

Last Update: December 20, 2024

PLAID, Inc.

Kenta Kurahashi, Representative Director and CEO

Contact: Yusuke Takahashi, VP of Finance

Securities code:4165

<https://plaid.co.jp/en/>

The corporate governance of PLAID, Inc. (the “Company”) is described below.

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

1. Basic Views

The Company recognizes that in order to continuously enhance its corporate value, it is essential to build good relationships with its shareholders and other stakeholders, and to this end, it is necessary to ensure and routinely strengthen the transparency, efficiency, and soundness of its management.

Specifically, in addition to strengthening management systems that enable compliance with laws and regulations, timely and appropriate information disclosure, prompt decision-making, and business execution, the Company is enhancing its management monitoring system.

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

The Company implements all the basic principles of the Corporate Governance Code.

2. Capital Structure

Foreign Shareholding Ratio	10% or more but less than 20%
----------------------------	-------------------------------

Status of Major Shareholders

Name or Company Name	Number of Shares Owned	Percentage (%)
Kenta Kurahashi	10,965,000	27.07
Naoki Shibayama	7,066,000	17.44
Shogo Tabata	3,060,000	7.55
Google International LLC	1,420,900	3.50
Custody Bank of Japan, Ltd.	1,266,500	3.12
The Master Trust Bank of Japan, Ltd.	917,900	2.26
Intesa Sanpaolo SPA(Ex Banca Intesa) Clients Omnibus Account	722,500	1.78
The Tokyo Tanshi Co., Ltd.	605,000	1.49
Hiroyuki Shimizu	575,838	1.42
Yuki Makino	471,504	1.16

Name of Controlling Shareholder, if applicable (excluding Parent Companies)	Not applicable
---	----------------

Name of Parent Company, if applicable	Not applicable
---------------------------------------	----------------

Supplementary Explanation

-

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Growth Market
Fiscal Year-End	September
Business Sector	Information & Communication
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	100 or more but fewer than 500
Net Sales (Consolidated) for the Previous Fiscal Year	10 billion or more but less than 100 billion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	Fewer than 10

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

-

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

Not applicable

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

1. Organizational Composition and Operation

Corporate Governance System Company with Audit and Supervisory Board*

*Referred to as "Company with *Kansayaku* Board" in the Corporate Governance Code reference translation

Directors

Number of Directors Stipulated in Articles of Incorporation	10
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	5
Election of Outside Directors	Elected
Number of Outside Directors	2
Number of Independent Directors	2

Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Kaoru Matsuzawa	Lawyer								○			
Masamune Mimura	From another company											

*Categories for "Relationship with the Company".

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

- Person who executes business for the Company or its subsidiary
- Person who executes business for or a non-executive director of the Company's parent company
- Person who executes business for a fellow subsidiary
- Person/entity for which the Company is a major client or a person who executes business for said person/entity
- Major client of the Company or a person who executes business for said client
- Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/Audit and Supervisory Board Member

- g. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
- h. Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to director him/herself only)
- i. Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to director him/herself only)
- j. Person who executes business for an entity receiving donations from the Company (applies to director him/herself only)
- k. Other

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Kaoru Matsuzawa	○	-	Kaoru Matsuzawa has abundant knowledge and experience as a lawyer and corporate manager. We have appointed Ms. Matsuzawa as an indispensable person for the future expansion of our business, global development, and management enhancement in consideration of ESG and SDGs. In light of the criteria for securing independent directors and auditors stipulated by the Tokyo Stock Exchange, Inc., she has been designated as an independent director and auditor because he has no special interest in the Company and there is no risk of a conflict of interest between him and the general shareholders.
Masamune Mimura	○	-	Masamune Mimura has been appointed based on his extensive knowledge and experience as a corporate manager and his suitability for making decisions on important management matters and supervising the execution of business operations. In light of the criteria for securing independent directors as stipulated by Tokyo Stock Exchange, Inc., he has been designated as an independent director because he has no special interest in the Company and there is no risk of a conflict of interest with general shareholders.

Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee	Established
--	-------------

Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chairperson

	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	Nomination and Remuneration Council	6	0	1	2	2	1	Outside Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Nomination and Remuneration Council	6	0	1	2	2	1	Outside Director

Supplementary Explanation

The Company has established the Nomination and Remuneration Council as an advisory body to the Board of Directors to discuss and deliberate on the evaluation, nomination and compensation of Directors.

The Nomination and Remuneration Council is composed of all outside directors, outside corporate auditors, and representative directors, and is chaired by outside director Kaoru Matsuzawa.

The Nomination and Remuneration Council meets approximately once a year, and held one meeting during the fiscal year under review.

Audit and Supervisory Board Member*

*Referred to as "*kansayaku*" in Corporate Governance Code reference translation

Establishment of Audit and Supervisory Board	Established
Number of Audit and Supervisory Board Members Stipulated in Articles of Incorporation	5
Number of Audit and Supervisory Board Members	3

Cooperation among Audit and Supervisory Board Members, Accounting Auditors and Internal Audit Departments

Corporate auditors, accounting auditors, and internal auditors exchange opinions once a quarter to improve the quality of audits by exchanging information on mutual audit plans and explaining and reporting audit results. In addition, corporate auditors receive regular reports on the status and results of internal audits from the person in charge of internal audits.

Appointment of Outside Audit and Supervisory Board Members	Appointed
Number of Outside Audit and Supervisory Board Members	2
Number of Independent Audit and Supervisory Board Members	2

Outside Audit and Supervisory Board Members' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Kenji Yamanami	From another company													
Fumiyuki Fukushima	CPA													

*Categories for "Relationship with the Company".

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

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

Outside Audit and Supervisory Board Members' Relationship with the Company (2)

Name	Designation as Independent Audit and Supervisory Board Member	Supplementary Explanation of the Relationship	Reasons for Appointment
Kenji Yamanami	○	-	Kenji Yamanami has a wide range of experience in legal and compliance matters, including serving as Chief Legal Officer of Rakuten.com, in addition to his extensive experience at several companies. In light of the criteria for securing independent directors and auditors stipulated by the Tokyo Stock Exchange, Inc., he has been designated as an independent director because he has no special interest in the Company and there is no risk of a conflict of interest with general shareholders.
Fumiyuki Fukushima	○	-	Fumiyuki Fukushima is a CPA and has considerable knowledge of finance and accounting. We have appointed him as an independent director based on our judgment that he is suitable for auditing and supervising the Company to ensure the adequacy and appropriateness of the Company's management. In light of the criteria for securing independent directors stipulated by the Tokyo Stock Exchange, Inc., he has been designated as an independent director because he has no special interest in the Company and there is no risk of a conflict of interest between him and the Company's general shareholders.

Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members

Number of Independent Directors and Independent Audit and Supervisory Board Members 4

Other Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members

The Company designates all outside directors who meet the qualifications for independent directors as independent directors.

Incentives

Implementation Status of Measures related to Incentives Granted to Directors Introduction of Performance-linked Remuneration Scheme / Introduction of Stock Options Scheme

Supplementary Explanation for Applicable Items

The Company has introduced a restricted stock compensation plan and a performance-based stock compensation plan for directors, excluding outside directors, in order to attract excellent human resources in Japan and overseas and prevent the outflow of human resources (to improve competitiveness), and to promote initiatives aimed at increasing corporate value over the medium to long term, further value sharing with shareholders, and commitment to the achievement of performance targets. The Company has introduced a restricted stock compensation plan and a performance-based stock compensation plan.

Persons Eligible for Stock Options Inside Directors / Outside Directors / Inside Audit and Supervisory Board Members / Outside Audit and Supervisory Board Members / Employees

Supplementary Explanation for Applicable Items

The Company grants stock options to internal directors, outside directors, and employees in a number determined by taking into consideration the timing of their appointment, tenure, period of service, and contribution to the future growth of the Company's business, with the aim of further increasing their motivation and morale to contribute to improving the Company's performance

and enhancing its corporate value and shareholder value. In addition, the Company grants stock options to internal and external corporate auditors for the purpose of sharing their interests with shareholders.

Director Remuneration

Status of Disclosure of Individual Director's Remuneration	No Disclosure for any Directors
--	---------------------------------

Supplementary Explanation for Applicable Items

Since there is no director whose total amount of remuneration is 100 million yen or more, individual disclosure of remuneration is not conducted. The total amount of remuneration paid to directors and corporate auditors is disclosed.

Policy on Determining Remuneration Amounts and Calculation Methods	Established
--	-------------

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

Remuneration, etc. for Directors is determined by a resolution of the Board of Directors within the limit of the amount of remuneration resolved at the General Meeting of Shareholders. Remuneration, etc. for corporate auditors is determined through discussions by corporate auditors within the limit of the amount of remuneration resolved at the General Meeting of Shareholders. The following is a summary of the Company's policy regarding the determination of remuneration, etc., for individual directors.

1 Basic Policy on Directors' Remuneration

The Company considers the remuneration system for directors to be an important part of its corporate governance. The Company's basic policy is to ensure that the remuneration for Directors functions fully as an incentive for the Company's sustainable growth and medium- and long-term improvement of corporate value, and that the remuneration system is consistent with the Company's corporate culture, and that when determining remuneration, the level of remuneration is appropriate based on the responsibilities of each position. Specifically, compensation consists of base salary (monetary compensation) and stock-based compensation.

However, outside directors receive only base remuneration (monetary remuneration). Stock-based compensation is intended to attract excellent human resources in Japan and overseas, to prevent the outflow of human resources (to improve competitiveness), and to promote initiatives aimed at increasing corporate value over the medium to long term, further value sharing with shareholders, and a commitment to achieving performance targets.

In determining the remuneration of individual directors, the Company requires that the decision-making process be transparent and objective.

2 Policy on Determination of the Amount of Remuneration, etc. for Directors or the Method of Calculating the Amount of Remuneration, etc.

(1) Policy for determining the amount of remuneration, etc. for each individual regarding base remuneration (monetary remuneration) (including policy for determining the timing or conditions of granting remuneration, etc.) Basic remuneration for Directors shall be a monthly fixed remuneration, and shall be determined in consideration of various factors such as the market environment, remuneration levels of companies similar in size, industry, and business type to those of the Company in Japan and overseas, industry standards, the Company's performance, as well as position, skills, responsibilities in the business units under their control, personal evaluation, and the rate of performance achievement against the business plan. (2) Details and amount or number of stock-based compensation and policy for determining the calculation method (including policy for determining the timing and conditions of granting compensation, etc.) The Company's stock compensation plan consists of a restricted stock compensation plan and performance-based stock compensation.

(a) Restricted Stock Compensation Plan

The purpose of this plan is to invite excellent human resources in Japan and overseas and to prevent the outflow of human resources (to improve competitiveness), and to promote initiatives to enhance corporate value over the medium to long term and to further share value with shareholders. The Company has introduced a restricted stock compensation plan (hereinafter referred to as the "Plan I") under which the condition for cancellation of restrictions on transfer of shares is that the Director, etc. of the Company must continuously serve as a Director, etc. for a period of approximately three to five years as determined by the Board of Directors.

Shares with transfer restrictions under this Plan I will be delivered at a time determined by the Board of Directors after discussions with outside directors and outside corporate auditors.

(b) Performance-Conditional Stock Compensation Plan

The Company has introduced a performance-based stock compensation plan (hereinafter referred to as "Plan II") for Directors, excluding Outside Directors, with the objective of strengthening incentives for achieving performance targets in addition to the objectives of Plan I. The details of the performance-based share remuneration are as follows. The details of the performance-based stock compensation are as follows: the Board of Directors shall set the evaluation period (hereinafter

referred to as the “Evaluation Period”), and the Company shall pay the performance-based stock compensation to the eligible Directors. Half of the compensation under Plan II will be paid in cash to secure funds for tax payment.

(c) Policy for Determining the Amount of Base Compensation (Monetary Compensation) and Stock Compensation as a Percentage of the Amount of Compensation, etc. Paid to Each Individual Director

Since the Company is in the early growth and investment phase, for the time being, base remuneration will be the main source of remuneration as a percentage of the amount of remuneration, etc. for each individual director. However, the Company will continuously review and design the ratio of the amount of base remuneration (monetary remuneration), performance-linked remuneration, etc., and non-monetary remuneration, etc., to function as an appropriate incentive for the Company's sustainable growth, taking into consideration the Company's growth stage, the level of remuneration at domestic and overseas companies of similar business size or in related industries and business categories, etc. The Company will continuously review and design the ratio of non-monetary compensation, etc. to ensure that it functions as an appropriate incentive for the Company's sustainable growth.

3 Matters Concerning Determination of Details of Individual Director Remuneration, etc.

Individual remuneration, etc. for Directors at the Company shall be determined by a resolution of the Board of Directors within the maximum amount of remuneration resolved at the General Meeting of Shareholders. In order to ensure the appropriateness of the level and amount of remuneration and the transparency and objectivity of the decision-making process, the specific amount of remuneration paid to each director must be discussed with outside directors in advance and submitted to the Board of Directors.

Support System for Outside Directors (and/or Outside Audit and Supervisory Board Members)

The Company ensures that outside directors and outside corporate auditors have sufficient time to consider the proposals by notifying them in advance of the Board of Directors meetings and explaining the proposals to them in advance. In addition, opportunities are provided for discussion among directors and corporate auditors separately from the Board of Directors meetings in order for them to understand the Company's business. In addition, the administrative department provides support to outside directors and outside corporate auditors as appropriate.

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

(a) Directors and Board of Directors

The Company's Board of Directors consists of five directors (including two outside directors). In addition to the regular monthly meetings of the Board of Directors, extraordinary meetings are held as necessary to make decisions on important matters and to supervise the directors' execution of their duties.

(b) Board of Corporate Auditors

The Board of Corporate Auditors of the Company consists of one full-time and two part-time outside corporate auditors. The Board of Corporate Auditors meets once a month to exchange information, hold discussions, and make resolutions on important audit-related matters. In addition, each corporate auditor participates in the Board of Directors' meetings and audits the execution of duties by directors.

(c) Management Committee

The Company's Management Committee consists of the Representative Director, Directors (excluding Outside Directors), and Full-time Corporate Auditors. In addition to the regular twice-monthly Management Committee meetings, extraordinary Management Committee meetings are held as necessary to discuss management issues and report and discuss business execution.

(d) Internal Audits

Taking into consideration the size of the company, the Company has not established an independent internal audit department, but three internal auditors appointed by the Representative Director conduct internal audits. The internal auditors formulate annual plans based on the internal audit rules and conduct audits by division to ensure that all employees comply with corporate ethics and various laws and regulations, and that a system is in place to ensure the sound and efficient execution of operations. The audit results are reported to the Representative Director, who issues written instructions for improvement to the audited departments on matters deemed important. The person in charge of the audited department to whom the written improvement instructions are addressed is required to report the status of improvement to the representative director and the person in charge of internal audit without delay.

(e) Audits by Corporate Auditors

Audits by corporate auditors are conducted by each corporate auditor in accordance with the content of the corporate auditor audit plan. Full-time corporate auditors work to gain an understanding of the actual status of management through daily dialogue with directors and employees. Information on these audits is shared at the monthly meetings of the Board of Corporate Auditors.

(f) Accounting Audit

The Company has entered into an audit contract with KPMG AZSA LLC. There are no special interests between the Company

and KPMG AZSA LLC or the managing partners of KPMG AZSA LLC who are engaged in the audit of the Company. There are no special interests between the Company and KPMG AZSA LLC. The following table shows the period of continuous auditing, the names of the certified public accountants who perform the auditing services, and the composition of assistants for the accounting auditing services.

•Continuous Audit Period

9 years

Name of the Certified Public Accountant who will perform the audit

Koji Arai, Designated and Engagement Partner

Designated and Engagement Partner: Shinya Ariyoshi

Other assistants for auditing services are 6 certified public accountants and 9 others.

The Company has established the following criteria for the selection of candidates for Directors and Corporate Auditors.

•Criteria for Election of Candidates for Directors and Corporate Auditors

The Company shall comply with the following selection and dismissal criteria in electing directors and corporate auditors (hereinafter collectively referred to as “Officers”). The Company shall comply with the following selection and dismissal criteria in electing Directors and Corporate Auditors (hereinafter collectively referred to as “Officers”). In order to enhance transparency and fairness, candidates will be deliberated by a council composed of outside directors and corporate auditors, and the Board of Directors will decide on the candidates based on the report of the council. Candidates for corporate auditor are subject to the consent of the Board of Corporate Auditors.

Each candidate is submitted as an agenda item to the General Meeting of Shareholders for decision.

•Criteria for Election of Candidates for Board of Directors

Candidates for the Board of Directors will be selected who will fulfill the management mandate of the shareholders and whose appointment will maintain the diversity of experience and expertise on the Board of Directors and further strengthen the Board of Directors. In making the selection, we will consider the following factors

1. Candidates must have a good understanding of the Company's mission and be able to actively engage in free, vigorous, and constructive discussions and put them into practice from their own standpoint.
2. The candidate must have experience and expertise that will contribute to the enhancement of the Company's corporate value over the medium to long term.
3. Be able to make fair judgments from a neutral standpoint and demonstrate management ability.
4. Have excellent character and insight, as well as social credibility and high ethical standards.
5. The candidate must be able to devote the time and effort necessary to fulfill his/her responsibilities and roles as a director.
6. The candidate's appointment will maintain diversity in experience and expertise, and enable the Board of Directors to perform its functions efficiently and effectively.
7. That the candidate is not an officer or employee of another company that is deemed to be in competition with the Company.
8. Not fall under any of the disqualifications for directors as stipulated in the Companies Act.
9. The candidate for outside director must be able to grasp essential issues from an overall management perspective, taking into account the business environment and competitive trends, and must be able to frankly express his/her opinions to the internal management team. The candidate must also meet the criteria for independence.

•Criteria for Election of Candidates for Corporate Auditors

In consideration of the importance of the functions of auditing and corporate auditors, candidates for corporate auditor shall be selected who are able to grasp the essential issues in the management of the Company and express their opinions frankly to the management. In selecting candidates, the Company will take into consideration the following items.

1. The candidate must have a good understanding of the Company's mission and be able to actively engage in free, vigorous, and constructive discussions and put them into practice in his/her own capacity.
2. Be able to conduct audits from a fair, neutral, and objective perspective from a company-wide viewpoint based on experience and expertise.
3. Have excellent character and insight, social credibility, and high ethical standards.
4. The candidate must be able to devote the time and effort necessary to fulfill the duties and roles of a corporate auditor.
5. The candidate's appointment will balance knowledge, experience, and expertise.
6. the candidate must be able to grasp essential issues from a broad perspective of overall management, taking into account the business environment and competitive trends, and must be able to frankly express his/her opinions to the management team
7. Not be an officer or employee of any other company that is deemed to be in competition with the Company.
8. Not fall under any of the disqualifications for corporate auditor as stipulated in the Companies Act.
9. The candidate for outside corporate auditor must meet the criteria for independence.

•Criteria for dismissal of directors

1. When an event occurs that clearly does not meet the criteria for the appointment of directors.
2. In the event of any wrongful act or any material fact violating laws, regulations, or internal rules such as the Articles of Incorporation.
3. In the event of an act that offends public order and morals, or in the event that a director is found not to be performing his/her functions adequately due to negligence of duties, etc.
4. When there is a significant hindrance in the performance of duties.

3. Reasons for Adoption of Current Corporate Governance System

The Company has established a General Meeting of Shareholders, Board of Directors, Board of Corporate Auditors, and Accounting Auditors, as well as an Internal Audit Department to audit day-to-day operations. The Company has adopted this system because it believes that establishing a management structure that ensures sound and transparent management while at the same time maintaining efficiency will contribute to the Company's continued development.

III. Implementation of Measures for Shareholders and Other Stakeholders

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

	Supplementary Explanation
Early Posting of Notice of the General Meeting of Shareholders	The Company plans to accelerate its financial closing operations and to send out the convocation notice as soon as possible. In addition, the Company intends to post the notice on the Company's website as soon as possible.
Scheduling of the General Meeting of Shareholders on a Non-Peak Day	Since the Company's fiscal year ends in September, the Ordinary General Meeting of Shareholders is held in December each year, which is not considered to be a date of concentration.
Electronic Exercise of Voting Rights	The method of exercising voting rights by electromagnetic means is adopted.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	The Company participates in the platform for the electronic exercise of voting rights. Other measures to improve the environment for institutional investors to exercise their voting rights are items to be considered in the future.
Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	We provide the notice of convocation (summary) in English.
Other	In order to expand opportunities for participation in the General Meeting of Shareholders, the Company also uses the method of the Virtual General Meeting of Shareholders (attendance-type).

2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	The information is posted on the Company's website.	Applicable
Regular Investor Briefings held for Analysts and Institutional Investors	Briefings for analysts and institutional investors are held for each quarterly financial results	Held
Regular Investor Briefings held for Overseas Investors	Briefings for analysts and institutional investors are held for each quarterly financial results	Held
Online Disclosure of IR Information	Quarterly reports, presentation materials, transcripts, video materials, etc. are posted on the Company's website.	-
Establishment of Department and/or Placement of a Manager in Charge of IR	Administration is in charge of investor relations	-
Other	-	-

3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	The Company believes that earning the trust of our various stakeholders, including shareholders, customers, and business partners, is critical to the expansion of our business. In response to the changing business environment, we are building a management structure that enables rapid decision-making and business execution, and enhancing the management control system to ensure management efficiency.
Implementation of Environmental Preservation Activities and CSR Activities, etc.	The products we provide to our clients do not consume materials such as paper or energy for transportation. Our products utilize environmentally friendly cloud services that utilize renewable energy, such as GCP (Google Cloud Platform) and AWS (Amazon Web Service). We have selected GINZA SIX as our single office location because of its use of LED lighting, advanced high-efficiency equipment and systems, and building-wide efforts to reduce carbon dioxide (CO ₂) emissions. CO ₂ emissions from office air conditioning and travel are reduced

	through remote working and online use for business meetings.
Formulation of Policies, etc. on Provision of Information to Stakeholders	The Company proactively discloses information to our stakeholders through our website, financial results briefings, etc.
Other	-

IV. Matters Concerning the Internal Control System

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

The Company believes that the basis of corporate governance is to ensure compliance and fair and highly transparent management in order to continuously increase corporate value while maintaining soundness, and therefore, the corporate group consisting of the Company and its subsidiaries (hereinafter referred to as the “Group” or “Group Companies”) shall be governed as follows. The Company believes that corporate governance is fundamental to ensuring fair and transparent management of the Company.) The Company believes that the basis of corporate governance is to ensure the high level of management of the Company and its subsidiaries.

The items listed below are to confirm the systems already established and implemented by the Group companies, and we will continue to establish and implement systems that meet the needs of the time through constant review.

1. System to ensure that the execution of duties by directors and employees of group companies complies with laws, regulations, and the Articles of Incorporation

(1) In order to build a corporate culture in which directors and employees comply with laws, regulations, and the Articles of Incorporation in conducting business activities, the Company shall establish and properly operate various compliance-related rules and regulations, and the representative director shall educate directors and employees on the importance of compliance so that it becomes widespread. (2) An internal reporting system shall be established as a system for reporting compliance violations by all persons working for the Company, including Directors, Corporate Auditors, and employees, and rules for its operation shall be established and properly operated.

(3) In accordance with the internal audit rules, internal auditors shall conduct audits of the compliance system with laws, regulations, and the Articles of Incorporation, and evaluate the effectiveness of the system. If any correction or improvement is necessary as a result of the audit, it shall be immediately reported to the Representative Director and Corporate Auditors.

(4) The Company shall cooperate with attorneys, the police, and other authorities to respond to unreasonable demands from antisocial forces in a resolute and organized manner.

2. System for Storage and Management of Information Related to Execution of Duties by Directors

(1) The Company shall properly prepare, store, and manage information related to the execution of duties by Directors in accordance with laws and regulations, the Rules of the Board of Directors, and the Document Management Rules.

(2) The Company shall establish and operate a system to appropriately store and manage information handled in the course of business in accordance with the Information Security Regulations.

3. Regulations and other systems for managing risk of loss of group companies

(1) The Company shall establish Risk Management Regulations to strengthen the Company's risk management system, and risk assessment and response shall be promoted by the Administration Department.

(2) The Risk Management Committee shall deliberate on various risk management policies, etc., and report important matters to the Board of Directors as necessary. (3) The internal auditor shall audit the risk management system in accordance with the internal audit rules and evaluate its effectiveness. If there is a need for improvement of the system or its operation method, the Company shall immediately report such improvement to the Representative Director and Corporate Auditors.

4. Systems to Ensure Efficient Execution of Duties by Directors of Group Companies

(1) The Board of Directors shall be properly operated in accordance with the Articles of Incorporation and the Board of Directors Regulations, and meetings of the Board of Directors shall be held once a month in principle, or as needed.

(2) The Board of Directors shall make resolutions on important management matters in accordance with the Board of Directors Regulations, and shall report and discuss the status of business execution and other matters.

(3) In order to ensure the efficient execution of duties by Directors, the Company shall establish and appropriately apply the Organization Rules, the Rules on Division of Duties, the Rules on Administrative Authority, and the Rules on Decision-Making Process.

(4) As a system to ensure the efficient execution of duties by Directors, important matters concerning the execution of business operations related to management shall be resolved, discussed, and reported at the Company's Management Committee, which consists of the Representative Director, Directors (excluding Outside Directors), and Full-time Corporate Auditors of the Company. In principle, the Management Committee meets 21 times a month, and other meetings are held as necessary.

5. System to Ensure the Appropriateness of Operations at Group Companies

(1) While respecting the autonomy and independence of the management of subsidiaries, the Company shall strive to unify the control environment as a corporate group through business alliances and internal cooperation in order to contribute to the proper and efficient management of the entire group.

(2) The Company shall dispatch directors, employees, etc. to subsidiaries as necessary to strengthen the governance of the entire group and monitor management.

(3) The Company's administrative division in charge of compliance and risk management and other divisions in charge of internal control functions shall cooperate sufficiently with the subsidiaries with respect to the internal control established by the

subsidiaries in accordance with the Company and its proper operation status.

(4) The Company shall establish a basic policy on financial reporting and develop the necessary systems to ensure the appropriateness and reliability of financial reporting for the entire group.

6. Matters concerning employees to assist corporate auditors in the event that corporate auditors request that such employees be assigned to assist them in their duties, and matters concerning the independence of such employees from directors

(1) From the viewpoint of ensuring the effectiveness of audits, corporate auditors may request the Board of Directors to appoint employees to assist them in their duties (hereinafter referred to as “assistant employees”). (1) Corporate auditors may request the Board of Directors to establish employees to assist the duties of corporate auditors (hereinafter referred to as “assistant employees”) from the viewpoint of ensuring the effectiveness of audit.

(2) In the event that the Corporate Auditors appoint Assistant Employees, the Corporate Auditors shall endeavor to ensure a comfortable working environment for the Assistant Employees, including their performance of duties, workload, personnel evaluation, etc. (3) The selection of Assistant Employees shall be made by the Board of Directors.

(3) The Corporate Auditors shall discuss with the Directors the right of the Corporate Auditors to consent to the selection, transfer, evaluation, and disciplinary action of assistant employees, and the right of the Corporate Auditors to direct and order such assistant employees, and shall give due consideration to the independence of such assistant employees.

7. System for reporting to corporate auditors by directors and employees of group companies and other systems related to reporting to corporate auditors

(1) Corporate auditors shall attend meetings of the Board of Directors and other important meetings in order to understand important decision-making processes and the status of execution of duties.

(2) Corporate Auditors shall meet regularly with Representative Directors to receive explanations of management policies, business environment and progress, and exchange opinions on requests to enhance the effectiveness of audits.

(3) Corporate auditors shall receive reports on the status of establishment and operation of the internal control system from directors, administrative departments in charge of compliance and risk management, and other departments in charge of internal control functions on a regular and ad-hoc basis.

(4) The department in charge of the internal reporting desk shall immediately report to the corporate auditors the content and status of reports from the internal reporting system.

(5) The person in charge of internal audits shall report regularly to the corporate auditors on the audit plan and audit results, and the corporate auditors shall request investigations as necessary.

(6) The Corporate Auditors, in consultation with the Directors, shall establish a system to ensure that no person who reports to the Corporate Auditors or reports under the internal reporting system shall be treated unfavorably because of such report or report.

(7) The Board of Corporate Auditors shall be established for the purpose of sharing information on important audit-related matters and making decisions on matters common to all Corporate Auditors through communication among them and the provision and exchange of information and opinions on audit, management, business and other related matters.

8. Other Systems to Ensure the Effective Implementation of Audits by Corporate Auditors

(1) Meetings of the Board of Corporate Auditors shall be held once a month in principle, and as needed.

(2) Corporate Auditors shall regularly report to Representative Directors and the Board of Corporate Auditors on the status and results of audits.

(3) The Board of Corporate Auditors shall ensure adequate cooperation with the accounting auditor.

(4) Corporate Auditors may, upon consultation with the Representative Director, allocate expenses incurred in the performance of their duties to the budget in advance and receive advance payment or reimbursement from the Company for such expenses, together with any emergency or extraordinary expenses incurred.

(5) Corporate auditors may seek opinions from outside experts such as lawyers as necessary.

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

It is the Company's policy not to have any relationship with antisocial forces and to take a firm stand against any unreasonable demands. The Company regularly holds management meetings and other major meetings of the Company, as well as general meetings, to ensure that all employees are fully aware of the contents of the policy. As a system for eliminating antisocial forces, the Company has established regulations for dealing with antisocial forces and has designated a department for dealing with antisocial forces as an administrative department.

New clients and new hires are screened through article searches, credit check company information searches, and other methods to determine whether or not they fall under the category of antisocial forces. When a client applies to use our “KARTE” service, the application is accepted only after the client agrees to our Terms of Service, which includes a provision that excludes antisocial forces. In addition, we include a provision for the exclusion of antisocial forces in the contracts we conclude with our agents.

Existing customers are examined once a year, in principle, for more than one year since the previous survey, in the same manner as when a new transaction is initiated. In addition, in contracts, rules, and clauses that stipulate the legal relationship between parties to a transaction, the Company includes an exclusion clause that allows the termination of the contract if it is found that the counterparty is an individual, company, or organization associated with antisocial forces, etc. In the event of undue demands by antisocial forces, the Company has established a cooperative system in the event of an emergency by cooperating with outside professional organizations such as legal advisors and the National Center for the Elimination of

Boryokudan (organized crime).

V. Other

1. Adoption of Anti-Takeover Measures

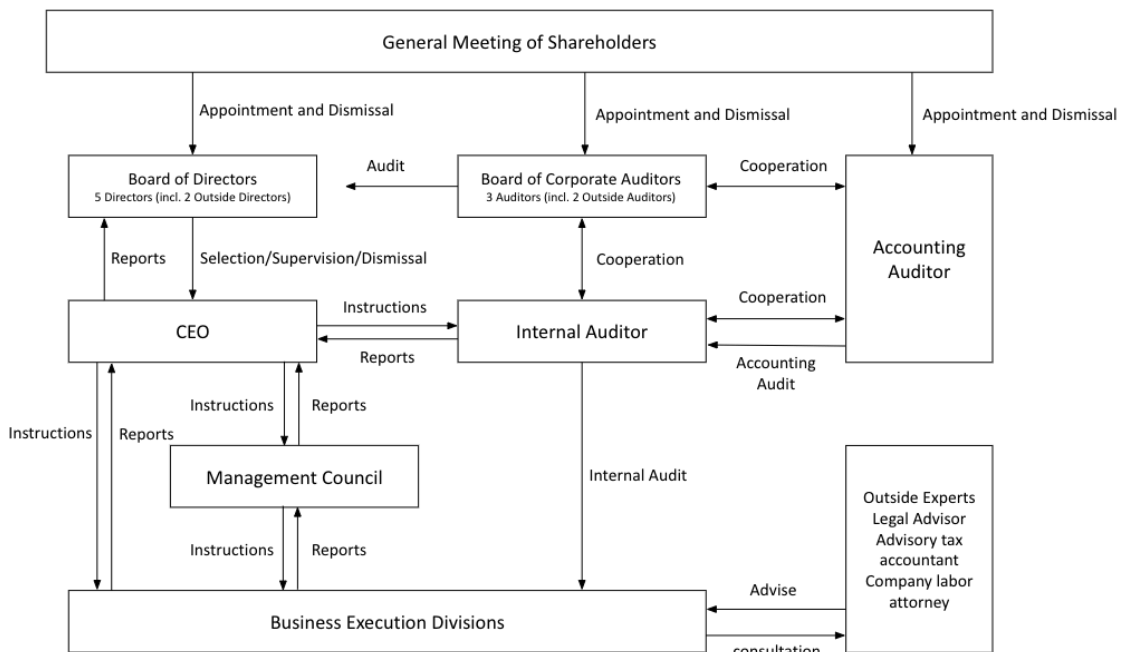
Adoption of Anti-Takeover Measures

Not Adopted

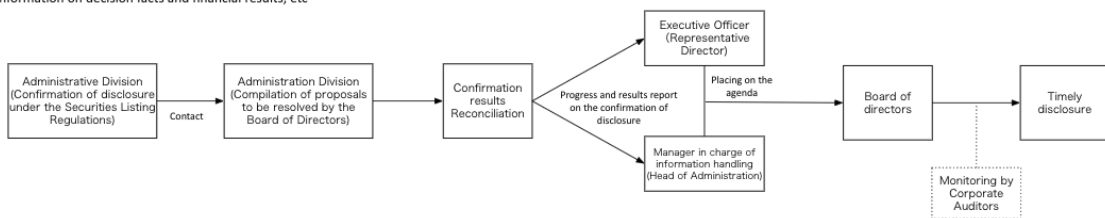
Supplementary Explanation for Applicable Items

-

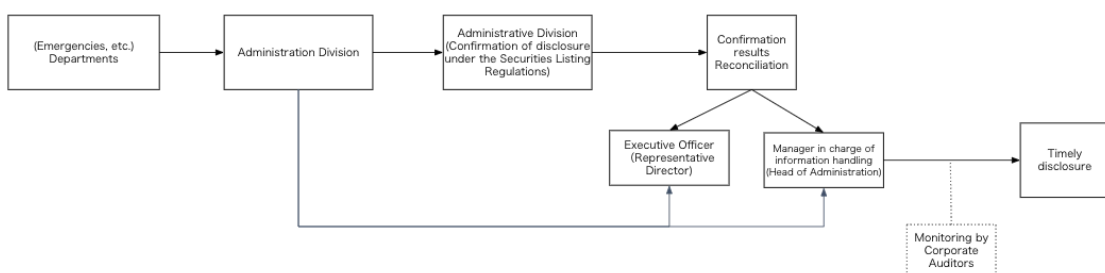
2. Other Matters Concerning the Corporate Governance System



Information on decision facts and financial results, etc.



Information on the fact of incidence, etc.



END