Last Update: July 1, 2026

Focus Systems Corporation

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The status of corporate governance of Focus Systems Corporation (the "Company") is as follows:

I Basic Stance on Corporate Governance, Shareholder Composition, Company Data, and Other Basic Information

1. Basic Stance

We will build a management system with transparency and fairness in order to respond to the trust of stakeholders such as customers, shareholders, business partners, and employees, and to achieve sustainable growth and medium- to long-term corporate value enhancement.
In addition, we will make prompt and decisive decisions in response to changes in the business environment, while strengthening supervisory functions and striving to enhance corporate governance.
The Basic Policy on Corporate Governance we have established is available on our website.
About Focus Systems (Corporate Governance): https://en.focus-s.com/sustainability/corporate_codeofconduct/corporategovernancepolicy

[Reasons for Not Implementing Principles of the Corporate Governance Code] Updated

(*) This report is based on the revised Corporate Governance Code issued in June 2021.

[Supplementary Principle 1.2.3 Exercise of Shareholder Rights at General Meetings of Shareholders]
In determining dates of General Meetings of Shareholders, we take into consideration the fact that we wish to carefully process our financial closing procedures while allowing sufficient time for the preparation of statutory documents and audits, as well as the period of time required for the convocation procedures. We do not have a particular intention to hold General Meetings of Shareholders on dates when most other companies hold their Ordinary General Meeting of Shareholders.

[Supplementary Principle 2.4.1 Securing Diversity, Including Active Participation of Women]
<Position on Securing Diversity in the Appointment and Promotion of Core Personnel>
We believe that human resources are the driving force behind our medium- to long-term business expansion and the enhancement of our corporate value. To achieve the vision set out in our Medium-Term Management Plan 27-29, we have positioned the following as our top management strategy priorities: securing specialist talent with the latest technical know-how and consulting expertise; developing and implementing diverse training approaches; undertaking initiatives to improve employee retention.
Based on this stance, we disclose information pertaining to the goals and progress toward ensuring diversity, as outlined below.
1. Appointment of Female Employees to Leadership Positions
We have established the following targets in line with the Action Plan Based on the Act on Promotion of Women’s Participation and Advancement in the Workplace, and are promoting the relevant initiatives.
Target: Increase the proportion of women in Kakaricho class (Chief position) to at least 10% by the end of March 2028.
Progress: We achieved the target ahead of schedule, with 30 women in the class (accounting for 15.4% of all employees in Chief position) as of March 31, 2026.
We will continue to focus on further strengthening female leadership capacity in the field.
2. Hiring of Mid-career Talent
Approach: We are actively promoting the hiring of mid-career talent with the aim of securing specialist talent and ensuring diversity within the company.
From the perspective of building the optimal human resource portfolio to adapt to changes in the operating environment, we have established a flexible hiring policy that takes into consideration job market trends and maintaining an appropriate balance with our regular employees.
Therefore, we have not established uniform targets; instead, we focus on creating an environment that fully leverages the experience and capabilities of mid-career hires and enables them to quickly become core members of the company.
Results: The number of mid-career hires is 469 (accounting for 32.7% of all employees) as of March 31, 2026.
Furthermore, 85 of these mid-career hires are in managerial positions (accounting for 35.6% of all managers).
3. Hiring of Foreign Talents
Approach: As we are currently focused on developing our domestic business, we have not established a specific numerical target for foreign talent.
Meanwhile, we recognize the importance of creating synergies through the integration of diverse values. By conducting fair hiring and promotion evaluations based on competencies and qualifications, regardless of nationality, we continue to ensure that individuals are assigned to roles most suitable for them.

<Human resources development policy>
In order to develop human resources who can respond to the rapidly changing market, we provide a wide variety of training curricula to encourage self-development of employees, and to develop company employees equipped with superior knowledge, skills, judgment, and capability to develop plans and proposals.
Details of specific initiatives are available on our website.
Education: https://en.focus-s.com/recruit/graduates/environment/education

<Policy for improving the internal environment>
We aim to create a comfortable working environment based on one of the three pillars of our management vision, "We shall create a company where employees trust each other and work with a sense of assurance and satisfaction."
Principles around specific initiatives and details of concrete initiatives are outlined below.
○ Work-life balance
We aim to be a company that allows employees to choose a way of working that matches their individual lifestyles and life cycles regardless of gender or age, and that helps them balance work and life.
○ Diversity
We are working to create an environment where all employees with a wide variety of personalities and values can work with satisfaction and vitality.
With a focus on the continued employment of women and the ratio of women in managerial positions, we have established, and are

working toward achieving, the following targets.
Target 1: Increase the proportion of women in Chief positions to at least 10% by the end of March 2028.
Target 2: Maintain a minimum of 35% of male employees taking leave for child-rearing purposes ("Childcare Leave" or our internal leave program, "Special Paternity Leave").
Target 3: Maintain a return rate of 90% or more for female employees after they have taken childcare leave. (Excluding, however, resignations due to external factors, such as transfer assignment of spouse)

<Initiatives to achieve targets>
1. Enhancement of education systems to achieve active participation of women
  - Expansion of the lineup of seminars focusing on topics related to women's careers
  - Distribution of e-learning sessions on women's health
  - Review of the possible utilization of external counselors
2. Raising awareness within the company of the work-life balance support system (childcare and work)
  - Introducing examples of male employees taking childcare leave
  - Introduction of available work-life balance support systems and welfare services
  (e.g., review and dissemination of pamphlets for employees and managers)

○ Health management
We view employee health as a key organizational asset, and are actively committed to promoting the mental and physical health and well-being of all staff.

Other details of specific initiatives are available on our website.
Sustainability > Society: https://en.focus-s.com/sustainability/social

[Supplementary Principle 5.2.1 Establishing and Disclosing Business Strategies and Business Plans]
To enhance medium- to long-term corporate value, we are engaged in efforts to refine our management methods for a more precise analysis and evaluation of the profitability and capital efficiency of each business.
Furthermore, with regard to the basic policy and review processes for our business portfolio, we are currently considering the most appropriate evaluation methods to reflect changes in business characteristics and operating environment. Based on views and feedback received from our shareholders through dialogue, we aim to make the information publicly available at a stage where effective disclosure is possible.

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

[Principle 1.4 Cross-Shareholdings]
<Standards and basic views on classification of investment shares>
We classify investment shares held solely for the purpose of gaining profit from fluctuations in values of shares or receipt of dividends as "Investment shares held purely for investment purposes," and all other investment shares as "Cross-Shareholdings". The purpose of our cross-shareholdings is to strategically hold listed shares that we consider to be beneficial and important for maintaining and strengthening cooperative relationships for the continuous development of our business, thereby enabling the companies in which we hold shares, as well as the Company, to enhance their medium- to long-term corporate value.
<Methods of Verifying the Appropriateness of Cross-shareholdings>
Decisions on the acquisition, additional acquisition, continued holding, sale, and other matters concerning cross-shareholdings shall be made by the Board of Directors. The Company comprehensively verifies such holdings from the perspective of enhancing medium- to long-term corporate value, taking into account factors such as the potential for creating synergies, dividends, unrealized gains and losses, cost of capital, and the business continuity of the relevant companies, and discloses the results of such verification.
In principle, if the significance or rationale for holding such shares is no longer recognized, the Company will proceed with reducing such holdings while seeking the understanding of the relevant companies.
If an investee company indicates its intention to sell its shares in the Company, such intention shall be respected and consent granted for the sale.

<Criteria for Exercising Voting Rights in Relation to Cross-shareholdings>
In exercising voting rights, the Company comprehensively examines whether each proposal can be expected to enhance the medium- to long-term corporate value of the Company and the investee companies, and whether it may lead to impairment of shareholder value. If any doubts arise, the Company will request an explanation from the relevant company and make an appropriate decision in exercising its voting rights.

[Principle 1.7 Related Party Transactions]
The Regulations of the Board of Directors provide that we shall obtain the prior approval of the Board of Directors in the event that we conduct transactions with our officers or major shareholders (transactions between related parties) to ensure that such transactions do not harm the interests of the Company or common interests of our shareholders, nor raise any such concerns.

[Principle 2.6 Roles of Corporate Pension Funds as Asset Owners]
As we have adopted a defined contribution pension plan (DC) and do not manage the reserves of corporate pension funds, there is no financial impact to the Company in this regard. In addition, we strive to develop administrative staff acting as the contact point for pensions, and to enhance financial literacy of employees through e-learning, etc.

[Principle 3.1 Full Disclosure]

3.1 i)
We have established our Management Philosophy, Medium-Term Management Plan, and Corporate Code of Conduct, which are disclosed on the Company's website.
We have launched a new Medium-Term Management Plan (from the fiscal year ending March 31, 2027 to the fiscal year ending March 31, 2029), and we are advancing a growth strategy that is adapted to the changes in the business environment.
Management Philosophy: https://en.focus-s.com/company/philosophy
Medium-Term Management Plan: https://www.focus-s.com/company/20260515_middle_term_business_plan-E.pdf
Corporate Code of Conduct: https://en.focus-s.com/sustainability/corporate_codeofconduct

3.1 ii)
Our basic philosophy and basic policy on corporate governance are disclosed on our website.
Corporate Governance: https://en.focus-s.com/sustainability/corporate_governance

3.1 iii)
For details on the determination of remuneration of our Directors, please refer to [Incentive] [Directors' remuneration] in "II-1. Matters

Concerning Organizational Form and Organizational Management" of this report.

3.1 iv)
The outline of our policy and procedures for nomination of candidates for Directors and Audit and Supervisory Board Members is as follows:
○ Nomination policy
In order to achieve sustainable improvement of the Company's corporate value, the Company shall select, from a wide range of diverse human resources, individuals who satisfy the nomination criteria set by the Company, and shall give consideration to the balance of skills and knowledge of all officers when making a nomination.
○ Nomination procedures
The President and Representative Director shall prepare a draft proposal of the candidates based on the nomination policy and the nomination criteria, and shall consult with the Nomination Advisory Committee.
The Nomination Advisory Committee shall deliberate on whether the draft proposal has been appropriately prepared in accordance with the nomination criteria and the selection process, and report the results thereof to the Board of Directors.
The Board of Directors shall deliberate on the matter based on the report of the Nomination Advisory Committee, and decide on the candidates to be presented to the General Meeting of Shareholders for approval.
○ Procedures for appointing senior management members
The President and Representative Director shall prepare a draft list of senior management member candidates from among the Directors elected at the General Meeting of Shareholders, possessing experience, skills, leadership, medium- to long-term vision, and high ethical standards suitable for a person to assume the role of supervising management decision-making and business execution, and present this list for consultation with the Nomination Advisory Committee. The Nomination Advisory Committee shall deliberate on the draft list and report the results thereof to the Board of Directors. The Board of Directors shall then deliberate and decide on the senior management members based on the report of the Nomination Advisory Committee.

3.1 v)
Explanations regarding the nomination of candidates for Directors and Audit and Supervisory Board Members are provided on our website.
General Meeting of Shareholders: https://en.focus-s.com/ir/library/meeting

[Supplementary Principle 3.1.3 Full Disclosure]
We have positioned the achievement of both a sustainable society and the ongoing enhancement of corporate value as an important management issue. To address this, we have established our Basic Policy on Sustainability. Our initiatives, our approach to investing in human capital and intellectual property as well as our initiatives based on the Task Force on Climate-related Financial Disclosures (TCFD) framework, are outlined as follows.
1. Investing in Human Capital
We define "specialist talent" as exceptional talents with the latest technical know-how and consulting expertise to help us achieve the vision set forth in our Medium-Term Management Plan 27-29, and we aim to secure and develop such specialist talent.
・Specific Details of Investment
We will invest actively in skills development tailored to the aptitude and career path of individuals, and in education aimed at increasing the number of project managers, with a view to nurturing specialist talents capable of providing higher-quality services.
2. Investing in Intellectual Property
We consider our in-depth knowledge of customers' operations and advanced technical expertise, accumulated across our wide range of business domains, as intangible assets that are the source of our corporate value.
・Specific Details of Investment
Leveraging our strength of flexible technological capabilities that are not reliant on specific patents, etc., we will drive investment toward enhancing the sophistication and efficiency of our services and strengthening our consulting business. By doing so, we aim to reduce delivery times and enhance quality while diversifying our revenue sources, thereby establishing our position as our customers' strategic partners to create ongoing business opportunities.
3. Responding to Climate Change (TCFD, etc.)
We analyze and evaluate the impact that climate change-related risks and earning opportunities may have on the Company in line with the following four frameworks (governance, strategy, risk management, and metrics and targets), based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).
Specific details of the analysis conducted on these four items, as well as other details including greenhouse gas (GHG) emission reduction targets, are published on the Company's website.
Sustainability: https://www.focus-s.com/sustainability
4. Sustainability and Governance
The Company has established the Sustainability Committee as a governance body that deliberates on important matters related to sustainability.
・Activity status: The Sustainability Committee convenes five times a year in accordance with its annual plan. It reviews progress toward the achievement of the First Materiality Promotion Plan formulated based on the Basic Policy on Sustainability, reports and submit proposals to the Board of Directors regarding responses to issues and other matters, and promotes initiatives toward the integration of business management and sustainability.

[Supplementary Principle 4.1.1 Roles and Responsibilities of the Board of Directors (1)]
The current corporate governance system is described in "II-2. Matters Concerning Business Execution, Audit and Supervision, Nomination, Remuneration and Other Functions" of this report.
Our Organizational Regulations stipulate our organizational structure for corporate governance, and the Board of Directors, as the decision-making body for our business management, deliberates and decides on statutory matters, as well as deciding or approving basic management policies and important matters related to the execution of business operations, and supervises the status of business execution.
In addition, the Regulations on Delegation of Authority define the duties of Directors according to their positions, and specifically stipulate which matters are to be decided and approved by Directors and the Board of Directors, and which matters are to be reported to Directors and the Board of Directors.

[Principle 4.9 Independence Standards and Qualification for Independent Outside Directors]
Please refer to II-1. Matters Concerning Organizational Form and Organizational Management of this report.

[Supplementary Principle 4.10.1 Use of Optional Approach]
We have established the Nomination Advisory Committee and the Compensation Advisory Committee. For details, please refer to "II-1. Matters Concerning Organizational Form and Organizational Management" of this report.

[Supplementary Principle 4.11.1 Preconditions for Ensuring the Effectiveness of the Board of Directors and Audit and Supervisory Board]
Currently, the Company has 11 Directors with diverse knowledge, experience, and skills (four of whom are Independent Outside Directors and three of whom are female Outside Directors) on its board.
Independent Outside Directors possess management experience from other companies and deep insights in their field of specialization. By further strengthening advice and oversight functions based on such diverse perspectives, we aim to enhance the effectiveness of the Board of Directors.
To achieve the goals set forth in our Medium-Term Management Plan 27-29, we have identified the skills that the Board of Directors as a

whole should be equipped with, and upon deliberation within the Nomination Advisory Committee, established a skills matrix that summarizes the collective knowledge, experience, and skills of the Board of Directors. This is disclosed in the convocation notice of the Ordinary General Meeting of Shareholders.
General Meeting of Shareholders: https://en.focus-s.com/ir/library/meeting

[Supplementary Principle 4.11.2 Preconditions for Ensuring the Effectiveness of the Board of Directors and Audit and Supervisory Board]
No concurrent positions in other listed companies are held by either Directors (including Outside Directors) or Audit and Supervisory Board Members (including Outside Audit and Supervisory Board Members).
The status of concurrent positions held by Outside Directors and Outside Audit and Supervisory Board Members in other listed companies, as of the end of our most recent fiscal year, is as stated in "Matters concerning Directors and Audit and Supervisory Board Members" in the convocation notice of the Ordinary General Meeting of Shareholders for the relevant fiscal year, which is available on the Company's website.
The status of concurrent positions held by Directors and Audit and Supervisory Board Members in other listed companies is as stated in "Matters concerning Directors and Audit and Supervisory Board Members" in the convocation notice of the Ordinary General Meeting of Shareholders for the relevant fiscal year, which is available on the Company's website.

[Supplementary Principle 4.11.3 Preconditions for Ensuring the Effectiveness of the Board of Directors and Audit and Supervisory Board]
In order to clarify the roles and responsibilities to be performed by the Board of Directors, and to identify and visualize issues, and ensure the effectiveness of the Board of Directors through improvement of such issues, the Board of Directors analyzes and evaluates the status of operations, etc., of the Board of Directors with the support of external organizations. The following is a summary of the results for the fiscal year ended March 31, 2026.

1. Method of Evaluation
   Subject persons: Directors and Audit and Supervisory Board Members (12 in total)
   Period: September 24 to October 8, 2025
   Format: Self-evaluation method (anonymous questionnaire) with third-party involvement commissioned to an external organization
2. Outline of Evaluation

(1) Details of evaluation method
A five-point scale and open-ended questions (40 questions in 12 categories)
<Categories>

a. How Board of Directors should be	d. Deliberations within Board of Directors	g. Performance of Outside Directors	j. Dialog with shareholders/investors
b. Composition of Board of Directors	e. Monitoring role of Board of Directors	h. Support system for Directors and Audit and Supervisory Board Members	k. Individual initiatives
c. Management of Board of Directors	f. Performance of Inside Directors	i. Training	l. Overall

(2) Summary of evaluation results
The questionnaire results indicated that the Board of Directors meets the suitability requirements as per the questions on factors such as composition and management thereof. In particular, we have received positive assessments on the diversity of our Board of Directors (increased proportion of female Directors) and the strengthened collaboration with the nomination, remuneration, and other committees (increased opinions, proposals, and reports from the committees). Based on such feedback, we recognize that the effectiveness of the Board of Directors is being upheld.
On the other hand, we have observed challenges that should be addressed, including promoting more dynamic discussions within the Board of Directors, ensuring the effectiveness of succession plans, and developing an appropriate structure, including efforts to ensure an optimal ratio of Independent Outside Directors and female Directors.
Going forward, we will continue to drive efforts aimed at improving the quality of discussions, including addressing the issues outlined above, so as to ensure that the Company's Board of Directors can engage in substantive discussions from even more diverse perspectives.

[Supplementary Principle 4.14.2 Training for Directors and Audit and Supervisory Board Members]
Our basic principle is for Directors and Audit and Supervisory Board Members to acquire the knowledge and skills that they need through self-development. We support the cost of training sessions, etc., as well as providing information on training sessions, etc., as necessary.

[Principle 5.1 Policy for Constructive Dialogue with Shareholders]
Our policy for the development of systems and initiatives to promote constructive dialogue with our shareholders, etc., is as follows.

(i) We have established specialized departments (IR,PR Division) to promote constructive dialogue with our shareholders.
(ii) In addition to strengthening cooperation by placing the department responsible for IR and the department responsible for accounting on the same floor, we have enhanced the sharing of IR information with other IR-related departments.
(iii) For institutional investors, we hold financial results briefing sessions on business results, etc., when we conduct our year-end closing, and actively respond to requests for individual dialogue (interviews).
As for individual investors, we provide opportunities for dialogue by holding briefing sessions for individual investors, and actively respond to inquiries made via the form on our website.
(iv) We report opinions, requests, concerns, etc., received from shareholders to the Board of Directors on a regular basis, in addition to responding appropriately and taking other actions as necessary. We also share and utilize the information with management and other internal organizations as necessary.
(v) With regard to the management of insider information, in addition to ensuring daily management based on the Insider Trading Management Regulations and the ISMS, we also establish "quiet periods" for IR activities.

[Action to Implement Management that is Conscious of Cost of Capital and Stock Price]

Content of disclosure	Disclosure of initiatives (Update)
Availability of English disclosure	Available
Date of disclosure update	October 27, 2025

Explanation of actions

< Action to Implement Management that is Conscious of Cost of Capital and Stock Price >
We pursue an optimal capital structure aligned with our growth stage and risk tolerance to strike the right balance among growth investments, financial stability, and shareholder returns, and by clearly linking our shareholder return policy to investment outcomes, we

aim to elevate market expectations for growth and reinforce investor confidence in the capital markets.

Details regarding our Situation Analysis and Key Initiatives of our company are available on our website.
（Japanese）
https://www.focus-s.com/ir/20251027_cost.pdf

（English）
https://en.focus-s.com/ir/20251027_cost-E.pdf

2. Shareholder Composition

Percentage of shares held by foreign shareholders	Less than 10%

[Status of Major Shareholders] Updated

Name or trade name	Number of shares held	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,469,900	10.03
FRONTEO, Inc.	900,000	6.14
Focus Systems Employee Shareholders Association	703,200	4.80
The Nomura Trust and Banking Co., Ltd.(Investment Trust Account)	664,982	4.53
BBH FOR FIDELITY LOW-PRICED STOCK FUND	379,737	2.59
Hatayama Yoshifumi	369,200	2.52
Custody Bank of Japan, Ltd. (Trust Account)	360,100	2.45
STATE STREET BANK AND TRUST CLIENTOMNIBUS ACCOUNT OM02 505002	319,000	2.17
Mori Keiichi	272,800	1.86
Iwasaki Yasuji	263,000	1.79

Has a controlling shareholder (excluding parent company)	―――
Has a parent company	No

Supplementary Explanation Updated

1. On October 11, 2011, the Company submitted a Large Shareholding Report for the repurchase of its own shares.
2. On October 1, 2015, the Company conducted a stock split by splitting one (1) share of common stock into two (2) shares.
3. In addition to the above, the Company holds 1,644,462 shares of treasury stock.
4. The ratio of the number of shares held to the total number of shares issued is calculated by subtracting the number of treasury shares from the number of shares issued.

3. Company Data

Stock listings and market	Tokyo Stock Exchange Prime section
Fiscal year-end	March
Business type	Information and communications business
Number of employees (consolidated) at the end of the most recent fiscal year	More than 1,000
Net sales (consolidated) in the most recent fiscal year	More than 10 billion yen but less than 100 billion yen
Number of consolidated subsidiaries at the end of the most recent fiscal year	Less than 10 companies

4. Policy Concerning Protection of Minority Interests When Transacting with Controlling Shareholders

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5. Other Special Circumstances That Could Materially Affect Corporate Governance

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II Management Organization and Other Corporate Governance Systems Concerning Management Decision-making, Execution, and Supervision

1. Matters Concerning Organizational Form and Organizational Management

Organizational form	Company with Audit and Supervisory Board Members

[Directors]

Number of Directors under the Articles of Incorporation	15
Term of office of Directors under the Articles of Incorporation	2 years
Chairperson of the Board of Directors	President
Number of Directors Updated	11
Appointment of Outside Directors	Yes
Number of Outside Directors Updated	4
Number of Outside Directors Designated as Independent Directors Updated	4

Relationship with the Company (1) Updated

Name	Attribute	Relationship with the Company (*)										
		a	b	c	d	e	f	g	h	i	j	k
Seo Sadataka	Certified public tax accountant								△			▲
Araya Mayumi	Lawyer											
Akiyama Erika (registered name: Mochizuki Erika)	Academic										△	
Yamao Yuriko	From another company								△			

*** Choices regarding the relationship with the Company**
*** "○" when the category applies to the Director currently or recently; "△" when the category applied to the Director in the past**
*** "●" when the category applies to a close relative of the Director currently or recently; "▲" when the category applied to a close relative of the Director in the past**

a Executive of the Company or its subsidiaries
b Executive or non-executive director 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 Company or an executive thereof
f Consultant, accountant, or legal professional who receives a large sum of money or other property from the Company in addition to compensation as a Director or Audit and Supervisory Board Member
g Major shareholder of the Company (if the major shareholder is a corporation, an executive of that corporation)
h Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the said executive only)
i Executive of a company with which the Company has a relationship of mutual appointment for outside directors and outside audit and supervisory board members (the said executive only)
j Executive of a company receiving donations from the Company (the said executive only)
k Others

Relationship with the Company (2) Updated

Name	Independent Director	Supplementary explanation of applicable items	Reason for the appointment
Seo Sadataka	○	From 2013 to 2018, the Company had a contract with Mr. Seo as an advisory certified public tax accountant, but the contract has been terminated upon his appointment as an Outside Director. Mr. Seo's father (Mr. Seo Mitsunari) was appointed as an Outside Audit and Supervisory Board Member from	Mr. Seo has a high level of specialized knowledge in accounting, tax, and finance, backed by his extensive practical experience as a certified public tax accountant. We expect he will provide accurate advice and oversight to the Board of Directors. Furthermore, as the head of the Compensation Advisory Committee, he provides oversight, from an objective and neutral standpoint, over decision-making processes in relation to the remuneration of Directors.

		1990 to 2012.	In light of these achievements, we are confident that he will be able to continue contributing to the strengthening of the Company's corporate governance, and to the maintenance of the Board of Directors' oversight functions. Based on the criteria for independence established by the Tokyo Stock Exchange, he is deemed to be in an independent position with no conflicts of interest with our general shareholders, and has therefore been designated as an Independent Director.
Araya Mayumi	○	———	Ms. Araya has a strong track record as a lawyer handling corporate legal affairs and civil cases, and is also highly proficient in a number of areas including compliance, risk management, labor, and diversity. As the head of the Nomination Advisory Committee, she provides oversight over decision-making processes in relation to important matters pertaining to the nomination of Directors. In light of these achievements, she is deemed qualified to continue monitoring and supervising the Company's management from an objective perspective, and we are confident that she will be able to provide insights and advice by drawing from her expert legal knowledge and experience. Based on the criteria for independence established by the Tokyo Stock Exchange, she is deemed to be in an independent position with no conflicts of interest with our general shareholders, and has therefore been designated as an Independent Director.
Akiyama Erika (registered name: Mochizuki Erika)	○	The Company donated 2 million yen to the Fujimura Gakuen school, of which Akiyama Erika is a director, in FY2021, and another 2.5 million yen in FY2022. In light of the size of these donations, there is not considered to be any danger of influence on decision-making in regards to shareholders and investors.	Ms. Akiyama has a high level of specialized knowledge in personnel development, diversity, sport and health, and risk management backed by her extensive experience as an educator. She provides precise advice and oversight to the Board of Directors from a professional perspective on human capital management. As a member of both the Nomination and Compensation Advisory Committees, she contributes to strengthening the Company's corporate governance, such as through oversight, from an objective and neutral standpoint, over decision-making processes in relation to the nomination and remuneration of Directors. In light of these achievements, we are confident that she will be able to continue contributing to the strengthening of the Company's corporate governance, and to the maintenance of the Board of Directors' oversight functions. Based on the criteria for independence established by the Tokyo Stock Exchange, she is deemed to be in an independent position with no conflicts of interest with our general shareholders, and has therefore been designated as an Independent Director.
Yamao Yuriko	○	In 2016, the Company outsourced customer outreach services for an IR fair to Main Co., Ltd. under then-Representative Director, Ms. Yuriko Yamao. In 2019, we outsourced emceeing services for a general meeting to the same company. Both of these transactions were for one-time services with low transactional values. Accordingly, we have determined that these transactions are unlikely to influence the judgment of our shareholders and investors.	Ms. Yamao has practical experience working in the front lines of organizational operations and management as the founder of a comprehensive human resource coordination company, along with extensive experience as a lecturer in the fields of human resource development and branding. We are confident that her extensive and diverse experience and expertise will contribute to advancing human capital management in the Company and improving the quality of internal and external communications. We also believe that she will contribute to strengthening the Board of Directors' oversight functions and support management through her insights and advice. Based on the criteria for independence established by the Tokyo Stock Exchange, she is deemed to be in an independent position with no conflicts of interest with our general shareholders, and has therefore been designated as an Independent Director.

Voluntary Establishment of Committees Corresponding to a Nomination Committee or Compensation Committee	Yes

Details of Establishment and Composition of the Committee, and Attributes of the Chairperson

	Name of Committee	Number of Committee Members	Number of Full-time Members	Number of Inside Directors	Number of Outside Directors	Number of Outside Experts	Number of Other Members	Chairperson
Any Committee Equivalent to a Nominating Committee	Nomination Advisory Committee	5	0	2	3	0	0	Outside Director
Any Committee Equivalent to a Compensation Committee	Compensation Advisory Committee	5	0	2	3	0	0	Outside Director

Supplementary Explanation Updated

We established the Nomination Advisory Committee and the Compensation Advisory Committee under the Board of Directors, with the aim of strengthening the independence, objectivity, and transparency of the functions of the Board of Directors in relation to the nomination and compensation of Directors and Audit and Supervisory Board Members, as well as enhancing corporate governance.
The Board of Directors consults with each advisory committee in accordance with the rules established for each, and makes final decisions on each agenda item, respecting the reports received from the committees.
The outline of the Advisory Committees is as follows:
1. Appointment of Members
The members of the Nomination Advisory Committee and the Compensation Advisory Committee are determined by resolution of the Board of Directors, based on the principle that the majority of the members should be Independent Outside Directors. The chairperson of each committee is appointed from among the members who are Independent Outside Directors by resolution of the members of the committee.
2. Roles of Members of Each Committee
(1) Roles of Members of the Nomination Advisory Committee
Consultation on overall matters stipulated in the Nomination Advisory Committee Regulations, such as matters concerning the determination or election of candidates for Directors
(2) Roles of Members of the Compensation Advisory Committee
Consultation on overall matters stipulated in the Compensation Advisory Committee Regulations, such as matters concerning the determination of remuneration for Directors
3. Status of Activities of Advisory Committees (Frequency of Meetings, Main Agenda Items, Attendance of Individual Members, etc.)
(1) Nomination Advisory Committee
The committee met seven times a year, based on the annual plan.
Discussions were held based on matters referred by the Board of Directors, with the agenda items centered around the selection of and deliberations on Director and Executive Officer candidates based on the succession plan, evaluation of the successor development program, and the formulation of a skills matrix and implementation of a Board of Directors effectiveness assessment along with the evaluation of the analysis results thereof.
(2) Compensation Advisory Committee
The committee met five times a year, based on the annual plan.
Discussions were held based on advice from the Board of Directors, with the agenda items centered around an objective analysis and current status analysis of the remuneration for the Company's directors using external survey data, as well as specific deliberations toward revising the directors' remuneration system with the aim of enhancing its performance-based elements.
4. Details of Establishment of the Secretariat Office and its Size
The secretariat office is established in the General Affairs Division of the Corporate Management Headquarters, and has a staff of three employees who serve concurrently on multiple committees.

[Audit and Supervisory Board Members]

Establishment of Board of Audit and Supervisory Board	Yes
Number of Audit and Supervisory Board Members under the Articles of Incorporation	4
Number of Audit and Supervisory Board Members	4

Cooperation among Audit and Supervisory Board Members, the Financial Auditor, and the Internal Auditor's Office Updated

The Audit and Supervisory Board exchanges views with the audit firm that serves as the Financial Auditor on audit plans, auditing methods, and other important matters for the quarterly and full-year financial statements, in order to ensure the independence and appropriateness of audits.
The Internal Auditor’s Office periodically reports to the Audit and Supervisory Board on the implementation status of internal audits and important matters thereof, based on the audit plans prepared by the Audit and Supervisory Board after the General Meeting of Shareholders.
The Audit and Supervisory Board, Financial Auditor, and Internal Auditor's Office share information and exchange opinions where necessary, in order to enhance the effectiveness of audits.

Appointment of Outside Audit and Supervisory Board Members	Yes
Number of Outside Audit and Supervisory Board Members	2
Number of Outside Audit and Supervisory Board Members Designated as Independent Audit and Supervisory Board Members	2

Relationship with the Company (1)

Name	Attribute	Relationship with the Company (*)												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Matsubara Yoko	Certified public tax accountant													
Hagiwara Kiyomi	Certified public tax accountant													

* Choices regarding the relationship with the Company
* "○" when the category applies to the Audit and Supervisory Board Member currently or recently; "△" when the category applied to the Audit and Supervisory Board Member in the past
* "●" when the category applies to a close relative of the Audit and Supervisory Board Member currently or recently; "▲" when the category applied to a close relative of the Audit and Supervisory Board Member in the past

a Executive of the Company or its subsidiaries
b Non-executive Director or accounting advisor of the Company or its subsidiaries
c Executive or non-executive director of a parent company of the Company
d Audit and Supervisory Board Member of the parent company of the Company
e Executive of a fellow subsidiary company of the Company
f A party whose major client or supplier is the Company or an executive thereof
g Major client or supplier of the Company or an executive thereof
h Consultant, accountant, or legal professional who receives a large sum of money or other property from the Company in addition to compensation as a Director or Audit and Supervisory Board Member
i Major shareholder of the Company (if the major shareholder is a corporation, an executive of that corporation)
j Executive of a client or supplier company of the Company (which does not correspond to any of f, g, or h) (the said executive only)
k Executive of a company with which the Company has a relationship of mutual appointment for outside directors and outside audit and supervisory board members (the said executive only)
l Executive of a company receiving donations from the Company (the said executive only)
m Others

Relationship with the Company (2) Updated

Name	Independent Director/Audit and Supervisory Board Member	Supplementary explanation of applicable items	Reason for the appointment
Matsubara Yoko	○	———	Ms. Matsubara has a high level of specialized knowledge and experience in accounting, tax, and finance, which she has cultivated as a certified public tax accountant, and is therefore deemed qualified to provide objective oversight and supervision on the Company's management. Based on the criteria for independence established by the Tokyo Stock Exchange, she is deemed to be in an independent position with no conflicts of interest with our general shareholders, and has therefore been designated as an Independent Director.
Hagiwara Kiyomi	○	———	Ms. Hagiwara possesses a high level of specialized knowledge and extensive practical experience in accounting, tax, and finance as a certified public tax accountant. We are confident that she will be able to monitor and supervise the Company’s management from an objective perspective, and to contribute to improving the reliability of our financial reports by providing advice and recommendations, mainly from a professional perspective on financial soundness. Based on the criteria for independence established by the Tokyo Stock Exchange, she is deemed to be in an independent position with no conflicts of interest with our general shareholders, and has therefore been designated as an Independent Director.

[Independent Directors/Audit and Supervisory Board Members]

Number of Independent Directors/Audit and Supervisory Board Members Updated	6

Other matters related to Independent Directors/Audit and Supervisory Board Members

In order to ensure the independence of the Company's Outside Directors and Outside Audit and Supervisory Board Members, we established our own independence standards, which are in accordance with the standards set by the Tokyo Stock Exchange, at the Board of Directors' meeting held in February 2022. The candidates for Outside Directors and Outside Audit and Supervisory Board Members are appointed in accordance with these standards.

[Incentives]

Status of implementation of measures to grant incentives to Directors	Introduction of performance-linked compensation system

Supplementary explanation of applicable items Updated

The base remuneration of the Company's Directors had been a fixed monthly remuneration not exceeding 30 million yen per month (excluding employee salaries for Directors who concurrently serve as employees), as approved at the 24th Ordinary General Meeting of Shareholders held on June 29, 2000. Bonuses for Directors had been paid out subject to the approval of all shareholders at the annual Ordinary General Meeting of Shareholders, with the total bonus amount determined based on the degree of attainment of performance criteria established by the Company. Separate from the abovementioned monetary compensation framework, at the 44th Ordinary General Meeting of Shareholders held on June 29, 2020, approval was obtained for limiting the total annual monetary compensation paid for granting restricted stock to 20 million yen and the total number of the Company’s common stock issued or disposed of as restricted stock to 26,000 shares per year, with a view to incentivizing Directors (excluding Outside Directors; hereinafter, "Eligible Directors") to sustainably enhance the Company's corporate value, as well as to promote the further sharing of values with Eligible Directors and shareholders.

Following the revision to the executive remuneration plan announced on May 15, 2026 ("Notice Regarding Revision of the Amount of Monetary Compensation and the Restricted Stock Compensation Plan for Directors"), approval was obtained at the 50th Ordinary General Meeting of Shareholders held on June 29, 2026, for the following changes to monetary compensation (base remuneration and Directors' bonuses) and the maximum amounts of non-monetary compensation (restricted stock compensation) for the Company's Directors.

・The amount of monetary compensation paid to the Company's Directors shall not exceed 430 million yen per year (of which, the amount paid to Outside Directors shall not exceed 30 million yen per year).

・Non-monetary compensation (restricted stock compensation) shall not exceed 35,500 shares of the Company's common stock in total issued or disposed to Eligible Directors per year (however, if the total number of the Company's issued shares increases or decreases due to a stock consolidation or stock split (including allotment of shares without compensation), the maximum number of shares shall be adjusted in proportion to such increase or decrease), with the total value of such shares not exceeding 50 million yen per year. Shares are delivered without requiring any payment of cash or properties contributed in kind, or by the payment of monetary compensation receivables to Eligible Directors and having them contribute said monetary compensation receivables as contributions in kind.

The specific allocation to each Eligible Director shall not exceed the maximum amount approved at the abovementioned Ordinary General Meeting of Shareholders, and shall be determined by the Board of Directors based on deliberations and opinions of the Company's Compensation Advisory Committee chaired by an Independent Outside Director.

Persons eligible for the granting of stock option	

Supplementary explanation of applicable items

———

[Directors' Compensation]

Disclosure of compensation for individual Directors	Individual compensation is not disclosed.

Supplementary explanation of applicable items Updated

The total annual compensation paid to the Company's Directors for the fiscal year ended March 31, 2026, was 275.101 million yen, of which 19.5 million yen was paid to Outside Directors. The total annual compensation for the Audit and Supervisory Board Members of the Company was 22.52 million yen, of which 7.2 million yen was for Outside Audit and Supervisory Board Members.
There are no persons who meet the individual disclosure standards (total amount of consolidated compensation, etc., of 100 million yen or more) prescribed by the Cabinet Office Order on Disclosure of Corporate Affairs

Has a policy for determining the amount of compensation or its calculation method Updated	Yes

Details of policy on determining the amount of compensation or its calculation method

1. Basic policy

The basic remuneration policy for the Company's Directors (excluding Outside Directors) is to establish a remuneration system aimed at enhancing the Company's corporate value in a sustainable manner within an industry of rapid technological innovation and changes in the market environment, and drive their motivation to contribute to the improvement of medium- to long-term business performance, as well as to set the remuneration for individual Directors at appropriate levels based on their respective responsibilities.

The types of compensation consist of monetary compensation (fixed remuneration that functions as base remuneration, and Director's bonus that functions as short-term performance-linked remuneration), and non-monetary compensation (restricted stock compensation that functions as a medium- to long-term incentive).

In light of their responsibilities and from the viewpoint of ensuring a high degree of independence, the Company pays only fixed remuneration to Outside Directors who are responsible for supervisory functions, without linking their remuneration to business performance.

When determining the details of Directors' remuneration, etc., we consult the Compensation Advisory Committee on the draft of the proposed remuneration in order to ensure transparency and fairness in the determination of remuneration, while keeping both monetary and non-monetary compensations below the total amount of Directors' remuneration, etc. approved through a resolution of the Ordinary General Meeting of Shareholders. The Board of Directors makes the final decision while respecting the details of the outcomes of these deliberations and reports.

2. Policy on determining the amount of compensation, etc., of basic remuneration (monetary compensation) for each individual

Base remuneration for the Company's Directors is a fixed monthly remuneration determined in consideration of the Director's position, responsibility, length of service, and other factors.

The amount of base remuneration is reviewed as necessary, utilizing surveys conducted by specialized external agencies and taking reference from group standards established based on criteria such as industry and company size.

3. Policy on determining the details and method of calculation of the amount or the numbers of performance-linked compensation and non-monetary compensation, etc.

(1) Performance-linked remuneration, etc. is calculated based on the attainment rate relative to the performance in each fiscal year, and paid out in cash as a lump sum (Director's bonus) in July every year.

i. Method of calculating the total amount of Director's bonuses (total bonus fund)

Operating income is used as the metric, and the total amount of remuneration (total bonus fund) is calculated in accordance with a predetermined calculation standard based on the attainment rate relative to the planned targets established for each fiscal year (ranges between 70% to 160% of the base amount, commensurate to attainment rate—100% if attainment rate is 100%; no bonus paid if attainment rate if below 70%; 160% if attainment rate is 160% or higher).

ii. Method of determining the amount of bonus for individual Directors

The amount of bonus paid to individual Directors is determined based on the results of the calculations performed above by applying a prescribed formula to evaluate individual contributions (with upward and downward adjustments), taking into account financial indicators (net sales, operating margin) and the attainment rate for non-financial targets set according to their responsibilities. The maximum amount of performance-linked remuneration, etc. (Directors' bonuses), combined with base remuneration (fixed remuneration), shall not exceed the maximum amount of monetary compensation approved by the Ordinary General Meeting of Shareholders.

(2) Non-monetary compensation, etc., comprises restricted stock granted to provide an incentive for the sustainable improvement of the Company's corporate value and to share the value with shareholders.

In accordance with the Restricted Stock Compensation Regulations, restricted Company's common stock is granted to eligible persons once a year by resolution of the Board of Directors. In accordance with the resolution by the Ordinary General Meeting of Shareholders, the transfer of said restricted stock for the period from the payment due date to the day of retirement or resignation from the position of Director, or other positions determined by the Board of Directors of the Company, is restricted. Furthermore, the number of shares that may be granted to Eligible Directors shall not exceed 35,500 shares per year, and the total amount of remuneration paid by the Company for that purpose shall not exceed 50 million yen per year. In accordance with the resolution by the Board of Directors, Eligible Directors shall contribute in kind all of the monetary compensation receivables pertaining to these shares, or receive the issuance or disposal of these shares without requiring the payment of cash or properties contributed in kind as Director's remuneration. If contributing monetary compensation receivables in kind, the Board of Directors determines the subscription price per share, ensuring that it stays within a range that does not result in a particularly advantageous price to the parties receiving the shares in question.

4. Policy on determining the amount of monetary compensation, amount of performance-linked compensation, etc., or ratio of non-monetary compensation, etc., to the amount of compensation, etc., for individual Directors

Regarding the ratio of each type of remuneration for the Company's Directors (excluding Outside Directors), from the perspective of providing incentives to enhance medium- to long-term corporate value, we have established the following ratios as a benchmark, based on the model that standard performance targets have been achieved.

・Of all remuneration, the ratio of fixed remuneration to variable remuneration (Director's bonus, restricted stock compensation) shall be approximately 7:3

・Of the variable remuneration, the ratio of Director's bonus to restricted stock compensation shall be approximately 6:4

The ratio of actual amounts paid for performance-linked remuneration, etc. (Director's bonus) and non-monetary compensation, etc. (restricted stock compensation) may differ from the standards set out above, due to factors such as the business performance achieved in each fiscal year, the results of individual performance evaluations, and changes in responsibilities corresponding to when the officer assumed office and their position.

However, in all cases, the total amount of remuneration shall not exceed the range of monetary and non-monetary compensation resolved at the Ordinary General Meeting of Shareholders.

5. Matters concerning determination of the details of compensation, etc., for individual Directors

With respect to the allocation of the amount of compensation to individual Directors, bearing in mind the range of the total amount approved by the General Meeting of Shareholders, and the Board of Directors shall consult with the Compensation Advisory Committee and make a decision based on the approval thereof while respecting the details of the outcomes of these deliberations and reports.

[Support system for Outside Directors (Outside Audit and Supervisory Board Members)]

To enable Outside Directors and Outside Audit and Supervisory Board Members to obtain information on the Company in a timely and appropriate manner and make appropriate and objective decisions, the Director responsible for Administration Headquarters and full-time Audit and Supervisory Board Members serve as the respective contact points, and distribute materials for meetings in advance, as well as implementing and arranging various communications and coordination.

[Details of Retired President and Representative Directors, etc.]

Name, etc., of retired President and Representative Director, etc., serving as consultants/advisors, etc.

Name	Job title/ Position	Job description	Working arrangement/terms (permanent or part-time, paid or unpaid, etc.)	Date of retirement as President, etc.	Term of office
Higashi Mitsuhiro	Advisor	He continues to provide useful advice to the Company based on his long experience in steering the Company's management, deep understanding of the Company, and extensive personal connections within the industry and with customers.	With compensation	———	———
Ishibashi Masatoshi	Advisor	He continues to provide useful advice to the Company based on his long experience in steering the Company's management, deep understanding of the Company, and extensive personal connections within the industry and with customers.	With compensation	———	———

Total number of senior consultants/advisers, etc., who previously served as President and Representative Director, etc.	2

Other matters Updated

There are currently two advisors who have previously served in the role of President and Representative Director. The total amount paid to them in the 50th term, including one who retired as of June 30, 2025, was 14.25 million yen.

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

The Company is a company with Audit and Supervisory Board, and in addition to the General Meeting of Shareholders and the Board of Directors, we have established an Audit and Supervisory Board and appointed a Financial Auditor as part of its company organization.

1. Board of Directors
   As at the conclusion of the 50th Ordinary General Meeting of Shareholders held on June 29, 2026, the Board of Directors consists of eleven directors (with four Outside Directors). In addition to regular meetings of the Board of Directors held at least once a month, extraordinary meetings of the Board of Directors are convened as needed.
   The Board of Directors, as the decision-making body for the Company's business management, deliberates and decides on statutory matters, decides or approves basic management policies and important matters related to the execution of business operations, and supervises the status of business execution.
   In addition, the Board of Directors is attended by Audit and Supervisory Board Members, who monitor the status of business execution by directors. The status of attendance at meetings of the Board of Directors for the fiscal year ended March 31, 2026, was as follows:

Mori Keiichi	Inside Director	25 / 25
Miura Hiroyuki	Inside Director	25 / 25
Muroi Makoto	Inside Director	23 / 25
Goto Makoto	Inside Director	25 / 25
Suzuki Takahiro	Inside Director	25 / 25
Yamaguchi Toshihiko	Outside Director	6 / 6
Seo Sadataka	Outside Director	25 / 25
Araya Mayumi	Outside Director	25 / 25
Akiyama Erika	Outside Director	23 / 25

   * For Mr. Yamaguchi (former Outside Director), the number of Board of Directors' meetings held and number of meetings attended prior to his stepping down on June 27, 2025, are shown.
2. Nomination Advisory Committee / Compensation Advisory Committee
   The details are as described in [Details of Establishment, Composition, and Attributes of the Chairperson].
3. Governance Committee / Sustainability Committee
   The Governance Committee examines important governance issues in the Company, and promotes and supervises specific measures based on the Basic Policy on Corporate Governance.
   In the fiscal year ended March 31, 2026, the Governance Committee met five times, in accordance with the annual plan, with an

attendance rate of approximately 100%.
The Sustainability Committee examines issues related to sustainability, and promotes and supervises specific measures based on the Basic Policy on Sustainability.
In the fiscal year ended March 31, 2026, the Sustainability Committee met five times, in accordance with the annual plan, with an attendance rate of approximately 100%.

4. Audit and Supervisory Board

The Audit and Supervisory Board is composed of four Audit and Supervisory Board Members (two Outside Audit and Supervisory Board Members) and meets at least once a month.
In addition, Audit and Supervisory Board Members attend meetings of the Board of Directors and monitor the execution of business by Directors. They also attend audits by the Financial Auditor and audits by the Internal Auditor’s Office as needed to audit the legality and appropriateness of business execution.
The status of attendance at meetings of the Audit and Supervisory Board for the fiscal year ended March 31, 2026, was as follows:

Yoshino Mitsuru	Audit and Supervisory Board Member	22 / 22
Takahashi Isao	Audit and Supervisory Board Member	21 / 22
Sugiyama Masahiro	Outside Audit and Supervisory Board Member	6 / 6
Matsubara Yoko	Outside Audit and Supervisory Board Member	21 / 22
Hagiwara Kiyomi	Outside Audit and Supervisory Board Member	16 / 16

* For Mr. Sugiyama (former Outside Audit and Supervisory Board Member), the number of Audit and Supervisory Board meetings held and number of meetings attended prior to his stepping down on June 27, 2025, are shown.
* For Ms. Hagiwara (Outside Audit and Supervisory Board Member), the number of Audit and Supervisory Board meetings held and number of meetings attended after her appointment as Audit and Supervisory Board Member on June 27, 2025, are shown.

5. Internal Auditor’s Office

The Internal Auditor’s Office consists of two members. The Internal Auditor’s Office, which reports directly to the President, audits the effectiveness of the internal control system and the legality of each business operation.
In addition, the Internal Auditor's Office reports and explains its audit policy and plans for internal audits and the results of conducted audits to the Board of Directors and the Audit and Supervisory Board in a timely and appropriate manner. The Audit and Supervisory Board scrutinizes the content of the reports received and gives instructions and advice to the Internal Auditor’s Office.

6. Financial Auditor

We have appointed and concluded an audit contract with PricewaterhouseCoopers Japan LLC as our Financial Auditor. We provide management information in a timely and appropriate manner in order to maintain an environment in which audits are conducted from a fair and unbiased standpoint.
The certified public accountants who conduct the financial audit of the Company are Soichiro Hayashi and Taiju Usuki, who belong to the same auditing firm. Continuous auditing by certified public accountants has been provided by Hayashi Soichiro and Usuki Taiju, starting June 1, 2021, and July 1, 2022, respectively.
The assistants involved in the accounting audit work consist of two certified public accountants and twelve others.

7. Outside Directors and Outside Audit and Supervisory Board Members

The Company appoints Outside Directors and Outside Audit and Supervisory Board Members with reference to the standards for independence we have established. There are no personal, capital, or business relationships between the Company and any of the Outside Directors and Outside Audit and Supervisory Board Members.

8. Corporate Lawyers

The Company is mindful of the legality of its business, and has concluded advisory contracts with corporate lawyers to receive legal advice as necessary.

3. Reasons for Adopting the Current Corporate Governance System Updated

The Company has adopted its current corporate governance structure because as the business expands, it is important to ensure prompt decision-making, and necessary to strengthen the management structure to achieve sustainable growth. For these reasons, from the perspective of ensuring management continuity while securing Directors with expertise in specific areas of the business, we are currently operating the Board of Directors with an appropriate member composition.
At the same time, in order to promote diversity on the Board of Directors and enhance Corporate Governance, we have appointed four Independent Outside Directors.
We are confident that this approach will strengthen the management oversight function, ensure transparency, appropriateness, and promptness of decision-making, and maintain a system that can further improve corporate value and sufficiently fulfill accountability.
In addition, the Audit and Supervisory Board Members have established a system to ensure that the three-way audit system (internal audit, audit by Audit and Supervisory Board Members, and audit by Financial Auditor), based on thorough understanding of the significance and purpose of the three-way audit system, works in a cooperative and mutually complementary manner, by grasping the process of important decision-making and the status of business execution of the Company in addition to those of the Board of Directors, inspecting major approval documents and other important documents related to business execution, and requesting explanations from Directors or employees as necessary.

III Status of Implementation of Measures for Shareholders and Other Stakeholders

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

	Supplementary Explanation
Exercise of voting rights by electromagnetic means	As part of efforts to improve convenience for shareholders, we allow the exercise of voting rights via the Internet ("Website for Exercising Voting Rights" and "Smart Exercise" using QR codes).
Participation in the electronic voting platform and other measures to improve the environment for the exercise of voting rights by institutional investors	We have enabled the exercise of voting rights via the electronic voting platform for institutional investors operated by ICJ, Inc.
Provision of a Notice of Convocation (Summary) in English	We translated the (narrowly defined) Notice of Convocation into English and published it on June 4, 2026, on the Tokyo Stock Exchange (TDnet) and on our website.

2. Status of IR Activities Updated

	Supplementary Explanation	Presentation by the representatives
Preparation and publication of disclosure policy	We have released an IR policy (disclosure policy) on our website (https://en.focus-s.com/sustainability/corporate_codeofconduct/irpolicy) which consists of the Basic Policy for Disclosure, Method of Information Disclosure, Prevention of Insider Trading, and Silent Period for IR Activities in the IR Policy section.	
Regular briefings for individual investors	Briefing sessions are held for individual investors on an irregular basis.	Yes
Regular briefings for analysts and institutional investors	Briefing sessions for analysts, institutional investors, and the press are held twice every fiscal year in May and November after the announcement of the financial results.	Yes
Posting of IR materials on the website	The following documents are posted on our website (https://en.focus-s.com) promptly after the announcement of financial results: Summary of Financial Results, Financial Results Briefing Materials for Analysts, Securities Report, Quarterly Report, Corporate Information, and Press Releases on Information Disclosure. Quarterly reports have been phased out, starting with the quarter beginning April 1, 2024, and replaced with half-yearly reports.	
Establishment of a department (person in charge) for IR	We have established the IR,PR Division in the Corporate Management Headquarters, headed by a Managing Director (and Executive Officer).	

3. Status of Initiatives to Respect the Positions of Stakeholders Updated

	Supplementary Explanation
Provisions pertaining to respect for the positions of stakeholders in the internal regulations, etc.	As disclosed on our website, we have established the following management philosophy and management vision, and aim to be a company that is trusted not only by customers, investors, and shareholders, but also by all stakeholders, including employees and their families, as well as to be a company that is needed by society. In addition, we have established specific guidelines for employees in the Rules of Employment, based on our philosophy and management vision. Philosophy Focus Systems shall contribute to creating a better environment for the future through development and growth of the Company, with all employees working together in accord as a joint force. Management Vision - Commitment to Fulfill Three Responsibilities - We are determined to fulfill the following three responsibilities. 1. Individual Responsibility: Each individual person of the Company shall enrich humanity and enhance technological capability to provide customers with the best services. 2. Corporate Responsibility: We shall create a company where employees trust each other and work with a sense of assurance and satisfaction. 3. Social Responsibility: We shall create a company that is trusted by customers, investors, and shareholders, as well as needed by society.
Implementation of environmental conservation activities, CSR activities, etc.	We distribute the Environmental Management Guidelines to all employees and promote the activity system at each site by appointing a manager to promote environmental conservation measures. The results of these efforts are available on our website.
Formulation of policy on provision of information to stakeholders, etc.	As shown in the separate schematic diagram, we have established an internal system to promptly, accurately, and fairly disclose information that is necessary for the understanding of the Group as well as decisions and occurrences pertaining to corporate information.
Other	The Company's position on diversity among core personnel is outlined in [Supplementary Principle 2.4.1 Securing Diversity, Including Active Participation of Women]. In order to promote diversity in the workforce, including Directors as well as employees, and to ensure that management decision-making reflects a range of ideas and opinions, we have appointed five female Directors (all external). By appointing several female Outside Directors with diverse experience and expertise, we are introducing a broad range of perspectives into the Board of Directors, thereby developing a system that is able to conduct appropriate oversight and supervision.

IV Matters Related to Internal Control Systems, etc.

1. Basic Stance and Status of Internal Control System Updated

Basic Policy for Building an Internal Control System

1. System for the Retention and Management of Information Related to Directors' Execution of Duties
(1) We shall retain and manage information in accordance with laws and regulations, the Document Management Regulations, the Information Security Implementation Manual, and other internal regulations.
(2) The Representative Director shall appoint, from among the Directors, a person responsible for company-wide supervision of the retention and management of information related to Directors' execution of duties.
(3) The Director in charge of supervision shall retain and store information related to Directors' execution of duties as records in accordance with internal regulations.
(4) Stored records shall be retained and stored in a highly searchable manner for perusal of Directors, Audit and Supervisory Board Members, and the Financial Auditor.
(5) We shall establish appropriate systems for the retention, management, and transmission of information, similar to those established under the Basic Policy on Information Security, the Privacy Mark, and the Information Security Management System (ISMS).
2. Regulations and other systems concerning management of risk of loss
(1) We shall establish a management system, classifying events (risks) that may have a significant impact on the purpose of the Company and our business purposes into the following categories.
・Financial reporting risks
・Quality risks
・Information security risks
・Labor risks
・Legal risks
・Environmental risks
・Business continuity risks
・Human resources risks
・Financial risks
・Social risks
・Governance risks
(2) We shall organize a Risk Management Committee responsible for supervising our financial reporting risk management system, in order to assess financial risks, and take measures to avoid and mitigate risks in accordance with the Risk Management Regulations.
(3) In order to prevent misconduct caused by employees through information leakage, we shall establish Confidentiality Management Regulations and Disciplinary Action Regulations, and in addition, shall have employees submit written pledges of compliance with internal regulations.
(4) With regard to risk management related to digital information, we shall establish systems to appropriately identify information leakage routes, and equip ourselves with prevention capabilities through implementation of in-house training.
(5) The Sustainability Committee assesses and analyzes matters related to environmental risks, social risks, and governance risks, and reports its findings to the Risk Management Committee.
3. System for ensuring that Directors execute their duties efficiently
(1) We shall hold a regular Board of Directors' meeting once a month, and extraordinary Board of Directors' meetings as necessary, to make decisions on important matters and supervise the status of business execution by Directors.
(2) All Directors shall be assigned responsibilities for specific domains of our business, appropriately monitor business progress, and strive to improve the efficiency of business execution thereof.
(3) With regard to business operations, we shall develop a Medium-term Management Plan and annual budgets for each fiscal year, taking the future business environment and other factors into consideration, and set company-wide targets.
(4) Each department shall plan and implement specific measures to achieve its targets.
(5) In order to ensure efficient execution of duties, the scope of duties and authority necessary for business execution shall be clearly defined in the Regulations on Segregation of Duties and the Regulations on Delegation of Authority.
(6) We shall flexibly implement organizational changes to respond to changes in the environment.
4. System for ensuring that the execution of duties by Directors and employees is in conformity with laws and regulations and the Articles of Incorporation
(1) We shall review our internal regulations from time to time, to comply with laws and regulations and the Articles of Incorporation, and provide internal education as necessary to raise employees' awareness of the importance of compliance in their business execution.
(2) We shall define the systems to ensure proper execution of business in the Board of Directors Regulations, Regulations of the Audit and Supervisory Board, and Rules of Employment.
(3) In order to firmly maintain the legal compliance system, employees shall be required to submit written pledges of compliance with internal regulations, with their signatures and seals affixed.
(4) We shall establish a compliance whistleblowing system and, in regard of promoting compliance with laws and regulations and the Articles of Incorporation, provide guidance through training and other means to officers and employees, etc., so that they conduct business operations from their respective positions, taking compliance as their own issue.
(5) We shall establish an internal audit system to audit legal compliance of our business execution.
5. System for ensuring the appropriateness of business operations within our corporate group
(1) System for ensuring that matters related to the execution of duties by Directors, etc., of subsidiaries are reported to our company
A. The Director in charge of the business related to the relevant affiliated company (Director-in charge) is responsible for the reporting from the subsidiary in accordance with the Affiliated Company Management Regulations.
B. The Director-in-charge shall request submission of documents, etc., from affiliated companies as necessary and keep abreast of the management status of the affiliated companies.
(2) Regulations and other systems for managing risk of loss of subsidiaries
A. We require accounting to be carried out in accordance with the Accounting Regulations, and we receive accounting reports on a monthly basis.
B. Affiliated companies are required to report on the implementation status and effectiveness of measures to mitigate financial reporting risks to the Risk Management Committee, and we shall evaluate such reports in accordance with the Risk Management Regulations.
(3) System for ensuring that Directors, etc., of subsidiaries execute their duties efficiently
A. Management of affiliated companies shall be based on coexistence and co-prosperity based on mutual trust, while respecting their autonomy.
B. Important matters shall be subject to prior consultation with the Board of Directors of our company.
(4) System for ensuring that the execution of duties by Directors, etc., and employees of subsidiaries is in conformity with laws and regulations and the Articles of Incorporation
A. We shall appoint a Director who shall be responsible for supervision of the business of the corporate group. We shall also give subsidiaries the mandate and responsibility to establish their own systems to ensure compliance with laws and regulations.
B. Our Corporate Management Headquarters shall promote and supervise, across all subsidiaries, the systems they establish to ensure

compliance with laws and regulations.

C. In the case of conducting audits as part of the supervising role stipulated in (B) above, our Internal Audit Regulations shall be applied mutatis mutandis.

6. Matters concerning employees who are asked by Audit and Supervisory Board Members to assist in the Auditors' duties

(1) Employees to assist in the duties of Audit and Supervisory Board Members shall be nominated from employees of the Internal Auditor's Office.

7. Matters related to the independence from Directors of employees assisting the duties of Audit and Supervisory Board Members

(1) Personnel changes, appraisals, and disciplinary actions regarding employees of the Internal Auditor's Office shall be subject to the prior consent of the Audit and Supervisory Board Members.

8. Matters related to ensuring the effectiveness of instructions given by Audit and Supervisory Board Members to the employees assisting in the Audit and Supervisory Board Members' duties

(1) Audit and Supervisory Board Members shall be authorized to guide and instruct employees assisting in their duties to the extent necessary to perform their audit duties.

9. System for reporting to the Audit and Supervisory Board Members

(1) System for reporting from Directors and employees to Audit and Supervisory Board Members

A. Directors are obligated to immediately report to Audit and Supervisory Board Members in accordance with laws and regulations and internal regulations, should they become aware of any matters that could cause significant damage to our company.

B. The Internal Auditor's Office shall conduct internal audits of identified risks, and report the results thereof to the Audit and Supervisory Board.

C. The Risk Management Committee, responsible for monitoring financial reporting, shall assess financial reports, and report the results thereof to the Audit and Supervisory Board.

D. Whistleblowing reports from employees shall be reported by the Compliance Committee, responsible for investigation of such reports, to the Risk Management Committee.

(2) System for reporting to the Audit and Supervisory Board Members by a person receiving reports from Directors, etc., and employees of subsidiaries, or other persons equivalent thereto

A. Directors in charge of subsidiaries are obligated to immediately report to Audit and Supervisory Board Members, should they become aware of any matters that could cause significant damage to our company.

B. The Risk Management Committee, responsible for monitoring financial reporting, shall assess financial reports of subsidiaries based on reports from the division in charge of each subsidiary, and report the results thereof to the Audit and Supervisory Board.

C. Whistleblowing reports shall be reported by the Compliance Committee, responsible for investigation of such reports, to the Risk Management Committee.

10. System for ensuring that persons reporting to the Audit and Supervisory Board Members are not treated disadvantageously for having made such reports

(1) In accordance with the Compliance Whistleblowing Regulations, we shall prohibit any disadvantageous treatment, including dismissal, of persons making reports, and in addition, take measures to prevent any deterioration in the work environment of such employees.

(2) Employees of subsidiaries shall also be protected against disadvantageous treatment, etc., in the same manner as (1) above.

11. Matters related to the policies on the procedures for advance payment or reimbursement of expenses arising from the execution of duties of Audit and Supervisory Board Members, or any other processing of expenses or obligations arising from the execution of such duties

(1) The Audit and Supervisory Board shall be allocated budgets in advance for expenses deemed necessary for the execution of duties.

(2) Audit and Supervisory Board Members may ask our company for advance payment of any urgent or extraordinary expenses, as well as reimbursement of incurred expenses.

(3) We shall be mindful of the efficiency and appropriateness of each expenditure with regard to incurring audit expenses.

12. Other systems for ensuring that audits by Audit and Supervisory Board Members are executed efficiently

(1) We shall establish the Code of Audit and Supervisory Board Member Auditing Standards, and the Internal Audit Regulations in order to ensure the effectiveness of audits by Audit and Supervisory Board Members.

(2) Audit and Supervisory Board Members shall monitor the process of important decision-making and the status of business execution of our company, including those conducted by the Board of Directors.

(3) Audit and Supervisory Board Members shall attend important company meetings, review major approval documents and other important documents related to business execution, and request explanations from Directors and employees as necessary.

(4) We shall endeavor to maintain a deep understanding of the significance and purposes of the three-way audit system, and shall promote collaboration and mutual complementation between the three types of audits.

2. Basic Approach and Development Progress of Activities Geared Toward the Elimination of Antisocial Forces

Basic Policy on Elimination of Antisocial Forces

1. Basic Approach toward Elimination of Antisocial Forces

The Company, being strongly cognizant of its social responsibilities, has released the following Basic Policy designed to prevent the involvement of antisocial forces in the management of the Company along with associated damage and ensure full compliance. The Basic Policy is aligned with "Guidelines for Companies to Prevent Damage Caused by Antisocial Forces" released by the government. (Government Guidelines: Agreement at a Meeting of Cabinet Ministers Responsible for Anti-Crime Measures dated June 19, 2007)

(1) We shall implement a company-wide response against unlawful demands from antisocial forces to ensure the safety of officers and employees who engage in the handling of such demands.

(2) We shall strengthen collaboration on a regular basis with external specialist organizations such as the police, Center for Removal of Criminal Organizations, and lawyers, when establishing our response to antisocial forces.

(3) We shall have no relationship, trade or otherwise, with antisocial forces.

(4) We shall resolutely reject any unlawful demands made by antisocial forces and take both civil and criminal legal measures.

(5) We shall make no hidden deals with, nor provide funding to, antisocial forces to conceal facts, even if the unlawful demands are based on business activity misconduct or employee misconduct.

2. Development Progress of Activities Geared toward Elimination of Antisocial Forces

We have established provisions relating to relationships with antisocial forces in the Rules of Employment, and are working toward elimination of antisocial forces on a Company-wide basis in order to prevent involvement of antisocial forces in our management activities and mitigate damage that may be caused by such forces.

(1) Progress Made in the Establishment of a Response Department and an Officer-in-charge of Prevention of Unreasonable Demands

The General Affairs Division has been assigned as the response department. We shall respond to unlawful demands on a case-by-case basis after consultation with relevant departments, led by the Officer-in-charge of Prevention of Unreasonable Demands.

(2) Progress on Collaboration with External Specialist Organizations

We are collaborating with external specialist organizations, such as the competent police station and legal advisers.

(3) Status of Collection and Management of Information on Antisocial Forces

The Officer-in-charge of Prevention of Unreasonable Demands is responsible for the collection and management of information on antisocial forces from external specialist organizations such as the Center for Removal of Criminal Organizations.

(4) Progress on Preparation of Response Manuals and Implementation of Training Activities

We are developing manuals as necessary, and conducting regular awareness-raising activities through training and other activities.

V Others

1. Introduction of Takeover Defense Measures

Takeover defense measures introduced	No

Supplementary explanation of applicable items

The following is our Basic Policy on Persons Who Control Decisions on Financial and Business Policies of Stock Companies.
Our philosophy is to "contribute to creating a better environment for the future through development and growth of the Company with all employees working together in accord as a joint force."

The Company believes that persons who are suitable to control decisions on our financial and business policies must be persons who fully understand our philosophy, as well as the sources of our corporate value, our business characteristics, our relationships of trust with various stakeholders, and other aspects of the Company, and who are able to secure and enhance our corporate value and the common interests of our shareholders over the medium to long term. At the same time, we believe that such persons must be able to make appropriate decisions and respond to all situations and events that may threaten the Company's raison d' être regardless of their predictability, by collecting the information necessary to secure and enhance corporate value and the common interests of shareholders over the medium to long term with good and honorable thinking.

On the other hand, free transactions of shares of the Company, which is a listed company, are allowed by shareholders and investors. Therefore, even if a large-scale purchase proposal for the Company's shares or similar actions are made, we believe that such a proposal should not be categorically denied and that the final decision should be made by the free will of shareholders. However, it is possible that some large-scale purchase proposals for shares may be made for the purpose of abuse, be likely to effectively force shareholders to sell their shares, or damage corporate value and the common interests of shareholders.

We will take timely and appropriate measures within the scope permitted by the Financial Instruments and Exchange Act, the Companies Act, and other relevant laws and regulations, such as requiring necessary and sufficient information so that our shareholders can make appropriate judgments on the pros and cons of a large-scale purchase, disclosing the opinions of the Board of Directors and independent third parties, and making efforts to secure time for shareholders to consider the matter.

2. Other Matters Related to the Corporate Governance System, etc.

System for Timely Disclosure

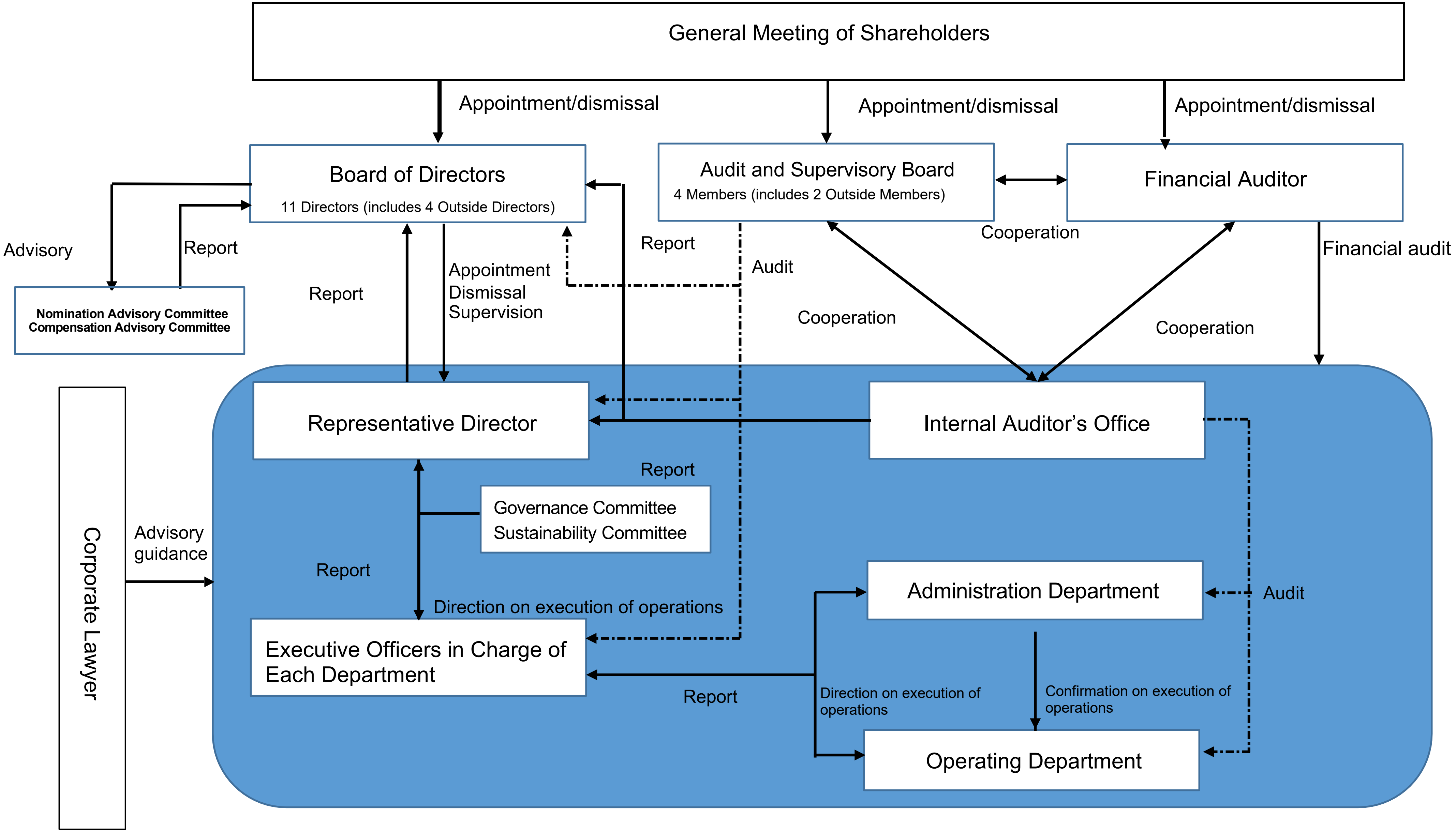
We are fully aware that the timely and appropriate disclosure of corporate information to investors is the foundation of a sound securities market. We also take a sincere approach in our efforts to enhance our internal systems to ensure the prompt, accurate, and fair disclosure of corporate information from the viewpoint of investors.

We have appointed, from among the Directors, a person responsible for handling disclosed information (Information Handling Officer), and handle disclosure of information, fully recognizing the importance of disclosure as the management team.

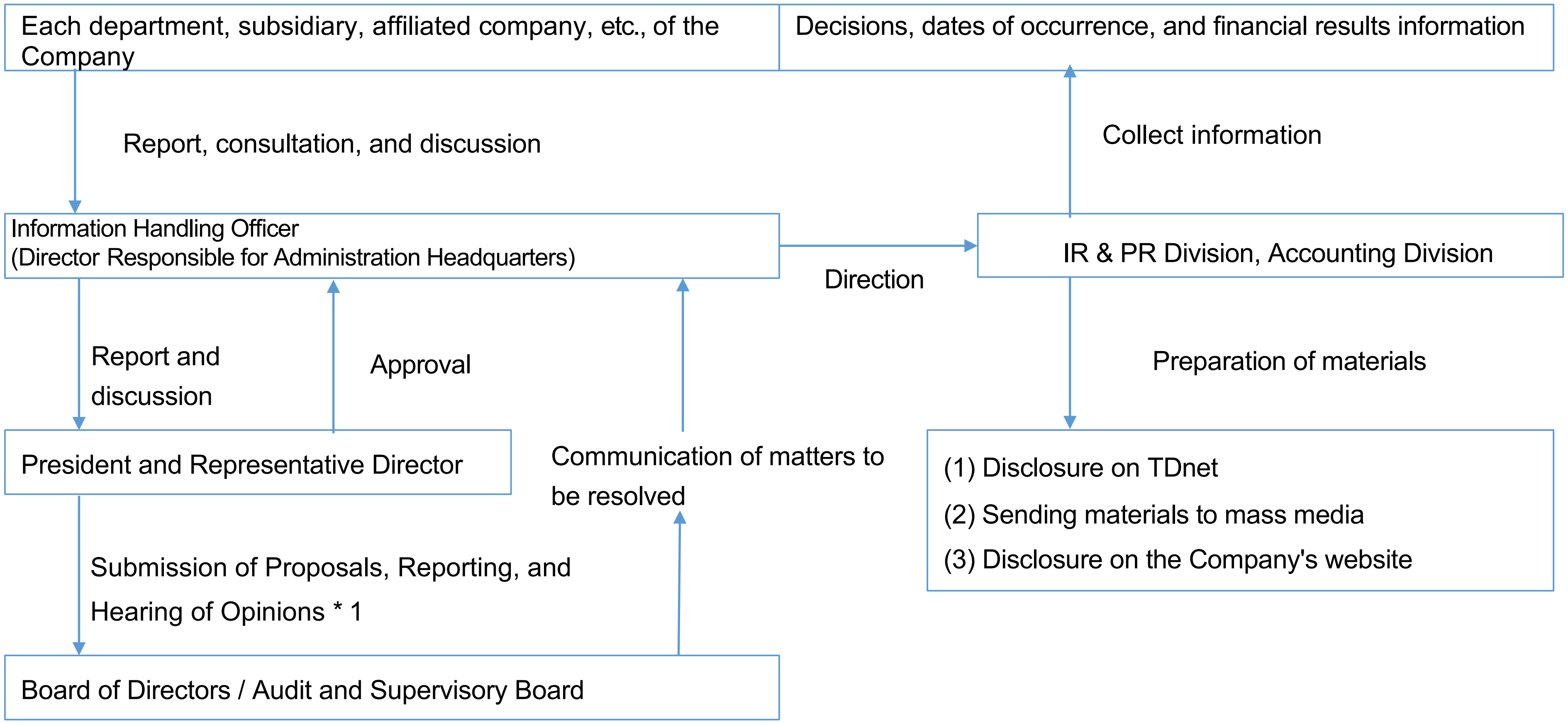
The Information Handling Officer collects information through reports from the head of each department and through various meetings.
The person in charge of timely disclosure collects, summarizes, and discloses information under the instructions and approval of the Information Handling Officer.
Recognizing the importance of insider trading regulations, we have developed information distribution channels and management methods to prevent information leakage and unauthorized access. To prevent misconduct by officers and employees caused by information leakage, we have established rules for managing confidentiality and require them to submit written pledges of compliance with internal regulations.
In addition, we have established the Insider Trading Management Regulations for management of important internal information by officers and employees and to prevent their engaging in any insider trading.

In order to ensure that shareholders, investors, and other stakeholders have fair and easy access to the Company's information, disclosed information is posted on the Company's website in a timely manner.

Overview of Corporate Governance System



Overview of Timely Disclosure System



*1: The need for disclosure of facts relating to the occurrence is determined in consultation with the Representative Director. If deemed necessary, the Company instructs the department in charge of information disclosure to disclose information.

In such cases, a report shall be made to the Board of Directors after the occurrence.