

Corporate Governance Report

Last Update: March 27, 2026

SEPTENI HOLDINGS CO., LTD.

Yuichi Kouno

Representative Director, Group President and Chief Executive Officer

Contact: CEO Office, Corporate Communications Dept.

TSE Securities Code: 4293

<https://www.septeni-holdings.co.jp/en/>

I. Basic views on corporate governance, capital structure, corporate profile, and other basic information

1. Basic views

The corporate governance of the Company and the company group comprising its subsidiaries (hereinafter called the "Group") is based on the development and operation of a system to ensure that actions are based on the company's corporate philosophy and decisions are made in a transparent, fair, and efficient manner, and compliance with laws and regulations and appropriate supervision (monitoring) of corporate performance are carried out under the mission of "To inspire the world with entrepreneurship".

The Company's corporate philosophy is available on the website.

The Company's corporate philosophy

<https://www.septeni-holdings.co.jp/en/company/philosophy.html>

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

Supplementary Principle 4.8.2 Developing a Framework for Communication and Cooperation among Independent Outside Directors and Management, Company Auditors and Other Officers

Independent outside directors actively participate in discussions and express opinions at meetings of the Board of Directors. In addition, the Board of Directors meeting's secretariat responds appropriately if communication and coordination are required between the independent outside directors and the senior management and company auditors (and the Board of Auditors). Moreover, regarding cooperation with company auditors (and the Board of Auditors), no lead independent outside director has been appointed as they have been responding appropriately through joint training conducted by directors and company auditors, and the participation of outside company auditors in a periodic meeting (Executive Session), whose members are only independent outside directors. Going forward, the Company will review it as necessary.

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

Principle 1.4 Cross-Shareholdings

<Policy on cross-shareholdings>

The Company takes dividends and other returns into consideration and holds shares of listed companies only if they offer benefits toward the execution of operations or if it is decided that they will contribute toward the maintenance and improvement of the Group's corporate value. In line with good corporate governance, the Company avoids being simply a stable shareholder through cross-shareholdings. Additionally, for each shareholding held by the Company, there will be a review held periodically to determine whether or not the benefits and risks associated with that shareholding cover the Company's cost of capital, and if a shareholding is deemed to be lacking in significance, it will be sold. In addition, where the Company has a high voting rights ratio, the Company will fulfill its stewardship responsibilities with respect to the investee as a responsible investor through engagement.

<Criteria for exercise of voting rights>

In exercising the voting rights of shares held, appropriate decisions on supporting or opposing each agenda item will be made based on the view of improving the Group's corporate value, in addition to improving the medium- to long-term corporate value of investee companies. Additionally, if it is necessary to confirm the purpose of the agenda item, the Company will have constructive discussions with the investee company.

Principle 1.7 Related Party Transactions

The Company stipulates appropriate procedures to ensure that related parties such as directors, company auditors, etc. do not use their position and engage in transactions that damage the common interests of the Company and its shareholders. Regarding related party transactions by directors and company auditors, a confirmation report on the examination related to the existence of transactions will be created, and if there are important matters, they will be reported to the Company's Board of Directors. Regarding transactions with directors by the Company, approval must be received from the Board of Directors based on laws and regulations and the regulations of the Board of Directors. Regarding the transactions with controlling shareholders, please refer to "I. 4. Policy on measures to protect minority shareholders in conducting transactions with controlling shareholder" in this report.

Principle 2-3. Issues Related to Sustainability, Including Social and Environmental Issues

The Company established the Sustainability Committee on January 1, 2022, in order to increase corporate value and contribute more to the sustainable growth of the Group. As a voluntary advisory body to support the decision-making of the Board of Directors, the Committee will discuss and make decisions on matters related to the Group's sustainability promotion within the scope delegated by the Board of Directors. The Committee has been actively promoting discussions and deliberations on sustainability activities aimed at enhancing corporate value in the future and on setting KPIs and disclosing data related to sustainability.

In the sustainability activities, the Company has set the Group's mission and vision as its basic policy, and the Company is actively promoting activities with the aim of achieving sustainable growth of the Group, improving corporate value, and realizing a sustainable society. In the fiscal year ended December 31, 2025, to strengthen appropriate responses to human rights risks, the Company conducted human rights due diligence in line with international guidelines, identifying and assessing human rights risks across the entire Group and throughout its supply chain. In addition, to articulate and visualize the DNA that serves as the source of the Group's growth and to pass on a resilient and sustainable organizational culture to the next generation, we established the Company History Project under the Sustainability Committee and proceeded with the production of the SEPTENI STORY (our corporate history).

Supplementary Principle 2-4-1. Ensuring Diversity within the Company, Including Promotion of Women's Participation

The Company is actively promoting initiatives towards gender equality as part of its sustainability materiality, "Enhancement of Corporate Value by Empowering People Who Create a New Era." In these activities, the Company is driving various measures with a goal of "achieving a 30% female manager ratio by December 2030 (at all the domestic Group companies)." As a result, female representation in management reached 28.3% as of the end of December 2025. Furthermore, the gender pay gap within its domestic Group companies stood at 80.1% as of the same date.

- Initiatives to achieve gender equality

<https://www.septeni-holdings.co.jp/en/csr/activity/new-era/diversity/gender.html>

Principle 2.6 Roles of Corporate Pension Funds as Asset Owners

The Company has not introduced corporate pension plan.

Principle 3.1 Full Disclosure

- (1) Company objectives (e.g., management philosophy), management strategies and management plans

The Company set its corporate philosophy and Mid- to Long-Term Vision, which are posted on its website. As its Mid- to Long-Term Vision, the Company has established a policy to "generate ¥10 billion in profit by 2030 and become a corporate entity that achieves both high growth and high shareholder returns." To realize this, it has formulated "VISION 2030" as its guiding principle, along with a Medium-Term Management Plan covering the three-year period from January 2026 to December 2028.

- Corporate Philosophy: <https://www.septeni-holdings.co.jp/en/company/philosophy.html>
- Mid- to Long-Term Vision: <https://www.septeni-holdings.co.jp/en/ir/medium-term.html>
- VISION 2030 and Medium-Term Management Plan (FY2026-2028):
https://www.septeni-holdings.co.jp/en/ir/library/Mp_presen_E_260212.pdf

- (2) Basic views and basic policies on corporate governance

Basic views and basic policies on corporate governance are described in I-1 "Basic Views" in this report.

- (3) Policies and procedures in determining the remuneration of the senior management and directors

Remuneration for directors (excluding outside directors) is composed of monthly remuneration and share-based remuneration (Fixed Portion and Performance-linked Portion).

The amount of monthly remuneration is determined for each grade according to the size (magnitude) of responsibilities of each director. Furthermore, the total amount of remuneration paid as cash every month must be within the total remuneration limit for directors decided by the general meeting of shareholders.

Share-based remuneration, which serves as a long-term incentive, is composed of Fixed Portion and Performance-linked Portion. Fixed Portion is composed of "Base Points" granted annually according to position. Performance-linked Portion is composed of "Performance-linked Points" granted at the end of the covered period based on the individual's position, and the degree of achievement of performance targets during said period, with such targets established under the medium- to long-term business plan, including consolidated Non-GAAP operating profit, profit attributable to owners of parent, and consolidated ROE.

Remuneration for outside directors is composed of monthly remuneration and share-based remuneration (Fixed Portion).

Remuneration for company auditors is composed of only monthly basic remuneration (fixed with no changes based on performance).

Following the above policy, monthly remuneration for directors (excluding outside directors) will be within the total limit of director remuneration set by a resolution of the general meeting of shareholders, and individual and specific allocations will be decided by the Group President and Chief Executive Officer referencing the proposed recommendations of the Nomination and Remuneration Advisory Committee. Regarding share-based remuneration (Fixed Portion and Performance-linked Portion), the “share delivery rules” will be concluded with the trustee of the trust based on the share-based remuneration system using the directors’ remuneration BIP trust resolved by the general meeting of shareholders, and according to these rules, the trustee will deliver shares.

Following the above policy, remuneration for outside directors will be within the total limit of director remuneration set by a resolution of the general meeting of shareholders, and individual and specific allocations will be decided by the Group President and Chief Executive Officer referencing the proposed recommendations of the Nomination and Remuneration Advisory Committee. Regarding share-based remuneration (Fixed Portion), the “share delivery rules” will be concluded with the trustee of the trust based on the share-based remuneration system using the directors’ remuneration BIP trust resolved by the general meeting of shareholders, and according to these rules, the trustee will deliver shares.

Following the above policy, remuneration for company auditors will be within the total limit of company auditor remuneration set by a resolution of the general meeting of shareholders, and individual and specific allocations will be decided through discussions with the company auditors.

- (4) Policies and procedures in the appointment/dismissal of the senior management and the nomination of director and company auditor candidates

The Company’s Board of Directors established the “Policy Regarding the Appointment of Senior Management and the Nomination of Candidates for Director” from the viewpoint of guaranteeing transparency and fairness of nomination, appointment and dismissal standards for candidates for director and Group Executive Officer of the Company (hereinafter referred to as “candidates for director, etc.”), and the “Procedures Regarding the Appointment and Nomination of Officers of the Group” from the viewpoint of guaranteeing transparency and fairness of the appointment, dismissal and nomination process. Based on these, the candidates for director, etc. are nominated, appointed and dismissed. Additionally, the Company aims to strengthen independence, objectivity and accountability regarding the appointment, dismissal and nomination of candidates for director, etc., and a Nomination and Remuneration Advisory Committee was established as an optional committee under the Company’s Board of Directors with the Group President and Chief Executive Officer and all independent outside directors. The final decision regarding the nomination of candidates for director and the appointment and dismissal of Group Executive Officers will be made by the Board of Directors after review and reporting from the Nomination Advisory Committee.

- (5) Explanation with respect to individual appointments/dismissals of the senior management and nominations of director and company auditor candidates
Reasons for nomination of all candidates for director and company auditor are disclosed on the convocation notice for the general meeting of shareholders.

Supplementary Principle 3-1-2. Enhancement of Information Disclosure

The Company discloses timely disclosure materials, financial results briefing materials, press releases that it believes contribute to investment decisions, convocation notices, corporate governance reports, integrated reports, etc. in English. The Company plans to disclose its securities reports in English from the fiscal year ended December 31, 2023.

Supplementary Principle 3-1-3. Enhanced Information Disclosure

The Company is promoting sustainability activities based on the belief that contributing to the resolution of social issues through its business and corporate activities is what its stakeholders expect in order to realize the Group's mission of "To inspire the world with entrepreneurship."

In these activities, the Company upholds its mission and vision as its basic policy and is actively driving initiatives centered on the Sustainability Committee—a voluntary advisory body to the Board of Directors—with the aim of achieving sustainable growth of the group, improving corporate value, and realizing a sustainable society.

- Sustainability Information: <https://www.septeni-holdings.co.jp/en/csr/data.html>

Investment in Human Capital and Intellectual Property

As stated in the first clause of the Group's vision, "To be a place where people are empowered to create a new era," the Group regards people as the most valuable asset and focuses on their development.

Since starting the internet advertising business in 2000, the Group has continued to expand business along with the development of the market. However, in growth industries like the Group's business sector, the competition for acquiring skilled talent has been extremely fierce. In such a business environment, the Group believes that how it recruits, develops, and retains high-potential human resources is a critical factor that significantly influences corporate competitiveness.

For this reason, the Company has prioritized human resource development and internal environment enhancement to support each employee in enhancing their skills and maximizing their potential. Through these initiatives, the Group aims to sustainably increase the value of its human capital.

- Human resource development initiatives:
<https://www.septeni-holdings.co.jp/en/csr/activity/new-era/hr.html>

Furthermore, the Group recognizes its intellectual property, including its services and content, as a vital management resource and is committed to its appropriate protection and strategic utilization.

Disclosure in Alignment with TCFD Recommendations or Equivalent Frameworks

Given that a sustainable and sound global environment are prerequisites for business operations, the Group recognizes the high importance of addressing climate change and promotes activities with this in place as the materiality of sustainability activities.

In light of this, the Group endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in October 2023 and has implemented information disclosure based on the TCFD framework.

- Response to Climate Change:

<https://www.septeni-holdings.co.jp/en/csr/activity/environment.html>

Supplementary principle 4.1.1 Agenda items for resolution by the Board of Directors and scope of delegation to management

Given its accountability to shareholders, in order to promote sustainable corporate growth of the Group and the increase of corporate value over the medium to long term and enhance earnings power and capital efficiency, the Company's Board of Directors fulfills its responsibilities as follows.

- (1) Setting the broad direction of basic management policy;
- (2) Developing an environment where appropriate risk-taking by the senior management is supported; and
- (3) Carrying out effective oversight (monitoring) of the execution of business by senior management from an independent and objective standpoint.

By delegating the authorities for decision making and execution of the business to Executive Officers (hereinafter referred to as "Group Executive Officers") to the fullest extent of the laws and regulations, the Company's Board of Directors is oriented toward the so-called monitoring model regarding the basic policy of the Board of Directors, which mainly places a priority on overseeing (monitoring) the Group Executive Officers.

Principle 4.9 Independence standards and qualification for independent Board of Directors

The Company established its own "Independence Standards for Outside Officers" based on the independence criteria set by securities exchanges. Independent outside directors are appointed based on these standards. The reasoning for appointing the independent outside directors who are currently assigned is stated in II-1 "Organizational Composition and Operation [Directors]" in this report.

Supplementary Principle 4-10-1. Utilization of Voluntary Systems

It is as described in II-1 of this report, "Organizational Composition and Operation [Status of Establishment of Voluntary Committee, Composition of Committee and Attributes of Committee Chair (Chairperson)]. "

Supplementary principle 4.11.1 Precondition to Ensure Effectiveness of Board of Directors and Company Auditor

The Board of Directors and the Board of Auditors define the skills necessary to fully fulfill their responsibilities for the enhancement of mid- to long-term corporate value, and strive to strengthen their supervisory functions by ensuring appropriate diversity. The seven currently appointed directors have diverse backgrounds in terms of their respective areas of expertise and experience. Among them, four are independent outside directors, including one female director. In addition, outside directors with management experience at other companies have also been appointed.

Furthermore, among the four current company auditors, three have been elected as independent outside company auditors.

The specific skills and experience expected of each Director and Company Auditor are disclosed in a skills matrix on the Company's corporate website and other disclosure documents.

Skill Matrix of Directors and Company Auditors:

<https://www.septeni-holdings.co.jp/en/company/governance.html>

Supplementary principle 4.11.2 Precondition to ensure effectiveness of Board of Directors and Company Auditor

The status of directors and company auditors having concurrent positions is disclosed in the convocation notice of the general meeting of shareholders.

Supplementary principle 4.11.3 Precondition to ensure effectiveness of Board of Directors and Company Auditors

With the aim of enhancing the function of the Board of Directors, the Company conducts analysis, evaluation and follow-up examinations of issues on the effectiveness of the Board of Directors once a year in principle. The Company also conducts large-scale and detailed surveys by external third-party institutions once every 3 years.

In FY2025, the Company conducted a questionnaire for all directors and company auditors, supplemented by interviews with directors, based on advice from an external third-party organization. As a result, the Board of Directors confirmed that it maintains a high level of effectiveness, characterized by the following strengths:

- i. Engaging in merit-based discussions in a flat, interactive and positive atmosphere while maintaining a balance of mutual trust and constructive tension.
- ii. Operating the Board effectively through sufficient communication and proactive improvements.
- iii. Sharing a common understanding of the Board of Directors' mission.
- iv. Maintaining high standards of professionalism expected of all directors.

Conversely, regarding Board succession, the following areas for improvement were identified: the need for planned renewal (refreshment) of the Board; the importance of discussing the long-term vision for the Board's ideal state; determining the optimal composition to realize that vision; and proceeding with the selection and recruitment of new candidates.

Going forward, the Company will maintain the identified strengths as the culture and the foundation that support Board effectiveness. Simultaneously, by addressing the identified challenges—specifically "realizing planned and strategic Board succession over a long-term horizon"—the Company will continue to further enhance the effectiveness of the Board of Directors.

Supplementary principle 4.14.2 Training policy for Board of Directors and Company Auditors

When new outside directors and outside company auditors assume their offices, the Company's Board of Directors explains the basic points related to the Group's corporate philosophy and business, finances, and organization.

Additionally, with the aim of deepening understanding regarding the Group's corporate philosophy, business activities, financial activities and organizational structure, the Company provides all directors and company auditors with information related to the above aspects when necessary, and provides training opportunities regarding highly important, specialized, and urgent matters, such as revisions to laws and taxation directly related to the corporate management and knowledge related to current issues of high social concern, from third party institutions at the Company's expense.

Principle 5.1 Policy for constructive dialogue with shareholders

The Company is aiming to continually increase corporate value, and is actively working on IR activities, focusing on dialogue with markets. Specifically, the Group President and Chief Executive Officer explains operating results and policy at financial results briefings for institutional investors and analysts held each quarter. After financial results briefings, the Group President and Chief Executive Officer and the Executive Officer in charge of the CEO Office conduct individual meetings with shareholders and investors through the Corporate Communications Dept. of CEO Office. The contents of the meetings are reported to the Company's Board of Directors semi-annually. Based on the requests of shareholders, outside directors also hold individual meetings with shareholders. Additionally, from FY2018, the Company has been publishing annual Integrated Reports, creating opportunities for dialogue with markets and mutually deepening understanding. Through these activities, the Company is aiming to further increase corporate value by having constructive dialogue with markets, which will be appropriately reflected in management.

Integrated Report: <https://www.septeni-holdings.co.jp/en/ir/library/integrated-report/>

Action to implement management that is conscious of cost of capital and stock price

Content of Disclosure [Updated]	Disclosure of Initiatives (Update)
Availability of English Disclosure [Updated]	Available
Date of Disclosure Update [Updated]	March 27, 2026

Supplementary Information [Updated]

The Company aims to achieve its group mission of "To inspire the world with entrepreneurship" and enhance corporate value over the medium to long term. The Company believes that sustainably generating returns exceeding the cost of capital is crucial for enhancing corporate value. Therefore, the Company has established budget planning policies focused on profit levels that achieve a return on invested capital (ROIC) greater than its weighted average cost of capital (WACC) and monitor its performance against the target. Furthermore, to optimize the allocation of management resources, the Company has established business continuity criteria and conducts ongoing monitoring and review of its business portfolio. During the fiscal year ended December 2025, one subsidiary was excluded from the scope of consolidation, and another subsidiary was liquidated. Regarding capital allocation, under its fundamental policy of "aiming to achieve both proactive growth investments in each business and area for realizing high growth and shareholder returns," the Company has established a growth investment budget of approximately ¥25 billion for the period from the fiscal year ending December 2026 to the fiscal year ending December 2028. The Company will continue to review its business portfolio, including mergers and acquisitions in line with its business continuity criteria, and execute capital allocation strategies.

2. Capital structure

Foreign shareholding ratio	10% or more, less than 20%
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Major shareholders [Updated]

Name / Company name	Number of shares owned	Percentage (%)
Dentsu Group Inc.	109,782,395	52.48
Village seven Co., Ltd.	12,783,500	6.11
Mamoru Nanamura	9,489,400	4.54
BNP PARIBAS LONDON BRANCH FOR PRIME BROKERAGE CLEARANCE ACC FOR THIRD PARTY	4,063,652	1.94
UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	3,101,950	1.48
BNYMSANV RE GCLB RE JP RD LMGC	2,825,513	1.35
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE - AC)	2,544,198	1.22
Custody Bank of Japan, Ltd. (Trust Account)	2,440,100	1.17
NORTHERN TRUST CO.(AVFC) RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT	2,100,000	1.00
Hiroshi Shimizu	1,900,000	0.91

Controlling shareholder (except for parent company)	None
Parent company [Updated]	Dentsu Group Inc. (listed on Tokyo Stock Exchange) (TSE Securities Code): 4324

Supplementary Information

3. Corporate profile

Listed stock market and market section	Tokyo Stock Exchange, Standard
Fiscal year-end	December
Type of business	Service
Number of employees (consolidated) as of the previous fiscal year-end	More than 1,000
Net sales (consolidated) in the previous fiscal year	More than 100 billion but less than 1 trillion yen
Number of consolidated subsidiaries as of the previous fiscal year-end	From 10 to less than 50

4. Policy on measures to protect minority shareholders in conducting transactions with controlling shareholder [Updated]

With respect to transactions with the parent company, management support fees are determined by agreements between the parties taking into account the content of operations, and interest rates on fund transactions are determined in the same manner as in general transactions with reference to market interest rates.

Decisions concerning the Company's management are made by the Board of Directors after thorough deliberations from the perspective of protecting minority shareholders. Furthermore, whether autonomy and independence are maintained in the Company's decision-making process is monitored and supervised by independent outside directors.

5. Other special circumstances that may have material impact on corporate governance [Updated]

Ensuring independence from the parent company

Dentsu Group Inc. is the Company's parent company and holds 52.49% of the voting rights. One of the Company's directors concurrently serves as an executive officer of Dentsu Inc., a subsidiary of Dentsu Group Inc. However, this director serves as a non-executive director of the Company, responsible for overseeing business execution to enhance its corporate value. Therefore, the Company believes that sufficient independence from its parent company is ensured in its business operations. Furthermore, of the seven directors, four are outside directors who also serve as independent officers, thus constituting a majority. As described in Section I, "【Principle 3.1 Full Disclosure】 4) Policies and procedures in the appointment/dismissal of the senior management and the nomination of director and company auditor candidates" of this report, the Nomination and Remuneration Advisory Committee—established as a voluntary advisory body to the Board of Directors—is composed solely of all outside directors and the Group President and Chief Executive Officer. The committee's rules stipulate that the chairperson shall be elected from among the outside directors, ensuring there is no involvement by the parent company in the nomination of independent outside director candidates.

Under the capital and business alliance agreement with the parent company dated October 28, 2021, the parent company holds the right to propose one candidate for director and one for company auditor. However, the agreement also stipulates that, upon receiving a proposal for candidates from Dentsu Group Inc., and prior to the Board of Directors' resolution on the agenda for the General Meeting of Shareholders regarding the election of officers, the Company shall have the Nomination and Remuneration Advisory Committee deliberate on the director candidate and obtain the consent of the Company's Board of Auditors regarding the company auditor candidate.

As a listed company with a parent company, the Company has a contractual agreement with Dentsu Group Inc. to maintain its autonomy and independence. Specifically, while the Company is required to report proposed resolutions for the General Meeting of Shareholders to Dentsu Group Inc. in advance, its day-to-day business operations are conducted based on its own independent management decisions. The Company anticipates that this

autonomous management, tailored to the specific characteristics of its business, and the discipline imposed by the capital markets will enhance the quality of its management, driving sustainable growth.

The Company’s parent company, Dentsu Group Inc., defines its domestic business domains across four transformation areas: AX (sophisticated advertising communications), BX (overall business transformation), CX (customer experience transformation), and DX (marketing infrastructure transformation). The Company primarily operates within the AX domain, conducting the Marketing Communication Segment that provides integrated marketing services centered on digital advertising sales and operations; the Direct Business Segment that supports clients by integrating offline media and digital strategies; and the Data & Solutions Segment that develops and provides data and AI-driven solutions and supports client development. While other companies within the Dentsu Group also offer digital marketing support, the Company does not have a competitive relationship with them due to the differences in our functions and areas of expertise. Instead, we maintain a collaborative relationship that generates group synergies.

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

1. Organizational Composition and Operation

Organization Form	Company with company auditors
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[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	10
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board of Directors	President
Number of Directors [Updated]	7
Appointment of Outside Directors	Appointed
Number of Outside Directors [Updated]	4
Number of Independent Officers Designated from among Outside Directors [Updated]	4

Outside Directors' relationships with the Company: 1
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Name	Attribute	Relationship with the Company (*)										
		a	b	c	d	e	f	g	h	i	j	k
Yoshiki Ishikawa	From another company											
Akie Iriyama	Scholar											
Mio Takaoka	From another company											
Makoto Shiono	From another company											

* Categories for "Relationship with the Company"

"○" when the director presently falls or has recently fallen under the category;

"△" when the director fell under the category in the past;

"●" when a close relative of the director presently falls or has recently fallen under the category; and

"▲" when a close relative of the director fell under the category in the past

a. Executive (a person who executes business; hereinafter, the same) of the Company or its subsidiary

b. Non-executive director or executive of the parent of the Company

c. Executive of a fellow subsidiary of the Company

d. 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, accounting professional or legal professional who receives a large amount of monetary consideration or other property from the Company besides remuneration as a director

g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a corporation)

h. Executive of a client or supplier of the Company (which does not correspond to any of d., e., or f.) (the director himself/herself only)

i. Executive of a corporation to which outside officers are mutually appointed (the director himself/herself only)

j. Executive of a corporation that receives a donation from the Company (the director himself/herself only)

k. Other

Yoshiki Ishikawa

Designation as an Independent Officer: Applicable

Supplementary information on the relationship with the company: Not applicable

Reason(s) for appointment:

Reason(s) for appointment as an Outside Board Director

Mr. Yoshiki Ishikawa has professional and extensive experience and results, and considerable insight as both a preventive medicine researcher and a founder of a company using methods based on behavioral science, and because he is deemed capable of providing useful advice on all aspects of the business administration of the Group, he has been appointed as an outside director. Additionally, because he does not fall under "Independence Standards for Outside Officers" set forth by the Company or the independence criteria set forth by the Tokyo Stock Exchange, he is unlikely to cause a conflict of interest with general shareholders, so he has been appointed as an independent officer.

Akie Iriyama

Designation as an Independent Officer: Applicable

Supplementary information on the relationship with the company: Not applicable

Reason(s) for appointment:

Reason(s) for appointment as an Outside Board Director

Mr. Akie Iriyama has operational experience as a consultant, along with professional, extensive experience and results and considerable insight as a researcher specialized in the management strategies and the global management fields, and because he is deemed capable of providing useful advice on all aspects of the business administration of the Group, he has been appointed as an outside director. Additionally, because he does not fall under "Independence Standards for Outside Officers" set forth by the Company or the independence criteria set forth by the Tokyo Stock Exchange, he is unlikely to cause a conflict of interest with general shareholders, so he has been appointed as an independent officer.

Mio Takaoka

Designation as an Independent Officer: Applicable

Supplementary information on the relationship with the company: Not applicable

Reason(s) for appointment:

Reason(s) for appointment as an Outside Board Director

Ms. Mio Takaoka has professional, extensive experience and results, and considerable insight of strategic investment, new business development and finance, and because she is deemed capable of providing useful advice on all aspects of the business administration of the Group, she has been appointed as an outside director. Additionally, because she does not fall under "Independence Standards for Outside Officers" set forth by the Company or the independence criteria set forth by the Tokyo Stock Exchange, she is unlikely to cause a conflict of interest with general shareholders, so she has been appointed as an independent officer.

Makoto Shiono

Designation as an Independent Officer: Applicable

Supplementary information on the relationship with the company: Not applicable

Reason(s) for appointment:

Reason(s) for appointment as an Outside Board Director

Mr. Makoto Shiono has extensive experience and results, and considerable insight in strategic planning and implementation consulting and M&A advisory services for domestic and foreign companies and government agencies, he is deemed capable of providing oversight and advice on all aspects of the business administration of the Group, he has been appointed as an outside director. Additionally, because he does not fall under "Independence Standards for Outside Officers" set forth by the Company or the independence criteria set forth by the Tokyo Stock Exchange, he is unlikely to cause a conflict of interest with general shareholders, so he has been appointed as an independent officer.

Voluntary Establishment of Committee(s) Equivalent to Nominating Committee or Remuneration Committee	Established
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Status of Establishment of Voluntary Committee, Composition of Committee and Attributes of Committee Chair (Chairperson)
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	Voluntary committee corresponding to a nominating committee	Voluntary committee corresponding to a remuneration committee
Name of committee	Nomination and Remuneration Advisory Committee	Nomination and Remuneration Advisory Committee
Total number of members	5	5
Number of full-time members	5	5
Number of internal directors	1	1
Number of outside directors	4	4
Number of external experts	0	0
Number of other members	0	0
Committee chair (chairman)	Outside director	Outside director

Supplementary information [Updated]

The Nomination and Remuneration Advisory Committee, which consists of a majority of outside directors, was established as an optional advisory body to the Company's Board of Directors in order to guarantee the transparency and objectivity of the deliberation process regarding the Group's management personnel. The committee is composed entirely of outside directors and the Group President and Chief Executive Officer, and the chairperson is appointed by mutual election from among the outside directors.

The Nomination and Remuneration Advisory Committee provides recommendations (including advice, proposals, and the drafting of original resolutions) regarding the appointment, nomination, or dismissal of candidates for directors and other officers, either on its own initiative or in response to inquiries from the Board of Directors or the Group President and Chief Executive Officer. Furthermore, the Committee provides recommendations (including advice, proposals, and the drafting of original resolutions) regarding the performance evaluation of Group senior management (particularly the CEO) and the CEO succession plan established by the Board of Directors, either on its own initiative or in response to inquiries from the Board of Directors or the Group President and Chief Executive Officer.

[Company Auditors]

Establishment of the Board of Company Auditors	Established
Maximum Number of Company Auditors Stipulated in Articles of Incorporation	4
Number of Company Auditors [Updated]	4

Cooperation among Company Auditors, Financial Auditor and Internal Audit Division

Concerning audits performed by company auditors, company auditors will receive reports such as audit plans and audit results from the Internal Audit Department, which is the division in charge of internal auditing, and the audit corporation, in addition to accessing important matters when necessary and working to increase the efficiency and effectiveness of audits through cooperation.

Additionally, the Internal Audit Department exchanges information and opinions with the Board of Auditors and the audit corporation when necessary and facilitates cooperation in order to increase the effectiveness and efficiency of auditing functions.

Appointment of Outside Company Auditors	Appointed
Number of Outside Company Auditors	3
Number of Independent Officers Designated from among Outside Company Auditors	0

Outside Company Auditors' relationships with the Company: 1

Name	Attribute	Relationship with the Company (*)												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Tadahiro Mouri	From another company													
Mamoru Furushima	Lawyer													
Takeshi Okuyama	Lawyer													

* Categories for "Relationship with the Company"

"○" when the company auditor presently falls or has recently fallen under the category;

"△" when the company auditor fell under the category in the past;

"●" when a close relative of the company auditor presently falls or has recently fallen under the category;

and "▲" when a close relative of the company auditor fell under the category in the past

a. Executive (a person who executes business; hereinafter, the same) of the Company or its subsidiary

b. Non-executive director or accounting advisor of the Company or its subsidiary

c. Non-executive director or executive of the parent of the Company

d. Company auditor of the parent of the Company

e. Executive of a fellow subsidiary of the Company

f. Party whose major client or supplier is the Company or an executive thereof

g. Major client or supplier of the Company or an executive thereof

h. Consultant, accounting professional or legal professional who receives a large amount of monetary consideration or other property from the Company besides remuneration as a company auditor

i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a corporation)

j. Executive of a client or supplier of the Company (which does not correspond to any of f., g., or h.) (the company auditor himself/herself only)

k. Executive of a corporation to which outside officers are mutually appointed (the company auditor himself/herself only)

l. Executive of a corporation that receives a donation from the Company (the company auditor himself/herself only)

m. Other

Outside Company Auditors' relationships with the Company: 2

Tadahiro Mouri

Designation as an Independent Officer: Not Applicable

Supplementary information on the relationship with the company: Not applicable

Reason(s) for appointment:

Reason(s) for appointment as an outside company auditor

Mr. Tadahiro Mouri has been appointed as an outside company auditor because the Company expects that he can carry out the oversight of management from a perspective independent of the management team due to his considerable insight and extensive operational experience of auditing.

Mamoru Furushima

Designation as an Independent Officer: Not Applicable

Supplementary information on the relationship with the company: Not applicable

Reason(s) for appointment:

Reason(s) for appointment as an outside company auditor

Mr. Mamoru Furushima has been appointed as an outside company auditor because the Company expects that he can carry out the oversight of management from a perspective independent of the management team due to his extensive experience and specialist knowledge as a certified public accountant and a lawyer and in-depth knowledge of auditing, and he is deemed capable of properly carrying out the duties of company auditor.

Takeshi Okuyama

Designation as an Independent Officer: Not Applicable

Supplementary information on the relationship with the company: Not applicable

Reason(s) for appointment:

Reason(s) for appointment as an outside company auditor

Mr. Takeshi Okuyama has been appointed as an outside company auditor because the Company expects that he can carry out the oversight of management from a perspective independent of the management team due to his extensive experience and specialist knowledge as a lawyer and in-depth knowledge of corporate governance, corporate legal affairs and auditing, and he is deemed capable of properly carrying out the duties of company auditor.

[Independent Officers]

Number of Independent Officers [Updated]	4
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The Company has established Independence Standards for Outside Officers as follows.

<Independence Standards for Outside Officers>

The Company believes that, for appropriate corporate governance of the Company, independence of outside directors and outside company auditors to the extent possible is desirable in order to guarantee the necessary objectivity and transparency, and the independence standards for outside officers of the Company are stipulated as follows. When an outside officer (including candidates; hereinafter, the same) falls under any of the following items, he/she is deemed not to have sufficiently satisfied the requirements for independence of the Company.

1. Is not currently or has not been in the past an executive^(Note 1) of the Company or of an affiliate of the Company (hereinafter referred to as the "Group").
2. Is not a major shareholder^(Note 2) of the Company.
3. Has not met any of the following conditions in the past 10 years, including the present.
 - (1) A party whose major client or supplier is the Group^(Note 3) or an executive thereof
 - (2) A major client or supplier of the Group^(Note 4) or an executive thereof
 - (3) A major creditor^(Note 5) of the Group
 - (4) An executive of a party of which the Group is a major equity holder^(Note 6)
 - (5) A party belonging to an auditing firm performing statutory audits of the Group
 - (6) A consultant, certified accountant, certified public tax accountant, lawyer, judicial scrivener, patent attorney or other professional who receives substantial amount^(Note 7) of cash and/or other assets from the Group besides officer remuneration (when a person who receives such assets is an organization such as a corporation or an association, a person who belongs to such organization)
 - (7) A recipient of substantial amount^(Note 7) of donations from the Group or an executive thereof
 - (8) An executive of another company with which there is a relationship involving cross-assumption of office^(Note 8) of outside officers
4. A close relative^(Note 9) of the party who does not meet any of the conditions of 1. - 3. above.
5. Notwithstanding the stipulations above, does not have special grounds that would cause a conflict of interest with the Group.

- (Note 1) "Executive" refers to an executive director, Executive Officer (*shikkoyaku*), executive officer (*shikkoyakuin*), other equivalent person, or other employee.
- (Note 2) "Major shareholder" refers to a shareholder that holds, directly or indirectly, 10% of shares or more in voting rights under their own name or another person's name. If the shareholder is an organization such as a corporation or an association, an executive who belongs to such organization.
- (Note 3) "A party whose major client or supplier is the Group" is one whose transaction amount with the Group is equivalent to 2% or more of its consolidated annual sales.
- (Note 4) "A major client or supplier of the Group" is one where the transaction amount with that client or supplier is equivalent to 2% or more of the Company's consolidated annual revenue.
- (Note 5) "Major creditor" refers to a financial institution on which the Company is dependent to the extent that it is indispensable for its financing and is not substitutable.
- (Note 6) "Major equity holder" refers to a party where 10% of its shares or more in voting rights are held, directly or indirectly, by the Group.
- (Note 7) "Substantial amount" refers to an amount of at least ¥10 million in one fiscal year in the case of an individual, and an amount of at least 2% of the organization's annual sales or annual total revenue or ¥10 million, whichever is higher, in the case of an organization.
- (Note 8) "Relationship involving cross-assumption of office" refers to a relationship where an executive of the Group serves as an outside officer of another company and an executive of that company serves as an outside officer of the Company.
- (Note 9) "Close relative" refers to a spouse or persons within the second degree of kinship.

[Incentives]

Implementation of Measures to Provide Incentives to Directors	Performance-linked remuneration
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Supplementary Explanation [Updated]

The Company resolved, at its Board of Directors meeting and the extraordinary shareholders meetings of its subsidiaries (hereinafter referred to as the "Covered Subsidiaries," and together with the Company, the "Covered Companies") held in February 2026, to continue and partially revise the performance-linked share-based remuneration plan (hereinafter referred to as the "Plan"), which was introduced in FY2017, for directors (excluding outside directors and non-residents of Japan) and delegated executive officers (excluding non-residents of Japan; the same applies hereinafter) of the Company. With the aim of strengthening commitment toward achieving Medium-Term Management Plan (FY2026-FY2028) disclosed on February 12, 2026, these revisions include extending the trust period of the existing Board Incentive Plan (BIP) Trust, which was scheduled to expire on May 31, 2026, and expanding the scope of the Plan to include outside directors. A proposal for partial revision of the Plan was submitted to and resolved at the 35th Ordinary General Meeting of Shareholders held on March 25, 2026 .

Under the Plan, compensation for directors and delegated executive officers, etc. of the Company and compensation for delegated executive officers (excluding non-residents of Japan; the same applies hereinafter; The Company's directors and delegated executive officers, together with the delegated executive officers of the Company's subsidiaries, are collectively referred to below as "Executive Directors, etc.") of the Covered Subsidiaries are managed on an integrated basis.

The Plan aims to make the linkage between the remuneration for executive directors, etc. and the Group's medium- to long-term performance and shareholders value clearer, and to serve as a sound incentive toward making contributions to improving performance of the Group over the medium- and long-term and to increasing corporate value. The Plan consists of a fixed portion composed of "Base Points" granted annually according to the individual's position, and a performance-linked portion composed of "Performance-linked Points." These are granted at the end of the applicable period based on the position and the degree of achievement of performance targets during said period. The revisions to the Plan approved at the 35th Ordinary General Meeting of Shareholders aim to further enhance the effectiveness of the Board of Directors and ensure "same-boat" (alignment of interests) between shareholders and outside directors, who play key roles in protecting minority shareholders and providing objective management advice. This is achieved by expanding the eligibility for share-based remuneration to include outside directors, who constitute a majority of the Company's Board of Directors. For outside directors, the share-based remuneration consists solely of the fixed portion.

Indicators for the performance-linked portion of the Plan are based on the medium- to long-term management plan and include profit and profitability indicators (specifically, consolidated Non-GAAP operating profit, profit attributable to owners of parent, and

consolidated ROE, etc.). When the Plan is introduced, the Company shall abolish the current stock-option remuneration plan for the officers of the Company.

Notice on the Continuation and Partial Revision of the Performance-Linked Share-Based Compensation Plan for Directors and Officers:

https://www.septeni-holdings.co.jp/en/ir/irnews/BIP_260224_en.pdf

Grantees of Stock Options	None
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Supplementary Information

[Director Remuneration]

Disclosure of Individual Directors' Remuneration	Individual remuneration is not disclosed.
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Supplementary Explanation [Updated]

- Total amount of remuneration, etc. the Company paid to directors in the fiscal year ended December 31, 2025.

Directors (excluding outside directors): ¥15,000 thousand

Outside directors: ¥87,000 thousand

(Note 1) The amounts of directors' compensation do not include compensation as Group Executive Officers. The total amount of directors' remuneration, including remuneration as Group Executive Officers, is ¥173,526 thousand, consisting of basic compensation of ¥150,012 thousand and performance-linked compensation (cash) of ¥23,514 thousand.

(Note 2) The number of payees and the amount of remunerations include one director and the amount of remuneration during their service, who retired from office at the conclusion of the 34th Ordinary General Meeting of Shareholders held on March 26, 2025.

(Note 3) The total amount of officer's remunerations etc., total amount of remunerations, etc. by type., and the number of eligible officers do not include one director and one company auditor all of whom serve without remuneration.

Policy for Determining Remuneration Amounts or Calculation Methods Thereof [Updated]	Established
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Disclosure of Policy for Determining Remuneration Amounts or Calculation Methods Thereof
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The Company adopted a resolution on the policy for determining details of individual remunerations, etc. for directors, etc. at the Board of Directors meeting held on November 22, 2016 (with subsequent resolutions to partially revise it on December 19, 2023, and January 28, 2025).

Furthermore, the board of directors has deemed that remuneration, etc. for individual directors in the business year under review follow the determination policy. Specifically, the board of directors has confirmed that the method of determining the details of the remuneration, etc. and the details of the decided remuneration, etc. are consistent with the determination policy, and that the decisions were made while referencing the proposed recommendations of the Nomination and Remuneration Advisory Committee, to confirm the validity of remuneration levels.

The details of the policy for determining details of individual remunerations, etc. for directors, etc. are as follows.

a. Basic policy

Remuneration for directors (excluding outside directors) is composed of monthly remuneration and share-based remuneration (Fixed Portion and Performance-linked Portion).

The amount of monthly remuneration is determined for each grade according to the size (magnitude) of responsibilities of each director. Furthermore, the total amount of remuneration paid as cash every month must be within the total remuneration limit for directors decided by the general meeting of shareholders.

Share-based remuneration, which serves as a long-term incentive, is composed of Fixed Portion and Performance-linked Portion. Fixed Portion is composed of "Base Points" granted annually according to position. Performance-linked Portion is composed of "Performance-linked Points" granted at the end of the covered period based on the individual's position, and the degree of achievement of performance targets during said period, with such targets established under the medium- to long-term business plan, including consolidated Non-GAAP operating profit, profit attributable to owners of parent, and consolidated ROE.

Remuneration for outside directors is composed of monthly remuneration and share-based remuneration (Fixed Portion).

Remuneration for company auditors is composed of only monthly basic remuneration (fixed with no changes based on performance).

b. Concerning other determination for remunerations, etc.

Following the a. basic policy above, monthly remuneration for directors (excluding outside directors) will be within the total limit of director remuneration set by a resolution of the general meeting of shareholders (Note 1), and individual and specific allocations will be decided by the Group President and Chief Executive Officer referencing the advice from the Nomination and Remuneration Advisory Committee. Regarding performance-linked share-based remuneration (Fixed Portion and Performance-linked Portion), based on the share-based remuneration system using the officer's remuneration BIP trust resolved by the general meeting of shareholders, "share delivery rules" will be concluded with the trustee of the trust (Note 2), and according to these rules, the trustee will deliver shares.

Following the above basic policy a., monthly remuneration for outside directors will be within the total limit of director remuneration set by a resolution of the general meeting of shareholders (Note 1), and individual and specific allocations will be decided by the Group President and Chief Executive Officer referencing the advice from the Nomination and Remuneration Advisory Committee. Regarding share-based remuneration (Fixed Portion), the "share delivery rules" will be concluded with the trustee of the trust (Note 2) based on the share-based remuneration system using the directors' remuneration BIP trust resolved by the general meeting of shareholders, and according to these rules, the trustee will deliver shares.

Following the above basic policy a., remuneration for company auditors will be within the total limit of company auditor remuneration set by a resolution of the general meeting of shareholders (Note 3), and individual and specific allocations will be decided through discussions with the company auditors.

(Notes)

1. Up to ¥600 million per year for the Company's directors (decided by a resolution at the 23rd Ordinary General Meeting of Shareholders held on December 20, 2013).
2. Trust-related operations will be conducted by Mitsubishi UFJ Trust and Banking Corporation, etc. and share-related operations will be conducted by DSB Co., Ltd.
3. Up to ¥50 million per year for the Company's company auditors (decided by a resolution at the 9th Ordinary General Meeting of Shareholders held on December 14, 1999).

[Support system of outside directors (company auditors)]

Currently, there is no full-time employees that assist the outside directors and company auditor. If there is a request from outside directors, decision will be made a decision based on the Board of Directors. Additionally, the employees are put under the control of the supervising and commanding right by the outside directors and ensured their independence.

2. Matters regarding Decision-making Functions related to the Execution of Duties, Audit and Supervision, Appointments, Compensation, Etc. (Outline of the current corporate governance system)

The Group is managed under a holding company structure in which the Company is a holding company and its group companies are operating companies. By separating the function of administering its overall business from executing its individual businesses, the Group has been working to facilitate the delegation of authority and strengthen the Company's function of monitoring the Group's businesses.

The Board of Directors shall consist of a majority, at the minimum, of highly independent outside directors. The Board currently consists of seven directors, four of whom are outside directors. It determines matters prescribed by laws and regulations and the Articles of Incorporation and matters concerning the execution of important business and oversees the execution of business. Furthermore, as part of strengthening of its corporate governance system, the Company introduced an executive officer system in January 2017. Under this system, the authority for making decisions and executing business operation is delegated to Executive Officers (hereinafter, "Group Executive Officers") to the extent permitted by relevant laws and regulations, in order for the Board of Directors to mainly focus on the oversight (monitoring) of the Group Executive Officers who are responsible for the execution of business (monitoring model- oriented).

The Group Executive Officers are responsible for the execution of business of the Company, that of the business companies in its group or that across several business companies. The Board of Directors appoints Group Executive Officers in charge of respective areas of business operation, and the Group President and Chief Executive Officer who concurrently serves as Representative Director oversees the execution of business operations by the Group Executive Officers.

Moreover, matters to be resolved by meetings of the Board of Directors, those regarding which authority is to be delegated to the Group Executive Officers and those to be reported by the Group Executive Officers to the Company's Board of Directors are clearly stipulated in the regulations of the Board of Directors.

In addition to the above, Group Management Meeting has been established, as a system regarding decision-making on the execution of business, with the functions of supporting decision-making by the Group President and Chief Executive Officer and of considering important managerial matters of the group. The Company has also established a Group Risk Management Committee that supervises risk management of the group, a Sustainability Committee that promotes sustainability activities to enhance the corporate value and a Financial Results and Disclosures Committee that reviews and evaluates financial results information, information for timely disclosure, among other things. In doing so, the Company has put in place a system that clarifies authority and responsibilities and enables prompt and appropriate decision-making.

On the other hand, Nomination and Remuneration Advisory Committee, the majority of which consists of outside directors, has been established as an optional committee of the Board of Directors to handle personnel matters regarding the group's management team (appointment, removal etc. of directors of the Company, Group Executive Officers and others), in order to ensure the independence, objectivity and accountability of the

deliberation process. In addition, meetings attended only by the outside directors (Executive Session) are held once a month in principle, thereby securing a place for information exchange and shared awareness from objective standpoints. Outside company auditors, external accounting auditors and other independent outside persons may attend such meetings, thereby providing a place for promoting cooperation among independent outside persons.

The Company has adopted a company auditor system. Under the system, there are currently four company auditors including three highly independent outside company auditors. Each company auditor audits the execution of business by the directors, in accordance with the auditing policy, audit plans and so forth determined by the Board of Auditors.

3. Reasons for Adoption of Current Corporate Governance System

As a policy of the Company, the Board of Directors shall consist of a majority, at the minimum, of independent outside directors, and has established a system that functions effectively and efficiently to make decisions with regard to the basic management policy and oversee business execution by the Board of Directors through the involvement of outside directors, who have abundant experience and keen insight regarding management, in deliberation at the Company's Board of Directors meetings. Additionally, the Board of Auditors consists of a majority of independent outside company auditors, and the company auditors, who have expertise in finances, law, etc., have established an auditing system that functions effectively and efficiently through mutual cooperation with the financial auditor as an external auditor. As described above, as a result of the functioning of both oversight of the execution of duties by outside directors through deliberation of the Board of Directors, as well as auditing by independent company auditors who are not involved in decisions regarding the execution of duties, the Company is utilizing the current corporate governance system as it believes that it will guarantee further enhanced governance functions and will further increase the effectiveness of corporate governance.

III. Implementation of measures for shareholders and other stakeholders

1. Measures to vitalize the General Meeting of Shareholders and enable smooth exercise of voting rights [Updated]

	Supplementary information
Early Delivery of Convocation Notice for General Meeting	<p>The latest date for the 35th Ordinary General Meeting of Shareholders</p> <ul style="list-style-type: none"> - The date of providing information in electronic format on the website: February 25, 2026 - Delivery of Convocation Notice: March 9, 2026 - Event Date: March 25, 2026
Scheduling General Meeting of Shareholders Avoiding the Peak Day	<p>The Company holds the Ordinary General Meeting of Shareholders around March 20 every year.</p> <ul style="list-style-type: none"> • The date of the latest 35th Ordinary General Meeting of Shareholders: March 25, 2026
Allowing Electronic or Magnetic Exercise of Voting Rights	<p>The Company has adopted the exercise of voting rights via the Internet, and shareholders can exercise their voting rights from a computer, smartphone, etc.</p>
Participation in Electronic Voting Platform and Other Efforts to Enhance the Voting Environment for Institutional Investors	<p>The Company has used the Electronic Proxy Voting Platform operated by ICJ, Inc.</p>
Providing Convocation Notice in English (Translated Fully or Partially)	<p>English translations of the convocation notices are available on the websites of the Company and the Tokyo Stock Exchange (disclosed on the same day as the Japanese).</p> <p>https://www.septeni-holdings.co.jp/en/ir/stock/shareholders/index.html</p>
Others	<ul style="list-style-type: none"> - The convocation notices are available on the Company's website before delivery. https://www.septeni-holdings.co.jp/en/ir/stock/shareholders/index.html - The business report video is posted on the Company's website. - The 34th Ordinary General Meeting of Shareholders on March 25, 2026, was held as a general meeting of shareholders without a designated location for the shareholders meeting (virtual-only shareholders meeting) with the aim of providing an opportunity for shareholders to attend the meeting in an equal manner, regardless of physical location or whether there is time to spare.

2. IR Activities [Updated]

	Supplementary Explanation	Explanation by Representative
Preparation and publication of disclosure policy	The Company makes a disclosure policy and the policy is posted on the Company's website. https://www.septeni-holdings.co.jp/en/ir/disclosure.html	
Regular Investor Briefings for Analysts and Institutional Investors	<ul style="list-style-type: none"> - The Company holds financial results briefings once every quarter, and the representative will explain the details of financial results and future business developments, etc. - A video of the results briefing is recorded and released on the Company's website on the same day or the day after the briefing. 	Yes
Regular Investor Briefings for Overseas Investors	The Company does not hold briefing sessions for overseas investors, but it discloses English transcript for financial results briefings on its website. In addition, individual meetings with overseas investors are held on an ongoing basis both domestically and overseas.	Yes
Posting of IR Materials on Website	Materials requiring timely disclosure, such as the summary of consolidated financial statement, the annual securities report, materials for financial results briefings, the stock information and Integrated Report are posted on the IR section of the Company's website in a timely manner.	
Establishment of Department and/or Manager in Charge of IR	The Corporate Communications Dept. of CEO Office is in charge of IR operations. Various legal disclosure materials are prepared in collaboration with the Finance & Accounting Department and the Legal Department. The Integrated Report is prepared by the CEO Office.	

3. Measures to Ensure Due Respect for Stakeholders [Updated]

	Supplementary Explanation
a. Internal Rules and Regulations that Promote Respect for the Status and Position of Stakeholders	<p>This is stipulated in the Group's Corporate Philosophy. The Company is promoting various activities aimed at instilling the corporate philosophy.</p> <p>https://www.septeni-holdings.co.jp/en/company/philosophy.html</p>
b. Implementation of Environmental Activities, CSR Activities etc.	<p>The Group believes that helping to resolve social issues through business is its unique way of fulfilling the sustainability activities placed upon the Group by society and stakeholders.</p> <p>This contribution aims to realize a sustainable society and realize the Group's mission of "To inspire the world with entrepreneurship." Inspired by this notion, the Group will move forward with its activities.</p> <p>Specific details of activities are posted on the Company's website.</p> <p>https://www.septeni-holdings.co.jp/en/csr/</p>
c. Policy Formulation for the Disclosure of Information to Stakeholders	<p>In order to realize fair and transparent management, the Company complies with laws, regulations, and related regulations, and disclose information in a timely and appropriate manner as described in this report V-2, " Status of internal system for timely disclosure of Company information."</p> <p>The Company's disclosure policy is also available on the website.</p> <p>https://www.septeni-holdings.co.jp/en/ir/disclosure.html</p>

IV. Matters Related to Internal Control System

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

A. Systems to ensure the properness of operations of the corporate group comprised of the Company and its subsidiaries

- (1) The corporate group comprised of the Company and its subsidiaries (hereinafter referred to as the "Group") is managed under a holding company structure in which the Company is a holding company and its subsidiaries are operating companies. By separating the managerial function from the function of executing its individual businesses, the Group shall work to facilitate the delegation of authority to its operating subsidiaries and strengthen the Company's function of monitoring the Group's businesses.
- (2) The Company's function of managing the business of its operating subsidiaries shall be implemented effectively and efficiently based on the execution of its direct and indirect shareholders' rights and under the "Basic Agreement on Business Management Services for the Group" entered into with the operating subsidiaries.
- (3) The Company shall establish principles, regulations, guidelines and others common to the Group to ensure efficient and proper execution of duties by the Group's directors, Group Executive Officers and employees (hereinafter referred to as "officers and employees").
- (4) The Company shall clarify a system for reporting any situations concerning execution of duties by the Group's officers and employees such as the state of the business and financial results to the Company's Board of Directors or the Group Management Meeting. In cases where certain significant decisions are made, prior approval of the Company's Board of Directors or the Group Management Meeting shall be required.
- (5) The Internal Audit Department of the Company shall provide assurance operations (auditing and guarantee function) and consulting operations (advisory and guidance function) from an independent and objective position to the Group, and examine and assess the status of ensuring the properness of operations of the entire Group.

B. Systems to ensure compliance with laws and regulations and the Articles of Incorporation by directors and employees when executing their duties [Updated]

- (1) Officers and employees of the Group shall recognize compliance with laws and regulations and social ethics as being one of basic points for the Group to fulfill its corporate social responsibilities, enhance corporate values and achieve sustainable growth, and practice the compliance through the Group's sustainability activities.
- (2) The Group's corporate philosophy and code of conduct shall call for compliance with laws and regulations and social ethics and adopt it as the Group's basic policy for the business operation.
- (3) Directors and Group Executive Officers of the Group shall practice and encourage the compliance with laws and regulations and social ethics proactively.
- (4) Directors and Group Executive Officers shall assign authorities for execution of duties appropriately and clearly and execute the duties in accordance with regulations including the regulations of the Board of Directors and the regulations of the Executive Officers.
- (5) In the event that directors and Group Executive Officers find a violation of laws and regulations or other important facts regarding compliance, they shall report to the

Company's Board of Directors or the Group Management Meeting without delay and take corrective measures.

- (6) The Company shall conduct regular compliance trainings for the Group's officers and employees continuously and have the Internal Audit Department, which is directly under Group President and Chief Executive Officer, perform internal audits of the Group
- (7) In order to respond appropriately to reporting or consultation from the Group's officers and employees on organizational or individual violations of laws and regulations, detect and amend inappropriate actions and others early, and strengthen the compliance, the Company shall establish a whistleblower hotline with external lawyers being as the person who directly receives a report.

C. Systems for the storage and management of information regarding the execution of duties by directors

- (1) With regard to information security of the Group, the Company shall set the "Basic Policy on Information Security," develop internal regulations regarding information security in line with laws and regulations, and establish the "Security Management Office" to oversee and manage information security in an integrated and effective manner under the common policy as the Group.
- (2) With regard to documents, forms and other records related to duties of the Group's officers and employees (including electromagnetic records), the Company shall develop internal regulations regarding document management in line with laws and regulations, and manage and store such documents in an integrated and effective manner under the common policy as the Group.
- (3) With regard to personal information management of the Group, the Company shall establish "Privacy Policy," develop internal regulations regarding personal information security in line with laws and regulations, and manage such information in an integrated and effective manner under the common policy as the Group.
- (4) With regard to documents, forms and other records related to duties of the Group's officers and employees (including electromagnetic records), the Company shall establish a system to ensure that directors and company auditors can have access to these records at any time.
- (5) With regard to insider information on shares of listed companies, the Company shall establish the "Group Regulations on Prevention of Insider Trading," manage such information in an integrated and effective manner under the common policy as the Group, and communicate it to the division in charge of information disclosure appropriately.
- (6) When storing and managing information through electromagnetic records, the Company shall strive to gather the up-to-date information on threats for electronic information to build the latest system for storage and management possible.

D. Regulations and other systems for managing the risk of loss

- (1) In order to recognize significant events that may affect the business management of the Group, identify, analyze and assess risks that may harm the development and growth of the business, and make responses to the risks such as risk aversion, mitigation, transfer and others, the Company shall establish the "Group Risk Management Regulations" and set up the "Group Risk Management Committee" as a body to oversee and manage such risks in an integrated and effective manner under the common policy as the Group.
- (2) With regard to usual risk management of the Group, each operating subsidiary or division shall make a risk assessment and response to the risk, and the Group Risk Management Committee shall receive a report from the operating subsidiary or division and oversee the risk management of the Group.
- (3) In case of an emergency, the "Crisis Management Headquarters" with the Group President and Chief Executive Officer as its head shall oversee the risk management of the Group.
- (4) Risk management policies of the entire Group as well as assessment of and responses to the risks related to strategic decision-making such as management strategy and merger and acquisition shall be treated as the exclusive prerogatives of the Company's Board of Directors. In making these management decisions, the Company shall assess the risks appropriately.
- (5) The Company shall establish a reporting system for any event or indication that may affect the Group significantly in cases where risks have become apparent, so that its Board of Directors can figure out such an event or indication in advance.

E. Systems to ensure the efficient execution of duties by directors

- (1) The Company's Board of Directors shall make decisions on matters stipulated in laws and regulations and the Articles of Incorporation and the execution of important operations, and transfer its authority to Group Executive Officers with regard to the execution of other operations pursuant to the "regulations of the Board of Directors" and the "Resolution and Entrustment Criteria" to ensure swiftness and efficiency of the execution of duties.
- (2) Multiple subsidiary groups that are part of the same chain of command in the Group shall be deemed as companies without Board of Directors in terms of institutional design under the Companies Act in order to promote the swiftness and efficiency of the decision-making process. Their information shall be consolidated by the Company's Board of Directors or the management meeting of the core subsidiary to uniform the decision-making process.
- (3) Directors and Group Executive Officers shall execute duties efficiently based on the Midterm Business Policies and goals and annual budget set by the Company's Board of Directors, as well as report the progress of these policies and goals and budget to the Company's Board of Directors or the Group Management Meeting and implement necessary improvement measures.

- (4) In cases where subsidiaries make significant decisions, approval of the Company's Board of Directors or the Group Management Meeting shall be required, and coordination shall be made for the efficient resource allocation avoiding overlaps of business activities and capital investments between the Company and subsidiaries or between subsidiaries.

F. Matters relating to employees that assist the company auditors upon the request of such company auditors, independence of the relevant employees from directors and effectiveness of directions given to such employees of the company auditors to be ensured

- (1) Employees that assist the company auditors shall be assigned at the request of company auditors.
- (2) Employees that assist the company auditors shall not concurrently serve other duties and posts.
- (3) Matters related to personnel evaluations, personnel transfers, disciplinary actions, etc. for employees that assist the company auditors shall be conducted separately from the other employees and determined with the consent of the company auditors.

G. Systems for enabling directors and employees to make reports to company auditors and systems for ensuring that the persons who made such reports shall not be treated disadvantageously on the grounds that they have submitted the said reports

- (1) Company auditors of the Company may attend the Board of Directors meetings of the Company, Group Management Meeting and other important meetings, and request explanations from officers and employees as necessary.
- (2) In cases where company auditors request reports on operations or inspections of documents such as minutes, approval documents and accounting books, officers and employees of the Group shall respond to the request in a prompt and appropriate manner.
- (3) In the event that officers and employees of the Group detect any facts or situations that may cause significant damage to the companies, such officers and employees shall immediately report the matters to company auditors.
- (4) The Company shall establish regulations for prohibiting removal from duty, discharge and any other disadvantageous treatment to officers and employees of the Group on the grounds that the officers and employees made a report to company auditors, and make the regulations well known.
- (5) All of the internal audit reports conducted by the Internal Audit Department shall be reported to the Board of Auditors.

H. Matters relating to policies on procedures for prepayment or reimbursement of expenses arising from the execution of duties by company auditors and processing of other expenses or obligations arising from the execution of duties by company auditors

- (1) Expenses that are considered necessary in the execution of duties of company auditors shall be budgeted in advance. In cases where company auditors request payment for reasonable expenses for the execution of their duties, the Company shall accept the request.

I. Systems for ensuring the effective functioning of audits by company auditors

- (1) The Company shall ensure that it provides its company auditors with opportunities to sufficiently exchange opinions with the Group President and Chief Executive Officer, outside directors, financial auditor and internal auditors.
- (2) The Company shall establish a system that allows its company auditors to perform audits equivalent to audits of the Company by the company auditors under individual agreements between the Company and its subsidiaries, in addition to investigations of subsidiaries under laws and regulations, so that the company auditors can audit the entire Group effectively and efficiently as needed.

2. Basic Views on Eliminating Anti-Social Forces and Progress of Related Efforts

The Company will stand up to antisocial forces that potentially pose a threat to social order and safety with a resolute attitude, and prevent any relationship with such entities.

In the unlikely event that the Company receives contact from antisocial forces, it will appropriately respond in a systematic manner and cooperate with external institutions, such as the police, lawyers, etc.

V. Other

1. Adoption of anti-takeover measures

Adoption of Anti-takeover Measures	Not adopted
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Supplementary Explanation

2. Other matters concerning the corporate governance systems [Updated]

Status of internal system for timely disclosure of Company information is as follows.

(1) Information handling officer and department in charge

The person responsible for handling information for timely disclosure at the Company is the Group Executive Officer in charge of the CEO Office. The Corporate Communications Dept. of CEO Office and the Finance & Accounting Department handle the collection of information disclosures, and the creation and disclosure procedures of disclosure statements.

(2) System of understanding each information

a. Information on decisions made by the company

Important business execution under the Company's decision is, in principle, decided by the Board of Directors and always understood by the person responsible for handling information. Additionally, the representative of each company will promptly report information related to the decision of group companies to the person responsible for handling information (or in some cases, the Corporate Communications Dept. of CEO Office and the Finance & Accounting Department). After this, the specific details of any matters to be disclosed will be reviewed at the Financial Results and Disclosures Committee, to which the Board of Directors delegates decision making related to disclosure, and then the matter will be disclosed upon receiving approval from the Group President and Chief Executive Officer.

b. Occurrence of material facts

Regarding information related to material events, the representative of the company where the material event occurred or the division head of the division where it occurred (within the Company) will be the manager in charge. In the event that material facts are generated, they will be promptly reported to the person responsible for handling information (or in some cases, the Corporate Communications Dept. of CEO Office and the Finance & Accounting Department). After this, the specific details of any matters to be disclosed will be reviewed at the Financial Results and Disclosures Committee, to which the Board of Directors delegates decision making related to disclosure, and then the matter will be disclosed upon receiving approval from the Group President and Chief Executive Officer. The person responsible for handling information will work to gather information related to material events through periodic meetings and reports with the representatives of each company.

c. Business result

The Finance & Accounting Department is in charge of quarterly financial information and will report it to the Board of Directors. After this, the specific details of any matters to be disclosed will be reviewed at the Financial Results and Disclosures Committee, to which the Board of Directors delegates decision making related to disclosure, and then the matter will be disclosed upon receiving approval from the Group President and Chief Executive Officer.

(3) Judge of necessity for timely disclosure

Regarding important decisions, material events and financial information collected by the person responsible for handling information (or in some cases, the Corporate Communications Dept. of CEO Office and the Finance & Accounting Department), after discussing with and reporting to the Board of Directors or reporting to the Group President and Chief Executive Officer, the IR Department of CEO Office will decide on the necessity for disclosure based on the related laws and regulations including the Financial Instruments and Exchange Act and the rules of timely disclosure stipulated by the Tokyo Stock Exchange, and will decide on the details and specific timing.

Additionally, when necessary, they will receive advice from external specialists including audit corporations, lawyers, etc., and work to guarantee objectivity, compliance and validity.

(4) Procedure of timely disclosure to Tokyo Stock Exchange

Finally, after the above procedures, they will be verified by the person responsible for handling information and the Group President and Chief Executive Officer, and disclosure procedures will be conducted by the Corporate Communications Dept. of CEO Office for the Tokyo Stock Exchange.

【Governance Chart】

