[Translation for Reference and Convenience Purposes Only]

Corporate Governance Report

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RAIZNEXT Corporation
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The corporate governance of RAIZNEXT Corporation (hereinafter, the "Company") is described below.

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

1. Basic Views

The RAIZNEXT Corporation Group (hereinafter, the "Group") regards the promotion of compliance management to ensure compliance with laws and regulations and adherence to corporate ethics as well as securing the transparency and soundness of management to be the basis of all corporate activities. In an aim to achieve further transparency in its corporate activities, the Group will continue to make efforts to streamline and enhance systems and make sure that all officers and employees of the Group adhere to laws and regulations as well as corporate ethics with a resolute attitude.

The Group has established the Code of Conduct to serve as a standard for its officers and employees to act in compliance with laws and regulations and internal rules.

The Company is a company with an audit and supervisory committee, and under this structure, its Audit & Supervisory Committee Members supervise the Company's operation.

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

[Supplementary Principle 2-4-1: Ensuring Diversity, Including Active Participation of Women]

1. Views on Ensuring Diversity

   The Company sets out in its corporate philosophy, "We respect diversity and initiatives that seek happiness for our employees and partner companies." As the RAIZNEXT Group Code of Conduct, the Company stipulates "6. Respecting employees: We shall respect the diversity, personality, and individuality of employees and seek to develop a safe and comfortable workplace." The Company strives to improve our corporate value by promoting diverse personnel to core positions.

2. Voluntary and Measurable Targets for Ensuring Diversity

   (1) Promotion of women

   The Company actively promotes motivated and capable female employees to managerial positions. This policy also applies at the recruitment and hiring stage. We aim for women to account for at least 20% of new graduate hires, and we are working to expand the number of positions in which female employees can play an active role and to improve the working environment.

   (2) Promotion of foreign nationals

   The Company promotes motivated and capable employees to managerial positions regardless of their nationality and this policy also applies at the recruitment and hiring stage. We will continue to implement this policy in the future and we will work to ensure diversity by appointing foreign nationals.

   (3) Promotion of mid-career hires

The Company believes that hiring and promoting personnel with a variety of experiences and backgrounds through mid-career hiring will contribute to “securing immediate assets” and “securing engineers with useful skills and abilities and qualified employees.” We have established a mid-career hiring system and a system for promoting employees to full-time employees and we have been actively hiring experienced professionals for a long time.

As a result, approximately 30% of our employees and managers are mid-career hires and we intend to maintain this ratio in the future.

3. Personnel Development Policy and Internal Environment Development Policy for Ensuring Diversity

The Company strives to create a comfortable working environment (personnel and employment systems, facilities) based on the premise of diversity of personnel, in accordance with its corporate philosophy and the RAIZNEXT Group Code of Conduct.

[Disclosure Based on the Principles of the Corporate Governance Code]

[Principle 1-4: Cross-Shareholdings]

1. Policy on Cross-Shareholdings

For the purpose of maintaining and expanding relationships over the medium to long term, the Company selects the shares it will hold from among those shares which are expected to generate synergies in business based on its basic policy of holding shares that will increase corporate value of the Company and contribute to the benefits of stakeholders including shareholders and investors. Under this policy, shares in cross-holdings are sold as soon as possible if it is deemed that there is little needs to hold them. The decisions regarding cross-shareholdings, including the purchase of additional shares and continuation of shareholding, are made by the Board of Directors, in principle. A shareholding review is conducted every year by the Outside Officers Advisory Committee based on the Cross-Shareholdings Management Rules (hereinafter, the “Rules”) formulated by the same Committee, which sets out shareholding criteria for cross-shareholdings, the criteria for the exercise of voting rights, and an evaluation flow for cross-shareholdings. The same Committee reports the results of its review regarding the appropriateness of the continued shareholding to the Board of Directors.

Pursuant to the Rules, the Company’s shareholdings are evaluated each year as follows. We make decisions regarding cross-shareholdings comprehensively based on reports on 1) the volume of transactions in the last five years between the Company and a company whose shares the Company holds (hereinafter, the “Investee”), the situation surrounding such transactions, and expectations regarding future transactions, as information to measure the impact of shareholdings on the Company, 2) the Investee’s business performance in the last five years, and recent earnings estimates, nature of its business, dividends, and changes in the share price, as information on the Investee itself, 3) the details of the resolutions of the general meeting of shareholders of the Investee, and 4) a comprehensive evaluation, etc. in line with policies on cross-shareholdings.

It has been determined that there is no special problem in keeping cross-shareholdings and that their risk is small based on the following reasons: 1) most of the Investees are the Company’s important clients and partner companies who have transactions with the Company; 2) holding their shares provides numerous values to the Company in terms of information exchange and improving its technological strengths; and 3) most of the Investees are companies representing Japan which have major roles and responsibilities in society.

2. Criteria for Ensuring Appropriate Exercise of Voting Rights for Shares Held as Part of Cross-Shareholdings

The Company makes decisions on the exercise of the voting rights concerning shares in cross-holdings after comprehensively taking into account whether or not it will lead to the sustainable growth and medium- to long-term enhancement of corporate value of the Investee. The Company believes that this approach contributes to the enhancement of corporate value and benefits of the stakeholders, including shareholders and investors, over the medium to long term.

The Company exercises its voting rights based on the Rules. The results of the exercise of voting rights in connection with cross-shareholdings are reported to the Outside Officer Advisory Committee.

[Principle 1-7: Related Party Transactions]

In accordance with the Companies Act and other laws and regulations, the Company prohibits the following conducts without prior approval of the Board of Directors pursuant to the regulations of the Board of Directors: competitive business transactions by Directors of the Company (excluding Directors serving as Audit & Supervisory Committee Members), transactions (including indirect transactions) between the Company and its Directors (excluding Directors serving as Audit & Supervisory Committee Members), and the provision of a guarantee for debts owed by Directors of the Company (excluding Directors serving as Audit & Supervisory Committee Members).

In regards to the terms and conditions of other transactions with the Company's major shareholders and so forth, the Company presents the asking price while taking into account market prices and other factors and determines the price through negotiations as in the case of other general transactions.

Furthermore, when deciding to approve a conflict-of-interest transaction to be conducted by a Director of the Company (excluding Directors serving as Audit & Supervisory Committee Members), the Board of Directors must obtain prior approval from the Audit & Supervisory Committee.

[Principle 2-6: Roles of Corporate Pension Fund as Asset Owner]

The Company has worked to improve its knowledge, ability, and expertise with regard to the management of its corporate pension fund mainly through the Personnel Department, which is in charge of operations related to the corporate pension plan, and the Accounting Department, which is in charge of fund management for the Company as a whole.

In addition, based on the advice received from experts on a timely basis, the above two departments together with the Corporate Planning Department formulated asset management policies, determined asset management institutions, and verified asset management methods and status in order to secure a stable source of future benefit payments and engaged in the long-term asset management based on an appropriately diversified asset allocation. As sufficient source of payments has been secured, the asset management is currently suspended.

[Principle 3-1: Improvement to Information Disclosure]

1. Company objectives (e.g., corporate philosophy), management strategies and management plans The Company's corporate philosophy, long-term vision, and action guideline are as described below.

Corporate philosophy: Support Industrial Infrastructures, Create a Prosperous Future.

We support the secure and stable operation of plants, contributing to the future of people, life and the environment.

We realize the optimization of plants and facilities through our maintenance and engineering.

We respect diversity and initiatives that seek happiness for our employees and partner companies.

Long-Term Vision: RAIZNEXT Group V-2032 "Toward advanced plant services in changing times"

We will fulfill our social responsibilities as a company involved in the energy sector and contribute to the realization of a carbon-neutral society.

We will constantly introduce and refine the latest technology to continue providing maximum customer value in maintenance and engineering together with our partners.

We will aim to be a company that enables employees to work with satisfaction, taking pride in playing a central role in maintaining the stable operation of plant that supports people's lives.

Action Guideline:

Aggressively with Brave Spirits: We aggressively take on challenges with unconventional ideas.

Sincerely and Devotedly: We sincerely work on every single business, meeting our customers' needs.

Coexistence and Coprosperity: We respect all of the people concerned, and evolve together with stakeholders.

The above statements are posted on the Company's website (URL: https://www.raiznext.co.jp/e/company/policy.html).
The Company also posts its management plan, medium-term business plan, on its website (URL: https://www.raiznext.co.jp/e/ir/policy/mid-plan.html).

2.
Basic views and policies on corporate governance
The Group regards the promotion of compliance management to ensure compliance with laws and regulations and adherence to corporate ethics as well as securing the transparency and soundness of management to be the basis of all corporate activities. In an aim to achieve further transparency in its corporate activities, the Group will continue to make efforts to streamline and enhance systems and make sure that all officers and employees of the Group adhere to laws and regulations as well as corporate ethics with a resolute attitude.
The Group has established the Code of Conduct to serve as a standard for its officers and employees to act in compliance with laws and regulations and internal rules.
The Company is a company with an audit and supervisory committee, and under this structure, its Audit & Supervisory Committee Members supervise the Company's operation.

3. Board policies and procedures for determining the compensation of Directors (including those serving as Audit & Supervisory Committee Members)
   (1) Basic policies
      A. Directors (excluding those serving as Audit & Supervisory Committee Members)
         a) Compensation for the Company's Directors (excluding those serving as Audit & Supervisory Committee Members and Outside Directors) consists of monthly compensation, bonuses, and stock compensation, and is designed to reflect the job responsibilities and performance of individuals. However, with regard to lump-sum payments related to commemorative events and ceremonies, etc., such payments shall be determined separately by the Board of Directors.
         b) Compensation for Outside Directors (excluding those serving as Audit & Supervisory Committee Members) consists solely of monthly compensation.
      B. Directors serving as Audit & Supervisory Committee Members
         Compensation for the Company's Directors who serve as Audit & Supervisory Committee Members consists solely of monthly compensation.
   (2) Policy for determining the amount of individual monetary compensation, etc. (including policy for determining when or under what conditions compensation, etc. is paid)
      A. Directors (excluding those serving as Audit & Supervisory Committee Members)
         Monthly compensation is determined based on the positions of Directors.
      B. Directors serving as Audit & Supervisory Committee Members
         Compensation is determined upon consultations among Audit & Supervisory Committee Members based on their roles and duties as Audit & Supervisory Committee Members.
   (3) Policy for determining the details of performance-linked compensation, etc. and non-monetary compensation and the method of calculating the amount or number thereof (including policy for determining when or under what conditions compensation, etc. is paid)
      A. Bonuses for Directors (excluding those serving as Audit & Supervisory Committee Members and Outside Directors) are based on an amount calculated in accordance with the degree of achievement of consolidated operating income targets (KPI) for each year. The Representative Directors prepare a draft proposal of compensation, comprehensively taking into account factors such as dividends, trends of other companies, medium- to long-term business performance, and historical payment amounts, and consult with the Outside Officers Advisory Committee on the appropriateness of the draft proposal of compensation. The Board of Directors makes the final decision respecting the content of the Outside Officers Advisory Committee's report and the amount is paid in cash at a specified time each year.
      B. For stock compensation, its share of common stock with restrictions on transfer is granted to Directors (excluding those serving as Audit and Supervisory Committee Members and Outside Directors) immediately after the commencement of applicable period.
   (4) Policy for determining the percentage of monetary compensation, performance-linked compensation, etc., or non-monetary compensation, etc. included in individual compensation, etc. for Directors

For the ratio of compensation by type for Directors (excluding those serving as Audit & Supervisory Committee Members and Outside Directors), the weight of performance-linked compensation and stock compensation is increased for higher ranking positions, based on the benchmark compensation level of companies of a similar business scale operating in related industries and business categories. When determining or revising the ratio of compensation by type for Directors (excluding those serving as Audit & Supervisory Committee Members and Outside Directors), the Board of Directors consults with the Outside Officers Advisory Committee on the appropriateness of the draft proposal of decision, and respects the content of the Outside Officers Advisory Committee's report.
The approximate ratios for each type of compensation, etc. are as follows. (If KPI is 100% achieved)

Position	Monthly compensation	Bonus	Stock compensation
Representative Director	51%	34%	15%
Director	64%	27%	9%

(5) Matters concerning the determination of the details of individual compensation, etc. for Directors (excluding those serving as Audit & Supervisory Committee Members)

Decisions on the amount of individual compensation are delegated to the President and Representative Director based on a resolution of the Board of Directors, and the President and Representative Director has the authority to determine the amount of monthly compensation, bonuses and stock compensation for each Director (excluding those serving as Audit & Supervisory Committee Members). To ensure that such authority is properly exercised, the President and Representative Director consults with and receives a report from the Outside Officers Advisory Committee on the draft proposal, and the President and Representative Director makes decisions in accordance with the content of such report.

4. Board policies and procedures for nominating candidates for Directors (including those serving as Audit & Supervisory Committee Members)

(1) Policies

A. Directors (excluding those serving as Audit & Supervisory Committee Members)

With regard to the nomination of candidates for Directors (excluding those serving as Audit & Supervisory Committee Members), the Board nominates candidates who possess knowledge, experience, ability, and other attributes necessary for achieving the targets of the Company set out in its corporate philosophy, long-term vision, medium-term business plan, and so on. In addition, candidates are nominated taking into account the Board composition to enable the Board to make precise and prompt decisions, conduct appropriate risk management, and supervise business execution across the Company.

B. Directors serving as Audit & Supervisory Committee Members

With regard to the nomination of candidates for Directors serving as Audit & Supervisory Committee Members, the Board nominates candidates based on a comprehensive examination which takes into account a balance among factors such as the candidates' knowledge in the field of the Company's business, their insights into finance, accounting, and legal matters, diverse perspectives and experience in corporate management, and advanced specialist knowledge.

(2) Procedures

A. Directors (excluding those serving as Audit & Supervisory Committee Members)

With regard to the procedures to nominate candidates for Directors (excluding those serving as Audit & Supervisory Committee Members), a draft proposal is prepared by the Representative Directors based on the Company's policies and evaluated by the Outside Officers Advisory

Committee. The results of such evaluation are reported to the Board of Directors and the nomination of candidates is finally resolved by the Board of Directors after hearing opinions from the Audit & Supervisory Committee.

B. Directors serving as Audit & Supervisory Committee Members

With regard to the procedures to nominate candidates for Directors serving as Audit & Supervisory Committee Members, a draft proposal is prepared by the Representative Directors based on the Company's policies after obtaining consent from the Audit & Supervisory Committee and the nomination of candidates is finally resolved by the Board of Directors.

5. Policy (criteria) when the Board of Directors deems a specific Director unfit for the position and actions to be taken in such situation

(1) Policy (criteria) based on which a Director is deemed unfit

The Board of Directors will decide whether it is necessary to dismiss a Director comprehensively taking into account various matters including whether the Director has:

A. committed any misconduct or serious violation of laws and regulations or the Articles of Incorporation in the execution of his or her duties;
B. committed an act that violates public order and morals;
C. been negligent in his or her duties and as a result significantly damaged the Company's corporate value; or
D. developed health conditions that make it difficult to continue serving as a Director.

(2) Actions to be taken when a Director is deemed unfit

In the event the Board of Directors judges it necessary to dismiss a Director on the grounds of his or her unsuitability based on "(1) Policy (criteria) based on which a Director is deemed unfit," the Board of Directors will discharge the Director from the position which the Board of Directors has appointed him or her and will either submit a proposal to dismiss the said Director to the general meeting of shareholders if the Board should cause the said Director to lose his or her position as Director or will not nominate the said Director as a candidate for Director upon expiry of his or her term of office. The Board of Directors may also encourage the said Director to resign from his or her position or directorship before taking any of the above actions.

6. Explanations with respect to individual appointments and nominations concerning candidates for Directors (including those serving as Audit & Supervisory Committee Members) when the Board of Directors nominates such candidates

The names of candidates for Directors (including those serving as Audit & Supervisory Committee Members), their career background, reasons for their appointment, and other relevant factors are stated in the reference documents for the general meeting of shareholders of the Company.

[Supplementary Principle 3-1-3: Full Disclosure]

The Company has positioned sustainability initiatives as an important management issue and has identified seven material issues (materiality) for the Group, and discloses its initiatives on its website (https://www.raiznext.co.jp/e/sustainability/materiality.html).

We conduct quantitative and qualitative analysis of the risk and earnings opportunities that climate change poses to our business, and disclose them on our website (https://www.raiznext.co.jp/e/sustainability/environment/tcfd.html) in line with the TCFD framework. In addition, the Company calculated its Scope 1 and Scope 2 GHG emissions and announced GHG emissions reduction targets by 2030. We consider human capital to be an important source of management, and we are committed to investing in human capital in accordance with our medium-term business plan, which includes the systematic development of candidates for senior management and core human resources, effective utilization of human resources, realization of systems that support diverse work styles, promotion of DX (digital transformation), and other initiatives, as well as our long-term vision, "RAIZNEXT Group V-2032."

[Supplementary Principle 4-1-1: Roles and Responsibilities of the Board of Directors (1)]
The Company stipulates in the regulations of the Board of Directors matters to be deliberated on and determined by the Board of Directors in accordance with laws and regulations. Further, matters other than those set forth in the regulations of the Board of Directors are delegated to the management. The delegated matters are then stipulated in the rules for administrative authority to clarify the scope of business execution permitted to the management.
In line with the transition to a company with an audit and supervisory committee, from the perspective of ensuring prompt business execution, the Company has stipulated in its Articles of Incorporation that all or part of important decision-making on business execution may be delegated to Directors, unless otherwise stipulated in laws and/or regulations.

[Principle 4-9: Criteria for Assessing Independence and Qualification of Independent Outside Directors]
The Company shall judge that an Outside Officer (including a candidate thereof) who meets the requirements provided for by the Companies Act and the independence standards provided for by the Tokyo Stock Exchange, and who falls into none of the following to be independent:

1. A person who was or had been an executive (as defined in Article 2, Paragraph 3, Item 6 of the Ordinance for Enforcement of the Companies Act; the same applies hereinafter) of the Company or its subsidiaries (collectively referred to as the "Group"; the same applies hereinafter) for any period during the past 10 years before his or her assumption of office;
2. A person who is a major shareholder (referring to a shareholder that holds, either directly or indirectly, 10% or more of the total voting rights of the Company; the same applies hereinafter) of the Group or an executive thereof;
3. An executive of a company of which the Group is currently a major shareholder;
4. A party whose major business partner is the Group (referring to a party which received 2% or more of its annual consolidated net sales for the previous fiscal year from the Group) or an executive thereof;
5. A major business partner of the Group (a party which made a payment of 2% or more of the Company's annual consolidated net sales for the previous fiscal year to the Group) or an executive thereof;
6. A director (limited to a person engaging in business execution) of an organization that receives donations or grants that exceed a specified amount (the greater of 10 million yen a year on average during the past three fiscal years or 30% of the average total annual expense of the said organization) from the Group or any other executive thereof;
7. An executive of a financial institution or any other major creditor that is imperative to the Group's funding and on which the Group is dependent to the extent that it cannot be replaced;
8. A person who is a certified public accountant (or tax accountant) or a member, partner, or employee of an auditing firm (or a tax accounting firm), who serves as an accounting auditor or an accounting advisor of the Group;
9. An attorney-at-law, certified public accountant, tax accountant, or any other consultant that does not fall under item 8 above and who has received an annual average of 10 million yen or more of monies or other financial benefits from the Group over the past three years other than compensation as officers;
10. A person who is a member, partner, associate, or employee of a law firm, auditing firm, tax accounting firm, consulting firm, or any other professional advisory firm, whose major business partner is the Group (a firm that has received an average of 2% or more of its annual consolidated net sales from the Group over the past three years) that does not fall under item 8 above;
11. A person who fell under any of the items 2 to 10 above for any period during the past three years before his or her assumption of office;
12. A person who is an executive of a company that accepts directors from the Group;
13. A person who is a close relative (within the second degree of kinship) of a person (excluding a person with no significance) who falls under any of the items 1 to 12 above; and
14. A person whose total term of office as an independent outside director exceeds eight years.

In addition, the Board of Directors endeavors to select as candidates for Independent Outside Directors those who are expected to contribute to honest, lively, and constructive discussions at the Board of Directors. The Company's Outside Directors are expressing honest, lively, and constructive opinions at the Board of Directors meetings based on their highly specialized knowledge and abundant experience.

[Supplementary Principle 4-10-1: Use of Optional Approach]
The Company has appointed four Independent Outside Directors, but they do not constitute a majority of the members of the Board of Directors. The Company has therefore set up an Outside Officers Advisory Committee composed solely of Independent Outside Directors. When nominating senior management and Directors (including succession plan), the Board of Directors makes proposals to the Outside Officers Advisory Committee in accordance with the policy for selecting candidates for Directors, and receives reports on the appropriateness of the proposal, including from the perspective of diversity and skills. The Committee serves as an advisory body for the Board of Directors while ensuring the independence of the Committee. The Board of Directors ensures the independence, objectivity, and accountability of the functions of the Board of Directors by receiving evaluations from the Outside Officers Advisory Committee when nominating senior management and Directors (including succession plan), as well as when considering particularly important matters such as compensation, ensuring the effectiveness of the Board of Directors, and the Company's capital policy.

[Supplementary Principle 4-11-1: Precondition for Ensuring the Effectiveness of the Board of Directors and the Audit & Supervisory Board]
The Company selects Directors (excluding Directors serving as Audit & Supervisory Committee Members) who possess knowledge, experience, ability, and other attributes necessary for achieving the objectives upheld by the Company mainly based on the corporate philosophy, long-term vision, the medium-term business plan. Additionally, Directors serving as Audit & Supervisory Committee Members are selected based on a comprehensive review giving consideration to a balance of knowledge of the Company's business fields, insights into financial, accounting, and legal matters, diverse perspectives and experiences in corporate management, and advanced expertise, among other factors.
The Board of Directors of the Company is well balanced consisting of Directors (excluding Directors serving as Audit & Supervisory Committee Members) who possess knowledge, experience, ability, global perspective, and other attributes necessary for conducting business operations and addressing management issues, and Directors serving as Audit & Supervisory Committee Members (including Outside Directors) who are able to provide professional and constructive advice and perform monitoring and supervision based on their appropriate insights into financial, accounting, and legal matters. The Company currently has two female Directors who are Directors serving as Audit & Supervisory Committee Members (Outside Directors).
The Board of Directors currently consists of ten Directors, of whom, seven members are internal Directors (excluding Directors serving as Audit & Supervisory Committee Members) (of whom, one member is Outside Director) and three members are Outside Directors serving as Audit & Supervisory Committee Members.
The size of the Board is considered appropriate for speedy decision-making and promoting management. In addition, the Company, as a company with an audit and supervisory committee, is further strengthening its management supervisory function.

Policies and procedures for appointing Directors

1. Policies
    (1) Directors (excluding those serving as Audit & Supervisory Committee Members)
    With regard to the nomination of candidates for Directors (excluding those serving as Audit & Supervisory Committee Members), the Board nominates candidates who possess knowledge, experience, ability, and other attributes necessary for achieving the targets of the Company set out in its corporate philosophy, long-term vision, medium-term business plan, and so on. In addition, candidates are nominated taking into account the Board composition to enable the Board to make precise and prompt decisions, conduct appropriate risk management, and supervise business execution across the Company.
    (2) Directors serving as Audit & Supervisory Committee Members
    With regard to the nomination of candidates for Directors serving as Audit & Supervisory Committee Members, the Board nominates candidates based on a comprehensive examination which takes into account a balance among factors such as the candidates' knowledge in the field of the Company's business, their insights into finance, accounting, and legal matters, diverse perspectives and experience in corporate management, and advanced specialist knowledge.

2. Procedures
    (1) Directors (excluding those serving as Audit & Supervisory Committee Members)

With regard to the procedures to nominate candidates for Directors (excluding those serving as Audit & Supervisory Committee Members), a draft proposal is prepared by the Representative Directors based on the Company's policies and evaluated by the Outside Officers Advisory Committee. The results of such evaluation are reported to the Board of Directors and the nomination of candidates is finally resolved by the Board of Directors after hearing opinions from the Audit & Supervisory Committee.

(2) Directors serving as Audit & Supervisory Committee Members

With regard to the procedures to nominate candidates for Directors serving as Audit & Supervisory Committee Members, a draft proposal is prepared by the Representative Directors based on the Company's policies after obtaining consent from the Audit & Supervisory Committee and the nomination of candidates is finally resolved by the Board of Directors.

The Company prepares a skill matrix that summarizes Company Directors' expertise and experience and discloses the matrix as part of reference documents for the general meeting of shareholders in "General Meetings of Shareholders" on the Company's website.

(Reference page)

"General Meetings of Shareholders" on the Company's website

https://www.raiznext.co.jp/e/ir/stock/meeting.html (However, the matrix is disclosed in the reference documents for the general meeting of shareholders from the 117th Annual General Meeting of Shareholders onward.)

[Supplementary Principle 4-11-2: Precondition for Ensuring the Effectiveness of the Board of Directors and the Audit & Supervisory Board]

The Directors (including those serving as Audit & Supervisory Committee Members) of the Company are putting sufficient time and efforts into the execution of their duties to appropriately fulfill their roles and responsibilities.

Concurrent positions of Directors (including those serving as Audit & Supervisory Committee Members) are disclosed in the reference documents and business report attached to the Notice of convocation of the Annual General Meeting of Shareholders of the Company.

[Supplementary Principle 4-11-3: Precondition for Ensuring the Effectiveness of the Board of Directors and the Audit & Supervisory Board]

The Directors (including those serving as Audit & Supervisory Committee Members) of the Company conduct a self-assessment on the effectiveness of the Board of Directors by answering a survey. The Board of Directors conducts a self-assessment of the entire Board based on the results of the survey. Furthermore, for the purpose of further enhancing the effectiveness of the Board of Directors, the Company appointed a third-party organization in FY2024 to review the questionnaire items.

The Board of Directors consults the results of its self-assessment of the entire Board each year with the Outside Officers Advisory Committee and receives a report on the appropriateness of the results of the assessment. Regarding this year's results, the Board of Directors received a report from the Outside Officers Advisory Committee stating that "the results of the self-assessment conducted by the Board of Directors are appropriate."

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

The Company's basic policy regarding training is to promote the acquisition of knowledge and abilities necessary for Directors (including those serving as Audit & Supervisory Committee Members) to appropriately fulfill their roles and responsibilities.

1. Training for newly appointed Directors (including those serving as Audit & Supervisory Committee Members)

   The Company requires them to participate in internal training programs, external seminars, and so on, to provide them with education that helps them appropriately fulfill their expected roles and responsibilities.
2. Training for Directors (including those serving as Audit & Supervisory Committee Members)

The Company holds a workshop on timely topics for all its Directors (including those serving as Audit & Supervisory Committee Members) in principle at least once a year. Directors continuously work on the acquisition of knowledge and enhancement of skills, whenever necessary.

3. Training for Directors serving as Audit & Supervisory Committee Members

   In addition to participating in meetings to exchange information and opinions with external institutions, Directors serving as Audit & Supervisory Committee Members proactively attend external seminars and so on which contribute to the improvement of their audit skills of business operations, accounting, and other matters.

4. Training for Outside Directors

   In addition to site visits to the Company's business bases, the Company provides its Outside Directors with educational activities to acquire necessary information such as the Company's history, an overview of its business, and an overview of business results.

[Principle 5-1: Policy for Constructive Dialogues with Shareholders]

For the purpose of promoting constructive dialogues with shareholders, the Company discloses information on its business strategies, financial conditions, and so on, to all stakeholders of the Company including its shareholders and investors, with the aim of earning the trust and fair evaluation from all stakeholders.

1. Dialogues with shareholders are overseen by the Director, etc. in charge of the Corporate Planning Department, which is designated as the department in charge of investor relations. The Company endeavors to have constructive dialogues through various means such as financial result briefings.
2. With regard to a system of providing assistance to facilitate dialogues with shareholders, the Corporate Planning Department, which is responsible for investor relations, plays a central role. The Corporate Planning Department cooperates with the Legal & General Administration Department, Accounting Department, and other relevant departments through meetings as necessary, endeavoring to share IR information with them and enhance the content of disclosure materials.
3. As a means of having dialogues other than individual meetings, Representative Directors hold financial results briefings for analysts and investors twice a year after the announcement of financial results. Furthermore, the Company organizes briefings and other events for individual investors from time to time.
4. The Director, etc. in charge of the Corporate Planning Department compiles the opinions and concerns raised during the dialogues with shareholders and reports them to the Board of Directors and relevant departments for the purpose of information sharing.
5. To prevent insider trading in violation of the Financial Instruments and Exchange Act, the Company has established the Rules for Managing Internal Information and Preventing Insider Trading, clarifying the management standards of insider information obtained by the officers and employees of the Company and the Group in the course of the performance of their duties and the management standards of trading in stocks and other instruments. The Company strives to control insider information in accordance with the said rules when holding a dialogue with shareholders.

[Implementation of Dialogue with Shareholders, etc.]

As the activities in FY2024, the Company held financial results briefings (twice a year) for analysts and investors and individual meetings with shareholders, etc. The results of these meetings were shared regularly with the Board of Directors.

Aside from an overview of financial results, main items that interested shareholders, etc. with whom the Company held dialogue included changes in the business environment in which the Company operates, its relationship with partner companies, and the future adoption of AI.

[Measures for Achieving Management That is Mindful of Capital Cost and Share Price]

Content of Disclosure	Disclosure of initiatives (updates)
Availability of English Disclosure	Available
Update date **Updated**	November 20, 2025

Explanation of Actions **Updated**

The Group started in FY2025 the Third Medium-Term Business Plan: RAIZNEXT X CHALLENGE for Transformation, aiming to achieve the Long-Term Vision: RAIZNEXT Group V-2032, which sets out what the

Group wants to be by FY2032.

Under the Third Medium -Term Business Plan, we will pursue sustainable growth and enhance corporate value by taking on various transformative initiatives beyond conventional approaches, such as business transformation that contributes to a carbon-neutral society and reform of business processes through digitalization. With a view to achieving an ROE of 10% over the long term, the Group will implement actions across business, organizational, and financial areas, including strengthening shareholder returns.

Specific initiatives are disclosed on the Company's website.
(Reference page)

- Investor Relations >IR Library > Financial Results Briefing Materials > "Q2 FY2025 Consolidated Results (Quarter Ended September 30, 2025)"
  https://www.raiznext.co.jp/e/ir/library/pr.html

2. Capital Structure

Foreign Shareholding Ratio	From 10% to less than 20%

[Status of Major Shareholders] **Updated**

Name / Company Name	Number of Shares Owned	Percentage (%)
ENEOS Holdings, Inc.	15,541,072	28.77
UH Partners 2 Investment Limited Partnership	4,904,500	9.08
HIKARI TSUSHIN K.K. Investment Limited Partnership	3,513,300	6.50
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,961,900	5.48
UH Partners 3 Investment Limited Partnership	1,947,400	3.61
RAIZNEXT Employee Shareholding Association	1,652,607	3.06
SIL Investment Limited Partnership	1,354,200	2.51
BBH FOR FIDELITY LOW-PRICED STOCK FUND	1,304,490	2.42
RAIZNEXT Business Partners Shareholding Association	1,283,700	2.38
FTGroup CO., LTD.	677,200	1.25

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

Supplementary Explanation **Updated**

The percentages (shareholding ratios) in Status of Major Shareholders above are calculated after deducting treasury shares (153,544 shares).

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange Prime Market
Fiscal Year-End	March

Type of Business	Construction
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1,000
Sales (consolidated) as of the End of the Previous Fiscal Year	From ¥100 billion to less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	Less than 10

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

-

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

[ENEOS Holdings, Inc.]

ENEOS Holdings, Inc. owns 28.77% (as of September 30, 2025) of the voting rights of the Company, making the Company an affiliated company of ENEOS Holdings, Inc.

As of March 31, 2025, none of the Company's ten directors (of whom, three directors serve as Audit & Supervisory Committee Members) are concurrently serving as officers of the ENEOS Group.

Notwithstanding the above, in order to ensure the smooth execution of business entrusted to us by the ENEOS Group, as of March 31, 2025, the Company has accepted 28 employees seconded from the ENEOS Group (included in the Company's total number of employees of 1,691 as of the same date) mainly in the engineering departments.

The ENEOS Group positions the energy business as its primary business, and although the Company plays a role in the supply chain for this business, it is not subject to any business restrictions as a result. However, given that the ratio of our revenue from completed construction contracts (net sales) to the ENEOS corporate group is approximately 50% (FY2025 result), ENEOS' capital investment trends may affect our operating results. Business terms and conditions are determined in the same manner as for transactions with companies outside the ENEOS Group, based on quotations provided. In addition, the Company has major customers outside the ENEOS Group, and we intend to actively expand our sales activities to companies outside the ENEOS Group in the future.

The Company is not subject to any restrictions on its business operations imposed by ENEOS Holdings, Inc. and believes that its independence in business operations is ensured.

[HIKARI TSUSHIN, Inc.]

HIKARI TSUSHIN, Inc. indirectly owns 22.95% (as of September 30, 2025) of the voting rights of the Company, making the Company an affiliate company of HIKARI TSUSHIN, Inc.

In terms of any personnel-related matters with HIKARI TSUSHIN, Inc., there are no significant matters to disclose, nor are there any significant business transactions.

The Company is not subject to any restrictions on its business operations imposed by HIKARI TSUSHIN, Inc. and believes that its independence in business operations is ensured.

With regard to transactions with the above two companies and their group companies, the Company has established standards for transactions with related parties and will promptly report any transactions that fall under these standards to Audit & Supervisory Committee Members. Furthermore, the Company shall periodically report to the Board of Directors on whether or not such transactions have been conducted.

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

1. Organizational Composition and Operation

Organization Form	Company with an audit and supervisory committee

[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	18
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	10
Appointment of Outside Directors	Appointed
Number of Outside Directors	4
Number of Independent Directors	4

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Toshio Saburi	CPA											
Keiko Suichi	Lawyer											
Mayumi Nishida	Academic											
Noriaki Isa	From another company											

* Categories for "Relationship with the Company"

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

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

a. Executive of the Company or its subsidiaries
b. Non-executive director or executive of a parent company of the Company
c. Executive of a fellow subsidiary company of the Company
d. A party whose major client or supplier is the Company or an executive thereof
e. Major client or supplier of the listed company or an executive thereof
f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/*kansayaku*
g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)
i. Executive of a company, between which and the Company outside directors/*kansayaku* are mutually appointed (the director himself/herself only)
j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)

k. Others

Outside Directors' Relationship with the Company (2)

Name	Membership of Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Toshio Saburi	○	○	-	Mr. Toshio Saburi has experience as a CPA and in corporate management and his specialist knowledge in finance and accounting. The Company considers that he is capable of auditing Directors' execution of business from an objective and fair viewpoint. In addition, Mr. Saburi is *independent* in terms of his relationship with the Company and it is determined that there is no concern of a conflict of interest with general shareholders. Based on the above, the Company designates Mr. Saburi as its independent officer.
Keiko Suichi	○	○	-	Ms. Keiko Suichi has advanced understanding of laws as a lawyer. The Company considers that she is capable of auditing Directors' execution of business from an independent objective viewpoint. In addition, Ms. Suichi is *independent* in terms of her relationship with the Company and it is determined that there is no concern of a conflict of interest with general shareholders. Based on the above, the Company designates Ms. Suichi as its independent officer.
Mayumi Nishida	○	○	-	Ms. Mayumi Nishida has a wealth of academic knowledge and experience as an expert of pharmaceutical sciences. In addition, she has been involved in and has insights into the management of many companies. The Company considers that Ms. Nishida is

				capable of auditing Directors' execution of business from an
				objective and fair viewpoint, utilizing her experience and knowledge. Furthermore, Ms. Nishida is *independent* in terms of her relationship with the Company and it is determined that there is no concern of a conflict of interest with general shareholders. Based on the above, the Company designates Ms. Nishida as its independent officer.
Noriaki Isa		○	-	Mr. Noriaki Isa has a wealth of experience and broad insights, such as engaging in the management strategies of a trading company. The Company considers that he is capable of strengthening the management structure of the Company by drawing on his experience and insights, providing advice and guidance to the Company's management, and conducting appropriate supervision from an objective viewpoint. In addition, Mr. Isa is *independent* in terms of his relationship with the Company and it is determined that there is no concern of a conflict of interest with general shareholders. Based on the above, the Company designates Mr. Isa as its independent officer.

[Audit & Supervisory Committee]

Committee's Composition and Attributes of Chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Chairperson

Audit & Supervisory Committee	3	0	0	3	Outside Director

Appointment of Directors and/or Staff to Support the Audit & Supervisory Committee	Appointed

Matters Related to the Independence of Such Directors and/or Staff from Executive Directors

On April 1, 2024, the Company established the Office of Audit & Supervisory Committee staffed by dedicated employees who provide assistance to the Audit & Supervisory Committee. These employees are carrying out their duties under the direction of Audit & Supervisory Committee Members.

Cooperation among Audit & Supervisory Committee, Accounting Auditors and Internal Audit Departments

The Audit & Supervisory Committee and the accounting auditor have meetings regularly and as needed to receive reports on the audit results and work closely together in, for instance, witnessing an audit by the accounting auditor.
With respect to internal audits, the Internal Control Office, which is responsible for internal audits, conducts business and accounting audits of the head office, key offices, and Group companies, based on an annual audit plan. The results of internal audits are provided to the Audit & Supervisory Committee to facilitate close collaboration.

[Voluntary Establishment of Nomination/Remuneration Committee]

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	Committee Corresponding to Remuneration Committee
Committee's Name	Outside Officers Advisory Committee	Outside Officers Advisory Committee
All Committee Members	4	4
Full-time Members	0	0
Inside Directors	0	0
Outside Directors	4	4
Outside Experts	0	0
Other	0	0
Chairperson	Outside Director	Outside Director

Supplementary Explanation

Committee corresponding to the nomination committee
With regard to the procedures to nominate candidates for Directors (excluding those serving as Audit & Supervisory Committee Members), a draft proposal is prepared by the Representative Directors based on the Company's policies and evaluated by the Outside Officers Advisory Committee. The results of such evaluation are reported to the Board of Directors and the nomination of candidates is finally resolved by the Board of Directors after hearing opinions of the Audit & Supervisory Committee.

Committee corresponding to remuneration committee
With regard to the procedures to determine the compensation of Directors (excluding those serving as Audit & Supervisory Committee Members), a draft proposal of compensation is prepared by the Representative Directors based on the Company's policies and evaluated by the Outside Officers Advisory Committee. The results of such evaluation are reported to the Board of Directors, and the proposal is finally resolved by the Board of Directors after hearing opinions from the Audit & Supervisory Committee.

[Independent Directors]

Number of Independent Directors	4

Matters relating to Independent Directors

-

[Incentives]

Incentive Policies for Directors	Introduction of performance-linked compensation and other incentives

Supplementary Explanation

[Performance-Linked Compensation Plan]
Regarding the overview of incentives, please refer to the "Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods" as referred to hereinafter.

[Other]
At the 119th Annual General Meeting of Shareholders held on June 27, 2023, it was resolved that the total amount of the stock compensation (the compensation plan for shares of common stock with restrictions on transfer) to be up to 100 million yen a year and the total number of shares of the Company's common stock to be up to 100,000 shares a year for Directors (excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors). The plan was introduced with the aims of providing incentives for eligible Directors to contribute to the sustainable enhancement of the Company's corporate value and promoting their sharing of value with the Company's shareholders.

Recipients of Stock Options	

Supplementary Explanation

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[Director Remuneration]

Disclosure of Individual Directors' Remuneration	No Individual Disclosure

Supplementary Explanation

The Company does not provide any individual disclosure because none of its Directors receives a total amount of consolidated compensation and so on at or above 100 million yen.

The total amount of compensation and other payments (including non-monetary compensation, etc.) made to Directors (excluding those serving as Audit & Supervisory Committee Members) in FY2024 (April 1, 2024 to March 31, 2025) was 276,000,000 yen.

Policy on Determining Remuneration Amounts and Calculation Methods	Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

(1) Basic policies

A. Directors (excluding those serving as Audit & Supervisory Committee Members)

a) Compensation for the Company's Directors (excluding those serving as Audit & Supervisory Committee Members and Outside Directors) consists of monthly compensation, bonuses, and stock compensation, and is designed to reflect the job responsibilities and performance of individuals. However, with regard to lump-sum payments related to commemorative events and ceremonies, etc., such payments shall be determined separately by the Board of Directors.

b) Compensation for Outside Directors (excluding those serving as Audit & Supervisory Committee Members) consists solely of monthly compensation.

B. Directors serving as Audit & Supervisory Committee Members

Compensation for the Company's Directors who serve as Audit & Supervisory Committee Members consists solely of monthly compensation.

(2) Policy for determining the amount of individual monetary compensation, etc. (including policy for determining when or under what conditions compensation, etc. is paid)

A. Directors (excluding those serving as Audit & Supervisory Committee Members) Monthly compensation is determined based on the positions of Directors.

B. Directors serving as Audit & Supervisory Committee Members

Compensation is determined upon consultations among Audit & Supervisory Committee Members based on their roles and duties as Audit & Supervisory Committee Members.

(3) Policy for determining the details of performance-linked compensation, etc. and non-monetary compensation and the method of calculating the amount or number thereof (including policy for determining when or under what conditions compensation, etc. is paid)

A. Bonuses for Directors (excluding those serving as Audit & Supervisory Committee Members and Outside Directors) are based on an amount calculated in accordance with the degree of achievement of consolidated operating income targets (KPI) for each year. The Representative Directors prepare a draft proposal of compensation, comprehensively taking into account factors such as dividends, trends of other companies, medium- to long-term business performance, and historical payment amounts, and consult with the Outside Officers Advisory Committee on the appropriateness of the draft proposal of compensation. The Board of Directors makes the final decision respecting the content of the Outside Officers Advisory Committee's report and the amount is paid in cash at a specified time each year.

B. For stock compensation, its share of common stock with restrictions on transfer is granted to Directors (excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors) immediately after the commencement of applicable period.

(4) Policy for determining the percentage of monetary compensation, performance-linked compensation, etc., or non-monetary compensation, etc. included in individual compensation, etc. for Directors

For the ratio of compensation by type for Directors (excluding those serving as Audit & Supervisory Committee Members and Outside Directors), the weight of performance-linked compensation and stock compensation is increased for higher ranking positions, based on the benchmark compensation level of companies of a similar business scale operating in related industries and business categories.

When determining or revising the ratio of compensation by type for Directors (excluding those serving as Audit & Supervisory Committee Members and Outside Directors), the Board of Directors consults with the Outside Officers Advisory Committee on the appropriateness of the draft proposal of decision, and respects the content of the Outside Officers Advisory Committee's report.

The approximate ratios for each type of compensation, etc. are as follows. (If KPI is 100% achieved)

Position	Monthly compensation	Bonus	Stock compensation
Representative Director	51%	34%	15%
Director	64%	27%	9%

(5) Matters concerning the determination of the details of individual compensation, etc. for Directors (excluding those serving as Audit & Supervisory Committee Members)

Decisions on the amount of individual compensation are delegated to President and Representative Director, Mr. Teruhiko Mouri, based on a resolution of the Board of Directors, and the President and Representative Director has the authority to determine the amount of monthly compensation, bonuses and stock compensation for each Director (excluding those serving as Audit & Supervisory Committee Members). The amount of compensation for each individual Director is determined after deliberation by the Outside Officers Advisory Committee, which is voluntary and comprised of Outside Directors. Measures have been established to ensure that the said authority is properly exercised by the President and Representative Director without making any arbitrary decisions. The Board of Directors thus considers that the content of the decisions is in line with the above-stated determination policy.

[Supporting System for Outside Directors]

Although the Company does not have any section fully dedicated to providing assistance to Outside Directors, staff members of the General Administration Department, Legal Department, Internal Control Office, and other relevant sections provide assistance as needed.

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

The Board of Directors holds a monthly regular meeting as well as extraordinary meetings as needed to make decisions on transactions requiring the Board's approval under laws and other important management issues and to supervise the status of business execution.

The Audit & Supervisory Committee consists of three Outside Directors.

The Company has introduced an executive officer system, under which the decision-making / supervision function for the Company's business operations are separated from the business execution function in order to strengthen both functions.

The Company retains ERNST & YOUNG SHINNIHON LLC for its accounting audits.

3. Reasons for Adoption of Current Corporate Governance System

The Company made a transition to a company with an audit and supervisory committee after obtaining approval to revise its Articles of Incorporation at the Annual General Meeting of Shareholders held on June 24, 2016. The move was designed to strengthen the supervision function of the Board of Directors and further improve the Company's corporate governance system.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Dispatch of the Notice of Convocation of the Annual General Meeting of Shareholders	For the fiscal year ended March 31, 2025, the Company started the electronic provision of materials on June 3, 2025, and mailed the summarized convocation notice on June 6, 2025.
Setting the date of the General Meeting of Shareholders, Avoiding a Day When Many Companies Hold Their Shareholder Meetings	The Company held the Annual General Meeting of Shareholders for the fiscal year ended March 31, 2025 on June 25, 2025.
Allowing Electronic Exercise of Voting Rights	The Company introduced the electronic exercise of voting rights in June 2008.
Participation in Electronic Voting Platform	The Company uses an electronic voting platform for institutional investors operated by ICJ, Inc.
Providing Convocation Notice in English	The English version of the Company's convocation notice is available on the Company's English website (https://www.raiznext.co.jp/e/).

2. IR Activities Updated

	Supplementary Explanations	Explanation by the Representative
Preparation and announcement of Disclosure Policy	1. Basic Policy: RAIZNEXT Corporation proactively discloses information concerning its management strategy and financial condition to its stakeholders, including shareholders and investors, and aims to gain their trust and earn their fair appraisal. 2. Information Disclosure Policy: We will disclose items requiring timely disclosure and items whose disclosure is legally required through the Tokyo Stock Exchange's Company Announcements Disclosure Service	

	(TDnet) and/or press releases. In principle, we will post all such information on our company's website, thus striving for even fairer information disclosure. 3. Earnings Projections and Information about Future Forecasts: Information disclosed by our company may include earnings projections and other items pertaining to future forecasts. Such information is produced using information available at the time of disclosure, and does not always necessarily reflect the latest information. Therefore, the information contained in future forecasts, including earnings projections, may differ from actual results as the result of economic conditions and market fluctuations that occur after the time of disclosure. 4. IR Quiet Period: RAIZNEXT Corporation has, in principle, established a Quiet Period from the day after the closing date of each quarter until the date the earnings for the said quarter are announced, in order to prevent the leakage of material company information and ensure fairness. During this time, the Company generally refrain from disclosing information related to earnings, exchanging related comments, or responding to related questions. However, this does not apply to inquiries regarding information already made public. In addition, if the Company concludes that earnings may deviate significantly from previously released projections, the appropriate information will be disclosed.	
Regular Investor Briefings for Analysts and Institutional Investors	The Company holds these briefings twice a year (May and November). In these briefings, the President explains an overview of the Company's financial results and business conditions, its management policy, and so on. In addition, the Company holds individual briefings as needed.	Yes
Posting of IR Materials on Website	In addition to information on financial results such as financial highlights, the Company posts its securities reports, quarterly reports, disclosure materials, reports (shareholders' booklets), financial results briefing materials, among other things, on its website.	
Establishment of Department and/or Person in Charge of IR	The Corporate Planning Department is responsible for the Company's IR activities.	
Other	The Company prepares in English the notice of convocation of the Annual General Meeting of Shareholders, financial highlights, securities reports, reports (shareholders' booklets), corporate governance reports, and financial results briefing materials, among other things, and strives to enhance information disclosure.	

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	The Company has established the Multi-Stakeholder Declaration setting forth its intention to strengthen its relationships with diverse stakeholders and engage in appropriate cooperation, and announced this declaration on its website.

Implementation of Environmental Activities, CSR Activities etc.	The Company has positioned sustainability initiatives as an important management issue and has identified seven material issues (materiality) for the Group, and discloses its initiatives on its website (https://www.raiznext.co.jp/e/sustainability/materiality.html). We conduct quantitative and qualitative analysis of the risk and earnings opportunities that climate change poses to our business, and disclose them on our website（https://www.raiznext.co.jp/e/sustainability/environment/tcfd.html) in line with the TCFD framework. In addition, the Company calculated its Scope 1 and Scope 2 GHG emissions and announced GHG emissions reduction targets by 2030. The Company also established the Basic Policy on Environmental Conservation, which stipulates as following: Always mindful of our impacts on the environment, we at the Company and Group companies seek to reduce environmental burdens and aim to contribute to efforts to improve the environment. Toward this end, we are dedicated to promoting the following objectives. 1. We will comply with environmental laws and regulations along with our own rules, regulations and operating standards in an effort to conserve the environment. 2. Through maintenance and engineering services, we will strive to contribute to establishing a recycling-oriented society and actively take part in initiatives for environmental conservation.
Formulation of Policies, etc. on Provision of Information to Stakeholders	The Code of Conduct stipulates that the Company shall communicate with shareholders and other stakeholders as well as the society in general and disclose information in a timely, appropriate, and fair manner. Its Board of Directors proactively discloses information about the Company's business strategy, financial condition, etc. to its stakeholders, including shareholders and investors, and seeks to obtain trust of and fair evaluations by these stakeholders. The Company uses media including the Tokyo Stock Exchange's Timely Disclosure Network (TDnet) and press releases to disclose information that laws and regulations requires the Company to disclose. Furthermore, it endeavors to provide information useful for shareholders and other stakeholders, such as by publishing its long-term vision and medium-term business plan and disclosing non-financial information about management strategy, business issues, risks, and governance. The Company basically posts the above-said information on its website (URL: https://www.raiznext.co.jp/e/), thereby disclosing the information in a fair manner.

IV. Matters Related to the Internal Control System

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

The Company's basic policy on the building of an internal control system resolved at the Board of Directors is described below.

1. Structure to ensure that the execution of duties by Directors and employees is in compliance with laws, regulations, and the Articles of Incorporation

   (1) The Company has established the RAIZNEXT Group Code of Conduct to serve as a guidance for officers and employees of the Group to act in compliance with laws and regulations, the Articles of Incorporation, and social norms, in light of the spirit of its corporate philosophy and compliance.
   (2) The Company has established the Compliance Committee to create a compliance system and to maintain and improve compliance awareness. The Compliance Committee regularly checks the compliance status of laws and regulations and investigates, supervises, and provides guidance on compliance issues. The chairperson of the Compliance Committee reports important cases to the Board of Directors and promotes strict compliance with laws and regulations, the Articles of Incorporation, internal rules, and so on. In addition, opportunities are ensured for Directors serving as Audit & Supervisory Committee Members to attend the meetings of the Compliance Committee.
   (3) To promptly discover and rectify acts of non-compliance, the Company has established the Compliance Hotline system for the Group based on the Compliance Hotline Rules. This system is operated with the Deputy General Manager of the Legal Department as a contact inside the Company and a law firm as a contact outside the Company. In addition, the Company organizes and operates necessary systems for preventing any individual from being treated unfavorably on the ground of his or her use of the Compliance Hotline system to report on non-compliance. Such systems may include the establishment of rules prohibiting such unfavorable treatment.
   (4) To ensure the appropriate operation of the Board of Directors, the Company has established the regulations of the Board of Directors and holds a meeting of the Board of Directors once a month in principle, based on the said regulations. The Board of Directors makes decisions on important business execution after sufficient deliberation and receives reports from Directors in an appropriate manner on the status of the execution of duties.
   (5) The Company seeks to ensure objectivity of decision-making on business execution and further improve its appropriateness by having Outside Directors attend at meetings of the Board of Directors and participate in the deliberation.
   (6) The internal audit section conducts audits based on the annual plan, while remaining independent from each division, compiles the results of its audits as an audit report, and provides the report to the President and Representative Director and to the Management Officer Committee. Important matters among the results of the internal audits are reported to the Board of Directors.
   (7) To ensure the reliability of financial reporting, the Company organizes and operates an internal control system, evaluates its effectiveness, and makes necessary corrections each year.
   (8) To eliminate any relationship with anti-social forces, the Company organizes and operates rules and other instruments according to the actual operation conditions of the Company and ensures strict observance of such rules and so on.

2. Structure to store and manage information concerning the execution of duties by Directors and employees
   (1) The execution of duties shall, in principle, be done in writing. The Company organizes and operates rules and other instruments concerning the preparation, management, and so on of documents.
   (2) The minutes of the Board of Directors meetings are prepared appropriately pursuant to laws and regulations. In addition, with respect to approval documents of each business line, the Company organizes and operates rules and other instruments concerning their preparation, circulation, storage, and so on.
   (3) The Company organizes and operates rules and other instruments to prevent the fraudulent use, disclosure, and leakage of company information and to appropriately handle confidential information and personal information. In addition, the Company ensures that its employees strictly comply with such rules and so on through opportunities such as internal training.
   (4) The Company prepares business reports, financial statements, and so on, in an appropriate manner pursuant to the Companies Act and other relevant laws, regulations, and rules, and discloses company information in a timely and appropriate manner.

3. Rules and other systems concerning the management of the risk of loss

(1) In conducting the company-wide risk management, the Company identifies the types of the risks subject to management and has the sections in charge of each category of the risks manage them pursuant to the Enterprise Risk Management Rules which are designed to determine the basic system and methods of the risk management. In addition, important risk information is reported to the Board of Directors.

(2) Upon occurrence of any crisis or emergency that has a material impact on the Group's business management, the Company establishes an emergency task force headed by the President in accordance with the Crisis Management Rules and takes actions as an organization.

(3) The Company works on ensuring safety, quality, environmental conservation and health, as well as on measures for respecting human rights and developing personnel, among others. To this end, the Company organizes and operates necessary systems, rules, and other instruments.

(4) When executing contracted construction work, the Company's main business, the Company considers and appropriately addresses cost management and other matters. To this end, the Company organizes and operates necessary systems, rules, and other instruments.

4. Structure to ensure the efficiency of the execution of duties by Directors and employees

(1) To ensure the effectiveness and efficiency of the duties of Directors, the Company prepares the RAIZNEXT Group long-term vision, formulates a medium-term business plan, annual policies, and so on, establishes specific targets for each division based on these, and regularly evaluates the appropriateness of and achievement against such targets.

(2) The Company adopts the executive officer system to separate the management decision-making / supervision function from the business execution function. In addition, the Company clarifies the responsibilities and authorities of officers and employees pursuant to the rules concerning organizations and job allocation, rules on the division of duties, rules on job functions, and so on, to facilitate the speedy and efficient execution of duties.

(3) The matters to be resolved by the Board of Directors shall be approved by the President in advance. The Management Officer Committee has been established as a consultative organ for the President to give approval. In principle, decision-making is carried out appropriately and efficiently following collective discussions and examinations by the Company's management team.

(4) The Company strives to build, organize, and utilize IT systems to appropriately control information, standardize and raise efficiency in its operations, strengthen its internal controls, create new business opportunities, etc.

5. Structure to ensure the appropriateness of operations of a corporate group

(1) The Company endeavors to instill and ensure strict observance of the RAIZNEXT Group Code of Conduct the Company has established to serve as a guidance for the offices and employees of the Group to act in compliance with laws and regulations, the Articles of Incorporation, and social norms. In addition, the Compliance Hotline system is applied to the entire Group.

(2) The Company manages its subsidiaries pursuant to the rules on the management of affiliates and so on. These rules and so on stipulate that important matters concerning the business execution of the Company's subsidiaries require an organizational decision by the Company and are operated appropriately. In addition, the Company has its internal audit section conduct periodical audits of subsidiaries.

(3) The Company periodically invites the Presidents of its subsidiaries to receive reports on each company's business performance, existence or absence of important risk and where such risk exists, and other important information. In addition, the Company has them periodically report information such as financial results pursuant to the rules on the management of affiliates in order to comprehend the situation of affiliates in a timely and appropriate manner.

6. Structure to ensure the effective implementation of audits by the Audit & Supervisory Committee

(1) The Company respects the audit standards and audit plan prepared by the Audit & Supervisory Committee and cooperates with the smooth implementation of audits and organization of an audit environment.

(2) The Company takes necessary actions to enable the Audit & Supervisory Committee Members to attend important meetings such as the meeting of the Management Officer Committee and to comprehend the important decision-making process and the situation of business execution. In addition, the Company makes important documents concerning business execution such as documents on major approvals available for their inspection. The officers and employees of the Group promptly provide an appropriate report if a request is made by the Audit & Supervisory Committee concerning business execution.

(3) The Company organizes and operates structures to promptly report to the Audit & Supervisory Committee any fact concerning material violation of laws and regulations or the Articles of Incorporation or misconduct or any fact that may cause significant damage to the Company if such fact is discovered in the Company or its affiliate and to regularly report the situation of whistleblowing to the Audit & Supervisory Committee.

(4) The Company organizes and operates necessary systems for preventing any individual from being treated unfavorably on the ground of his or her providing a report to the Audit & Supervisory Committee. Such systems may include the inclusion of a provision prohibiting such unfavorable treatment in relevant rules and so on.

(5) The Representative Directors and other management staff have regular meetings with the Audit & Supervisory Committee Members to report and exchange opinions on the matters concerning business execution and other matters necessary for the duties of the Audit & Supervisory Committee Members.

(6) The internal audit section endeavors to closely cooperate with the Audit & Supervisory Committee through, for instance, an exchange of opinions on the audit plan and audit results.

(7) If the Audit & Supervisory Committee requests the President and Representative Director to appoint employees who should assist the duties of the said Committee, the President and Representative Director shall appoint such employees to assist the duties of the said Committee. In this case, personnel treatment of such employees including their evaluation and transfer is determined upon consultations with Audit & Supervisory Committee Members in order to ensure the effectiveness of the Audit & Supervisory Committee’s instructions to such employees.

(8) Pursuant to the provisions of Article 399-2, paragraph (4) of the Companies Act, the Company appropriately pays expenses or obligations concerning the execution of duties by the Audit & Supervisory Committee Members, upon request from the Audit & Supervisory Committee Members.

2. Basic Views on Eliminating Anti-Social Forces

With regard to the elimination of anti-social forces, the Group’s Code of Ethical Conduct stipulates as follows: “We will take a resolute attitude to anti-social forces and will not have any relationship with them.”

Pursuant to the Basic Rules on Response to Anti-Social Forces, the General Administration Department collects information and conducts internal educational activities as a section that centrally deals with unreasonable demands. In addition, the Company organizes a structure to collect necessary information on anti-social forces in collaboration with external specialist organizations such as the police department and the council for corporate defense measures in Kanagawa Prefecture.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted

Supplementary Explanation

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2. Other Matters Concerning to Corporate Governance System

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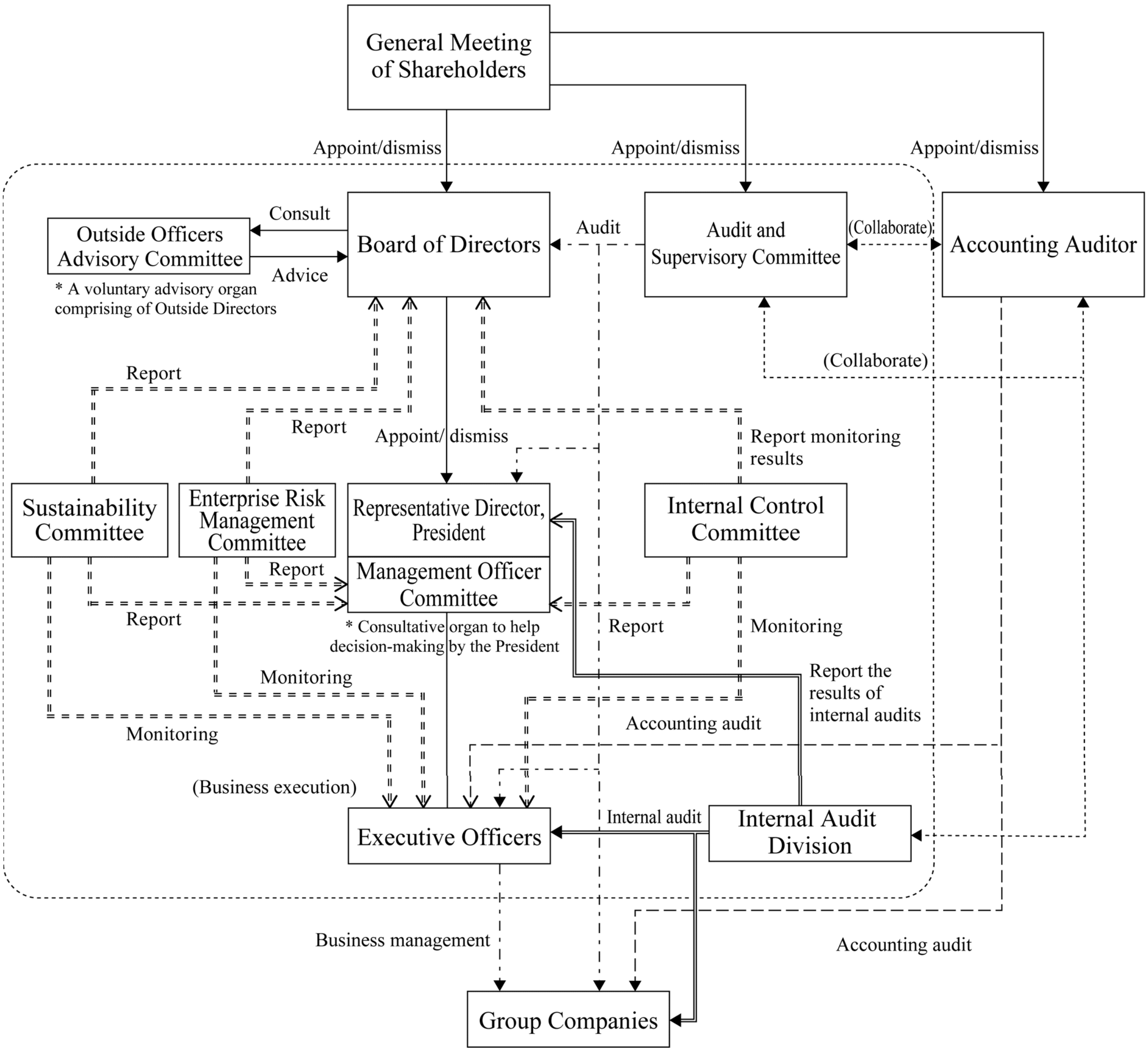
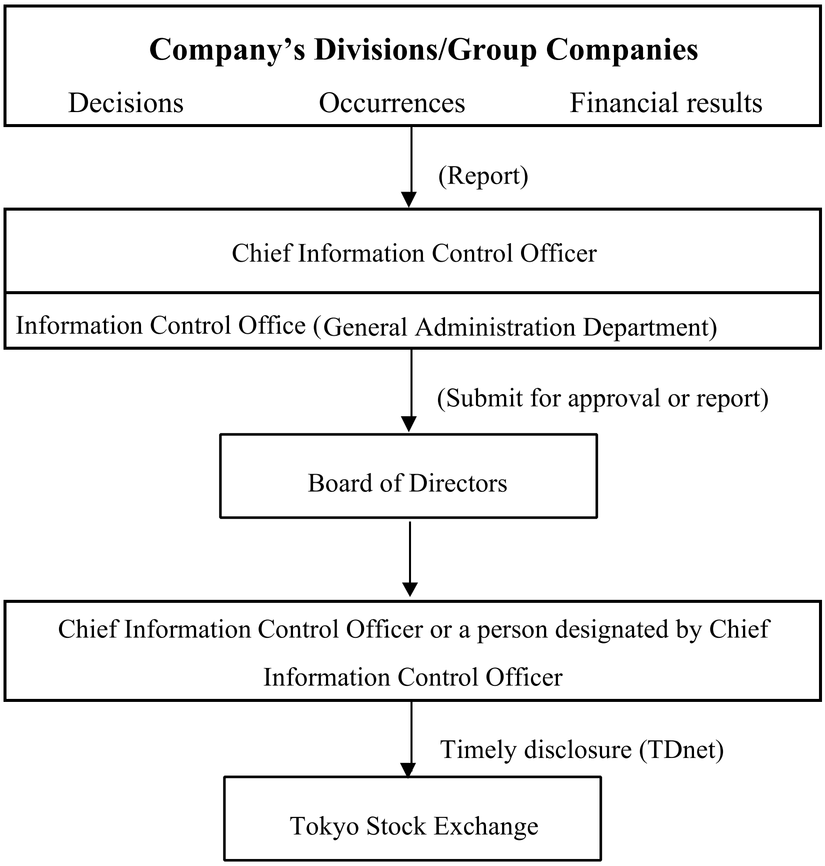
Corporate Governance Structure Chart



Overview of Timely Disclosure System



* The timing, contents, method, and other factors concerning the announcement of material facts shall be subject to a resolution of the Board of Directors and an announcement shall be made in accordance with the decisions made by the Board. In cases of urgency, however, an announcement may be made based on the decisions made by the Chief Information

Control Officer.