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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

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

Due to the rapid pace of change in work environment and technology in the entertainment industry, MIXI does not announce its medium-term management plan. However, we strive to promote understanding among shareholders and investors by regularly explaining our medium- to long-term management strategies at the General Meeting of Shareholders and through briefings on financial results.

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

We recognize the importance of returning profits to shareholders, and continually aim for a sustainable increase in corporate value by investing in business development, research and development, mergers and acquisitions, and other activities necessary for future growth. Management strategies to achieve medium- to long-term growth that keep capital cost and improvement of corporate value in mind are discussed at Board of Directors meetings. We strive to convey this information to shareholders in an easy-to-understand way at the Ordinary General Meeting of Shareholders and through quarterly financial results briefings.

Disclosure Based on the Principles of the Corporate Governance Code

Principle 1-4: Cross Holding

Cross holding is not currently a part of MIXI's business strategy. However, in the event that MIXI does decide to engage in cross holding, 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 and inclusivity" is one of our material issues, and we are creating a culture that embraces diversity.

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 and foreign nationals to management positions, and the status is as follows. (The ratios shown within this section are correct as of the end of March 2023.)

• Appointment of women to management positions

30.0% of MIXI employees are women, and 16.1% of all management positions are occupied by women. The latter figure rises to 20.5% when including assistant manager-level positions. We intend to further increase the number of female employees in management positions through the enhancement of systems and training to realize a comfortable working environment. We have set a target for over 15% of management positions to be occupied by women by the end of 2024.

- Appointment of mid-career recruits to management positions

The percentage of our company's employees hired as mid-career recruits is very high, at 86.8%, and the percentage of managers hired as mid-career recruits is also high, at 91.0%. As we diversify our business, the number of employees hired as mid-career recruits from different industries is increasing, and we have employees with diverse backgrounds.

- Appointment of foreign nationals to management positions

3.3% of MIXI employees are foreign nationals, and 2.0% of all management positions are occupied by foreign nationals. The latter figure rises to 3.0% when including assistant manager-level positions, and we see room for increase through training.

Since we hire both new graduates and mid-career workers regardless of nationality, we do not currently have any special support in place. However, due in part to the globalization of our business, recent hiring needs are on the rise, and we will strive to strengthen our training measures as necessary.

- Specific initiatives for creating a comfortable working environment for a diverse workforce

Through diversity and inclusivity training, which all new employees are required to undergo, we raise awareness and mutual respect not only for diversity in gender, nationality, and culture, but also for diversity in areas such as sexual orientation, gender identity, values, and lifestyles. 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.

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

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

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

1. Proposals for the position of directors are given considering both the diversity and appropriate size of the Board of Directors. Directors must possess the balance of the knowledge, experience, and abilities necessary to efficiently fulfill their roles and responsibilities.

2. Proposals for the position of directors who are to be in charge of business execution are given for persons who can make forward-looking, accurate, appropriate, and swift decisions and execution to help MIXI achieve consistent 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.

(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. In December 2021, we formulated a sustainability policy and its material issues under the statement: "We will contribute to the enrichment of society through the creation of communication services that connect hearts and minds".

2. Considering the impact on our corporate activities and stakeholders, we have established eight material issues as themes that we will implement throughout our corporate activities. As a company that produces communication services, we will create connections among people, communities, and society, and promote innovation as a source of creating value, while at the same time making sincere efforts to operate reliable services. We will also promote the reinforcement and improvement of our management foundation in terms of information security and privacy, the activities of our diverse human resources, and governance.

<Material Issues> Creation of spaces and opportunity for communication, promotion of innovation, 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.

3. 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. We will continue our efforts to continuously strengthen and improve our sustainability promotion system.

For more information on our sustainability initiatives, please refer to our website.

<https://mixi.co.jp/en/sustainability/>

(ii) Investment in human capital and intellectual property

• Investment in human capital

Our corporate philosophy 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

Based on the above corporate philosophy, we operate a business centered on communication. In order to realize our Purpose, we consider the people who create and operate our services as one of the most important forms of capital. Without the growth of the people who make up MIXI, we cannot achieve our Purpose, so it is our policy to actively invest in human capital.

Based on this policy, we are implementing the following five initiatives: (1) Initiatives to improve employee engagement, (2) Human resource development to promote the participation and growth of each employee, (3) Mechanisms and systems to promote the growth of employees and the organization, (4) Improvement of the work environment, and (5) Thorough compliance education. Of these, we have set current indicators and targets for a portion of the initiatives in (1) and will continue to consider appropriate indicators tied to our strategy.

(1) Initiatives to improve employee engagement

Our "engagement score", which is closely linked to our Values, is an important management indicator, and we conduct an annual survey of all employees. The results of the survey are analyzed, and feedback is 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 scores and analysis for the fiscal year under review are as follows.

• 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".

The results are as follows.

Engagement score for fiscal year under review: 67%

• Points to maintain

Among the factors tied to engagement, more than 80% of our employees responded positively to "I am able to work at my own discretion while building good relationships with my superiors and colleagues in a well-ordered work environment", and

we believe this is a point that should be maintained.

- Points for future Initiatives

Among the factors related to engagement, "management's approach to communicating (fostering a sense of expectation for the future of the company and supporting employees' adaptation to changes)", "management's approach to listening (acceptance of employees' opinions)", and "expanding career prospects and providing continuous growth opportunities" have a particularly high correlation with the engagement score. Based on the results, we believe that these points should be improved or continued to be emphasized.

Management's approach to communicating and listening

We are working on further improvements, such as communicating with employees to increase their understanding of important managerial decisions, reflecting their voices in management, and fostering a culture in the workplace that allows employees to express their opinions more honestly.

Expanding career prospects and providing continuous growth opportunities

While the score is not necessarily low due to the strengthening of training measures in recent years, we recognize that it is highly important to promote the growth of each individual. Therefore, we will continue to work on creating a culture where individual growth and organizational growth are linked, and each employee can feel a sense of participation and growth.

- Engagement score target for fiscal year 2024

Through the initiatives described in the previous section, we will work to raise our engagement score to the target given below.

Target engagement score for fiscal year 2024: 70%

(2) Human resource development to promote the participation and growth of each employee

In order to promote the participation and growth of each employee, we are strengthening human resource development through training and other initiatives listed below. For the fiscal year ending March 31, 2024, we have budgeted 41,000 yen per employee per year for training expenses.

Training and support for chief general managers and above

We provide training in areas such as management strategy theory, corporate governance, leadership theory, marketing theory, and finance for internal directors and employees at the chief general manager level and above. We also provide team-building training to spread the importance of such training throughout the company. We also offer coaching for individual issues.

Training and support for general managers

We provide training in areas such as leadership theory, marketing theory, and finance for all general managers. We also offer coaching for individual issues.

Training and support for managers

In addition to orientation and mindset training upon taking up a position, evaluation training is provided for all managers. In addition, training on the skills necessary for one-on-one meetings with subordinates is provided on a voluntary basis (employees in leadership positions may also participate if they wish). We also offer coaching for individual issues.

Training and support for recent graduates / young employees

We provide training for prospective employees, including training in which they set their own goals and aim to achieve them, 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 carry out training for those who will be 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.

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 meetings

We hold training meetings by rank and department and discuss how to achieve further growth of those undergoing training at each meeting.

Training meetings by rank are currently held for the development of senior corporate officers, corporate officers, and chief

general managers, and those for corporate officers and chief general managers also include the Company's executive succession plan. (The Company considers directors and senior corporate officers to be executives.) 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.

In addition, HRBPs (Human Resources Business Partners) belonging to each department play a central role in holding training meetings for each department. The specifics of training meetings vary depending on the subject and each department's organizational and human resource conditions, but we have implemented various measures to enable each employee to play an active role and grow.

360-degree feedback

We conduct a 360-degree feedback session once a year for everyone from the President and Representative Director to general managers. By providing feedback on the results to each individual, we are working to provide opportunity for further individual growth. This is conducted as part of our training program, and the results are not linked to evaluations.

(3) Mechanisms and systems to promote the growth of employees and the organization

Beyond the implementation of training programs, we are developing systems and mechanisms to create an environment in which employees can feel a stronger sense of participation and growth. The following contents have been incorporated in stages since 2019. Through these initiatives, we aim to have our employees attain career fulfillment and grow our business.

Revision of personnel system

In April 2022, we made revisions to the personnel system we had been using for the last 8 years. While the "ability grading system" will be used to apply grades as in the existing system, the "role grading system" will be applied to upper grades, with rank and monetary adjustments based on the roles to be fulfilled and the results to be generated. 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.

One-on-ones

More than 90% of our employees attend weekly one-on-ones with their 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.

Division support

Rather than uniformly applying company-wide rules to all HR-related measures, we present operational methods in customizable "patterns", enabling the pursuit of 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. In addition to sharing company-wide information and supporting evaluation meetings, HR Department staff members collaborate in a wide range of areas, such as joining company-wide systems with department policies, resolving issues related to organization and personnel, and dealing with labor issues.

Talent visualization

In order to achieve further business growth, we are working to define what we value in key personnel and create a system to provide appropriate opportunities for participation and growth to those who possess these traits. We are working on company-wide talent visualization by expanding the scope of this system to include not only those who already have an active role in the company, but also recent graduates who will bear important responsibilities in the future.

Management action guidelines

MIXI has established the "MIXI Management Beliefs" as a set of guidelines for the actions of management-level personnel. The MIXI Management Beliefs define the role of management and the actions required to fulfill that role. It also serves as the basis for the planning of training programs for those in management positions by human resources. We encourage each manager to make use these guidelines to fulfill their role.

(4) Improvement of the work environment

We are developing an environment in which a diverse range of personnel can play an active role by increasing options to suit the characteristics of our business and the various values, lifestyles, and stages of life of our employees. At the same time, we are taking each employee's career sustainability into account by actively promoting the creation of a healthy working environment that suits their health-related needs.

Update to our Marble Work Style

We have a system called "Marble Work Style," which allows each division 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. The system was used on a trial basis starting July 2020 and officially implemented in April 2022. In April 2023, we introduced a full-flextime 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. By making working hours and locations flexible, we are providing options for improving organizational performance while respecting each individual's lifestyle.

Parental leave and return-to-work rates

For employees raising children under elementary school age, we have introduced a shortened working hours flextime system in addition to the existing shortened working hours system. This system allows employees to work shorter hours and also make use of a flextime system, enabling them to work in an even more flexible manner depending on their work duties. As a result, the rate of women taking parental leave and returning to work afterward continues to be 100%. In addition, the rate of male employees taking childcare leave was 39.5% (as of March 2023), an increase of more than 10% from the previous year. 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.

Flexibility of leave system

In April 2023, "care leave" was newly established. Care leave can be used for employees who are ill or need to care for a family member (up to second-degree relatives). The purpose of this leave is to create an environment in which—by taking leave when necessary for themselves and their families to recover from illness—employees can work at a high level of performance to more easily achieve results. In April 2021, we introduced a leave system called "reserve leave" that allows employees to accumulate unused paid vacation days and use them for specific reasons (personal injury or illness, congratulations or condolences, disasters, etc.). With the addition of reasons such as taking care of an ill family member (up to second-degree relatives) and going to the hospital for pregnancy-related reasons (for the employee or their spouse), as of April 2023, we have designed a leave system that allows employees to feel a sense of security that they can continue to work even during transitions into different stages of life.

Promotion of health management

We have been recognized by the 2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program, and aim to improve long-term business stability through the effects of improved employee health, such as increased productivity and lower turnover rates. 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, etc. In the future, we will introduce employee support programs and actively disseminate them both internally and externally to raise awareness, and we will expand the content of the program to make it even more comprehensive.

(5) Thorough compliance education

As part of our compliance training, we provide crisis management training via e-learning. All employees undergo the training, and we achieve a 100% participation rate every year. The content of the crisis management training consists eight required courses on topics such as information security training, legal affairs (basic compliance, Subcontract Act, and Act against Unjustifiable Premiums and Misleading Representations), and harassment training. In addition, when an employee becomes a manager, they are required to take anti-harassment training to ensure a high level of awareness of compliance.

• 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 in the Group's business. 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 Scope 1 and 2 greenhouse gas emissions by the Group. In addition to calculating Scope 3 emissions, we will 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 directors are given considering both the diversity and appropriate size of the Board of Directors. Directors must possess the balance of the knowledge, experience, and abilities necessary to efficiently fulfill their roles and responsibilities.

2. Proposals for the position of directors who are to be in charge of business execution are given for persons who can make forward-looking, accurate, appropriate, and swift decisions and execution to help MIXI achieve consistent 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. 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 for the fiscal year under review:

Between January and February 2023, a survey was conducted among all directors and ASB members. We ensured anonymity by having an external organization record the results. The results of the survey were analyzed, discussed, and evaluated at the Ordinary Board of Directors Meeting held in April 2023.

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:

- Proposals 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.
- [Outside directors / outside ASB members] feel that their opinions are properly reflected in decisions.
- Internal directors support their reports to the Board of Directors with sufficient financial consideration.

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; its effectiveness is confirmed to be improving through proactive measures.

■ Initiatives for improving the effectiveness of the Board of Directors for the fiscal year under review

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:

- Management improvements for the Board of Directors

The Company reviewed the approval amount for the execution of expenses and investment projects and improved the delegation of business execution to the Management Council to ensure sufficient time for deliberation of each agenda item. In addition, the timing of the provision of materials for Board of Directors meetings was further accelerated so that each director can have more time to review the proposals.

- Discussions on medium- to long-term strategies, profitability, and capital efficiency

We reported on the status of business growth and the management impact of each business, including future projections, in a timely manner. We also discussed the selections and focuses of businesses across the company and medium- and long-term management strategies.

- Reports regarding discussions with shareholders and investors

The status of dialogue with shareholders (investors) is reported once per quarter, and shareholder (investor) opinions and feedback are shared with the Board of Directors.

■ Future initiatives:

For the future, we recognize that we need to focus on optimizing the time scheduling of each meeting, improving agenda materials and information-sharing methods, and further strengthening discussions on strategies.

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:

Corporate Governance

(i) MIXI has always placed importance on communicating with shareholders in order to build a relationship of trust. As such, the senior corporate officer in charge of IR and the general manager of the division in charge of IR actively engage in dialogue (interviews) with shareholders. In the current fiscal year, we discussed factors and analysis of business performance, future business prospects, material issues, our business model, governance structure, and other issues.

(ii) MIXI has established a department in charge of IR, and related departments 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 directors in charge
- Individual meetings with domestic and overseas investors
- Extensive information disclosure on MIXI's website for domestic and overseas investors

(iv) The department 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

2. Capital Structure

Foreign stock ownership percent:	20% - 30%
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Major Shareholders

Name	Shares Held	Percentage
Kenji Kasahara	33,001,900	45.22
The Master Trust Bank of Japan, Ltd. (trust account)	6,649,200	9.11
THE BANK OF NEW YORK MELLON 140051 (Standing proxy: Mizuho Bank, Ltd.)	3,412,800	4.68
Custody Bank of Japan, Ltd. (trust account)	2,132,200	2.92
THE BANK OF NEW YORK 133612 (Standing proxy: Mizuho Bank, Ltd.)	1,609,800	2.21
Koki Kimura	1,205,981	1.65
BNYM AS AGT/CLTS NON TREATY JASDEC (Standing proxy: MUFG Bank, Ltd.)	1,110,308	1.52
JPMorgan Securities Japan Co., Ltd.	941,793	1.29
BNY GCM CLIENT ACCOUNT JPRD AC ISG(FE-AC) (Standing proxy: MUFG Bank, Ltd.)	610,720	0.84
NORTHERN TRUST CO.(AVFC) RE NON TREATY CLIENTS ACCOUNT (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch)	523,679	0.72

Controlling shareholder (excluding the parent company)	
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Parent company	None
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Parent company stock exchange listing	
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Additional Information

1. Status of Major Shareholders is correct as of March 31, 2023.
2. In the Updated Report on Large Shareholders dated November 19, 2021, 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 November 15, 2021. However, because MIXI is unable to confirm the number of shares actually held as of March 31, 2023, they are not included in the above list of major shareholders.

Corporate Governance

(Large shareholder / Number of shares, etc. held / Percent of shares, etc. held)
 Baillie Gifford & Company/5,342,400 shares/6.83%
 Baillie Gifford Overseas Limited/1,638,800 shares/2.09%

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

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
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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									△			
Yuki Nagata	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
- 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

Corporate Governance

Relationship with the Company (2)

Name	Independent Officer	Supplemental Information	Reason for Appointment
Satoshi Shima	○	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>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.</p> <p>The Company's Board of Directors has selected Satoshi Shima 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	○	In the past, Akihisa Fujita was involved in the execution of business at Dentsu Inc., a business partner of the Company, but is not currently involved in the execution of business at Dentsu Inc.	<p>With business management experience, including advertising and digital media business and tourism-related business, Akihisa Fujita possesses an abundance of experience and extensive expertise related to 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.</p> <p>The Company's Board of Directors has selected Akihisa Fujita to continue as an outside director in the 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>
Yuki Nagata	○	-	<p>Yuki Nagata possesses an abundance of experience and extensive expertise related to global business, corporate branding, and marketing. With this in mind, we deem them to be adept in areas including managerial decision-making and the supervision of business executions.</p> <p>The Company's Board of Directors has selected Yuki Nagata 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 promoting management from the perspective of business and marketing strategies, promoting risk management from the perspective of PR, promoting Corporate Governance, and supervising managerial matters to promote 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>

Corporate Governance

Voluntary Committees

Voluntary establishment of committee(s) corresponding to nomination committee or remuneration committee	Established
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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 consisting of all outside directors, the President and Representative Director, and one other internal director. The objective of the committee is 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).

Composition of the Nomination and Compensation Committee: 2 internal directors and 3 outside directors

Chairperson: Koki Kimura

Committee Member: Hiroyuki Osawa

Committee Member: Satoshi Shima (outside director)

Committee Member: Akihisa Fujita (outside director)

Committee Member: Yuki Nagata (outside director)

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

During the previous fiscal year, 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 senior corporate officer personnel proposals, succession plan initiatives, and the establishment of more C-level positions.

Attendance for meetings of the Nomination and Compensation Committee during the previous fiscal year was as follows.

Koki Kimura 3/3 (100%)

Hiroyuki Osawa 3/3 (100%)

Satoshi Shima* 3/3 (100%)

Akihisa Fujita* 3/3 (100%)

Yuki Nagata* 3/3 (100%)

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

2. Asterisks (*) denote independent outside directors.

Corporate Governance

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 Department

The Audit & Supervisory Board and its members connect with accounting auditors and the Internal Audit Division 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.

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													
Hiroyuki Wakamatsu	Certified public accountant													
Nozomi Ueda	Lawyer													

*Categories for "Relationship with the Company"

- a. Executive of the Company or its subsidiaries
- b. Non-executive director or accounting advisor of the Company or one of its subsidiaries
- c. Non-executive director or executive of a parent company of the Company
- d. ASB member of a parent company of the Company
- e. Executive of a fellow subsidiary company of the Company
- f. Party whose major client or supplier is the Company or an executive thereof
- 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 ASB member themselves) of a company, between which and the Company outside directors/ASB members are mutually appointed
- l. Executive (the ASB member themselves) of a company or organization that receives donations from the Company
- m. Other

Corporate Governance

Relationship with the Company (2)

Name	Independent Officer	Supplemental Information	Reason for Appointment
Yuichiro Nishimura	○	-	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. 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.
Hiroyuki Wakamatsu	○	-	Hiroyuki Wakamatsu has expert 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 their knowledge of finance and accounting. 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.
Nozomi Ueda	○	-	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. 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.

Independent Officers

Number of Independent Officers 6

Other Matters Related to Independent Officers

Incentives

Implemented incentive policy types Other

Supplemental Information

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.

Stock option eligibility Internal directors and employees

Supplemental Information

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.

Corporate Governance

Director Compensation

Disclosure Status	Partial
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Supplemental Information

Officer compensation for directors and ASB members for FY2023 has been listed below. The Company does not have a retirement benefit system in place.

Total for directors (excluding outside directors): 262 million yen

ASB Members (excluding outside ASB members): Not eligible

Outside Officers: 59 million yen

Policy on determining compensation amounts and calculation methods	Established
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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

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 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.

Corporate Governance

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 Ordinary General Meeting of Shareholders held on June 28, 2016, it was decided that compensation for directors, including monthly remuneration and stock options, 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. To support the work of ASB Members, the Company has established the Audit & Supervisory Board Division and assigned Audit & Supervisory Board Division staff.

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 monthly, constituting a system that allows speedy and efficient decision-making. To clarify 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 previous fiscal year, the Board of Directors met 18 times to vote on important executive matters as stipulated by law or internal regulations (e.g. establishment of organizational systems, the starting of new businesses, withdrawal from businesses, stock acquisition, 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 enhance 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 during the previous fiscal year was as follows.

Koki Kimura** 18/18 (100%)

Tatsuma Murase 18/18 (100%)

Hiroyuki Osawa 18/18 (100%)

Kenji Kasahara 18/18 (100%)

Satoshi Shima* 18/18 (100%)

Akihisa Fujita* 14/14 (100%)

Yuki Nagata* 13/14 (93%)

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

2. Double asterisks (**) denote the chairperson.

3. Asterisks (*) denote independent outside directors.

- 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 one female member). Each ASB member conducts audits on a yearly plan, reports and discusses the results and details of their audits at Audit & Supervisory Board meetings, which are held once a month, in principle. Along with offering appropriate advice to directors, ASB members also strive to ensure sound and efficient management through cooperation with internal auditors (personnel or divisions) and accounting auditors.

- Nomination and Compensation Committee

We have established a Nomination and Compensation Committee consisting of all outside directors, the President and Representative Director, and one other internal director. The objective of the committee is 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).

(2) Internal audits and audits by ASB Members

As an organizational structure for internal audits, the Company has established an Internal Audit Division directly under the Board of Directors with ten staff members. The Internal Audit Division conducts internal audits and reports on the results, as well as investigates and reports on the status of improvement of matters pointed out by internal audits, to the President & Representative Director, the Board of Directors, and the Audit & Supervisory Board. Through these activities, the Division strives to prevent the occurrence of improper transactions and improve the efficiency of business operations for the Company, thereby contributing to the development of the Company through the improvement of the Company's business performance and law-abiding management.

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.

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.

(3) Accounting Auditor Status

The Company has entered into an audit agreement with PricewaterhouseCoopers Aarata 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

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.

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
Early release of convocation notices for the General Meeting of Shareholders	We strive to release convocation notices early to ensure that shareholders have adequate time to consider the proposals. For the current fiscal year, notices will be released the same day as the legal deadline.
Avoiding crowded meeting dates	24th Ordinary General Meeting of Shareholders held on June 21, 2023
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 are 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 22, 2023.

Corporate Governance

Not implemented

2. IR Activities

	Additional Information	Explanation from the Representative
Regular briefings for individual investors		Established/None
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 department and representative	The Company's IR activities are handled by a department 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 department 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 department 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 department 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 department (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.

The Company has established a department as an internal system 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
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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 departments 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 departments 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 specialized departments 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 departments to analyze information reported by each of the Company's departments and the Group's companies. They then follow the guidelines for 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.

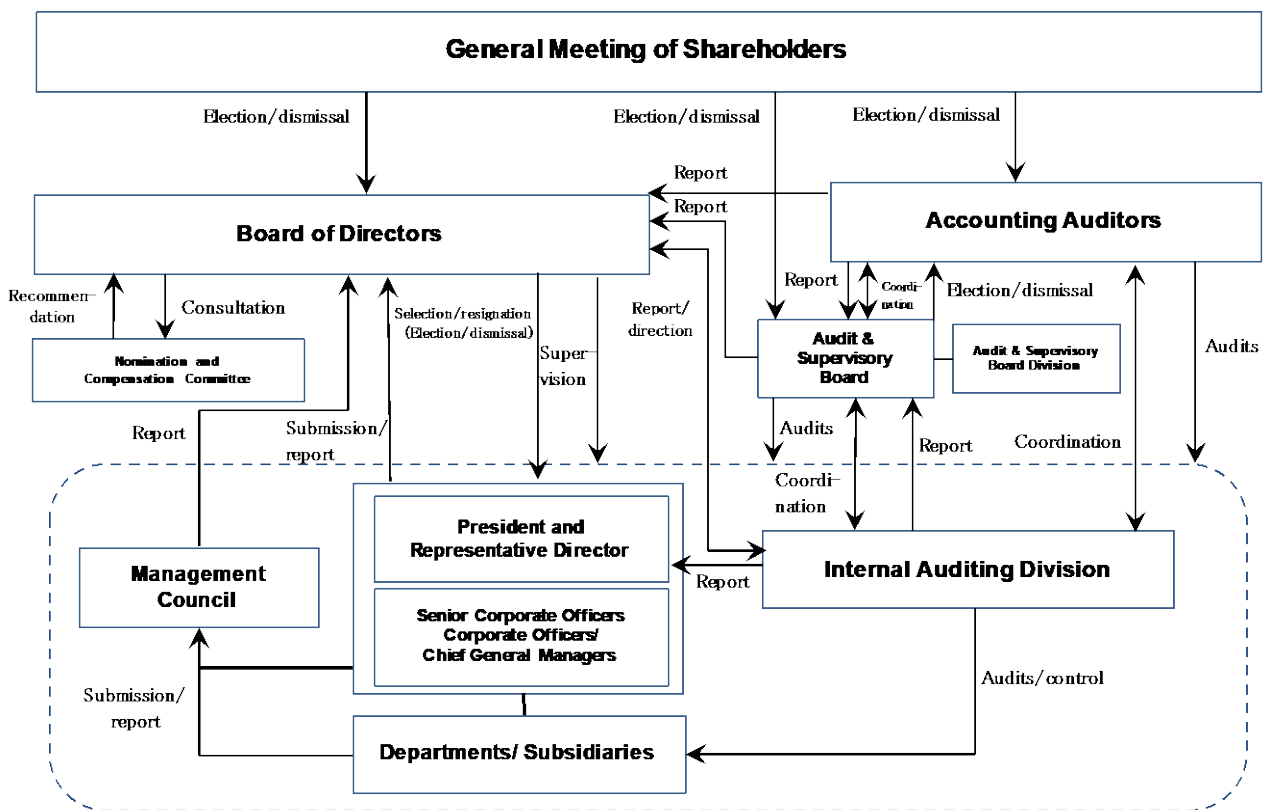
(2) Of information regarding financial results

The accounting department shall consult with accounting auditors and outside experts as necessary to make a report regarding carefully examined financial results materials (consolidated financial results and quarterly financial results) 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 Corporate Governance System



Corporate Governance

Diagram of Our Timely Disclosure System

