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MIXI, Inc.

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This document outlines the details of MIXI's corporate governance structure and policies.

I. Basic Approach to Corporate Governance, Capital Structure, Corporate Profile, and Other Basic Information

1. Basic Approach to Corporate Governance

We recognize corporate governance as a means for maximizing corporate value. As such, we reorganize our organizational structure when appropriate to accommodate the expansion of our business ventures, to manage profits and losses of each of our businesses, and to further clarify authority and responsibilities. We also focus on further enhancing the capabilities of the Board of Directors (which serves as the Company's decision-making body), of Audit & Supervisory Board members (hereinafter, "ASB members") and the Audit & Supervisory Board to monitor directors' performance of their duties, as well as on improving our internal control systems in order to prevent improprieties in business activities.

To continually increase management transparency and fairness, we appropriately present statutory disclosure documents and actively conduct IR activities using our website and other means.

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

Supplemental Principle 4-1-2: Medium-Term Management Plan

The Company's Board of Directors discusses and formulates a medium-term management plan with the aim of enhancing corporate value.

However, due to the rapid pace of change in the external environment of the entertainment industry, MIXI does not announce its medium-term management plan.

MIXI also strives to promote dialogue with shareholders and investors by continuously communicating its management direction as well as its medium- and long-term strategies through means such as the General Meeting of Shareholders and announcements of financial results.

Disclosure Based on the Principles of the Corporate Governance Code

Principle 1-4: Cross Holding

The Company does not hold any listed shares as strategic shareholdings. In the event that MIXI does decide to engage in the cross holding of listed shares, it will consider both the impact on the sustainability of growth, as well as the medium- to long-term stock value, when voting on each proposal.

Principle 1-7: Transactions Between Related Parties

In regard to transactions with officers and principal shareholders (related party transactions), it is MIXI's policy to pay special attention to whether the transaction has a negative effect on the soundness of the Group's management, whether the transaction is valid in light of rational judgment, and whether the terms of the transaction are appropriate in comparison with external transactions. In accordance with the Companies Act and Board Regulations, etc., transactions with conflicts of interest and competitive transactions between MIXI and its directors shall be concluded only after approval by the Board of Directors, and the results of such transactions shall be reported to the Board of Directors.

Supplemental Principle 2-4-1: Ensuring Diversity in the Appointment of Core Personnel

"Diversity, equity, and inclusion" is one of our material issues, and we are creating a culture that uses the advantages diversity brings. While we will make continuous efforts to promote diversity, specific targets will be set with an eye to optimizing the organizational structure in line with our strategy, policies, and business growth. Currently, we are closely monitoring the appointment of women, mid-career employees, and foreign employees to management positions, and the status is as follows.

Ratios of women, mid-career employees, and foreign nationals (non-consolidated) as of March 31, 2024

| | Percentage of total employees | Percentage of management positions | Percentage of employees up to assistant manager-level positions |
|----------------------|-------------------------------|------------------------------------|---|
| Female employees | 31.1% | 17.6% | 22.2% |
| Mid-career employees | 87.1% | 92.2% | 90.6% |
| Foreign employees | 3.1% | 2.0% | 2.8% |

We have set a target of maintaining a ratio of at least 17% female employees in management positions by March 31, 2025.

We are undertaking initiatives to create a comfortable working environment for a diverse workforce.

Every year, all employees are required to undergo e-learning, which encourages employees to respect each other not only in terms of gender, nationality, and cultural diversity, but also in terms of sexual orientation, gender identity, values, and lifestyle.

In addition, our employment regulations clearly stipulate respect for gender diversity (LGBTQ+). In addition to prohibiting unwanted sexual behavior and discrimination, under our "Definition of Partnership Equivalent to Marriage", we treat partners in same-sex marriages the same as those in opposite-sex marriages and provide monetary marriage gifts and leave for celebrations/bereavement in the same manner.

The ratio of female employees in the group are as follows. Due to the difference in HR systems for each company, we currently only have non-consolidated targets. We will begin establishing group-wide targets and action plans in stages.

Ratios of women (consolidated) as of March 31, 2024

| Percentage of total employees | Percentage of management positions | Percentage of employees up to assistant manager-level positions |
|-------------------------------|------------------------------------|---|
| 29.7% | 16.0% | 21.0% |

Principle 2-6: Performing the Role of a Corporate Pension Plan as Asset Owner

Although MIXI does not have a corporate pension plan, it has introduced a defined contribution pension plan to provide stable asset formation for its employees. MIXI selects pension products with the goal of building assets for retirement, avoiding high-risk products while prioritizing low fees. In addition to posting the performance of said products on a dedicated website, we educate employees on asset management by providing basic knowledge of the plans and precautions to take when starting asset management, including educational videos on the basics of defined contribution pension plans.

Principle 3-1: Comprehensive Information Disclosure

(i) MIXI's management philosophy, management strategies, and management plans

MIXI's Purpose: "Enriching communication and inspiring moments of joy" is supported by our Mission: "To provide space and opportunity for truly meaningful connections", and in order to achieve this, we center our decision-making around the MIXI Way: "User surprise first". All of this is disclosed on our corporate website. MIXI also strives to promote understanding among shareholders and investors by explaining its medium- and long-term management strategies through IR activities.

(ii) Basic approach to corporate governance based on each principle of the corporate governance code

Please refer to "I. 1. Basic Approach".

(iii) Policies and Procedures for the Board of Directors in Determining the Compensation of Senior Management and Directors

Please refer to "Director Compensation" under "II. 1. Matters related to Composition and Organizational Management".

(iv) Policies and procedures for the Board of Directors' selection and dismissal of senior management and nomination of director and ASB member candidates

Please refer to "Supplemental Principle 4-11-1: Policy on the Overall Balance of Knowledge, Experience, and Abilities, Diversity, and Size of the Board of Directors" under "I. Disclosure Based on the Principles of the Corporate Governance Code".

(v) Election, Dismissal, and Nomination When the Board of Directors Elects and Dismisses Senior Management and Nominates Candidates for Directors and ASB Members Based on (iv)

The reasons for the election of individual candidates for director and ASB member positions are disclosed in convocation notices for the Ordinary General Meeting of Shareholders.

Supplemental Principle 3-1-3: Initiatives for Sustainability

(i) MIXI's sustainability initiatives

1. Indicators and Targets

The Company has established a sustainability policy and eight material issues under the statement, "We will contribute to the enrichment of society through the creation of communication services that connect hearts and minds."

Material issues

"Creation of spaces and opportunity for communication", "promotion of innovation", "diversity, equity, and inclusion", "mutual prosperity with local communities", "operation of wholesome IT services", "safe and secure operation of sporting and other events", "information security and privacy", "diversity and inclusion", "strengthening of governance"

In addition, the evaluation indicators defined for each material issue are newly disclosed on our sustainability page. We will work to disclose results and other information associated with each evaluation indicator.

For information on our major disclosed results, please refer to our website.

https://mixi.co.jp/en/sustainability/materiality_sdgs/

2. Governance

The senior corporate officer in charge of sustainability promotion is to be in charge of initiatives regarding sustainability (hereinafter, "Chief Sustainability Officer"). The Sustainability Secretariat, an advisory body to the Chief Sustainability Officer, reviews the Company's sustainability initiatives, and the results of the review are reported to the Board of Directors once every three months by the Chief Sustainability Officer. The Sustainability Secretariat seeks advice from the Risk Management Committee as appropriate and conducts interviews with each department and Group company as necessary in order to identify and assess risks and opportunities related to sustainability and to consider how to respond to them. The Sustainability Secretariat also conducts annual reviews of sustainability-related risks and opportunities and the progress of response measures.

3. Risk Management

To determine their level of importance, the Sustainability Secretariat evaluates risks and opportunities related to sustainability in terms of their likelihood of occurrence, impact, and availability of countermeasures. In particular, evaluations regarding climate-related issues are conducted with reference to various scenarios from organizations such as the IEA and IPCC. Interviews are held with each relevant department and group company as necessary, and appropriate adjustments are made. In addition, countermeasures are formulated to address risks and opportunities, and the progress of these countermeasures is measured based on established indicators.

When appropriate, advice on sustainability-related risks is sought from the Risk Management Committee in order to manage the climate-related risks in an integrated manner with other risks. Risks and opportunities that require special attention are reported to the Board of Directors through the Chief Sustainability Officer.

(ii) Investment in human capital and intellectual property

Investment in human capital

Our corporate philosophy (hereinafter, "PMWV") consists of the following four points.

Purpose: Enriching communication and inspiring moments of joy.

Mission: To provide space and opportunity for truly meaningful connections.

The MIXI Way (guiding principle for decision making): User surprise first.

Values (compass for action): Innovation, Passion, Integrity

We conduct a diverse mix of business operations to expand our PMWV-based communication businesses in the areas of Digital Entertainment, Lifestyle, Sports, and Investment.

Our Mission of providing space and opportunity for truly meaningful connections supports us in realizing our Purpose of enriching communication and inspiring moments of joy. We provide space and opportunity for truly meaningful connections by releasing communication services. The human capital working on these services are some of our most important assets as they create value and give us a competitive edge, so we proactively invest in them.

In order to continuously develop and operate communication services in our unique style, we have positioned PMWV awareness and the demonstration of corporate ability as key axes of our human capital investment policy. PMWV awareness refers to the ability of our businesses to understand shared corporate goals, and the demonstration of corporate ability refers to the ability to realize these goals through the understanding and execution of specific methods.

We maximize the value of human capital through initiatives that utilize both PMWV awareness and the demonstration of corporate ability, and the development of HR measures that strengthen these two axes.

1. PMWV awareness

Achieving PMWV awareness means that all MIXI employees share the same goals and values and are committed to achieving them. We redefined our philosophy and established PMWV in April 2022. We promote the initiatives below with the aim of having each of our employees deeply identify with PMWV and become more proactive.

■ Establishment of the PMWV Promotion Committee

We established the PMWV Promotion Committee with members from several parts of the company to execute measures related to PMWV awareness. The goal of the committee is to maximize the effectiveness of activities through collaboration and progress management, and to contribute to creating culture unique to MIXI.

■ Communication from upper management

Led by our management team, we actively communicate about PMWV through both internal media, such as the company newsletter and company-wide general meetings, and external media, such as articles. In addition, we strengthened communication through the organizational hierarchy by adding an item on PMWV communication to the 360-degree feedback of chief general managers and general managers, and are facilitating faster understanding and communication of the current state of affairs.

■ Creating atmosphere through design

Using our company's creativity, the design of our equipment and facilities incorporate PMWV. The objective is to raise awareness of PMWV by adding PMWV touchpoints, and foster a sense of unity within the company through unified design.

■ MIXI AWARD (internal award event)

Once a year, we hold an internal award event called MIXI AWARD. Since FY2023, PMWV has been used as a selection criterion, and awards have been given to individuals and teams that embody PMWV, based on employee recommendations. By introducing PMWV as an award category, we hope to spread understanding of PMWV and increase motivation.

■ Recruitment and training of new graduates

We see new graduates as the ones who will carry on our culture, and have made identifying with our Purpose and demonstrating our Values a requirement for hiring. In addition, everything is designed with PMWV in mind, from the job offer period to post-hire training, as well as events such as company orientation and initiation.

As a result of the initiatives above, an internal survey conducted in September 2023 showed that PMWV was understood by 85.7% of respondents. In the future, we are considering applying this to mid-career hiring requirements and appointment criteria for managers, as well as incorporating it into the evaluation system. By FY2025, we aim to maintain a positive response rate of at least 85% for the action phase.

| | FY2022 | FY2023 | FY2025 (Target) |
|----------------|--------|--------|-----------------|
| Recognition | 69.8% | 84.3% | 100% |
| Understanding | 74.8% | 85.7% | 95% or more |
| Identification | 70.8% | 76.9% | 90% or more |
| Action | 56.5% | 67.1% | 85% or more |

2. Demonstration of corporate ability

The goal of the demonstration of corporate ability is the creation of communication services unique to MIXI and the preparation for long-term operation on an individual and group level.

We are making progress in our initiative of formalizing information such as the optimal organizational structures and necessary capabilities for each business phase, the mechanisms for growing long-term profitability, and what makes our communication services unique to us by reviewing our services that created new communication culture, including the social network mixi and MONSTER STRIKE. We aim to increase our ability to produce businesses in our style by improving how knowledge is passed down, using our formalized information as a basis for creating and operating communication services unique to MIXI and to prepare systems for personnel development and business creation.

The action plan for this initiative is as follows.

| | FY2024 | FY2025 | by FY2028 |
|---|---|---|---|
| Propagation of MIXI's unique drivers of success | <ul style="list-style-type: none"> • Provide practical learning opportunities for managing a business • Design training programs aimed at all employees | <ul style="list-style-type: none"> • Pass on business-management expertise to the next generation • Conduct training aimed at all employees | <ul style="list-style-type: none"> • Aim for continuous execution of training and assignment of personnel in line with business plans (short-, medium-, and long-term) through the PDCA cycle described to the left. |
| Improving business execution | <ul style="list-style-type: none"> • Develop more employees capable of leading in product development • Consider the optimal organizational structures for each phase of business | <ul style="list-style-type: none"> • Strategically assign key personnel for businesses • Create an environment that promotes the creation of new businesses (provide opportunity) | |

3. Personnel measures

The mission of our HR department is to create an environment in which all employees strive to embody PMWV daily, and to provide opportunities for job satisfaction and growth, leading to the growth and development of the entire company. We are developing the following HR measures based on the axes of PMWV awareness and the demonstration of corporate ability.

- Manager empowerment
- Improvement of individual performance (via training / work style)
- Strengthening team capabilities
- Ensuring diversity
- Thorough compliance education
- Initiatives for improving the measures above

Details of each measure are provided below.

■ Manager empowerment

We see the strengthening of managers as a top priority in order to increase PMWV awareness and individual performance, which will be discussed later in this report. We have defined the roles of managers at each level for organizational management, and are strengthening our initiatives starting from the top to ensure that managers can appropriately fulfill their roles.

- Role definition

The "MIXI Management Beliefs" we established in 2020 as a set of guidelines for the actions of management-level personnel have been expanded to incorporate definitions for all manager positions (chief general manager, general manager, and manager). We are developing various training measures based on these role definitions. We envision these role definitions as an evaluation standard for the appointment of managers in the future.

- 360-degree feedback

We conduct a 360-degree feedback session once a year for everyone from the President and Representative Director to general managers. Questions are asked according to our definition for each role, feedback is provided on actual actions by those around them, and individual support is given for initiatives addressing issues. The purpose of this session is to further individual growth, and the results are not linked to evaluations.

- Training meetings and the executive succession plan

Training meetings are held twice a year for senior corporate officers, corporate officers, and chief general managers. Those for corporate officers and chief general managers also include MIXI's executive succession plan. (The Company considers directors and senior corporate officers to be executives because corporate officers and chief general managers are the candidates to become executives for the following generation.) Senior corporate officers are in charge of training corporate officers and chief general managers, and internal directors are in charge of training senior corporate officers to promote their further individual growth. In the future, we plan to expand the scope of training meetings to include general managers.

- Providing learning opportunities for general managers and above

We provide training in areas such as management strategy theory, corporate governance, leadership theory, marketing theory, finance, and team building for internal directors and employees at the general manager level and above. We also have incorporated sending employees to external training programs and coaching for individual issues.

- Follow-up measures for newly appointed managers

In addition to orientation and mindset training upon appointment, an interview with HR is held three months after instatement for all managers. In addition, evaluation training is conducted with appropriate timing for evaluations. We provide voluntary training for the skills necessary for one-on-one meetings with subordinates (employees in leadership positions may also participate if they wish) and offer coaching or dispatch to external training programs for individual issues.

■ Improvement of individual performance (via training)

The following initiatives are being undertaken with the aim of improving corporate productivity by encouraging the activities and growth of employees and enhancing their individual performance. The FY2024 budget for training and self-development expenses per employee is 97,271 yen for the whole fiscal year (21,184 yen higher than the previous year).

- Revision of the personnel system

The personnel system was revised in April 2022. The system policy was implemented to support the activity and growth of employees and to allow for flexible operations that accommodate a wide range of businesses and employees. While the "ability grading system" is used to apply grades as in the previous system, the revised system uses a "role grading system" for upper grades, with rank and monetary adjustments based on role fulfillment and results. The revised system makes it easier to advance the careers of employees with potential for success based on their expected future roles as well as their existing abilities, thereby creating a well-balanced personnel system. In addition, grade definitions were comprehensively reviewed, and management

methods were revised to match and to facilitate development through competency evaluations. The new grade definitions include the elements expected of our employees for each grade, and are designed so that supervisor evaluations and self-evaluations can be adjusted for each item, so that employees can recognize what they have done well and what they need to improve on, leading to employee growth.

- Supporting the operation of the personnel system

In order to properly operate the system described above, we are training evaluators and provide on-site support through the HR department. Setting goals and providing feedback is commonly understood throughout the company to be important for proper evaluations and from a developmental perspective. In addition, given the system's high degree of operational freedom, we aim for proper operation of the system for each part of the company and integrity throughout MIXI by strengthening collaboration through HR attendance at the department evaluation council and HRBPs.

- Training meetings within departments

Several departments independently conduct training meetings. Discussions are held on a regular basis by HRBPs affiliated with the department (or with HR support) on topics such as the development of incoming managers and individual activities and growth, depending on the organizational and personnel status of each department.

- One-on-ones

One-on-ones are a long-standing part of our culture and are conducted with superiors, subordinates, and colleagues. The content of these one-on-ones varies widely, ranging from career counseling and mid-term evaluations to daily business consultations and personal topics. With each employee taking advantage of one-on-ones according to their current situation, these meetings have become an established part of our culture. To make one-on-ones more meaningful, we provide a guide for managers on the basics of one-on-ones and, on request, offer in-house training on the skills necessary for one-on-ones, such as listening and acknowledgement.

- Elective training

We have established learning opportunities for all employees in cooperation with external organizations so that employees can receive training on the theme of their choice in the form of elective training.

- Training new graduates

We provide training for prospective employees, including training in which they confront their own issues and further improve their sense of responsibility and collaboration, and training camps where they spend two days and one night. We also provide training for new graduates and follow-up on-the-job training (OJT) after their assignment to support their smooth transition to a new environment. Additionally, we provide training for those in charge of OJT and support their activities as trainers. Finally, we provide training every year until the third year of employment, giving employees ample opportunity to reflect on their growth.

■ Improvement of individual performance (via work style)

We are developing an environment in which a diverse range of personnel can play an active role by providing options to suit the

characteristics of our businesses and the various values, lifestyles, and stages of life of our employees.

At the same time, we emphasize health as we believe this an essential factor in individual career sustainability. To this end, we are actively working to create a working environment that takes into consideration the health of our employees by enhancing our leave system and promoting a health-conscious, balanced work style.

Through these initiatives, we aim to create a work environment that fosters innovation and growth for our company by allowing each employee to display their full potential and planning how each employee can lead a fulfilling professional life.

- Marble Work style - Promoting flexibility in work styles

We have introduced a system we call a Marble Work style, which makes the most out of the advantages of both remote and office work. This system allows different parts of the company to choose the optimal frequency with which to go to the office, and allows employees to live anywhere in Japan as long as they can come to work by 12:00 PM. (This system was introduced in July 2020 and officially implemented in April 2022.) As of March 31, 2024, there are 51 employees that live far from the office. In April 2023, we introduced a full-flexitime system on a trial basis to increase flexibility in working hours and launched the Marble Location system, which allows employees to work at a "third place" (not the home or office) to increase flexibility in working location. The total number of employees who used these systems in FY2023 is 184. By adding flexibility to work styles at MIXI in terms of working hours and location, we respect our employees' values and lifestyles. Different parts of the company can set the frequency of office days that best fits the phase of their business. This creates an environment conducive to achieving results for individuals and the company.

- Increase of retirement age and life planning support

In response to changes such as the increase in the average age of employees and the aging of the population in Japan, we are striving to create a work environment in which employees can continue to work regardless of their age. In April 2023, we took steps to realize these goals by increasing the mandatory retirement age from 60 to 65 years old and introducing a reemployment system so that employees 65 and older can work until they're 70. We also believe that it is important for all employees, not just those nearing retirement age, to think ahead and visualize their futures in terms of work style, careers, and post-retirement, and started providing periodic life planning and finance seminars for employees in April 2023. In this way, we support our employees in planning out their life and career, and becoming independent so that they have greater freedom at every stage of their life.

- Parental leave and return-to-work rates

For employees raising children under elementary school age, we have introduced a shortened working hours flexitime system in addition to the existing shortened working hours system. This system allows employees to work shorter hours and also make use of a flexitime system, enabling them to work in an even more flexible manner depending on their work duties. As a result, in FY2023, the rate of women taking parental leave and returning to work afterward remained steady at 100%; the rate of men taking childcare leave was 37.5%. We will continue to provide support to enable both men and women to work in a way that is compatible with family life and childcare.

- Enhancement of our leave system and the promotion of long-term leave

In April 2023, we made our leave system more flexible so that employees could work with peace of mind through changes in their stage of life and mental or physical condition.

- Establishing care leave

In April 2023, care leave was established to allow employees to take care of themselves or family members (up to second-degree relatives).

- Expanding reserve leave

In April 2021, reserve leave was established to allow employees to store their expired leave days for later use. When we introduced reserve leave, it was designed to be used only for specific reasons such as personal illness, disasters, bereavement, and family celebrations. However, with employee feedback from surveys and after testing, we added more flexibility to reserve leave in April 2023 by allowing it to be used for prenatal visits for the employee or their partner, and family care (up to second-degree relatives).

And starting FY2023, we began promoting the use of long-term leave by utilizing the existing MIXIBREAK (a measure in which every 5 years of continuous service, an employee is rewarded 5 days of special leave and incentive payments). We hope that taking an extended vacation will lead to motivation at work and new opportunities that spark creativity through experiences that are not normally available.

- Promotion of health management

MIXI was recognized by the 2024 Certified Health & Productivity Management Outstanding Organizations Recognition Program. For the second consecutive year since 2022, we aim to improve long-term business stability through the effects of improved employee health, such as increased productivity and longer tenure. In addition to basic health management initiatives such as the use and promotion of health checkups and medical examinations, stress checks, etc., we are working on health guidance, improving health literacy, support for balancing work and treatment of illness, measures to prevent infectious diseases, and measures for employees who work long hours, and have introduced an employee support program. In the future, we will also place focus on further health support and preventative measures for employees by conducting cross-tabulations using data gathered by introducing the health management system.

■ Strengthening team capabilities

In addition to improving the performance of individual employees, the following initiatives are being undertaken to ensure that our employees are capable of delivering results as a team.

- Team building training

In addition to training to directors, senior corporate officers, and chief general managers, we provide training, mainly for managers who lead businesses and organizations, that lets participants experience the importance of team building and improve interactions between managers as well as parts of the company. We also assist training participants in implementing team-building initiatives in their own part of the company.

- Improving the onboarding process

For mid-career employees, the HR Department conducts a general orientation on the first day of employment. The orientation consists of a greeting from the president, an introduction to our corporate philosophy, a tour of the office, and explanations of the

tools used throughout the company. We have established a system in which employees can always access necessary information, internal systems, and rules on a dedicated website for new employees. Once new employees start work, their section's onboarding process begins. Those in charge of onboarding and HR communicate in advance and collaborate using their methodology and expertise for the onboarding process. Onboarding status is monitored by HR through interviews held one month / three months after employment.

- Various systems

We partially subsidize the cost of social and team building opportunities for each part of the company. We also have an internal club system to promote interaction outside of work.

■ Thorough compliance education

As part of our compliance training, we provide crisis management training via e-learning. The training is targeted at all employees, and we achieve a 100% participation rate every year. The content of the crisis management training consists of seven required courses on topics such as compliance basics, business conduct guidelines, information security, and harassment training.

■ Initiatives for improving the measures above

In developing these measures more effectively, we are also promoting the following initiatives.

- HRBP collaboration

As we have a diverse spread of businesses unique in organizational scale and circumstances, rather than uniformly applying company-wide rules to all HR-related measures, we present operational methods in customizable "styles", enabling optimized operations for each department while still centered around a common "core" for the entire company. In order to maintain a balance between the optimization of each department and the optimization of the company as a whole, we appoint an organizational support staff member from the HR Department to each department. They collaborate with the HRBPs (Human Resources Business Partners) in each department to share information throughout the company and support organizational development.

- Visualization and centralization of employee data

We've introduced a talent management system to visualize and centralize personnel data. We consolidate and manage information on employees' experience, skills, history at the company, and evaluations in order to assign employees to fitting positions as well as for training purposes.

- Company-wide organizational survey

We are considering how to verify the effectiveness of each HR measure based on the data from the engagement survey described below. By measuring the effect of each measure on their target level of employee, we verify the effectiveness of each measure and the synergy measures have with each other.

4. Employee engagement

Employee engagement is used as a measure of the effectiveness of these human capital initiatives. Employee engagement measures employees' identification with the company's policies and plans and their drive to work with initiative and pride, and correlates with their identification with PMWV and how much of their potential growth and capabilities they demonstrate.

■ **Engagement survey overview**

We have conducted annual engagement surveys of all employees since 2021.

Past survey results confirm that engagement scores in our company are associated with employee performance and turnover rate.

The results of the survey, feedback, and action plans for high priority issues are given to management and each internal structure to improve engagement throughout the company. The results of the survey are communicated and disclosed to the entire company.

The response rate for FY2023 was 91%.

■ **Engagement score**

The engagement score is the total percentage of positive responses to the three questions in the survey regarding "willingness to contribute voluntarily", "attachment to and pride in the company", and "sense of accomplishment through work".

Engagement scores for the past three years are shown below, with the FY2023 results reaching the target of 70%. We have set our FY2024 target at 75%.

| FY2021 | FY2022 | FY2023 | FY2024 (Target) |
|--------|--------|--------|-----------------|
| 66% | 67% | 72% | 75% or more |

■ **Our strengths (points to maintain)**

When viewing items with a high positive response rate (70% or higher) among items that highly-correlate with engagement scores, we see that one of our strengths is that "a well-prepared work environment in tandem with good interpersonal relationships lead to many employees who are properly recognized and evaluated for their performance and show high levels of engagement with work".

■ **Our strengths (points to strengthen and improve)**

Out of the items that strongly correlate with engagement scores but exhibit low positive response rates, two areas identified for potential improvement are "management's approach to communicating and listening" and "achievement of career goals". These points have been identified as areas for growth in the past three surveys, and while some scores have improved in certain areas, the points have not been strengthened or improved overall.

Regarding "management's approach to communicating and listening", the affirmative response rate was below 50% for several scores. In addition to continuing to strengthen opportunities for communication from management, we are also working to bring general managers, who serve as the point of contact between management and other employees, and management closer together in order to enhance information transmission through the organizational hierarchy.

With regard to "achievement of career goals", while the affirmative response rate was high (over 70%) for items related to skills utilization and growth opportunities, only 55% of respondents answered affirmatively to the question of whether they are achieving their medium- to long-term career goals. As part of our aforementioned efforts to improve individual performance, we are not only focusing on short-term activity and growth but also enhancing opportunities for dialogue with the medium- to long-term in mind. In

addition, we are considering expanding opportunities for career development within the company, such as through internal transfers and concurrent roles.

Investment in intellectual property

The Company considers the securing and application of intellectual property to be an important element in ensuring a competitive advantage, and has established a system for intensively promoting measures related to intellectual property, including the examination of strategies related to intellectual property and the formulation of acquisition and management policies.

(iii) Climate change-related risks and profit opportunities, and their impact on our business activities and earnings

In June 2022, the Company endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and conducted scenario analysis based on these recommendations to identify risks and opportunities and to consider necessary responses. As a result, we did not identify any significant risks associated with climate change for the Group's businesses. However, we are committed to understanding and managing the impact of climate change and other sustainability-related issues on our business through governance and risk management initiatives, as well as seizing opportunities. In addition, we have calculated the Group's Scope 1 and 2 greenhouse gas emissions, as well as Scope 3 emissions. As we continue to calculate our emissions, we will also consider future initiatives for reducing emissions through energy conservation and the use of renewable energy and other resources in each business segment.

For more information on our initiatives based on TCFD recommendations, please refer to our website.

<https://mixi.co.jp/en/sustainability/issue/environment/tcfid/>

Supplemental Principle 4-1-1: Scope of Delegation to Management

The Board of Directors makes decisions on the execution of operations that are stipulated as matters to be decided by the Board of Directors in the Board Regulations and the Regulations on Administrative Authority. For other individual executions, decisions are delegated to the Management Council and the President and Representative Director, etc., in accordance with the Regulations on Administrative Authority.

Principle 4-9: Criteria and Qualifications for Determining Independence of Independent Outside Directors

Based on a reasonable amount of research by MIXI and the criteria for judging independence prescribed by the Tokyo Stock Exchange, MIXI deems its outside officers and outside officer candidates to have sufficient independence as long as they do not fall into any of the following categories.

1. Business executives of MIXI or one of MIXI's subsidiaries
2. Business executives of counterparties of MIXI that exceed the transaction standard set by MIXI (Note 1)
3. Consultants, accountants, or jurists that receive large amounts of cash or other assets aside from officer compensation (Note 2)

If the recipient is a corporate body or organization, then this refers to members of that corporate body or organization

4. Principal shareholders of MIXI (Note 3) and their business executives
5. Business executives of major lenders and banks that work with MIXI

6. Business executives of MIXI's book runners
7. Business executives of auditing firms that work with MIXI
8. Close relatives of individuals that fall into categories 1-3 (Note 4)
9. Individuals that fell into categories 1-7 within the past 3 years

Note 1: "Counterparties of MIXI that exceed the transaction standard set by MIXI" means counterparties whose transactions with MIXI exceed 2% of MIXI's consolidated net sales.

Note 2: The value of "large amounts of cash or other assets aside from officer compensation" is an amount more than or equal to 10 million JPY for individuals, or an amount more than or equal to 2% of their consolidated net sales for corporate bodies or organizations.

Note 3: In accordance to Article 163, Paragraph 1 of the Financial Instruments and Exchange Act, "principal shareholders of MIXI" means any shareholder that holds voting rights (excluding those specified by a Cabinet Office Ordinance in consideration of the manner of acquisition, holding thereof, or other circumstances) exceeding 10 percent of the voting rights held by all shareholders, whether held in their own name or that of another person, or under a fictitious name.

Note 4: "Close relative" means any relative up to the second degree.

Supplemental Principle 4-10-1: Views on Independence of Committee Composition, Authority, and Roles

Please refer to the supplemental explanation column in "Director Compensation" under "II. 1. Matters related to Composition and Organizational Management".

Supplemental Principle 4-11-1: Policy on the Overall Balance of Knowledge, Experience, and Abilities, Diversity, and Size of the Board of Directors

The following is our policy regarding the appointment of director candidates (except outside directors).

1. Proposals for the position of director (except outside directors) are given considering both the diversity and appropriate size of the Board of Directors, with directors possessing a good overall balance of the knowledge, experience, and abilities to efficiently fulfill their roles and responsibilities.

2. Proposals for the positions of director (except outside directors) who are to be in charge of business executions are given for the persons who can make forward-looking, accurate, appropriate, and swift business decisions and executions to help the Company achieve continual growth and higher corporate value over the medium to long term.

Director candidates (except outside director candidates) are selected in accordance with this policy, and final decisions are made by a resolution of the Board of Directors after deliberation by the Nomination and Compensation Committee.

Nominations for outside directors are given considering both the diversity and appropriate size of the Board of Directors, with directors possessing a good overall balance of knowledge, experience, and abilities.

Candidates for ASB members are nominated with the approval of the Audit & Supervisory Board. In order to ensure appropriate

auditory and supervisory functions, care is taken to appoint persons who have knowledge of MIXI's management and a high level of expertise and extensive experience in areas such as finance, accounting, law, and risk management.

Please refer to the skill matrix on the Company's website for more details regarding the knowledge and experience possessed by each director and ASB member.

<https://mixi.co.jp/en/sustainability/materiality/governance/appointment/>

Supplemental Principle 4-11-2: Status of Concurrent Positions of Directors and ASB members

The status of concurrent positions of Directors, ASB members, and candidates is disclosed annually in the convocation notice of the Ordinary General Meeting of Shareholders and the Annual Securities Report.

Supplemental Principle 4-11-3: Analysis and Evaluation of the Effectiveness of the Board of Directors

The Company conducts yearly self-evaluation and analysis of the effectiveness of its Board of Directors with the aim of enhancing its capabilities and maximizing corporate value.

■ Board of Directors effectiveness evaluation (fiscal year ending March 2024)

Between January and February 2024, a survey was conducted among all directors and ASB members. We ensured anonymity by adopting a method where participants respond directly to an external organization. The results of the survey were analyzed, discussed, and evaluated at the Ordinary Board of Directors Meeting held in April 2024.

Survey focus points

- Composition of the Board of Directors
- Management of the Board of Directors
- Board of Directors discussions
- Director and ASB member support systems
- Discussions with shareholders (investors)

■ Summary of results of self-analysis and evaluation of the effectiveness of the Board of Directors

The responses to the questionnaire were generally positive and respondents believe that the Board of Directors' effectiveness as a whole is adequately ensured. Highly evaluated points have been listed below:

- The Board of Directors' meetings allow for sufficient deliberation time of each agenda item, with discussions being held openly and constructively without rigid formalities
- Internal directors support their reports to the Board of Directors with sufficient financial consideration.
- Topics to be discussed at the Board of Directors' meetings are appropriately submitted to the President and Representative Director, the Management Council (a meeting body for executive actions that mainly consists of internal directors), etc., without being delegated more than necessary.

- The Management Council's decisions regarding business execution are in accordance with management strategies and policies.

Along with the above points, the effectiveness of the Board of Directors has been rated more favorably overall when compared to the previous fiscal year, particularly in the key areas focused on for improvement. Its effectiveness is confirmed to be improving through proactive measures.

■ Initiatives for improving the effectiveness of the Board of Directors (fiscal year ending March 2024)

Based on evaluations of the Board of Directors from the previous fiscal year, the Board of Directors and Secretariat of the Board of Directors have worked on the following points:

- Optimization of meeting time

The Company proceeded with the delegation of authority from the Board of Directors to the Management Council and other bodies for matters deemed as appropriate for such delegation. By reducing the number of agenda items in the Board of Directors' meetings, we optimized the time allotted for each meeting, ensuring sufficient time for discussion of each agenda item deliberated by Board of Directors. In addition, each agenda item was deliberated in advance by the Management Council or other group. The chairperson shared the content of their deliberations at the Board of Directors' meetings in order to promote efficient discussions.

- Improvement of information sharing

We strived to promote understanding among directors and corporate auditors by sharing an overview of each agenda item and the issues to be discussed in advance. In addition, a discussion forum separate from the Board of Directors' meetings was established once a quarter for the purpose of sharing information on management strategies and agenda items to be presented to the Board of Directors, which allowed time for in-depth discussions of those agenda items.

- Strengthened discussions on strategies

In order to enhance discussions with an awareness of profitability and capital efficiency, in addition to monthly financial reports, even more agenda items related to mid-term management plans, management indicators, and other strategies were established than in the previous fiscal year.

■ Future initiatives

For the future, we recognize that we need to continue to work on optimizing meeting time, improving information sharing, and strengthening discussions on strategies. We also recognize that deepening discussions on medium- to long-term growth and accelerating the sharing of information regarding financial risks are matters we need to focus on.

Using the results of this evaluation, we will continue striving to improve the effectiveness of the Board of Directors as a whole.

Principle 4-14-2: Policy on Director and ASB Member Training

MIXI requires newly appointed internal directors to attend outside training courses on corporate governance, risk management, legal affairs and intellectual property, and labor issues.

In addition, directors and ASB members are able to attend outside training courses at the Company's expense as needed.

Principle 5-1: Policy on Constructive Dialogue with Shareholders

The Company believes that it is important to engage in constructive dialogue with shareholders and investors in order to achieve sustainable growth and enhance corporate value over the medium to long term, and is taking the following measures:

(i) MIXI has always placed importance on communicating with shareholders in order to build a relationship of trust, and the senior corporate officer and the general manager in charge of IR actively accept interviews. Through dialogue, we strive to promote an understanding of the factors and analysis of business performance, future business prospects, material issues, our business model, governance structure, and other issues.

(ii) MIXI has established a section in charge of IR, and related sections work together to exchange information and promote internal cooperation.

(iii) In order to promote constructive dialogue with shareholders and investors, MIXI has implemented the following initiatives and is working to enrich discussions:

- Quarterly financial results briefings by the President and Representative Director and the senior corporate officers in charge
- Individual meetings with domestic and overseas investors
- Extensive information disclosure on MIXI's website for domestic and overseas investors

(iv) The section in charge of IR compiles opinions and requests obtained through dialogue and regularly provides feedback and shares information with the President and Representative Director and the Board of Directors.

(v) In the course of dialogue, MIXI manages insider information appropriately in accordance with our Information Disclosure Rules and Insider Trading Management Rules

Principle 5-2: Formulation and Announcement of Management Strategies and Plans

The Company announces its initiatives for future business growth and enhancement of corporate value through means such as the announcements of financial results. For detailed information on our initiatives, please refer to the IR materials on our website. (<https://mixi.co.jp/en/ir/docs/>) Progress will be periodically announced through materials such as financial results briefings and integrated reports.

Measures for Raising Management Awareness of Capital Costs and Stock Prices (English-translated disclosures available)

We recognize the cost of shareholders' equity to be 7.4% (as of March 31, 2024), based on calculations using multiple methods including CAPM and earning yields. In the last fiscal year, ROE fell below the cost of shareholders' equity, which we believe is one reason why our P/B ratio has remained around 1.0x in recent years.

We believe it is important to promote business growth and optimize shareholders' equity in order to improve ROE. Under this belief, we will take on the following initiatives.

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First, for business growth, we will promote aggressive and disciplined business investments and M&As based on the business portfolio management policies explained in the IR materials. (<https://mixi.co.jp/en/ir/docs/>) Under this policy, we will maximize current earnings by maintaining and improving the profitability of MONSTER STRIKE, and at the same time, we will maximize medium- to long-term earnings by focusing capital resources obtained through these efforts into businesses with high growth potential that can become the next pillar of business.

Our shareholder returns policy is based on a dividend payout ratio of 20% or a dividend on equity (DOE) of 5%. However, in order to optimize shareholders' equity, we will flexibly acquire additional treasury share as well as implement other measures until ROE exceeds cost of shareholder equity based on a total return ratio of 100%.

We will strive to enhance corporate value through these initiatives.

2. Capital Structure

| | |
|----------------------------------|-----------|
| Foreign stock ownership percent: | 20% - 30% |
|----------------------------------|-----------|

Major Shareholders

| Name | Shares Held | Percentage |
|---|-------------|------------|
| Kenji Kasahara | 32,521,900 | 46.26 |
| The Master Trust Bank of Japan, Ltd. (trust account) | 8,181,900 | 11.64 |
| THE BANK OF NEW YORK MELLON 140051 (Standing proxy: Mizuho Bank, Ltd.) | 2,066,600 | 2.94 |
| Custody Bank of Japan, Ltd. (trust account) | 1,859,400 | 2.64 |
| THE BANK OF NEW YORK 133612 (Standing proxy: Mizuho Bank, Ltd.) | 1,597,900 | 2.27 |
| Koki Kimura | 1,321,987 | 1.88 |
| STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Mizuho Bank, Ltd.) | 564,942 | 0.80 |
| JP MORGAN CHASE BANK 385781 (Standing proxy: Mizuho Bank, Ltd.) | 538,746 | 0.77 |
| STATE STREET BANK WEST CLIENT – TREATY 505234 (Standing proxy: Mizuho Bank, Ltd.) | 457,500 | 0.65 |
| Kosuke Taru | 452,800 | 0.64 |

| | |
|--|--|
| Controlling shareholder (excluding the parent company) | |
|--|--|

| | |
|----------------|------|
| Parent company | None |
|----------------|------|

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Parent company stock exchange listing

Additional Information

1. Status of Major Shareholders is correct as of March 31, 2024.
2. In the Updated Report on Large Shareholders dated January 19, 2024, which is available for public inspection, it is stated that Baillie Gifford & Company and its joint holder Baillie Gifford Overseas Limited held the following shares as of January 15, 2024. However, because MIXI is unable to confirm the number of shares actually held as of March 31, 2024, they are not included in the above list of major shareholders.

(Large shareholder / Number of shares, etc. held / Percent of shares, etc. held)

Baillie Gifford & Company/3,858,200 shares/5.23%

Baillie Gifford Overseas Limited/1,110,700 shares/1.51%

3. Basic Company Information

| | |
|---|--|
| Listed stock market and market section | Tokyo Stock Exchange Prime Market |
| End of fiscal year | March |
| Industry | Service |
| Consolidated employees at the end of the most recent fiscal year | Over 1,000 |
| Consolidated net sales for the most recent fiscal year | More than 100 billion yen, but less than 1 trillion yen |
| Number of consolidated subsidiaries at the end of the most recent fiscal year | More than 10 subsidiaries, but less than 50 subsidiaries |

4. Guidelines on measures to protect minority shareholders in transactions with controlling shareholders

5. Other matters that may have a significant impact on corporate governance

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II. Status of Management Control Organization and Other Corporate Governance Systems Related to Management Decision-Making, Execution and Supervision

1. Matters related to Composition and Organizational Management

| | |
|---------------------|---|
| System organization | Company with an audit and supervisory board |
|---------------------|---|

Directors

| | |
|--|-----------|
| Number of directors as decided by the Articles of Incorporation | 9 |
| Term of office for directors as decided by the Articles of Incorporation | 1 year |
| Chairperson of the Board of Directors | President |
| Number of directors | 7 |
| Appointment of outside directors | Appointed |
| Total number of outside directors | 3 |
| Of total number of outside directors, those designated as independent officers | 3 |

Relationship with the Company (1)

| Name | Attribute | Relationship with the Company* | | | | | | | | | | | |
|----------------|----------------------|--------------------------------|---|---|---|---|---|---|---|---|---|---|--|
| | | a | b | c | d | e | f | g | h | i | j | k | |
| Satoshi Shima | From another company | | | | | | | | | △ | | | |
| Akihisa Fujita | From another company | | | | | | | | | △ | | | |
| Hiromi Watase | From another company | | | | | | | | | △ | | | |

*Categories for "Relationship with the Company"

- Executive of the Company or its subsidiaries
- Non-executive director or executive of a parent company of the Company
- Executive of a fellow subsidiary company of the Company
- A party whose major client or supplier is the Company or an executive thereof
- Major client or supplier of the Company or an executive thereof
- Consultant, accountant or jurist who receives a large amount of monetary consideration or other assets from the Company besides compensation as a director
- Principal shareholder of the Company (or an executive of the said principal shareholder if the shareholder is a legal entity)
- Executive (the director themselves) of a client or supplier company of the Company (which does not fall under categories d, e, or f)
- Executive (the director themselves) of a company, between which and the Company outside directors/ASB members are mutually appointed
- Executive (the director themselves) of a company or organization that receives donations from the Company
- Other

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Relationship with company (2)

| Name | Independent Officer | Supplemental Information | Reason for Appointment |
|----------------|---------------------|--|--|
| Satoshi Shima | ○ | <p>In the past, Satoshi Shima was involved in the execution of business at SoftBank Corp., a business partner of the Company, but is not currently involved in the execution of business at SoftBank Corp.</p> | <p>In addition to experience as a member of the House of Representatives, Satoshi Shima possesses an abundance of experience and extensive expertise related to corporate activities. With this in mind, we deem them to have played an appropriate role in areas including managerial decision-making and the supervision of business executions. The Company's Board of Directors has selected them to continue as an outside director in anticipation that they will utilize past experience and expertise to strengthen the functions of the Board of Directors, namely by formulating management strategies, providing recommendations regarding M&A and post-merger integration, promoting corporate governance, and supervising managerial matters to further the growth of the Group.</p> <p>As they do not fall into any of the categories for determining independence stipulated by the Tokyo Stock Exchange, as required by said stock exchange, or the ones stipulated by the Company, we have determined that there is no risk of conflict of interest with general shareholders and have designated them as an independent officer.</p> |
| Akihisa Fujita | ○ | <p>In the past, Akihisa Fujita was involved in the execution of business at Dentsu Inc. and cyber communications inc. (currently CARTA COMMUNICATIONS Inc.), business partners of the Company, but is not currently involved in the execution of business at said companies.</p> | <p>With business management experience, including advertising and digital media business and tourism-related business, they possess an abundance of experience and extensive expertise related to corporate activities. With this in mind, we deem them to have played an appropriate role in areas including managerial decision-making and the supervision of business executions. The Company's Board of Directors has selected them to continue as an outside director in anticipation that they will utilize past experience and expertise to strengthen the functions of the Board of Directors, namely by formulating management strategies, promoting management from the perspective of business and marketing strategies, providing recommendations regarding M&A and post-merger integration, promoting corporate governance, and supervising managerial matters to further growth of the Group.</p> <p>As they do not fall into any of the categories for determining independence stipulated by the Tokyo Stock Exchange, as required by said stock exchange, or the ones stipulated by the Company, we have determined that there is no risk of conflict of interest with general shareholders and have designated them as an independent officer.</p> |

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| | | | |
|---------------|---|--|---|
| Hiromi Watase | ○ | <p>In the past, Hiromi Watase was involved in the execution of business at Recruit Co., Ltd., a business partner of the Company, but is not currently involved in the execution of business at Recruit Co., Ltd.</p> | <p>Hiromi Watase has been engaged in corporate management as a manager for a number of companies and has a wealth of experience in providing management support, notably in the creation of new businesses, and has abundant experience and broad knowledge of corporate activities. With this in mind, we deem them to have made appropriate contributions in areas including managerial decision-making and the supervision of business executions. The Company's Board of Directors has selected them to continue as an outside director in anticipation that they will utilize past experience and expertise to strengthen the functions of the Board of Directors, namely by formulating management strategies, promoting management from the perspective of business and marketing strategies, providing recommendations regarding creating new businesses, promoting corporate governance, and supervising managerial matters to further growth of the Group.</p> <p>As they do not fall into any of the categories for determining independence stipulated by the Tokyo Stock Exchange, as required by said stock exchange, or the ones stipulated by the Company, we have determined that there is no risk of conflict of interest with general shareholders and have designated them as an independent officer.</p> |
|---------------|---|--|---|

Voluntary Committees

| | |
|---|-------------|
| Voluntary establishment of committee(s) corresponding to nomination committee or remuneration committee | Established |
|---|-------------|

Committee's Name, Composition, and Attributes of Chairperson

Committee Corresponding to Nomination Committee

| Name | | | Nomination and Compensation Committee | | | |
|---------------|-------------------|--------------------|---------------------------------------|------------------|-------|-------------------------------|
| Total Members | Full-time Members | Internal Directors | Outside Directors | Internal Experts | Other | Committee Chair (Chairperson) |
| 5 | 0 | 2 | 3 | 0 | 0 | Internal Directors |

Committee Corresponding to Compensation Committee

| Name | | | Nomination and Compensation Committee | | | |
|---------------|-------------------|--------------------|---------------------------------------|------------------|-------|-------------------------------|
| Total Members | Full-time Members | Internal Directors | Outside Directors | Internal Experts | Other | Committee Chair (Chairperson) |
| 5 | 0 | 2 | 3 | 0 | 0 | Internal Directors |

Additional Information

We have established a Nomination and Compensation Committee. The objectives of the committee are to strengthen transparency and objectivity by obtaining the opinions and advice of outside directors before the Board of Directors deliberates matters related to individual nomination proposals and compensation of directors (excluding outside directors).

The scope of deliberations of the Nomination and Compensation Committee is as follows:

- (1) Nominations for and appointments of director candidates along with HR policy proposals
- (2) Basic policy proposals for the director compensation system
- (3) Compensation condition proposals for directors (including calculation method)
- (4) Specific compensation proposals for individual directors (including calculation method)
- (5) Other matters requested by the President and Representative Director

Composition of the Nomination and Compensation Committee

Chairperson (internal director): Koki Kimura

Committee Member (internal director): Hiroyuki Osawa

Committee Member (outside director): Satoshi Shima

Committee Member (outside director): Akihisa Fujita

Committee Member (outside director): Hiromi Watase

During the fiscal year ended March 31, 2024, the Nomination and Compensation Committee met three times to examine director evaluations, individual director personnel proposals, individual director compensation proposals, and director compensation structure. In addition, they discussed individual proposals for senior corporate officer, corporate officer, and C-level positions, as well as succession plan initiatives.

The Nomination and Compensation Committee for the fiscal year ended March 31, 2024 consisted of the following five members (all three outside directors, the President and Representative Director, and one internal director), with the attendance of each member as follows.

Chairperson (internal director): Koki Kimura 100% (3/3 meetings)

Committee Member (internal director): Hiroyuki Osawa 100% (3/3 meetings)

Committee Member (outside director): Satoshi Shima 100% (3/3 meetings)

Committee Member (outside director): Akihisa Fujita 100% (3/3 meetings)

Committee Member (outside director): Yuki Nagata 100% (3/3 meetings)

(Notes) 1. Figures in parentheses indicate the number of meetings attended divided by the number of meetings held during the term of office.

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Audit & Supervisory Board Members

| | |
|---|-------------|
| Establishment of Audit & Supervisory Board | Established |
| Maximum Number of ASB Members Stipulated in Articles of Incorporation | 5 |
| Number of ASB Members | 3 |

Cooperation Among Audit & Supervisory Board, Accounting Auditors, and the Internal Audit Section

The Audit & Supervisory Board and its members connect with accounting auditors and the internal audit section and exchange opinions and information regarding topics such as audit plans, methods, and results (accounting and operational audits) through regular or reasonably-timed meetings. They also analyze risks associated with risk-based auditing to enhance effectiveness. The Internal Audit Division reports the status of internal audits to the Audit & Supervisory Board and meets with them periodically to exchange opinions and information. ASB members share information with accounting auditors by listening to reports on audit results from the accounting auditors on a quarterly basis and requesting reports from accounting auditors as necessary. In addition, ASB members take measures to enhance the effectiveness and efficiency of audits, such as deepening the exchange of opinions with accounting auditors on matters that ASB members consider particularly important for the audit of the financial statements for the fiscal year under review, and requesting reports on the audit plan, audit implementation status, audit results, etc.

| | |
|--|-----------|
| Appointment of Outside ASB Members | Appointed |
| Number of Outside ASB Members | 3 |
| Number of Outside ASB Members Designated as Independent Officers | 3 |

Relationship with the Company (1)

| Name | Attribute | Relationship with the Company* | | | | | | | | | | | | | |
|--------------------|-----------------------------|--------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|--|
| | | a | b | c | d | e | f | g | h | i | j | k | l | m | |
| Yuichiro Nishimura | From another company | | | | | | | | | | | | | | |
| Nozomi Ueda | Lawyer | | | | | | | | | | | | | | |
| Sumiko Takayama | Certified public accountant | | | | | | | | | | | | | | |

*Categories for "Relationship with the Company"

- Executive of the Company or its subsidiaries
- Non-executive director or accounting advisor of the Company or one of its subsidiaries
- Non-executive director or executive of a parent company of the Company
- ASB member of a parent company of the Company
- Executive of a fellow subsidiary company of the Company
- A party whose major client or supplier is the Company or an executive thereof

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- g. Major client or supplier of the Company or an executive thereof
- h. Consultant, accountant or jurist who receives a large amount of monetary consideration or other assets from the Company besides compensation as a director
- i. Principal shareholder of the Company (or an executive of the said principal shareholder if the shareholder is a legal entity)
- j. Executive (the ASB member themselves) of a client or supplier company of the Company (which does not fall under f, g, or h)
- k. Executive (the director themselves) of a company, between which and the Company outside directors/ASB members are mutually appointed
- l. Executive (the director themselves) of a company or organization that receives donations from the Company
- m. Other

Relationship with company (2)

| Name | Independent Officer | Supplemental Information | Reason for Appointment |
|--------------------|---------------------|--------------------------|--|
| Yuichiro Nishimura | ○ | - | <p>Yuichiro Nishimura has knowledge and experience in the areas of human resources and general affairs through their work at automobile and automobile parts manufacturers, and has been selected as an outside ASB member to strengthen the Company's auditing system using their aforementioned knowledge and experience, as well as strengthen the functions of the Board of Directors in areas such as corporate governance and risk management using knowledge from their field of expertise.</p> <p>As they do not fall into any of the categories for determining independence stipulated by the Tokyo Stock Exchange, as required by said stock exchange, or the ones stipulated by the Company, we have determined that there is no risk of conflict of interest with general shareholders and have designated them as an independent officer.</p> |
| Nozomi Ueda | ○ | - | <p>Nozomi Ueda not only has technical expertise in the areas of corporate governance and compliance, but can also utilize their specialized knowledge and experience as an attorney, and has been selected as an outside ASB member to strengthen the Company's auditing system using their aforementioned knowledge and experience, as well as strengthen the functions of the Board of Directors in areas such as corporate governance and risk management using knowledge from their field of expertise.</p> <p>As they do not fall into any of the categories for determining independence stipulated by the Tokyo Stock Exchange, as required by said stock exchange, or the ones stipulated by the Company, we have determined that there is no risk of conflict of interest with general shareholders and have designated them as an independent officer.</p> |

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| | | |
|-----------------|---|--|
| Sumiko Takayama | ○ | <p>Sumiko Takayama, having previously served as an officer for various corporations, not only has abundant insight and experience in corporate activities, but can also utilize their specialized knowledge and experience as a certified public accountant, and has been selected as an outside ASB member to strengthen the Company's auditing system using their aforementioned knowledge and experience, as well as strengthen the functions of the Board of Directors in areas such as corporate governance and risk management using knowledge from their field of expertise.</p> <p>As they do not fall into any of the categories for determining independence stipulated by the Tokyo Stock Exchange, as required by said stock exchange, or the ones stipulated by the Company, we have determined that there is no risk of conflict of interest with general shareholders and have designated them as an independent officer.</p> |
|-----------------|---|--|

Independent Officers

| | |
|--------------------------------|---|
| Number of Independent Officers | 6 |
|--------------------------------|---|

Other Matters Related to Independent Officers

| |
|--|
| <p>We designate all outside officers who meet the independent officer requirements as independent officers.</p> <p>Our standards for independence of outside directors are as described in "Principle 4-9: Criteria and Qualifications for Determining Independence of Independent Outside Directors".</p> |
|--|

Incentives

| | |
|------------------------------------|-------|
| Implemented incentive policy types | Other |
|------------------------------------|-------|

Supplemental Information

| | |
|---|----------------------------------|
| <p>We have implemented a restricted share compensation system to compensate directors (excluding outside directors) for the purpose of promoting initiatives that improve medium- to long-term corporate value and sharing value with shareholders.</p> | |
| Stock option eligibility | Internal directors and employees |

Supplemental Information

| |
|--|
| <p>The Company awards stock options to directors (excluding outside directors) and employees for the purpose of promoting initiatives that improve medium- to long-term corporate value and sharing value with shareholders.</p> |
|--|

Director Compensation

| | |
|-------------------|---------|
| Disclosure Status | Partial |
|-------------------|---------|

Supplemental Information

| |
|--|
| <p>Officer compensation for directors and ASB members for FY2024 has been listed below. The Company does not have a retirement benefit system in place.</p> <p>Total for directors (excluding outside directors): 365 million yen</p> <p>ASB Members (excluding outside ASB members): Not eligible</p> |
|--|

Outside Officers: 56 million yen

Policy on determining compensation amounts and calculation methods

Established

Disclosure of Policy on Determining Compensation Amounts and Calculation Methods

The following is our policy regarding compensation for directors.

- Basic Policy

Our basic policy for director compensation is to provide a sound incentive for continuous growth by establishing an appropriate ratio between cash compensation and stock compensation.

■ Compensation System

Based on this policy, compensation for directors (excluding outside directors) consists of two components: monthly cash compensation and stock compensation (restricted shares) issued annually after the Ordinary General Meeting of Shareholders. More specifically, compensation is categorized into base compensation, stock-based compensation, and performance-based compensation. Base compensation consists of cash compensation; stock-based compensation consists of restricted shares; performance-based compensation gives the recipient the choice of either monthly cash compensation or stock compensation (restricted shares) issued annually after the Ordinary General Meeting of Shareholders. The ratios for base compensation, stock-based compensation, and performance-based compensation are determined by the company's past results and shared compensation data of companies listed on the Tokyo Stock Exchange compiled by specialist companies, discussed by the Nomination and Compensation Committee, then voted on by the Board of Directors.

To maintain their independent status, compensation for outside directors consists of monthly cash compensation only. Furthermore, a retirement benefits system for directors is not provided.

■ Details and Methods of Determining Compensation

Details of director compensation and methodology for determining director compensation is as follows:

- Compensation for directors (excluding outside directors)

The amount of base compensation and stock-based compensation is determined according to the presence or absence of representation rights and the director's position in the company. With respect to the stock-based compensation, for the purpose of promoting initiatives to enhance corporate value over the medium- to long-term and sharing value with the Company's shareholders, the Company will issue restricted shares (common shares of MIXI), the transfer of which will be restricted from the date of issue until the retirement or resignation from the positions of director, senior corporate officer, corporate officer, or employee (including positions after changes in position titles. This also applies below.) of the Company, its subsidiaries, or affiliates, and will provide monetary compensation claims for granting said transfer-restricted shares. With respect to the performance-based compensation, an evaluation ratio is determined beforehand based on the position and responsibilities, and an overall evaluation is made of the company's performance in the previous period as well as each individual's achievement in their expected role. The base amount of the performance-based compensation, which is determined in accordance with the base compensation, is multiplied by a coefficient based on overall evaluation in order to determine the compensation amount. In addition, the performance evaluation shall be based on the company-wide net sales, operating income, and net income for the current period, comparing actual results against forecasts, and YoY change. Furthermore, if stock-based compensation (restricted stock)—issued once a year after the Ordinary General Meeting of Shareholders—is selected as performance-based compensation, the details of such compensation are as the same as aforementioned, and monetary compensation claims equal to the amount of the performance-based compensation determined in the previously described ways shall be provided.

- Compensation for outside directors

The amount of compensation awarded is determined according to the director's professional duties using compensation data of companies listed on the Tokyo Stock Exchange compiled by specialist companies.

■ Decision process

In order to protect objectivity and transparency, the compensation system and decision process for directors (excluding outside directors) is discussed by the Nomination and Compensation Committee (consisting of all outside directors, the Representative Director, and one internal director) and based on those deliberations, voted on by the Board of Directors.

The decision on compensation for individual directors is made by resolution of the Board of Directors. For directors other than outside directors, the Nomination and Compensation Committee must deliberate before a resolution is adopted by the Board of Directors.

At the 17th Ordinary General Meeting held on June 28, 2016 and as adjusted in the 24th Ordinary General Meeting of Shareholders held on June 21, 2023, it was decided that remuneration for directors, including monthly remuneration and monetary compensation claims for granting stock-based (restricted shares), shall not exceed 1 billion JPY per year (and no more than 100 million JPY for outside directors).

As their role as ASB members is to audit for compliance with laws and regulations, compensation for ASB members consists of cash compensation only.

Outside Director and Outside ASB Member Support System

For Board of Directors' meetings, meeting materials are provided in advance to outside directors and outside ASB members with expectations that they will be able to utilize their expertise and knowledge related to management supervision and auditing. We share materials from internal meetings, such as from Management Council meetings, in a timely and appropriate manner for discussion at Board of Directors' meetings, and creates an environment that facilitates smooth access to information that outside directors consider necessary. In addition to Board of Directors' meetings, a discussion forum of internal directors, outside directors, and senior corporate officers was established once a quarter for the purpose of sharing information on management strategies and agenda items to be presented to the Board of Directors, which allowed time for in-depth discussions of those agenda items. Furthermore, to support the work of ASB Members, the Company has established the Audit & Supervisory Board Division and assigned ASB Division staff.

In addition, we provide opportunities which deepen understanding of each of the Group's businesses, such as by watching professional sports and visiting large multipurpose arenas under our operation.

2. Business Executions, Auditing and Supervision, Nomination, and Calculating Compensation (Overview of the Current Corporate Governance System)

(1) Corporate Governance System

The Company's management decision-making, business execution, and supervisory functions are as follows.

- Board of Directors

The Board of Directors has seven members, consisting of four internal directors (currently without female directors) and three outside directors (including one female director). In principle, Board of Directors' meetings are held once a month, constituting a system that allows speedy and efficient decision-making. For greater clarity of the managerial responsibilities of directors and create a management system that is able to respond swiftly to changes in the management environment, the term of service for directors is prescribed as one year.

During the fiscal year ended March 31, 2024, the Board of Directors met 18 times to vote on important executive matters as stipulated by law or internal regulations (e.g. formulation of medium-term management plans, establishment of organizational

systems, stock acquisition, withdrawal from businesses, and changes in personnel-related systems), as well as discuss management strategies and the status of executive matters. Under the policy of strengthening the strategy- and supervision-related functions of the Board of Directors, efforts were made to enrich discussions by expanding the time for discussion of management strategies and other issues at Board of Directors Meetings and by improving the quality of materials submitted for discussion. In addition, the Board of Directors regularly monitored the status of communication with investors and the status of sustainability-related initiatives.

Attendance for Board of Directors Meetings for the fiscal year ended March 31, 2024 was as follows.

Chairperson (internal director): Koki Kimura 100% (18/18 meetings)

(Internal director): Hiroyuki Osawa 100% (18/18 meetings)

(Internal director): Tatsuma Murase 100% (18/18 meetings)

(Internal director): Kenji Kasahara 100% (18/18 meetings)

(Outside director): Satoshi Shima 100% (18/18 meetings)

(Outside director): Akihisa Fujita 100% (18/18 meetings)

(Outside director): Yuki Nagata 94% (17/18 meetings)

(Notes) 1. Figures in parentheses indicate the number of meetings attended divided by the number of meetings held during the term of office.

2. All three outside directors have been designated as independent officers.

- Management Council

The Management Council conducts key discussions and decision-making related to business operations. In principle, Management Council meetings are held once a week but may be held whenever necessary. Furthermore, necessary information from Management Council meetings is shared with outside officers.

- Audit & Supervisory Board

The Audit & Supervisory Board has three independent outside members (including two female members). We will conduct audits based on our annual plan with cooperation from internal auditors (personnel or divisions) and accounting auditors. The results and details of these audits will be discussed at Audit & Supervisory Board meetings held at least once a month. Based on these discussions, we will provide appropriate advice to the Board of Directors or individual directors as we strive to ensure sound and efficient management.

- Nomination and Compensation Committee

We have established a Nomination and Compensation Committee. The objectives of the committee are to strengthen transparency and objectivity by obtaining the opinions and advice of outside directors before the Board of Directors deliberates matters related to individual nomination proposals and compensation of directors (excluding outside directors). For further details, please refer to the supplemental explanation column in "Director Compensation" under "II. 1. Matters related to Composition and Organizational Management".

(2) Audits by ASB Members and internal audits

In addition to attending regular meetings of the Audit & Supervisory Board, ASB members attend meetings of the Board of Directors and other important meetings within the Company and investigate the Company's assets and business operations to fully audit the execution of duties by directors and prevent misconduct, including violations of laws, regulations, and the Articles of Incorporation. In addition, ASB members regularly exchange opinions and information with the Internal Audit Division to strive toward the effective functionality of internal controls.

As an organizational structure for internal audits, the Internal Audit Division (comprised of 11 members, two of which concurrently serve in the Audit & Supervisory Board Division) has been established as an audit section independent of the executive section. Internal audits are conducted on the Company and the Group companies from viewpoints including legality, efficiency, and effectiveness of internal control, based on internal audit plans approved by the Board of Directors. Regarding the audit results, the Board of Directors and the Audit & Supervisory Board are regularly informed of the status of improvement of matters pointed out by audits. Internal audits are conducted for the purpose of preventing improper transactions and improving the efficiency of business operations, thereby contributing to the development of the Company through improved business performance and law-abiding management.

(3) Accounting Auditor Status

The Company has entered into an audit agreement with PricewaterhouseCoopers Japan LLC as its auditing firm. The firm conducts accounting audits in accordance with the Companies Act and the Financial Instruments and Exchange Act. Certified public accountants are listed below:

Designated firm representative Yoshihisa Chiyoda

Designated firm representative Noriko Umeki

(Notes) 1. PricewaterhouseCoopers Aarata LLC merged with PricewaterhouseCoopers Kyoto on December 1, 2023, and changed its name to PricewaterhouseCoopers Japan LLC on the same date.

(4) Overview of Liability Limitation Agreements With Outside Directors and Outside Corporate Auditors

In accordance with Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with each outside director and each outside ASB member to limit their liability for damages under Article 423, Paragraph 1 of the same act. The maximum amount of liability for damages under such contracts is the higher of a pre-determined amount of at least 10,000 yen or the minimum liability amount stipulated by law.

3. Reasons for Choosing the Current Corporate Governance System

The Company has an Audit & Supervisory Board and has established a management system that enables appropriate business executions and prompt decision-making through the appointment of outside directors and the establishment of the Management Council.

The Company has adopted this current system with the belief that the appointment of highly independent outside directors and outside ASB members will ensure transparency in management and strengthen supervisory functions.

Corporate Governance

CORPORATE GOVERNANCE

III. Status of Implementation of Measures Concerning Shareholders and Other Concerned Parties

1. Policies for Vitalizing the General Meetings of Shareholders and Facilitating the Exercise of Voting Rights

| | Additional Information |
|--|---|
| Avoiding crowded meeting dates | 25th Ordinary General Meeting of Shareholders held on June 26, 2024 |
| Online exercise of voting rights | Voting rights can be exercised online via computer, cell phone, or smartphone. |
| Initiatives to improve the voting environment for institutional investors exercising their voting rights through electronic platforms. | Established. |
| Provision of (summarized) convocation notices in English | A summarized English version of the convocation notice is posted on the Company website. |
| Other | Convocation notices are posted on the Company website. The Company also announced the voting results in an extraordinary report dated June 27, 2024. |

2. IR Activities

| | Additional Information | Explanation from the Representative |
|--|--|-------------------------------------|
| Regular briefings for analysts and institutional investors | After quarterly financial results are released, the Company holds a financial results briefing for analysts and institutional investors. | Established |
| Regular briefings for overseas investors | Regular briefings are held quarterly via conference call, etc. with overseas investors. Overseas IR activities are conducted several times a year, providing opportunities for direct visits. | None |
| Posting IR materials on the Company website | The Company has established an "IR Information" page < https://mixi.co.jp/en/ir > on its website, where it posts Japanese and English language information on financial results, timely disclosures of non-financial documents, quarterly securities reports (Japanese only), materials for financial results briefings, videos of financial results briefings, and integrated reports. | |
| Establishment of an IR section and representative | The Company's IR activities are handled by a section under Corporate Promotion Operations. | |

3. Measures to Ensure Due Respect for Stakeholders

| | Additional Information |
|---|---|
| Internal regulations to ensure respect for stakeholders | Stipulated in the Company's Code of Ethics. |

IV. Internal Control Systems, etc.

1. Basic Policy for Our Internal Control System and its Development

■ Basic Policy for Our Internal Control System

Based on our basic policy for the development of our internal control system described below, we believe it is essential to maintain proper corporate governance and develop a system for effective and efficient corporate activities, ensuring the reliability of financial reports, and complying with laws and regulations. We will fulfill our social mission by working to improve and strengthen the functions of our internal control system. The Company will continue to ensure the appropriateness of its operations and make continuous improvements to build a more effective internal control system.

1. System to ensure that execution of their duty by directors and employees of the Company and its subsidiaries (hereinafter, "the Group") follow laws and regulations.

(1) A common Code of Ethics for the Group that emphasizes the importance of compliance. The content of the Code of Ethics is shared with all directors and employees through information systems and education.

(2) The Group shall strive to ensure the proper execution of business by directors and employees by developing business processes and internal regulations and by strengthening the Internal Audit Division's systems for evaluation and monitoring.

(3) An internal reporting system as a check against the violation of laws, regulations, or the Articles of Incorporation, to prevent scandals; a system to exclude antisocial forces.

(4) In the event that a violation of laws, regulations, or the Articles of Incorporation or a situation posing the risk of such an event occurs, the Group shall promptly ascertain relevant information and address the situation.

2. System for the storage and management of information related to the execution of duties by Group directors

The Group shall establish a system to appropriately and safely store and manage personal information, important trade secrets, and information related to the execution of duties by directors by establishing regulations for information management, identifying important documents, and clarifying storage methods.

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

We shall establish regulations to identify and manage various risks surrounding the Group, with a goal to develop and strengthen the systems necessary for risk management. In addition to positioning the President and Representative Director as the person with the highest responsibility for the risk management promotion system, the Company appoints a senior corporate officer or corporate officer to take charge of risk and compliance (hereinafter referred to as the "Corporate Officer of Risk Management") and assist the President and Representative Director. The Risk Management Committee is headed by the Corporate Officer of Risk Management and identifies and evaluates risks related to the business conducted by the Group and strives to reduce such risks. The committee must respond promptly and appropriately in the case of emergency.

4. System to ensure that the execution of duties by Group directors is carried out efficiently

(1) In order to clarify the authority of directors and the specifics of their duties, the Group shall endeavor to maintain the efficiency of the execution of duties by Group directors by establishing regulations concerning authority and the division of duties, and implementing an information sharing system.

(2) The Company shall prepare a financial forecast for each fiscal year and set targets for the Group based on the current business environment and expected changes to it. Each section of the Company and each Group company must implement various measures to achieve such targets. In addition, the Company's Board of Directors shall receive monthly reports on the financial performance of the entire Group, and verify the achievement status of the targets of each section of the Company and each Group company.

5. System to maintain the appropriateness of business operations in the Group

(1) The Company shall establish a section to manage Group companies and monitor the progress of the business of the Group companies and the execution of duties by the directors and other personnel in accordance with Group company management regulations.

(2) The Company shall ensure the President and Representative Director, each director, each senior corporate officer, each corporate officer, and each chief general manager report information regarding the business status of their Company division or Group company on a regular basis, and will provide prompt and appropriate guidance and advice on important matters when necessary.

(3) The Company's Internal Audit Division shall conduct internal audits of Group companies based on internal auditing regulations in compliance with laws, the Articles of Incorporation, and other internal regulations.

6. Matters concerning employees requested by the Company ASB members to assist with duties

In order to assist ASB members in their duties, the Company shall, at the request of the Audit & Supervisory Board or ASB members, establish a section (hereinafter referred to as the "Audit & Supervisory Board Division") to assist ASB members in their duties and appoint employees to assist ASB members. ASB members may instruct such employees on matters necessary for audits.

7. Ensuring the independence of employees assisting with ASB member duties from Company directors and ensuring the effectiveness of Company ASB members' instructions to such employees

(1) Employees who are to assist ASB members in their duties shall follow only the instructions of ASB members in performing such duties, and shall not receive instructions from Company directors or employees.

(2) The appointment, performance evaluation, and transfer of employees who are to assist ASB members in their duties shall be decided after hearing the opinions of the Audit & Supervisory Board.

8. System for Company directors and employees to report to Company ASB members

(1) ASB members shall attend important meetings, such as Board of Directors Meetings and Management Council meetings to receive explanations from directors and employees.

(2) ASB members shall inspect important documents and other materials and will be able to request explanations from directors and

employees as necessary.

Directors and employees shall immediately report any information that may have a significant impact on the Company's management or business performance to ASB members.

9. System for Group directors, ASB members, employees, and persons who receive reports from said persons to report to Company ASB members

A means for directors and employees of each Group company to report to Company ASB members through the internal reporting system shall be established. In addition, persons who receive whistle-blowing reports other than ASB members shall promptly and appropriately report to Company ASB members.

10. System to ensure that persons who have made reports under items 8 and 9 are not treated unfairly for having made such reports

With respect to Group director and employee reports to Company ASB members, the Company shall maintain the confidentiality of report contents in accordance with laws and regulations, the internal reporting system, etc., and shall prohibit any unfair treatment of the reporter.

11. Policies related to the processing of expenses incurred in the execution of Company ASB member duties

In accordance with Article 388 of the Companies Act, in the event that an ASB member requests prepayment of expenses in connection with the performance of his or her duties, etc., the Company shall promptly comply with such request, except in cases where it is deemed unnecessary for the performance of said duties. In addition, in cases where ASB members deem it necessary for the execution of their duties, the Company shall allow necessary audit expenses, such as requesting opinions and advice from attorneys-at-law, patent attorneys, certified public accountants, certified tax accountants and other outside experts.

12. Other systems to ensure the effectiveness of Company ASB member audits

(1) The directors and employees of the Group shall cooperate with the audits of ASB members in order to deepen their understanding of audits and maintain the effectiveness of the auditing system.

(2) ASB members shall exchange opinions with directors and accounting auditors on a regular basis, and shall cooperate with the Internal Audit Division to conduct effective audits.

(3) The Group shall establish a system to ensure the effectiveness of audits that, at the request of ASB members, may include interviews with the President and Representative Director, directors, and chief general managers, liaison meetings with outside directors, regular meeting opportunities with chief general managers and representative directors of subsidiaries, and the exchange of opinions and information between ASB members and accounting auditors.

■ Internal Control System

Internal systems are established based on the basic policies of our internal control system.

The Group has established a code of ethics that emphasizes the importance of compliance and ensures that all officers and employees are fully aware of what that entails through an education and information system. In addition, the Group has established an internal reporting system as a check against activities that are illegal or go against our Articles of Incorporation and to prevent

scandals, and has prepared a system to exclude antisocial forces.

For our information management system, we have established rules for information management, clarified denotation for important documents and how they should be stored, and created a system for safely saving and managing personal information, important business secrets, and information regarding director work activities.

2. Basic Policy and Framework for the Exclusion of Antisocial Forces

■ Basic Policy for the Exclusion of Antisocial Forces

It is company policy to eliminate any relationship with antisocial forces and groups that threaten social order and safety, and not to give in to any unreasonable demands.

■ Framework for the Exclusion of Antisocial Forces

Based on the above policy, the Company has established a Code of Ethics and Regulations Concerning the Exclusion of Antisocial Forces, which clearly state the Company's resolute rejection of any connection with antisocial forces and clearly stipulate that the Company shall not promote the activities of antisocial forces or groups, including stipulations that prohibit the provision of funding to antisocial forces or groups.

As an internal system, the Company has established a section to respond to unreasonable demands from antisocial forces and to take systematic action, as well as to request consultation and support from the National Police Agency, the Metropolitan Police Department, lawyers, and outside consulting companies. In addition, the Company prepares and disseminates manuals and provides appropriate education and training to directors and employees.

V. Other

1. Measures Against Corporate Takeovers

| | |
|------------------------|------|
| Anti-Takeover Measures | None |
|------------------------|------|

Supplemental Information

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2. Other Matters Concerning Corporate Governance Systems

1. Our stance and policy on timely disclosure

We believe that timely and appropriate disclosure of information to shareholders, investors, local communities, and other stakeholders will promote greater understanding of the Company, allowing proper evaluation of the Company. We are always working to improve our internal systems to ensure that we can disclose corporate information in a timely, accurate, and fair manner from the perspective of our stakeholders.

We also ensure that our officers and employees are educated on subjects such as insider trading and information subject to timely disclosure through internal training programs both when they join the Company and annually.

2. Internal system for the timely disclosure of corporate information

To ensure thorough internal management of corporate information and appropriate and timely disclosures, several specialized

sections have been set up under the direction and supervision of the management and company-wide initiatives have been launched. In order to improve the accuracy and content of disclosure materials, we have established a system in which multiple sections mutually check each other's work while confirming the quality of our internal control system through regular internal audits. We also have auditors regularly conduct quality and legality checks of our accounting information. In addition, the Company's management and some specialized sections have established a system in which they collect and report timely and appropriate information that follows our disclosure guidelines from our subsidiaries, which is then disclosed if deemed necessary.

3. Procedure for timely disclosure

(1) Of information regarding important decisions and occurrences

The senior corporate officer in charge of IR business operations works alongside the IR and Legal Affairs sections to analyze information reported by each part of the Company and the Group's companies. They then follow the rules regarding timely disclosure, determining whether information needs to be disclosed, what exactly to disclose, the method of disclosure, then disclosing the information promptly.

As a result, any important matters determined subject to timely disclosure are reported to the Management Council or President and Representative Director, then presented to the Board of Directors (directly depending on the level of importance), and promptly disclosed upon approval by the Board of Directors.

(2) Of information regarding financial results

The accounting section shall consult with accounting auditors and outside experts as necessary to make a report regarding carefully examined financial results materials for the senior corporate officer in charge of IR business operations and, upon approval of Board of Directors, promptly disclose the information.

4. Method of timely disclosure

The Company discloses corporate information without delay via TDnet and EDINET and also distributes disclosure materials to the press. In addition, the Company posts publicly disclosed corporate information on its website and otherwise strives to provide timely, accurate and fair updates to all shareholders and investors.

Diagram of Our Timely Disclosure System

