capital and share price conscious management." (Corporate Governance Code Principle 5-2) in the " Basic Policies on Corporate Governance, JAC Recruitment Co., Ltd " which is published on the company's website.

The URL of the website is:

(Japanese) <https://ir.jac-recruitment.jp/ja/investors/management/governance.html>

(English) <https://ir.jac-recruitment.jp/en/investors/management/governance.html>

respectively.

(Response for promoting dialogue with shareholders and disclosure) (English-language disclosure available)

(Updated on 26 March 2026)

The Company discloses the compliance with " Response for promoting dialogue with shareholders and disclosure " (Corporate Governance Code Principle 5-1) in the " Basic Policies on Corporate Governance, JAC Recruitment Co., Ltd " which is published on the company's website.

The URL of the website is:

(Japanese) <https://ir.jac-recruitment.jp/ja/investors/management/governance.html>

(English) <https://ir.jac-recruitment.jp/en/investors/management/governance.html>

respectively.

## Action to Implement Management That Is Conscious of Cost of Capital and Stock Price

Content of Disclosure	Disclosure of Initiatives (Update)
Availability of English Disclosure	Available
Date of Disclosure Update	26 March 2026

### Explanation of Actions

We recognize 7.6% as our cost of capital, calculated using the weighted average cost of capital (WACC). Against this, our return on equity (ROE) at the end of 2025 was 41.5% significantly exceeding our cost of capital. Furthermore, our price book-value Ratio (PBR) at the end of 2025 was 7.55, maintaining high level.

With the recruitment business, which requires little capital investment and with almost no interest-bearing debt, where our cost of capital consists solely of shareholders' equity costs, we recognize that the operating income margin and the growth rate of profit are the most important financial benchmarks for us to further improve these levels going forward. We are committed to maintaining a high dividend payout ratio while ensuring adequate internal reserves for future growth investments, aiming for profit growth that exceeds the expansion of our equity. When making business investments, we view the entire human resources business as one portfolio and set a minimum hurdle rate of achieving a return on investment (ROI) that exceeds our capital cost. We also use maintenance of current capital efficiency as one of our criteria for evaluating investments.

Moving forward, we will further enhance disclosure of social impact brought about through initiatives to enrich non-financial capital, striving to increase shareholder value (expand equity spread).

## 2. Capital Structure

Foreign Shareholding Ratio	10% or more but less than 20%
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### Status of Major Shareholders

Name or Company Name	Number of Shares Owned	Percentage (%)
Tadayoshi Tazaki	32,711,000	20.48
Hiroshi Tazaki	20,718,400	12.97
Shingo Kanaoya	16,154,800	10.11
The Master Trust Bank of Japan, Ltd. (trust account)	10,880,100	6.81
The Tazaki Foundation	9,100,000	5.70
JAC Environmental & Animal Protection Foundation	8,000,000	5.01
Custody Bank of Japan, Ltd. (trust account 4)	7,017,500	4.39
Custody Bank of Japan, Ltd. (trust account)	3,474,400	2.18
THE NOMURA TRUST AND BANKING CO., LTD.	1,922,700	1.20
BNP PARIBAS LUXEMBOURG	1,890,000	1.18

Name of Controlling Shareholder, if applicable (excluding Parent Companies)	_____
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Name of Parent Company, if applicable	None
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### Supplementary Explanation

1. The status of major shareholders is as of 31 December 2025.
2. In addition, there are 5,837,517 shares of treasury stock.
3. The number of shares held by Mr. Tadayoshi Tazaki includes the number of shares (8,000,000 shares as of 31 December 2025) held by Custody Bank of Japan, Ltd. under a management trust agreement concluded on 18 December 2023.
4. Of the above-mentioned number of shares owned, the number of shares related to trust operations is as follows:  
The Master Trust Bank of Japan, Ltd. (trust account) 10,763,600 shares  
Custody Bank of Japan, Ltd. (trust account) 3,466,500 shares  
Custody Bank of Japan, Ltd. (trust account 4) 39,000 shares
5. The Master Trust Bank of Japan, Ltd. (Stock Grant ESOP Trust Account 75825) is a trust established in conjunction with the reintroduction of the Employee Incentive Plan 'Stock Grant ESOP Trust'. These shares are presented as treasury stock in the consolidated financial statements.

### 3. Corporate Attributes

Listed Stock Exchange and Market Segment	TSE Prime Market
Fiscal Year-End	December
Business Sector	Services
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	¥10 billion or more but less than ¥100 billion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	10 or more but fewer than 50

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

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

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

### 1. Organizational Composition and Operation

Corporate Governance System	Company with Supervisory Committee
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#### Directors

Number of Directors Stipulated in Articles of Incorporation	14
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Outside Director
Number of Directors	11
Election of Outside Directors	Elected
Number of Outside Directors	7
Number of Independent Directors	7

Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	
Yutaka Kase	From another company												
Günter Zorn	From another company												
Nobuhide Nakaido	From another company												
Toshiaki Mukaiyama	From another company												
Nodoka Nakamura	Lawyer												
Akiko Toyoda	From another company												
Naoyasu Ozawa	CPA												

\*Categories for "Relationship with the Company".

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

- Person who executes business for the Company or its subsidiary
- Person who executes business for a non-executive director of the Company's parent company
- Person who executes business for a fellow subsidiary
- Person/entity for which the Company is a major client or a person who executes business for said person/entity
- Major client of the Company or a person who executes business for said client
- Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/company auditor
- Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
- Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to director him/herself only)
- Person who executes business for another company that holds cross-directorships/cross-auditor ships with the Company (applies to director him/herself only)
- Person who executes business for an entity receiving donations from the Company (applies to director him/herself only)
- Other

Outside Directors' Relationship with the Company (2)

Name	Membership of Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Yutaka Kase		*	N/A	Mr Yutaka Kase has been appointed mainly because he will participate in management from a broad perspective to ensure adequacy and fairness based on his extensive experience as business manager. It was further determined that the Company can expect him to provide supervision and advice on corporate management as an Outside Director by taking the larger picture into account as he possesses sufficient insight into company management from his many years of experience in corporate management.
Günter Zorn		*	N/A	Mr Günter Zorn has been appointed mainly because he will participate in management from a broad perspective to ensure adequacy and fairness based on his extensive experience as business manager. It was further determined that the Company can expect him to provide supervision and advice on corporate management as an Outside Director by taking the larger picture into account as he possesses sufficient insight into company management from his many years of global experience in corporate management.

Nobuhide Nakaido		*	N/A	Mr Nobuhide Nakaido has been appointed mainly because he will participate in management from a broad perspective to ensure adequacy and fairness based on his extensive experience as business manager. It was further determined that the Company can expect him to provide supervision and advice on corporate management as an Outside Director by taking the larger picture into account as he possesses sufficient insight into company management from his many years of experience in corporate management.
Toshiaki Mukaiyama	*	*	N/A	Mr Toshiaki Mukaiyama has been appointed to be Outside Director who is an Audit & Supervisory Committee Member mainly because he will give advice and recommendations to ensure adequacy and fairness based on his extensive experience in administrative operations in general, including business planning, accounting/finance and the management of overseas subsidiaries. It was further determined that the Company can expect him to apply his expertise and experience to corporate management as an Outside Director as he possesses sufficient insight into company auditing operations from his many years of experience in administrative operations.
Nodoka Nakamura	*	*	N/A	Ms Nodoka Nakamura has been appointed to be Outside Director who is an Audit & Supervisory Committee Member mainly because she will provide advice and recommendations to ensure adequacy and fairness from her professional viewpoint as a lawyer. It was further determined that the Company can expect her to apply her expertise and experience to corporate management as an Outside Director as she possesses sufficient insight into the auditing operations of companies from the legal knowledge and experience she has gained as a lawyer, although she has not participated in corporate management in the past other than as an Outside Director or an Outside Audit & Supervisory Board Member.
Akiko Toyoda		*	N/A	Ms Akiko Toyoda has been appointed mainly because she will participate in management from a broad perspective to ensure adequacy and fairness based on her extensive experience as business manager. It was further determined that the Company can expect her to provide supervision and advice on corporate management as an Outside Director by taking the larger picture into account as she possesses sufficient insight into company management from her many years of experience in corporate management.
Naoyasu Ozawa	*	*	N/A	Mr Naoyasu Ozawa has been appointed to be Outside Director who is an Audit & Supervisory Committee Member mainly because he will provide advice and recommendations to ensure adequacy and fairness from his professional viewpoint as a certified public accountant. It was further determined that the Company can expect him to apply his expertise and experience to corporate management as an Outside Director as he possesses sufficient insight into the auditing operations of companies from the accounting knowledge and experience he has gained over many years as a certified public accountant, although he has not participated in corporate management in the past other than as an Outside Director or an External Audit & Supervisory Board Member.

## Supervisory Committee

### Composition of Supervisory Committee and Attributes of the Chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Committee Chair
Supervisory Committee	3	1	0	3	Outside Director

Appointment of Directors and/or Staff to Support the Supervisory Committee	Appointed
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### Matters Concerning Independence of Said Directors and/or Staff from Executive Officers/Reasons for Adopting Current System

The Internal Audit Office has been established as an organisation reporting directly to the Supervisory Committee and is responsible for conducting audit work under the direction of the Supervisory Committee. Decisions on the transfer of employees belonging to the Internal Audit Office are subject to the consent of the Supervisory Committee, ensuring independence from the executive directors and the effectiveness of the Supervisory Committee's instructions.

### Cooperation among the Supervisory Committee, Accounting Auditors and Internal Audit Department

The director (the Full-time Supervisory Committee member) and the Internal Audit Office exchange opinions on auditing on a regular basis, including monthly, to ensure mutual cooperation. Information is provided to the Accounting Auditors on notable events relating to internal control identified by the internal audit. The advices and opinions are exchanged as necessary among them to ensure cooperation.

## Voluntary Established Committee(s)

Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee	Established
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### Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chairperson

	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	The Board of Independent Directors	7	1	0	7	0	0	Outside Director
Voluntarily Established Committee Equivalent to Remuneration Committee	The Board of Independent Directors	7	1	0	7	0	0	Outside Director

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## Supplementary Explanation

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Our board of independent directors consists of all seven independent directors as stipulated by TSE (four of them are not audit and supervisory committee members, and three of them are audit and supervisory committee members).

For FY 2026, at the Board of Directors meeting held on 13 February 2026, proposals for the selection of director candidates to be submitted to the 39th Ordinary General Meeting of Shareholders, as well as proposals regarding the policy and amount of compensation for directors who are not audit and supervisory committee members, were both decided after consultation with our Board of Independent Directors.

## Matters Concerning Independent Directors

Number of Independent Directors	7
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### Other Matters Concerning Independent Directors

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## Incentives

Implementation Status of Measures related to Incentives Granted to Directors	Introduction of Performance-linked Remuneration Scheme
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### Supplementary Explanation for Applicable Items

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We have performance-linked remuneration system for our executive directors (excluding outside directors and directors who are members of the Supervisory Board).

Persons Eligible for Stock Options	None
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### Supplementary Explanation for Applicable Items

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## Director Remuneration

Status of Disclosure of Individual Director's Remuneration	Disclosure for Selected Directors
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### Supplementary Explanation for Applicable Items

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The disclosure is limited to those whose total amount of consolidated remuneration is 100 million yen or more, and the subject of such disclosure for fiscal 2025 is two persons.

\*Hiromi Tazaki, Executive Director, Chairman and CEO; Total consolidated remuneration: 133 million yen (fixed remuneration of 74 million yen for the Company and performance-linked remuneration of 58 million yen).

\*Hiroki Yamada, Executive Director and Head of Sales; Total consolidated remuneration: 102 million yen (fixed remuneration of 63 million yen for the Company and performance-linked remuneration of 38 million yen).

Policy on Determining Remuneration Amounts and Calculation Methods

Established

## Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

For FY2026, at the meeting of our Board of Directors held on 13 February 2026, the proposal regarding the policy and amount of the remuneration for the Executive Directors who are not Audit & Supervisory Committee Members was determined after consulting with the Board of Independent Directors, as follows.

### A. Basic Policy

The remuneration for our Executive Directors, who are not Audit & Supervisory Committee Members shall be structured as a remuneration system that effectively serves as an incentive for the sustainable enhancement of corporate value, with the determination of individual Directors' remuneration set at an appropriate level based on their respective responsibilities as a basic policy. Specifically, the remuneration for Executive Directors (hereinafter referred to as "Eligible Directors") shall consist of monetary remuneration (basic remuneration, performance-linked remuneration) and non-monetary remuneration (restricted stock compensation, performance-linked share-based remuneration, and leased housing), with monetary remuneration being the primary component and non-monetary remuneration set at an appropriate ratio to contribute to medium- to long-term enhancement of corporate value.

For Eligible Directors:

(I) In the short term, the performance-linked remuneration system offers incentives to enhance the Company's performance in each fiscal year; and

(II) In the medium- to long-term, alongside restricted stock compensation (annual installment-type), the performance-linked share-based remuneration system seeks to contribute to the sustainable enhancement of corporate value by vigorously promoting shareholder value creation.

This will result in a remuneration system that contributes to achieving 'JAC as No. 1'.

The remuneration for Non-executive Directors shall consist solely of basic remuneration (monetary remuneration).

### B. Details of Remuneration

#### (1) Remuneration Levels

In accordance with the above basic policy, the remuneration for Directors who are not Audit & Supervisory Committee Members shall be set at levels that are considered attractive according to each Director's responsibilities. We consider remuneration surveys of Japanese listed companies conducted by industry peers and third parties when setting these levels. The levels will be reviewed as appropriate in response to changes in the external environment.

#### (2) Remuneration Structure

##### (i) Monetary Remuneration

##### (a) Basic Remuneration (Fixed Remuneration)

The basic remuneration for Directors who are not Audit & Supervisory Committee Members shall be determined according to position based on their responsibilities.

##### (b) Performance-linked Remuneration

Performance-linked remuneration shall be monetary remuneration linked to single-year company performance, determined according to the method below based on the actual amount of profit before income taxes (hereinafter referred to as "PBT") for the consolidated fiscal year. PBT was chosen as the indicator to reflect performance for the entire group of ours, including consolidated subsidiaries, in remuneration. Directors who resign during the fiscal year shall receive payment in proportion to their period of service.

- Executive Director (Chairman & CEO): 0.50% of profit before income taxes for the consolidated fiscal year
- Director and Chief Advisor: 0% of above \*See Note 1 under B. (3)
- Executive Director (Head of Sales): 0.33% of above
- Executive Director (Head of Global Business Headquarters): 0.15% of above

If the actual PBT exceeds 200% of the published target PBT amount approved by the Board of Directors, 200% shall be used as the upper limit for calculation. Conversely, if it falls below 30%, no performance-linked remuneration shall be paid.

- (ii) Non-monetary Remuneration
- (c) Restricted Stock Compensation

Regarding share-based remuneration for the Company's Directors who are not Audit & Supervisory Committee Members, remuneration paid for granting restricted stock to Eligible Directors shall be monetary claims, with total amounts of 200 million yen or less per year as "annual installment-type stock compensation" and 200 million yen or less per year as "lump sum-type stock compensation" (excluding employee salaries of Directors who also serve as employees). However, the "lump sum-type stock compensation" remuneration framework is generally intended for lump sum payment of amounts equivalent to the remuneration for duties performed over 10 fiscal years, effectively equivalent to payment of 20 million yen or less per fiscal year.

Furthermore, Eligible Directors shall receive the issuance or disposal of the Company's common shares by paying in all monetary claims paid as property contributed in kind, pursuant to a resolution of the Company's Board of Directors. The total number of the Company's common shares to be issued or disposed of in this manner shall be 186,000 shares or less per year as "annual installment-type stock compensation" and shall be 400,000 shares or less per year as "lump sum-type stock compensation," totaling 586,000 shares or less per year. However, as mentioned above, the monetary claims for "lump sum-type stock compensation" are generally intended for lump sum payment of amounts equivalent to the remuneration for duties performed over 10 fiscal years, effectively equivalent to grants of 40,000 shares or less per fiscal year.

The amount to be paid in per share shall be determined by the Board of Directors based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day preceding the date of each Board of Directors resolution (if no trading is executed on the said date, the closing price on the most recent trading day preceding the said date), within a range that is not preferentially advantageous to the Eligible Directors receiving the common shares. The issuance or disposal of the Company's common shares and the related payment of monetary claims as property contributed in kind shall be conditional upon concluding a restricted stock allotment agreement between the Company and each Eligible Director that includes the terms outlined below. The upper limits of remuneration amounts, the total number of the Company's common shares to be issued or disposed of, and other conditions for granting restricted stock shall be determined considering the aforementioned objectives, the Company's business conditions, and various other circumstances.

- (d) Performance-linked Share-based Remuneration

For this remuneration, a baseline number of stock units shall be set according to each Eligible Director's position and role. After a three-year performance evaluation period (from the start of each fiscal year to the end of the second subsequent fiscal year; hereinafter referred to as the "Performance Evaluation Period"), common shares of the Company and cash will be delivered to Eligible Directors based on the number of stock units to be granted calculated according to the evaluation using total shareholder return (TSR) and the level of the achievement of targets for indicators related to environment, society, and governance (ESG) and other performance metrics (including non-financial indicators). The remuneration to be paid to Eligible Directors as performance-linked share-based remuneration shall be monetary compensation claims and cash, with the total amount of 200 million yen or less per year (excluding employee salaries of Directors who also serve as employees). Furthermore, Eligible Directors shall receive the issuance or disposal of the Company's common shares by paying in monetary compensation claims paid under this proposal as property contributed in kind, pursuant to a resolution of the Company's Board of Directors. The total number of the Company's common shares to be issued or disposed of in this manner shall be 600,000 shares or less per year. The amount to be paid per share shall be determined by the Company's Board of Directors based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day preceding the date of each Board of Directors resolution (if no trading is executed on the said date, the closing price on the most recent trading day preceding the said date), within a range that is not preferentially advantageous to the Eligible Directors receiving the common shares. The specific timing of payment and allocation to each Eligible Director shall be determined by the Company's Board of Directors after consultation with the board of independent directors.

The above-mentioned details and other matters shall be stipulated in the "Performance-linked Share-based Remuneration Regulations."

The method for calculating the number and total amount of the Company's Shares to be delivered to the Eligible Directors is as follows.

The number of the Company's common shares and the amount of cash to be delivered based on the number of stock units to be granted (referred to in (II) below), which is determined according to the TSR Evaluation and achievement of targets for ESG Indicators, etc. during the Performance Evaluation Period, shall be calculated based on the overview and the formulas given below, using the baseline number of stock units (referred to in (I) below) predetermined according to each Eligible Director's position and role as the basis for calculation. Note that what will be provided to Eligible Directors is monetary compensation claims equivalent to the amount calculated by multiplying the number of the Company's common shares in (i) below by the when-delivered share price (referred to in (III) below), which will be paid in as property contributed in kind for the delivery of the Company's common shares.

- (i) Number of the Company's common shares to be delivered to each Eligible Director

Number of stock units to be granted (referred to in (II) below) × 50% (any fraction less than 100 shall be rounded up)

- (ii) Amount of cash to be delivered to each Eligible Director

(Number of stock units to be granted (referred to in (II) below) – Number calculated in (I) above) × When-delivered share price (referred to in (III) below)

(I) Baseline Number of Stock Units

The baseline number of stock units shall be calculated by dividing the standard remuneration amount predetermined according to each Eligible Director's position and role (hereinafter referred to as "Position/Role-based Standard Amount") by the standard stock price (any fraction less than 1 shall be rounded down).

The Position/Role-based Standard Amount shall be determined annually at the beginning of each period by the Company's Board of Directors after consultation with the Board of Independent Directors. The standard stock price shall be the closing price of the Company's shares on the Tokyo Stock Exchange on the business day preceding the date of the Board of Directors annual resolution that determines the Position/Role-based Standard Amount and baseline number of stock units (if no trading is executed on the said date, the closing price on the most recent trading day preceding the said date).

(II) Number of Stock Units to be Granted

The number of stock units to be granted shall be calculated by multiplying the number equivalent to 80% of the baseline number of stock units by the payment rate corresponding to the TSR Evaluation for the Performance Evaluation Period (hereinafter referred to as "TSR Evaluation Coefficient") and multiplying the number equivalent to 20% of the baseline number of stock units by the payment rate corresponding to the achievement of targets for ESG Indicators, etc. for the Performance Evaluation Period (hereinafter referred to as "ESG, etc. Evaluation Coefficient").

The TSR Evaluation Coefficient shall be determined based on the Company's TSR Evaluation using the dividend-inclusive TOPIX (Tokyo Stock Price Index) growth rate as a benchmark, according to the formula below. It shall be calculated within a range of 0% to 200%. If the calculation result is less than 50%, the TSR Evaluation Coefficient shall be 0%, and if it exceeds 200%, the TSR Evaluation Coefficient shall be 200%.

TSR Evaluation Coefficient = Company's TSR/TOPIX Growth Rate =  $((B + C) \div A) / (E \div D)$

A: Simple average of the Company's stock closing prices on the Tokyo Stock Exchange in the month preceding the first fiscal year of the Performance Evaluation Period

B: Simple average of the Company's stock closing prices on the Tokyo Stock Exchange in the final month of the final fiscal year of the Performance Evaluation Period

C: Total amount of dividends per share of the Company's stock related to dividends of surplus during the Performance Evaluation Period

D: Simple average of the dividend-inclusive TOPIX closing prices in the month preceding the first fiscal year of the Performance Evaluation Period

E: Simple average of the dividend-inclusive TOPIX closing prices in the final month of the final fiscal year of the Performance Evaluation Period

The ESG, etc. Evaluation Coefficient shall be determined by calculating the coefficient for each KPI set for ESG Indicators, etc., by multiplying the KPI's weight (evaluation ratio) by the coefficient corresponding to the degree of target achievement and then summing the coefficient for each KPI. It shall be calculated within a range of 0% to 150%. The content of KPIs, the evaluation ratio for each KPI, and the target value for each KPI for calculating the ESG, etc. Evaluation Coefficient shall be determined annually at the beginning of each period by the Company's Board of Directors after consultation with the board of independent directors.

For this Performance-linked Share-based Remuneration for fiscal year 2026, the upper limit of the total amount of shares to be delivered, the number of shares to be delivered, and the monetary delivery will be as follows.

\* TSR Evaluation

Executive Director (Chairman & CEO)

Maximum total amount of shares: -(Note 1),

Maximum number of shares to be delivered:-(Note 1)

Maximum amount of money to be delivered:-(Note 1)

Director and Chief Advisor

Maximum total amount of shares: -(Note 1),

Maximum number of shares to be delivered:-(Note 1)

Maximum amount of money to be delivered:-(Note 1)

Executive Director (Head of Sales)

Maximum total amount of shares: 14.00 million yen

Maximum number of shares to be delivered: 8,100 shares (Note 2)

Maximum amount of money to be delivered: 7.00 million yen

Executive Director (Head of Global Business Headquarters)

Maximum total amount of shares: 8.80 million yen

Maximum number of shares to be delivered: 5,100 shares (Note 2)

Maximum amount of money to be delivered: 4.40 million yen

\* ESG, etc. Evaluation

Executive Director (Chairman & CEO)

- Maximum total amount of shares: -(Note 1),
- Maximum number of shares to be delivered:-(Note 1)
- Maximum amount of money to be delivered:-(Note 1)

Director and Chief Advisor

- Maximum total amount of shares: -(Note 1),
- Maximum number of shares to be delivered:-(Note 1)
- Maximum amount of money to be delivered:-(Note 1)

Executive Director (Head of Sales)

- Maximum total amount of shares: 3.50 million yen
- Maximum number of shares to be delivered: 2,000 shares (Note 2)
- Maximum amount of money to be delivered: 1.75 million yen

Executive Director (Head of Global Business Headquarters)

- Maximum total amount of shares: 2.20 million yen
- Maximum number of shares to be delivered: 1,200 shares (Note 2)
- Maximum amount of money to be delivered: 1.10 million yen

(Note 1) This remuneration will be delivered to directors excluding major shareholders.

(Note 2) The upper limit of the number of shares to be granted was determined by the disposal price that is the closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market on the business day (25 March 2026) preceding the meeting of our Board of Directors (held on 26 March 2026) at which this remuneration is approved.

(Note 3) Directors who resign for justifiable reasons (expiration of term of office, death, etc.) as set forth in advance by the Company during the current fiscal year shall be delivered according to the business performance period.

(Note 4) This remuneration shall be delivered in money at 50% of the total amount to secure funds for tax payment.

If the total number of the Company's issued shares increases or decreases due to a consolidation of shares or a split of shares (including gratis allotment of shares; hereinafter the same shall apply to references to a split of shares) before the delivery of Company Shares, etc., the number of stock units to be granted after adjustment shall be calculated by multiplying the number of stock units to be granted before adjustment by the ratio of such consolidation or split.

(III) When-Delivered Share Price

The when-delivered share price shall be an amount determined by the Company's Board of Directors within a range that is not preferentially advantageous to the Eligible Directors receiving the Company's common shares, based on the closing price of the Company's shares on the Tokyo Stock Exchange on the business day preceding the date of the Board of Directors resolution for the delivery of Company Shares, etc. under the Plan as specified in 3 below (if no trading is executed on the said date, the closing price on the most recent trading day preceding the said date).

If an Eligible Director is newly appointed during the first fiscal year of the Performance Evaluation Period or in other cases that the Company's Board of Directors deems necessary, the number of stock units to be granted, calculated according to the above calculation method, may be adjusted within reasonable bounds, considering factors such as the Eligible Director's period of service during the Performance Evaluation Period.

Furthermore, if the total number of the Company's shares or the total amount of monetary compensation claims or cash to be delivered to Eligible Directors as calculated by the above calculation method would exceed the upper limit approved by resolution of the Company's General Meeting of Shareholders, the number of shares or the amount of monetary compensation claims or cash to be delivered shall be reasonably adjusted using a reasonable method determined by the Company's Board of Directors, such as pro-rata allocation based on the number of stock units to be granted to each Eligible Director, so as not to exceed that upper limit.

(e) Leased Company Housing

This remuneration shall be provided as housing (hereinafter referred to as "Leased Company Housing") under the following conditions to Eligible Directors who need to relocate from overseas and their family members who will live with them. Leased Company Housing refers to residential facilities for which the Company enters into a lease agreement with the lessor or lessor's agent, with the Eligible Director as the occupant.

The total of monthly rent and common service fees together shall be considered as house rent, with a maximum monthly house rent of 2 million yen, of which the Eligible Director shall bear 50%. The house rent to be borne by the Eligible Director shall, in principle, be deducted from their monthly officer remuneration.

The above details and other matters shall be stipulated in the "Officer Housing Management Regulations."

(3) Remuneration Ratio \*Excluding (ii)-(e) leased housing above

- Base remuneration: 41% to 100%.
- Performance-linked remuneration: 0% (Note 1) to 47%.
- Restricted share-based remuneration (annual grant type): 0% (Note 1) to 11%
- Restricted share-based remuneration (lump-sum grant type): - (Note 2)
- Performance-linked Share-based Remuneration: 0% (Note 1) to 15%

(Note 1) Paid to Eligible Directors excluding Non-executive Directors

(Note 2) Paid in a lump sum when there are eligible recipients; not paid when there are none

- (4) Timing of Remuneration Payment \*Excluding (ii)-(e) leased housing above
- Basic Remuneration (Fixed Remuneration): Paid monthly in 12 equal installments
  - Performance-linked Remuneration: Paid once annually at a specified time
  - Restricted Stock Compensation (Annual Installment-type): Paid once annually at a specified time
  - Restricted Stock Compensation (Lump Sum-type): Paid in a lump sum when there are eligible recipients
  - Performance-linked Share-based Remuneration: Paid at a specified time after the completion of the Performance Evaluation Period (3 fiscal years)

C. Remuneration Claw back, etc.

Material errors in prior fiscal years' consolidated financial statements, significant accounting misconduct such as window dressing settlement of accounts at the Company and its consolidated subsidiaries, huge losses resulting from the aforementioned incidents, and cases that are recognized as or potentially constitute significant misconduct or breach of duty of care shall be reported to the Board of Directors and the Audit & Supervisory Committee. If the Board of Directors acknowledges such cases, it shall consult with the Board of Independent Directors regarding a proposal for remuneration claw back and determine the remuneration claw back claim according to the severity based on the consultation results.

D. Remuneration Governance

The remuneration calculation method for each fiscal year and the individual remuneration amounts for Directors who are not Audit & Supervisory Committee Members shall be resolved by the Board of Directors after consultation with the Board of Independent Directors for the respective fiscal year.

## Support System for Outside Directors

Outside directors are provided with the same information as internal directors by a permanent board secretariat.

## Status of Persons who have Retired as Representative Director and President, etc.

Information on Persons Holding Advisory Positions (*Sodanyaku, Komon*, etc.) after Retiring as Representative Director and President, etc.

Name	Job title/ position	Responsibilities	Terms and Conditions of Employment (Full/part time, with/without remuneration, etc.)	Date when former role as president/ CEO ended	Term
N/A					

Number of Persons Holding Advisory Positions (*Sodanyaku, Komon*, etc.) After Retiring as Representative Director and President, etc. 0

Other Related Matters

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

At the 35th Annual General Meeting of Shareholders held on 24 March 2022, the Company's transition from a company with auditors and a board of auditors to a company with an audit and supervisory committee was approved to further strengthen the auditing and supervisory functions and corporate governance system regarding the legality and appropriateness of business execution.

### (a) Supervisory Committee

The Supervisory Committee consists of three members, one full-time Director and two part-time Directors, who audit the business execution of the executive Directors and monitor the legality and appropriateness of the management to maintain good corporate governance. The three directors who are members of the Supervisory Board are all outside directors.

### (b) Board of Directors

The Board of Directors consists of eight non-audit directors (four of whom are outside directors) and three Supervisory Committee member directors, and holds a regular monthly Board of Directors meeting and, when necessary, an extraordinary Board of Directors meeting, which is in principle attended by all directors. The Board of Directors operates as an organ to deliberate and decide on matters stipulated in the Companies Act and other important management matters, as well as to supervise the execution of business operations.

### (c) Management Strategy MTG, Group Company Board Meetings, Group Company Management Report Meetings

Weekly Management Strategy MTGs consisting of the Company's directors and Associate Directors, and monthly Group Company Board of Directors meetings or Management Report meetings consisting of the Company's directors and Group Company directors are held under the supervision of the Company's Chairman and Managing Director, to discuss and decide on various measures concerning important management matters of the Group.

### (d) Internal Audit Office

The Internal Audit Office, an organisation reporting directly to the Supervisory Committee of the Company, carries out internal audits in accordance with the annual internal audit schedule and monitors the effectiveness of the internal checks functions.

### (e) Accounting Auditors

The Company was audited by Deloitte Touche Tohmatsu LLC in the year ended 31 December 2025, and the names of the certified public accountants who performed the accounting audit work are as follows.

Certified public accountants who performed auditing services: Tomoya Noda, Designated limited liability partner and executive member, and Kenji Uta, Designated limited liability partner and executive member.

The number of years of continuous auditing services has been omitted as all of them have been with the company for less than seven years.

### (f) Internal Control Division

The Internal Control Division, which is a part of the Administration Headquarters, is responsible for establishing a control

environment for operations, finances, compliance, asset protection, etc., including J-Sox evaluation, in cooperation with relevant departments of JAC Group.

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

At the 35th Annual General Meeting of Shareholders held on 24 March 2022, the Company's transition from a company with auditors and a board of auditors to a company with an audit and supervisory committee was approved to further strengthen the auditing and supervisory functions and corporate governance system regarding the legality and appropriateness of business execution.

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

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

	Supplementary Explanation
Early Posting of Notice of the General Meeting of Shareholders	The company sends out early notices of the General Meeting of Shareholders.
Scheduling of the General Meeting of Shareholders on a Non-Peak Day	The Company's Annual General Meeting of Shareholders is usually held on a date that avoids the peak days.
Electronic Exercise of Voting Rights	The Company exercises its voting rights by electromagnetic means.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	The company participates in the electronic voting platform.
Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	The Company provides the English text of the Notice of Meeting (Summary) on its electronic voting platform and on the Company's English website. The URL for this site is: <a href="https://ir.jac-recruitment.jp/en/investors/stock/meeting.html">https://ir.jac-recruitment.jp/en/investors/stock/meeting.html</a>
Other	N/A

### 2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	The information disclosure policy is posted on the company's Investor Relations website. The URL of the said website is: <a href="https://ir.jac-recruitment.jp/en/investors/disclosure.html">https://ir.jac-recruitment.jp/en/investors/disclosure.html</a>	
Regular Investor Briefings held for Individual Investors	We participate in information sessions for individual investors organised by major securities firms.	

Regular Investor Briefings held for Analysts and Institutional Investors	Briefings for analysts and institutional investors are held twice a year after the announcement of results (second quarter and year-end) to explain performance and prospects.	Held
Regular Investor Briefings held for Overseas Investors	Online international roadshow is conducted.	
Online Disclosure of IR Information	Financial statements and timely disclosure documents are available on our IR website. The IR website's URL is: <a href="https://ir.jac-recruitment.jp/en/investors/news.html">https://ir.jac-recruitment.jp/en/investors/news.html</a>	
Establishment of Department and/or Placement of a Manager in Charge of IR	A department responsible for investor relations (IR Team) has been set up in the Administration Headquarters.	
Other	N/A	

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

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	We are proactive in seizing various opportunities to promote constructive dialog with shareholders, including general shareholder meetings, with the aim of improving corporate value in the medium to long term. We explain our management policy to shareholders in a clear and easy-to-understand manner in an effort to gain their understanding, and we also try to respect the views and positions of each shareholder and respond to them in an appropriate manner.
Implementation of Environmental Preservation Activities and CSR Activities, etc.	<p>Our Group began an initiative in fiscal 2008 called the PPP Project, "One Placement Creates One Plant to Save the Planet," planting one tree in designated areas of Indonesia and other countries for every person it places into a new job. This is calculated to absorb just under 500 tons of greenhouse gases per year, and the Group has already achieved net-zero carbon emissions for Scope 1 and Scope 2. In July 2024, we launched the "JAC Moringa Forest" project, which aims to achieve Scope 3 carbon net zero and is working to further struggle with global warming by planting moringa trees, which have 10 times the CO2 absorption capacity of cedar trees, to regenerate forests. In 2025, we planted 3,000 moringa trees in Miyakojima City, Okinawa Prefecture, 4,000 moringa trees in Thailand and 3,900 moringa trees in Malaysia. It is estimated that these afforestation activities will absorb approximately 1,300 tons of greenhouse gases per year.</p> <p>In addition to this, the company has been promoting the 3Rs (Reduce, Reuse, Recycle), such as switching the material used for business cards from recycled paper containing used paper to LIMEX, a material with less environmental</p>

	<p>impact since June 2019; removing products in plastic PET bottles with a high environmental impact from the vending machines installed in our offices; and switching the material for clear files used within and outside the company to recycled PP. Furthermore, we switched 100% of the electricity to green electricity, in April 2022 at our Tokyo headquarters, in April 2023 at our Nagoya office and in April 2024 at our Yokohama office.</p>
Formulation of Policies, etc. on Provision of Information to Stakeholders	<p>The information disclosure policy is posted on the company's Investor Relations website.</p> <p>The URL of the said website is:  <a href="https://ir.jac-recruitment.jp/en/investors/disclosure.html">https://ir.jac-recruitment.jp/en/investors/disclosure.html</a></p>
Other	<p>We will promote its business based on the following basic company management policies.</p> <p>Our Group's main business is recruitment consultancy. Our Group has been connecting people, businesses, the economy and society and contributing to their growth by linking (introducing) professionals who play an important role in the development of companies around the world.</p> <p>The success of these professionals leads to the progress of companies and, eventually, to the development of the economy. As the economy develops, it, in turn, leads to the development of society. Moreover, these contribute to the preservation of the global environment. It is our mission to continue sustainably promoting this cycle.</p> <p>Based on our mission, we always aspire to company management with the following corporate goals.</p> <ol style="list-style-type: none"> <li>1. Respect high quality and work with a high level of awareness.</li> <li>2. Work to the highest level of satisfaction of both companies and job seekers.</li> <li>3. Be a company that always makes speedy improvements and reforms.</li> <li>4. Always aspire to be professional, continue to grow as an excellent company in profitability and profit growth rate, and aim to be an attractive company that can satisfy shareholders, customers, and employees.</li> </ol>

## IV. Matters Concerning the Internal Control System

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

In accordance with the Companies Act and the Enforcement Regulations of the Companies Act, the Board of Directors resolved the following Basic Policy for Establishing and Organizing an Internal Control System, as well as matters necessary for the development of the system.

We strive to build an excellent internal control system by continuously monitoring and constantly reviewing the operation of our internal controls.

1. A system to ensure that the execution of duties by the directors and employees of the Company, as well as the directors, executive officers, members who execute the business, persons who are to perform the duties set forth in Article 598 Paragraph 1 of the Companies Act, and other persons equivalent thereto (hereinafter referred to as "Directors, etc.") and employees of the Company's subsidiaries comply with laws and regulations and the articles of incorporation

(1) The Code of Ethics shall be established to ensure that directors, officers and employees of the Company and its subsidiaries (hereinafter referred to as the "Company Group") are fully aware of their corporate social responsibilities, comply with laws and regulations and the articles of incorporation in the performance of their day-to-day management and business activities, and conduct themselves in conformity with social ethics.

Directors, officers and employees who serve in management duties of the Company Group are aware that their role is to realize the spirit of the Code of Ethics, and are committed to taking the initiative in putting this code in mind and ensuring that all concerned parties are fully aware of it.

(2) The Company shall establish policies and plans for the development of the internal control system as a company with an audit and supervisory committee.

(3) The Company shall establish the board of independent officers as an advisory body to the board of directors from an independent and objective standpoint.

(4) In the event a director of the Company Group discovers a violation or an act that is likely to become a violation of the laws and regulations or the articles of incorporation by another director, such director shall immediately report such violation to the audit and supervisory committee member appointed by the audit and supervisory committee (hereinafter referred to as "appointed committee member") and the board of directors.

(5) The Company's department in charge of compliance shall endeavour to establish the management of the Company Group's compliance system. In addition, each of the Company Group's companies shall manage its system.

(6) The Company shall establish an internal audit office, under the direct control of the audit and supervisory committee, which verifies, evaluates and advice whether the internal controls are effectively and efficiently functioned and operated. The appointed committee member and the internal audit office shall conduct audits on a regular basis or as the situation requires.

(7) The Company Group shall work with lawyers and police to respond systematically, and in a resolute manner, to anti-social forces and organizations that pose a threat to the order and safety of civil society.

(8) In accordance with the Whistleblower Protection Act, the Company Group shall establish the whistleblower protection system to establish a mechanism for the proper handling of reports and consultations concerning systematic or personal violations of laws and regulations from our and domestic subsidiaries' Directors, corporate officers, employees and retirees, and from Directors, corporate officers, employees, and retirees of business partners who have entered into continuous agreements with our Group. In addition, as a person engaged in Whistleblower Response Services, the Company shall designate persons engaged in Whistleblower Response Services, including a full-time member who is appointed committee member. Foreign subsidiaries shall comply with the Rules for Internal Reporting in accordance with the laws and regulations of each country.

(9) The Company Group shall establish an internal system to ensure compliance with accounting standards and other relevant laws and regulations and to ensure the legality and appropriateness of financial reporting.

2. System for the preservation and management of information related to the execution of duties by the Company's directors

The Company shall establish document management regulations that provide for the preservation and management, etc. of information pertaining to the execution of duties by directors, such as records pertaining to decision-making at important meetings including the board of directors meeting and documents approved by each director in accordance with the administrative authority regulations and shall organize an appropriate system for the preservation and management of information.

3. Regulations and other systems for managing the risk of loss for the Company Group

(1) The Company Group recognizes that the identification, assessment, and management of risks that may have a significant impact on corporate management and business continuity are important issues, and to properly manage these issues, each executive director shall establish and organize systems to manage risks, and establish regulations, rules and guidelines, etc. in accordance with the content of the risks.

(2) The Company Group conducts training and enlightenment for directors, officers and employees on risks that have a significant impact on corporate management and business continuity (information security management, protection of personal information, etc.), and spread awareness about and promotes mindset for matters related to risk management.

(3) In order to appropriately manage the risk of loss to subsidiaries, the Company shall establish the subsidiary management regulations and conduct risk management of subsidiaries in accordance with said regulations.

(4) In order to understand the actual status of the Company Group's operations and assets, as well as the envisaged risks and their management, and to ensure management efficiency, and based on the audit plan of the audit and supervisory committee's and the established internal audit regulations, the internal audit office shall audit the status of risk management and evaluate the effectiveness of each of the Company Group's companies, report to the audit and supervisory committee and the board of directors. The Company Group shall organize a system for taking improvement measures.

4. System to ensure the efficient execution of duties by the directors of the Company and the Directors, etc. of the Company's subsidiaries

(1) Each company in the Company Group shall establish organizational rules, administrative authority rules, and a list of administrative authority to clarify the execution of duties and administrative authority of the boards of directors, etc. of each company and to ensure the efficiency of execution.

(2) In order to ensure the efficient execution of duties by directors, the Company Group shall hold the Board of Directors meetings and the management report meetings in each company once a month in principle, and extraordinary meetings shall be held whenever necessary.

In addition, progress toward annual targets, etc. will be periodically verified through performance reports at the Board of Directors meeting.

(3) The Company shall regularly hold executive meetings with the members composed of each director in charge of operations and associate directors for the purposes of disseminating management strategies as well as timely and appropriately reporting the status of each department.

5. System for reporting to the Company any matters related to the execution of duties by Directors, etc. of the Company's subsidiaries and other systems for ensuring the appropriateness of the business operations of the Company Group.

(1) In order to ensure the appropriateness of the Company Group business operations, the Code of Ethics shall be established, which applies to all companies of the Company Group, and each company shall stipulate its regulations.

(2) In order to ensure the proper and efficient operation of the Company's subsidiaries, the Company shall establish the subsidiary management regulations and manage subsidiaries in accordance with said regulations.

(3) The Company Group shall hold regular liaison meetings to share information, communicate with each other, and unify the group management policies among the group. At the same time, we dispatch officers to our subsidiaries as necessary.

(4) Internal Audit Office shall conduct internal audits of subsidiaries in cooperation with the Audit & Supervisory Board Member(s) of subsidiaries as appropriate and reports the results of such audits to the Audit & Supervisory Committee.

6. Matters related to directors and employees who assist the audit and supervisory committee (hereinafter referred to as "Duty Assisting Employees, etc.")

In the event that the audit and supervisory committee requests that Duty Assisting Employees, etc. be appointed to assist in the performance of its duties, the Duty Assisting Employees, etc. shall, upon discussion with the board of directors, be appointed to assist the audit and supervisory committee in the performance of its duties.

7. Matters ensuring the independence of Assisting Employees, etc. from the Company's other directors (excluding directors who are audit and supervisory committee members) and the practicability of instructions given to Duty Assisting Employees, etc. by the Company's audit and supervisory committee

(1) Duty Assisting Employees, etc. shall not concurrently serve as an employee of another department nor shall be directed or ordered by a person other than the directors who are audit and supervisory committee members (hereinafter referred to as an "audit and supervisory committee member").

(2) During the period of assistance designated by the audit and supervisory committee, the authority of direction and supervision, personnel transfer, personnel evaluation, etc. towards Duty Assisting Employees, etc. shall be transferred to appointed committee member designated by the audit and supervisory committee,

and the Duty Assisting Employees, etc. shall not be subject to the instructions and orders of directors who are not audit and supervisory committee members, thereby ensuring the independence of, and the practicability of instructions towards, Duty Assisting Employees, etc.

8. System for the directors (excluding directors who are audit and supervisory committee members) and employees of the Company as well as Directors, etc. and other persons equivalent thereto and employees of the Company's subsidiaries, or persons receiving reports from such persons, to report to the audit and supervisory committee of the Company, as well as other systems related to reports to the audit and supervisory committee of the Company

(1) The Company Group's directors (excluding directors who are the Company's audit and supervisory committee member) and directors in charge of business execution shall, from time to time, report on the status of the business execution for which they are in charge at important meetings such as the board of directors meeting attended by the audit and supervisory committee member.

If requested by the audit and supervisory committee, they shall attend the committee and report the matters which the committee requests, etc.

(2) All employees of the Company Group shall immediately report to the appointed committee member upon discovering any other fact that may cause serious damage to the Company Group such as any violation of laws and regulations.

(3) The status of whistleblowing under the whistleblowing system shall be reported promptly to the appointed committee member.

(4) The Company Group shall prohibit any employees of the Company Group who has reported to the audit and supervisory committee from being treated disadvantageously on the grounds of making such report, and shall ensure that all employees of the Company Group are fully aware of such prohibition.

9. Matters concerning the procedures for advance payment or reimbursement of expenses or any other policy concerning the disposal of expenses or liabilities arising from the execution of the duties of our Audit and Supervisory Committee Members (limited to those relating to the execution of the duties of the Audit and Supervisory Committee)

Where an Audit and Supervisory Committee Member demands prepayment of expenses or reimbursement of expenses from the Company for the performance of their duties, the Company may not promptly dispose of such expenses or liabilities or refuse such reimbursement, except in cases where it is found that the expenses relating to such demand are not necessary for the performance of the duties of the Audit and Supervisory Committee Member.

10. Other systems to ensure effective audits by the Company's audit and supervisory committee

(1) Directors (excluding directors who are the Company's audit and supervisory committee member) and employees of the Company Group shall cooperate in the implementation of audits based on the audit plan prepared by the audit and supervisory committee every fiscal year.

(2) The Company's representative director shall meet and exchange opinions with the appointed committee member or audit and supervisory committee on a regular basis or at the request of the audit and supervisory committee.

(3) In order to improve the effectiveness of audits by the Audit and Supervisory Committee and to conduct audits efficiently and smoothly, Internal Audit Office shall perform auditing operations in accordance with the instructions and orders of the Audit and Supervisory Committee. The Internal Audit Office personnel shall be subject to Section 7 above.

(4) Internal Audit Office shall report the results of the audit to the Audit and Supervisory Committee. The Audit and Supervisory Committee shall report the results of audits by the Internal Audit Office to the Board of Directors.

(5) Decisions on the appointment or transfer of Internal Audit Office personnel shall be subject to the consent of the Audit and Supervisory Committee.

(6) The Audit and Supervisory Committee shall regularly hold exchanges of opinions with accounting auditors to strengthen cooperation. Audit and supervisory committee shall seek the opinions of outside experts as necessary.

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

### **• Basic approach to eliminating Anti-Social Forces**

In accordance with the 'Code of Ethics' and the Basic Policy for Establishing and Organizing an Internal Control System, the Company is deeply aware of its corporate social responsibility and has a basic policy of complying with relevant laws and regulations and practicing behaviour in conformity with social ethics in its daily management and execution of business activities. The company is also working to eliminate relations with anti-social forces and groups that threaten the order and safety of civil society by taking a resolute and systematic approach in cooperation with lawyers, police, and other authorities.

### **• Status of measures to eliminate Anti-Social Forces**

Regarding the elimination of relations with Anti-Social Forces, from the viewpoint that it is important to raise employee awareness in accordance with laws, regulations and corporate ethics, internal training is provided on the above-mentioned 'Code of Ethics' and 'Transaction Guidelines' formulated in accordance with the 'Basic Policy for the Establishment of Internal Control Systems', and efforts are made to eliminate relations with Anti-Social Forces. In addition, regarding business partners, the Company conducts examinations in cooperation with public interest incorporated associations and the Special Anti-Violence Prevention and Countermeasures Federation within the jurisdiction of the Metropolitan Police Department, etc. In actual transactions, contracts, application forms and memoranda containing the elimination of Anti-Social Forces are exchanged and immediate termination is possible in the event of any violation.

## V. Other

### 1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures

Not Adopted

Supplementary Explanation for Applicable Items

### 2. Other Matters Concerning the Corporate Governance System

\*Outline of the timely disclosure system

- Basic approach to timely disclosure

The company discloses information in an appropriate and timely manner in accordance with the "Timely Disclosure Rules" established by the Tokyo Stock Exchange, the provisions of the Companies Act, the Financial Instruments and Exchange Act and other relevant laws and statutory regulations. We also act pro-actively to disclose material information that may impact the investment decisions of our investors in a prompt and impartial manner.

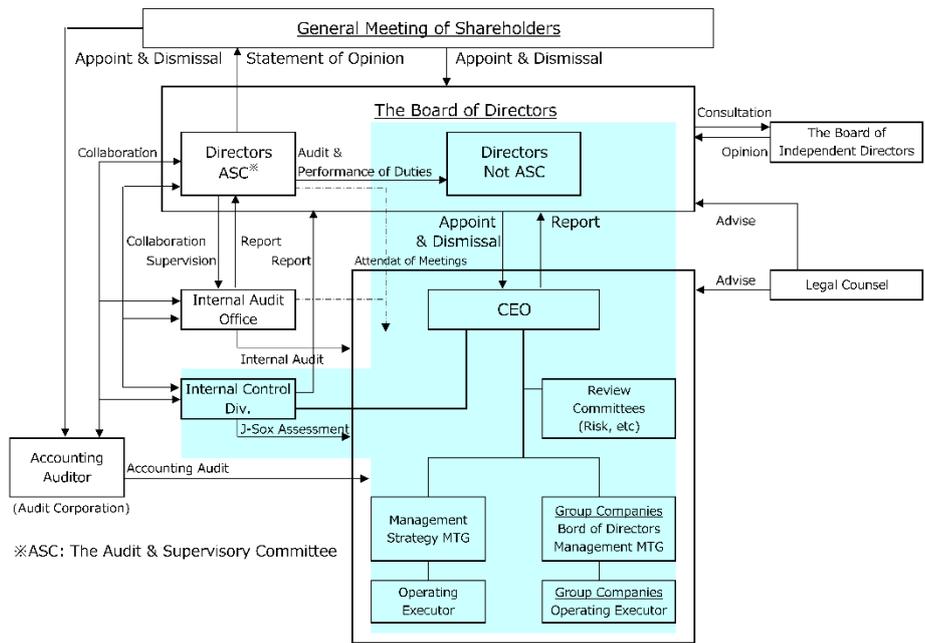
- Status of internal systems for timely disclosure

#### (1) Aggregation of information

A system has been established whereby the aggregation of information that corresponds or may correspond to corporate information that must be disclosed under the Timely Disclosure Rules is promptly communicated directly from each department to the Chairman and Managing Director and the director in charge of information disclosure.

#### (2) Determination and implementation of information disclosure

- Timely disclosure information is disclosed in accordance with the Timely Disclosure Rules of the Tokyo Stock Exchange.
- Information on decision-making facts and information on financial results is promptly disclosed by the director in charge of information disclosure after a resolution by the Board of Directors.
- The Chairman and Managing Director and the director in charge of information disclosure will decide whether or not timely disclosure is necessary and will promptly disclose the information concerning the occurrence.
- Timely disclosure information determined in accordance with the above methods is disclosed as quickly and extensively as possible by IR staff under the direction of the director in charge of information disclosure. If there are any enquiries from outside the company regarding such information, we will respond to them in good faith to the extent that timeliness and fairness are not compromised. After the announcement, the disclosure material will be disclosed on the company's website without delay.



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