

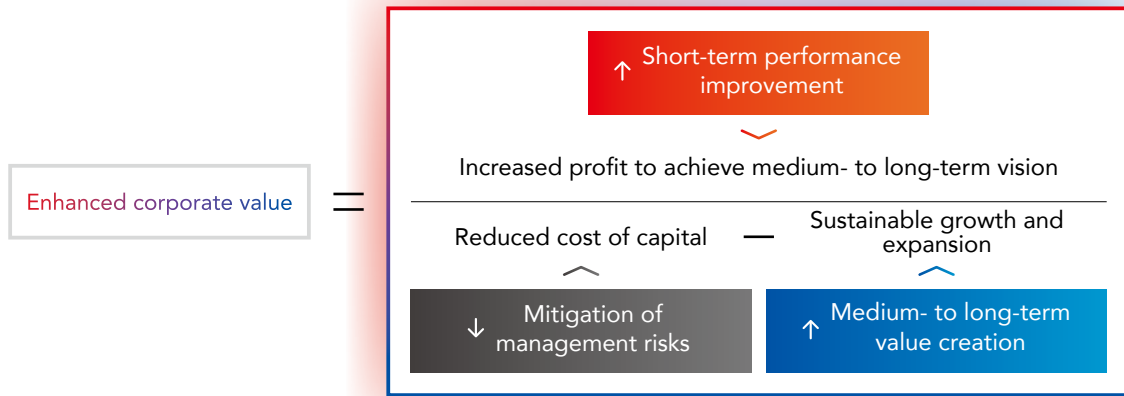
# Management Foundation to Enable Value Creation

This section introduces the management foundation that serves as a sound platform for continuing to “inspire the world more.” We report on our initiatives to further deepen this foundation—including respect for human rights, responses to climate change, and advanced corporate governance—in order to meet society’s trust and support sustainable value creation.

# Securing our value




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# Respect for Human Rights

## Basic philosophy and policy

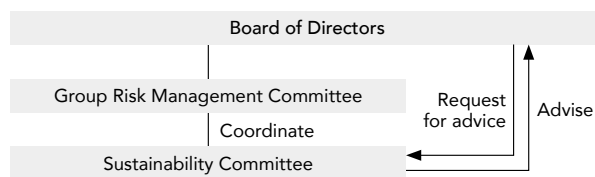
To achieve our Group mission, we recognize that respecting human rights is a vital social responsibility and are actively promoting initiatives in this area. Respecting international standards such as the UN Guiding Principles on Business and Human Rights and the International Bill of Human Rights, we formulated and published our Human Rights Policy in December 2024. This policy has been disseminated throughout the Group, both domestically and internationally.

 For the Human Rights Policy, please refer to the corporate website. [https://www.septeni-holdings.co.jp/en/csr/pdf/hrp\\_en.pdf](https://www.septeni-holdings.co.jp/en/csr/pdf/hrp_en.pdf)


## Governance structure

The Sustainability Committee—an advisory body to the board of directors chaired by the Group President and Chief Executive Officer—discusses and reviews sustainability activities and human rights issues. Regarding human rights issues, the Committee collaborates with the Group Risk Management Committee, which manages risks across the entire Group. The details of the discussions and reviews held by these committees are reported periodically to the board of directors, and decisions on particularly important themes are subject to a resolution by the board of directors.

### Governance structure for the human rights issues



Note: The above is an excerpt from the corporate governance system diagram.

 For the complete governance structure, please refer to the corporate website. <https://www.septeni-holdings.co.jp/en/company/governance.html>

## Human rights due diligence

Our Group is committed to human rights due diligence as required by the UN Guiding Principles on Business and Human Rights. In 2025, we identified and assessed human rights risks through the following three steps, based on the Government of Japan's Guidelines on Respecting Human Rights in Responsible Supply Chains and other relevant standards. Moving forward, we will continue our activities by implementing the PDCA cycle to mitigate these risks.

### Identification process

#### STEP 1

#### Extraction of Potential Risks

Extracting a wide range of potential risks anticipated in the Group's businesses, based on major international human rights standards and rules.

#### STEP 2

#### Impact Assessment

Conducting interview surveys with each Group company and department. The impact of potential risks is assessed along two axes: severity of human rights impacts and likelihood of occurrence.

#### STEP 3

#### Identification of Salient Risks

Identifying salient risks that should be prioritized, following discussions by the Sustainability Committee and the board of directors, and reporting to the Group Management Meeting.

Priority ● High priority ▲ Medium-high priority ■ Priority

Human Rights Issues	Septeni Group Employees	Suppliers / Business Partners	Consumers / Users
Prevention of Harassment	●	▲	
Responsible Use of Technology and AI	●	●	●
Privacy Protection	▲	▲	▲
Responsible Creative Expression	●	●	●
Prevention of Discrimination	■	■	
Appropriate Working Hours	▲	▲	
Occupational Health and Safety	■		

Related materiality:  
Enhancement of Corporate Value by Empowering People  
Who Create a New Era

## Initiatives

We respect the human rights of all individuals and are committed to fostering a workplace environment that enhances job satisfaction and motivation for everyone.

As part of these efforts, we are implementing the following initiatives.

### Human rights training

Following the formulation and publication of our Human Rights Policy, we conducted video-based training for Group officers and full-time employees to learn the importance of considering human rights in business activities (Participation rate for FY2025: 100%). We will also provide regular training for future new graduates and mid-career hires. By continuously updating each individual's human rights awareness, we mitigate risks, driving our sustainable growth and enhancing corporate value.

### Call for Human Rights Slogans

We participate in the annual "Call for Human Rights Slogans" initiative organized by dentsu Japan, inviting slogan submissions from our employees and their families. This initiative offers an opportunity to gain new perspectives on social issues and foster a deeper awareness of respect for human rights.



# Response to Climate Change

## Disclosure of information in accordance with TCFD recommendations

Given that a sustainable and sound Earth and society are prerequisites for business operations, we recognize the high importance of addressing climate change and have identified it as one of our material issues.

We endorsed the Task Force on Climate-related Financial Disclosures (TCFD) recommendations in October 2023 and have disclosed information based on the TCFD framework regarding the risks and opportunities brought by climate change, as well as their impacts on our financial and business activities.

Among the main assumed risks, we believe that a carbon tax and surging electricity prices could directly impact our profitability due to the nature of our business.

	FY2024 Results	FY2025 Results
Scope1	0.0	0.0
Scope 2 (Market-based method)	513.3	173.9
Scope 2 (Location-based method)	595.5	566.9
Scope 3*	7,555.0	8,490.1
Total	8,068.3	8,664.0

To mitigate these risks, we have implemented measures such as switching to LED lighting at our head office and introducing virtually 100% renewable energy at our head office and group company locations. These initiatives enable us to directly reduce taxable emissions while simultaneously enhancing our financial resilience against future energy price volatility.

### Metrics and targets

At Septeni Group, we have set a goal to reduce the GHG emissions of Scope 1+2 by 70% by fiscal year 2030 compared to fiscal year 2023. In fiscal year 2025, our Scope 2 emissions decreased due to the introduction of virtually 100% renewable energy at our headquarters. Conversely, our Scope 3 emissions increased, driven by office updates and a rise in business travel. Additionally, due to the nature of our business operations, our Scope 1 emissions remained at zero.

\* Category 1 (Purchased goods & services), Category 2 (Capital goods), Category 3 (Fuel & energy-related activities), Category 6 (Business travel), Category 7 (Employee commuting), Category 8 (Leased assets (upstream))

For more details of GHG emissions, please refer to the corporate website. Sustainability Information <https://www.septeni-holdings.co.jp/en/csr/data.html>

## Results of Scenario Analysis

Classification based on TCFD Recommendations	Assumed Main Risks and Opportunities	Response	Impact Level	Occurrence Time*
Transition Risks	Policy / Regulation: Costs arising from carbon taxes, etc.	Transition to renewable energy	Medium	Short - Medium
	Technology: Increased costs due to delays in adapting to low-carbon technologies	Rapid conversion to energy-efficient equipment	Small	Medium - Long
	Market: Increased costs due to rising electricity prices	Promotion of energy conservation through educational activities for employees	Small	Short - Long
	Reputation: Loss of trust from clients, investors, and employees and decrease in corporate value due to delays in climate change measures	Disclosure through TCFD, CDP, etc.	Medium	Medium - Long
Physical Risks	Acute: Operational stoppage of services and impact on internal infrastructure due to intensification of abnormal weather and frequent natural disasters	Maintenance and enhancement of BCP and crisis management systems	Large	Long
	Chronic: Self-restraint/reduction in advertising due to disasters	Promotion of proactive initiatives to realize a decarbonized society	Large	Long
	Chronic: Increased costs for air conditioning, etc. due to changes in weather patterns	Implementation of ongoing energy conservation measures in offices	Small	Medium - Long
Opportunities	Products/Services: Acquisition of new business opportunities due to major changes in industry and society	Acquisition of new clients emerging from the promotion of decarbonization	Small	Medium - Long
	Market: Increase in advertising due to expanding demand for environmentally friendly products/services		Small	Medium - Long
	Resilience: Changes in work styles due to dispersion of residences accompanying changes in weather patterns	Promotion of diverse work styles through remote work	Medium	Short - Long

\*Short term: to 2025, Medium term: 2025 to 2030, Long term: 2030 to 2050

Related materiality:  
Response to Climate Change

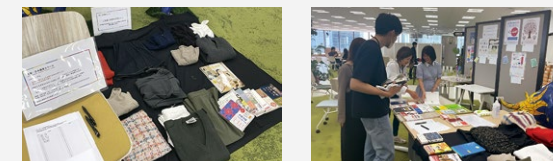
## Environmental initiatives

### Building the foundation for decarbonization in the advertising industry Participated in the joint development of a "Carbon Calculator"

Septeni Co., Ltd. is participating in the development of an emissions visualization tool for advertising production and events, an initiative promoted by three organizations including the Japan Advertising Agencies Association (JAAA). By establishing industry-wide calculation standards, we aim to contribute to building the foundation for achieving carbon neutrality in the marketing domain.

### One Day for Change

We participate in "One Day for Change," an event hosted by dentsu Japan that deepens each individual's awareness and understanding of social issues, with the goal of generating future ideas to solve difficult social challenges through business. In fiscal year 2025, we held an in-office clothing and book swap event. This initiative has raised environmental awareness while also fostering deeper connections and communication across the Group.



For details on our initiatives, please refer to our Group's official "note" (Japanese only). [https://note.com/septeni\\_group/n/n4d126dada9b0](https://note.com/septeni_group/n/n4d126dada9b0)

For other environmental initiatives, please refer to the corporate website. <https://www.septeni-holdings.co.jp/en/csr/activity/environment.html>

# Corporate Governance

## Roundtable Talk with the Outside Directors

At the Company, outside directors comprise the majority of board members and demonstrate their expertise in lively discussions at board meetings to strengthen our corporate governance. Here, our four outside directors talk about our governance structure, current status, and future outlook in light of the current business environment.



Yoshiki Ishikawa  
Outside Director

Mio Takaoka  
Outside Director

Akie Iriyama  
Outside Director

Makoto Shiono  
Outside Director

### — Summary of FY2025: Accelerated decision-making and organizational transformation

#### Q. How do you view business execution within the management structure for 2025?

**Ishikawa:** The shift from business expansion driven by individual entrepreneurship to a strategy focused on high-growth, high-return businesses as a team for creating synergy marked a major turning point. Over the past two years, decision-making aimed at prompting our Focus &

Synergy initiative has been remarkably fast, steadily translating into tangible results. Furthermore, I sense great potential in young talent, seeing them brimming with vitality and guided by the Keep Young spirit.

**Takaoka:** It was a year in which the current management team's leadership firmly took root. The executive team took swift action on matters requiring judgment on their own initiative, while the board of directors focused on discussing medium- to long-term strategies and capital policies. This division of roles is now functioning more

naturally. In particular, the process of securing gross and profit margins by focusing on the fronts of productivity and value-added growth, not merely cost reduction, was crucially important in maintaining our competitive edge over the medium to long term.

**Iriyama:** In addition to the division of roles that Ms. Takaoka mentioned, I think highly of not only the president but also the executive officers for their decision-making with greater awareness and responsibility. Furthermore, seeing that the next-generation leaders, including group executive officers, have begun to speak up actively at board meetings, I feel the organization is rejuvenating in a healthy way.

**Shiono:** In that regard, Mr. Kouno and Mr. Shimizu serve as a bridge with their understanding at the front lines, enabling realistic discussions between the supervisory side and the executive side. Moving forward, the executive team's challenge will be how to lead "discontinuous growth" by utilizing external capabilities to reach our 2030 profit targets.

### — VISION 2030: Strategic dialogue to support sustainable growth

#### Q. What was discussed during the process of formulating VISION 2030?

**Takaoka:** It wasn't just about setting numerical targets. It was a process of rethinking "what kind of organization we want to become in 2030" from the ground up. Amid the torrent of the rise of AI and shifts in platform structures, we went back to our mission and engaged in serious discussions about where growth could be obtained. None

## Roundtable Talk with the Outside Directors

of this is set in stone; it is something we must continually monitor and re-examine in response to changing circumstances.

**Iriyama:** What is expected of our company is medium- to long-term growth after fulfilling our social responsibilities, along with appropriate capital allocation. Based on our capital structure, the executive team and outside directors took a deep dive into matters requiring greater consideration with our diversifying stakeholders.

**Shiono:** The board of directors pays constant attention to capital structure and minority shareholder protection. Especially from a capital allocation perspective, we have been making recommendations on how we allocate the necessary investments to keep up with technological advancements, including generative AI, and on how we can utilize our strong relationships with clients to expand into HR and other new areas to make strategic moves for future growth.

**Ishikawa:** Fiscal 2025 was also a year for laying the groundwork to amplify stakeholder confidence. For this reason, VISION 2030 has set forth the key theme of achieving a high-level balance between growth and shareholder return. We delved into discussions with the executive team on how we can capitalize on our strengths to create synergistic businesses.

### — Board effectiveness: Ensuring transparency and enhancing governance

#### Q. A triennial effectiveness evaluation was conducted; what is your take on the current state of the board of directors?

**Ishikawa:** Our board has a majority of outside directors with a broad range of skills, and their background information is shared appropriately. We engage in frank,

fair, and objective discussions, and feedback from external evaluations indicates that the board is functioning properly. Looking ahead toward changing our listing to the TSE Prime Market, we need to strengthen our corporate governance and further enhance our innovation capabilities.

**Shiono:** Our company's strength lies in a culture that allows open and honest exchange of opinions and recommendations. Effectively communicating this to our stakeholders will be important from now on. At the Nomination and Remuneration Advisory Committee, we have discussed the design of incentive mechanisms, such as stock grants to management. Going forward, we must carefully monitor how the implementation of the plans to contribute to fostering next-generation leaders.

**Takaoka:** The fact that constructive dialogue with the executive team and capital market-oriented discussions have become fundamental prerequisites is a significant step forward. To further enhance the effectiveness of the board of directors, I believe there are two key points. The first is deepening discussions of medium- to long-term strategies by getting further ahead of macro trends, including AI. The second is going beyond ensuring diversity in attributes; it is the creation of innovation through DEI promotion while incorporating diverse external insights, along with the provision of support to the continuous strengthening of the organizational capabilities needed to implement these initiatives.

**Iriyama:** The current board of directors is quite open and flat. We can say that it is a highly effective organization where both Mr. Kouno and Mr. Shimizu speak their minds freely, and our experienced outside directors are conducting discussions on equal footing. Meanwhile, our key challenge moving forward will be formulating a board succession plan step-by-step.

### — Commitment to value creation: The role and mission of outside directors

#### Q. Lastly, please share your commitment to sustainably enhancing corporate value.

**Ishikawa:** I will continue to supervise with a strong awareness of the perspective of minority shareholders. As a chairperson of the Nomination and Remuneration Advisory Committee, I intend to develop a human resources strategy aligned with VISION 2030. At the Sustainability Committee, I am prepared to support our company's long-term leap forward by identifying and monitoring material issues in anticipation of the times.

**Iriyama:** In addition to regular supervisory duties, I am thinking of providing direct support for enhancing corporate value by introducing external talent and empowering employees, including the development of next-generation management. I will work closely with management and do my best to help raise our overall level.

**Takaoka:** I will stick to ensuring a good atmosphere that allows us to say things that may be hard to say. It is precisely because of the trust established with management that we can pose sharp but constructive questions. Drawing on our distinctive corporate culture, best described as "Resilient, Caring, Exciting," I will embrace change and keep voicing my opinion from an independent standpoint.

**Shiono:** I will closely watch the impact of technological breakthroughs on business operations and support offensive growth strategies while strictly observing compliance, including AI ethics. At the same time, by leading discussions to enhance transparency in our capital structure, I will be committed to delivering management that satisfies all stakeholders.

## Executives As of April 1, 2026

### Directors



#### Yuichi Kouno

Representative Director  
Group President and Chief Executive Officer

Joined the Company in 2006. Engaged in Marketing Communication Segment and new business development, demonstrating strong leadership in expanding the Group's business and enhancing collaboration with the Dentsu Group. Appointed as a representative director, group president and chief executive officer in 2024.



#### Yusuke Shimizu

Director  
Group Senior Executive Officer

Joined the Company in 2006. Engaged in Marketing Communication Segment and corporate planning, driving the expansion of the Group's business and management. Appointed as a director, group executive vice president in 2024 (currently a director, group senior executive officer).



#### Yoshiki Ishikawa

Outside Director

Appointed as an outside director in 2019. Possesses professional, extensive experience and results, and considerable insight as both a preventive medicine researcher and as a founder of a company using methods based on behavioral science, providing valuable advice on all aspects of the Group's management.



#### Akie Iriyama

Outside Director

Appointed as an outside director in 2020. Possesses 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, providing valuable advice on all aspects of the Group's management.



#### Mio Takaoka

Outside Director

Appointed as an outside director in 2020. Possesses professional, extensive experience and results, and considerable insight of strategic investment, new business development and finance, providing valuable advice on all aspects of the Group's management.



#### Makoto Shiono

Outside Director

Appointed as an outside director in 2024. Possesses 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, providing valuable advice on all aspects of the Group's management.



#### Mitsuyuki Nakamura

Director

Appointed as a director in 2026. Held key positions in the media, international, and sales divisions at Dentsu Inc. (currently Dentsu Group Inc.). Currently serves as President of Media/Sports & Entertainment at dentsu Japan, overseeing the media business, including digital advertising.

### Corporate Auditors



#### Tadahiho Mouri

Outside Corporate Auditor (Full-time)

Appointed as an outside corporate auditor (full-time) in 2020. Possesses considerable insight and extensive operational experience of auditing, providing useful advice and conducting auditing from an independent position.



#### Mamoru Furushima

Outside Corporate Auditor

Appointed as an outside corporate auditor in 2015. Possesses extensive experience and specialist knowledge as a certified public accountant and a lawyer and in-depth knowledge and experience of auditing, providing useful advice and conducting auditing from an independent position.



#### Takeshi Okuyama

Outside Corporate Auditor

Appointed as an outside corporate auditor in 2019. Possesses extensive experience and specialist knowledge as an attorney and in-depth knowledge of corporate governance, corporate legal affairs, and auditing, providing useful advice and conducting auditing from an independent position.



#### Hideo Hatano

Corporate Auditor

Appointed as a corporate auditor in 2024. Possesses considerable insight and extensive operational experience of auditing, and conducts auditing by leveraging experience and expertise in internal auditing at multiple companies.

### Executive Officers (effective April 1, 2026)

#### Group President and Chief Executive Officer

Yuichi Kouno

#### Group Senior Executive Officers

Yusuke Shimizu  
Chief Product Officer (CPO)

Kei Hatano  
Chief Financial Officer (CFO)

Masayuki Takano  
Chief AI Officer (CAIO)

Masayuki Muto  
Chief Corporate Officer (CCO)

Daisuke Suefuji  
Chief Growth Officer (CGO)

Tei Go  
Chief Strategy Officer (CSO)

Kazunari Kondo  
Chief Alliance Officer (CAO)

#### Group Executive Officers

Ryo Okubo

Takahiro Yamasaki

Norihisa Ashida

#### Group Principal Executive Officers

Teruyuki Noguchi  
Chief Legal Officer (CLO)

Shuhei Ezaki  
Chief Human Resources Officer (CHRO)

Yoko Miyazaki  
Chief Diversity Officer (CDO)

Takashi Kawachi  
Chief Technology Officer (CTO)

## Skills matrix

To achieve medium- to long-term enhancement of corporate value, we have defined the skills required of our directors and corporate auditors, and disclose them in the form of a skills matrix. We aim to strengthen our supervisory function from multifaceted perspectives by appropriately ensuring the diversity of the board of directors and the board of corporate auditors.

As of March 31, 2026	Tenure	Attendance		Committees		Expected Skills					
		Board of Directors	Board of Corporate Auditors	Sustainability Committee	Nomination and Remuneration Advisory Committee	Corporate Management	Integrated Marketing	Human Capital / Talent Development	Financial Accounting / Finance	Corporate Governance	Sustainability
<b>Directors</b>											
Yuichi Kouno	2 years	14/14		Chairperson	Vice-chairperson	●	●	●		●	●
Yusuke Shimizu	2 years	14/14				●	●	●			
■ Yoshiki Ishikawa	6 years and 3 months	14/14		Vice-chairperson	Chairperson	●		●			●
■ Akie Iriyama	5 years and 3 months	14/14			Vice-chairperson	●	●	●			
■ Mio Takaoka	5 years and 3 months	14/14			Vice-chairperson	●			●		●
■ Makoto Shiono	2 years	14/14			Vice-chairperson	●			●	●	
Mitsuyuki Nakamura	—	—				●	●			●	
<b>Corporate Auditors</b>											
■ Tadahiro Mouri	5 years and 3 months	14/14	14/14			●			●	●	
■ Mamoru Furushima	10 years and 3 months	14/14	14/14			●			●	●	
■ Takeshi Okuyama	6 years and 3 months	13/14	13/14			●				●	●
Hideo Hatano	2 years	14/14	14/14			●			●	●	

Notes: 1. Indicates skills and experience particularly expected from each director. 2. ■ Outside directors and corporate auditors. 3. Ratio of female directors: 14%, Ratio of outside directors: 57%, Ratio of outside corporate auditors: 75% (As of March 31, 2026)

## Definitions of skill items and reasons for selection

We have identified the skills required of the board of directors as follows.

Skill item	Definition	Reason for selection
Corporate Management	Expertise in discussing and evaluating growth strategies, including key themes such as generative AI, as well as business portfolio management, with the aim of sustainably enhancing Group corporate value.	Accurately evaluating the validity of the Group's growth strategy and overseeing business portfolio management are required to achieve medium- to long-term corporate value enhancement.
Integrated Marketing	Expertise in overseeing business strategies that support client challenges by integrating online and offline channels with digital methods as the starting point, including the use of data and AI and the promotion of digital transformation (DX).	As client challenges become more advanced and complex, an appropriate understanding of integrated marketing beyond the digital domain, along with evaluation and oversight of its execution, is required.
Human Capital / Talent Development	Expertise in fostering entrepreneurship and organizational development toward the mission of "To inspire the world with entrepreneurship."	Maximizing human capital, which is the source of the Company's value creation, and overseeing organizational strategies that contribute to achieving the mission are required.
Financial Accounting / Finance	Specialized expertise in understanding financial statements based on International Financial Reporting Standards (IFRS), and in formulating, evaluating, and executing capital policies, including shareholder returns, growth investments, and M&A, that balance high growth and high returns.	A deep understanding of IFRS-based financial conditions and the expertise to judge, evaluate, and execute the optimal balance of shareholder returns, growth investments, and M&A as capital policy are necessary to achieve both high growth and high returns.
Corporate Governance	Expertise in strengthening the board of directors' oversight of business execution, with due consideration given to legal compliance, compliance frameworks, and the protection of minority shareholders.	In particular, as a listed company with a parent company, building and overseeing a highly robust governance framework that gives due consideration to the protection of minority shareholders are required.
Sustainability	Expertise in overseeing responses to material issues and the practice of social responsibility that contributes to enhancing corporate value.	Addressing material issues and practicing social responsibility are essential to medium- to long-term corporate value enhancement.

## Corporate Governance

We have identified the efforts in corporate governance as a materiality, recognizing the need for an advanced governance structure to fulfill our obligations as a listed company and to aim for the pursuit of discontinuous growth and the realization of a “nameraka” future.

### Basic approach

The corporate governance of the Company 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 “to inspire the world with entrepreneurship.”

### Progress of governance reforms

We have been advancing governance reforms since around 2015. During the initial three years, we appointed outside directors and promoted gender diversity, while simultaneously executing various measures to enhance governance and introducing new systems.


Since 2018, we have been striving to establish an effective governance structure that goes beyond mere formality and focusing on improving the application and operation of the introduced systems

FY2016	<ul style="list-style-type: none"> <li>• Introduction of effectiveness evaluation to enhance the functioning of the board of directors</li> <li>• Establishment of the Financial Results and Disclosures Committee and the CSR Committee</li> <li>• Abolition of anti-takeover measures</li> </ul>
FY2017	<ul style="list-style-type: none"> <li>• Introduction of a performance-linked share-based remuneration plan for officers</li> <li>• Separation of execution and monitoring through the introduction of a delegated executive officer system</li> </ul>
FY2022	<ul style="list-style-type: none"> <li>• Establishment of the Sustainability Committee</li> <li>• Further enhancement of board independence and diversity</li> </ul>
FY2023	<ul style="list-style-type: none"> <li>• Establishment of the Nomination and Remuneration Advisory Committee</li> </ul>
FY2026	<ul style="list-style-type: none"> <li>• Expansion of the performance-linked share-based remuneration plan to include outside directors</li> </ul>

Percentage of Outside Directors

57% 

Percentage of Outside Corporate Auditors

75% 

Gender Diversity of the Board of Directors  
Percentage of Female Directors

14% 

### Commitment to a monitoring board model

The board of directors shall consist of at least a majority of highly independent outside directors; as of March 31, 2026, the board consists of seven directors, four of whom are outside directors. Furthermore, under the delegated executive officer system, authority for decision-making and the execution of business operation is delegated to group executive officers to the extent permitted by relevant laws and regulations, allowing the board to mainly focus on the oversight (monitoring) of the group executive officers responsible for business execution.

### The role of independent outside directors

Independent outside directors with extensive executive experience and deep insight actively participate in discussions and express their opinions at board of directors meetings. This establishes a framework that ensures the board’s decision-making on fundamental management policies and its oversight of business execution function effectively and efficiently.

Moreover, 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 corporate 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 role of the board of corporate auditors

We have adopted a corporate auditor system. As of March 31, 2026, there are currently four corporate auditors including three highly independent outside corporate auditors. Each corporate 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 corporate auditors.

## Corporate Governance

### Operational status of the board of directors

The Board of Directors Regulations clearly defines matters to be resolved by the board, matters for which authority is delegated to group executive officers, and matters to be reported by group executive officers to the board.

In fiscal year 2025, toward the formulation of VISION 2030, active and vibrant discussions were held on how to achieve both high growth and high shareholder returns by leveraging our Group's strengths, ultimately leading to enhanced corporate value.

Board of Directors			Board of Corporate Auditors	
Meetings Held	Average Attendance Rate of Directors	Average Attendance Rate of Corporate Auditors	Meetings Held	Average Attendance Rate of Corporate Auditors
14	99%	98%	14	98%

### Major agenda items at the board of directors meetings in FY2025

(January-December 2025; excluding regular agenda items and resolutions)

- Underwriting of shares in beBit, Inc. through a third-party allotment of new shares
- Dissolution and liquidation of LIVAND, Inc.
- Partial revision of the group executive remuneration determination policy
- Revision of the shareholder return policy
- Revision of the year-end dividend forecast for FY2025
- Execution of a share transfer agreement regarding PERF, Inc.
- Acquisition of shares and execution of a capital and business alliance agreement with Sports IT Solution, Inc.
- Agenda for the executive retreat
- Adoption of the social media policy
- Adoption of AI principles
- Adoption of intellectual property principles
- Partial revision of the Group Executive Officer Regulations

### Initiatives to ensure effectiveness

With the aim of enhancing the function of the board of directors, we conduct analysis, evaluation and follow-up examinations of issues on the effectiveness of the board of directors once a year in principle. We also conduct large-scale and detailed surveys by external third-party institutions once every three years.

In fiscal year 2025, we conducted a questionnaire for all directors and corporate 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:

1	Engaging in merit-based discussions in a flat, interactive and positive atmosphere while maintaining a balance of mutual trust and constructive tension.
2	Operating the board effectively through sufficient communication and proactive improvements.
3	Sharing a common understanding of the board of directors' mission.
4	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, we will maintain the identified strengths as both 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”—we will continue to further enhance the effectiveness of the board of directors.

### Nomination and Remuneration Advisory Committee

With regard to management personnel matters (the appointment and dismissal of directors at the Company, group executive officers, etc.) and remuneration (individual remuneration for the directors at the Company, group executive officers, etc. for the fiscal year), we have established a Nomination and Remuneration Advisory Committee, a voluntary committee with a majority of outside directors set up under the board of directors, to ensure independence, objectivity, and accountability in the deliberation process.



**Yoshiki Ishikawa**

Outside Director  
Chairperson of Nomination and  
Remuneration Advisory Committee

The Nomination and Remuneration Advisory Committee is a cornerstone of our governance. It is composed of a majority of outside directors and is operated through objective data and logic-driven discussions, without any deference to the executive team. Due to our group's capital structure of parent-subsidary listing, we should implement governance measures to protect our minority shareholders' interests. Furthermore, with an eye on transitioning to the TSE Prime Market, now we must also meet higher standards of discipline and transparency.

Given this business environment, during fiscal 2025, we discussed topics such as the share-based compensation plan, the disclosure of the skills matrix, and the overhaul of the group's management structure toward our VISION 2030. Concerning the share-based compensation plan, in particular, we have decided to grant share-based compensation to outside directors aimed at further enhancing the effectiveness of the board of directors, as well as to increase the proportion of performance-linked compensation. The performance metrics for this plan mainly use medium- to long-term profit and profitability indicators, and we believe the plan works as the right incentive for the group's exponential and sustainable growth.

We have also disclosed a skills matrix to demonstrate that the composition of the board of directors is aligned with our management strategy, as well as to increase transparency in the nomination process. Detailed profiling has been used in the process for a while now, but we will continue to refine it to be more convincing both internally and externally.

While continuing to fulfill accountability in the appointment of management, succession planning, development of future leaders, and compensation structure design, the Committee will spearhead the qualitative evolution of governance toward the realization of VISION 2030.

Major agenda items at the Nomination and Remuneration Advisory Committee meetings in fiscal 2025 are as follows.

#### Revision of the share-based compensation plan\*

We deliberated on the continuation and revision of our current share-based compensation plan in order to establish a clearer relationship between compensation for directors, etc. and the group's medium- to long-term performance and shareholder value. Major changes in the revision are the inclusion of outside directors in our (fixed) share-based compensation plan and an increase in the proportion of share-based compensation, thereby redesigning the compensation structure for executive directors and outside directors into one that provides stronger yet sound incentives for improving medium- to long-term performance and enhancing corporate value.

#### Group management structure: Introduction of CxO system

With the aim of creating group-wide synergy and collaboration, as well as establishing a robust but flexible management structure capable of responding to external changes, we have decided to introduce a CxO system in which officers are appointed to oversee key themes and areas in our Group's business management. Alongside this, to put in place a framework for C-level officers to collaborate in making and executing decisions swiftly, we have set up a CxO Meeting as a body where resolutions are made on a monthly basis.

#### Next-generation succession plan: Launch of the Human Resource Development Committee

In light of the challenge posed by declining opportunities for younger employees to gain management experience as the organization expands, we discussed the formation of the Human Resource Development Committee. Comprising the CEO, CHRO, and other employees, the Committee provides consistent management across the entire process—from discussing talent requirements and development policies to monitoring and personnel assignments. With opportunities for management experience provided by the company and talent development, our goal is to realize the Keep Young theme, where our fresh and forward-looking executive team consistently demonstrates entrepreneurship from a group-wide perspective.

\*For additional information regarding our share-based compensation plan, please refer to our timely disclosure section.



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/news/BIP\\_260224\\_en.pdf](https://www.septeni-holdings.co.jp/en/ir/news/BIP_260224_en.pdf)

## Corporate Governance

### Officer remuneration plan

We have revised the performance-linked share-based remuneration plan for executives, which was initially introduced in fiscal year 2017, following a resolution at the General Meeting of Shareholders held in March 2026. This revision is designed to strengthen commitment toward achieving the Medium-Term Management Plan (FY2026–2028). Furthermore, by including outside directors in this plan, we aim to align their interests with those of shareholders ('same-boat' incentive) for outside directors who play roles in protecting minority shareholders and offering objective management advice, thereby further enhancing the effectiveness of the board of directors.

#### Revision of the officer remuneration plan

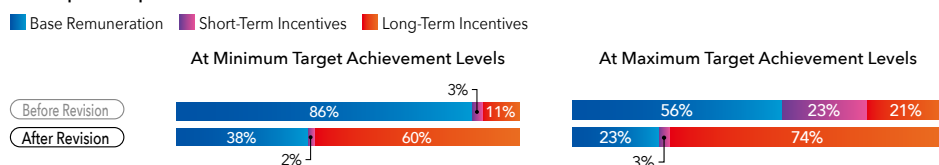
This revision reduces the proportion of cash remuneration within total remuneration and increases the ratio of share-based remuneration as a long-term incentive. Targets linked to "Performance-linked Points" are set at high levels that surpass the Medium-Term Management Plan. Furthermore, the allocation ratio of these points is designed to be significantly higher than that of "Basic Points," ensuring the system serves as a powerful incentive to achieve superior business results.

#### Officer Remuneration System

Remuneration Components		Eligible Persons	
		Directors*	Outside Directors
Cash Remuneration	Fixed remuneration (Monthly)	●	●
	Short-term performance-linked remuneration	●	
Share-based Remuneration	Share-based remuneration (Fixed)	●	●
	Mid- to long-term performance-linked remuneration	●	

\* Directors concurrently serving as delegated executive officers

#### Example: Representative Director Remuneration Mix



For details on the remuneration of directors and corporate auditors, please refer to the corporate website. <https://www.septeni-holdings.co.jp/en/company/governance.html#directors-compensation>

### Minority shareholder protection initiatives

Dentsu Group Inc. is our parent company and holds 52.49% of the voting rights. We recognize that ensuring a robust governance system is a top management priority to enhance corporate value and protect minority shareholders. 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.

#### Ensuring independence

We have a contractual agreement with Dentsu Group Inc. to maintain our autonomy and independence. Specifically, while we are required to report proposed resolutions for the General Meeting of Shareholders to Dentsu Group Inc. in advance, our day-to-day business operations are conducted based on our own independent management decisions. We anticipate that this autonomous management, tailored to the specific characteristics of our business, and the discipline imposed by the capital markets will enhance the quality of management, driving sustainable growth.

#### Nomination of candidates for directors and corporate auditors

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 agreement with the parent company, the parent company holds the right to propose one candidate for director and one for corporate 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, we shall have the Nomination and Remuneration Advisory Committee deliberate on the director candidate and obtain the consent of the board of corporate auditors regarding the corporate auditor candidate.

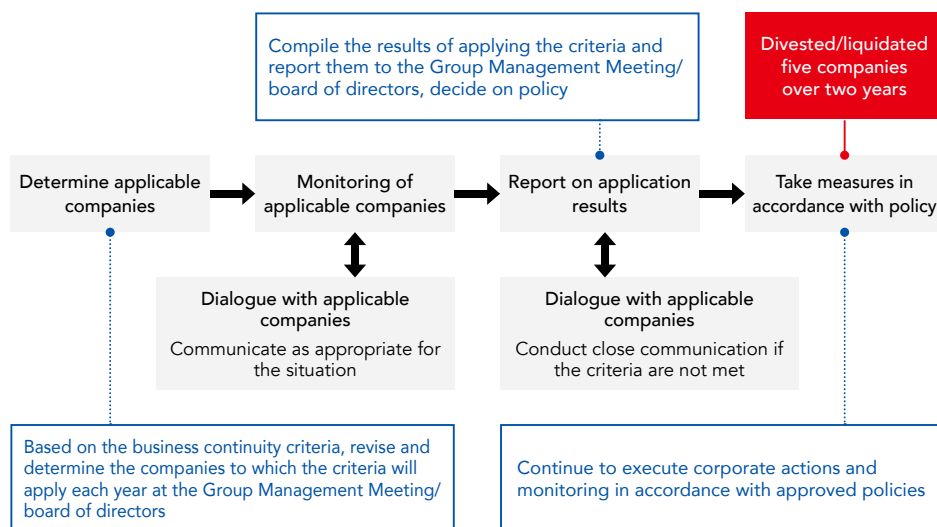
### Efforts for discontinuous growth

In order to continue growing while adapting to changes in the external environment, we have determined that it is necessary to transform our business portfolio, and as such, we continue using the business continuity criteria established during fiscal year 2024 with strict enforcement in the continuation and exit for all Group businesses.

At the beginning of each fiscal year, we select and review the companies to which the criteria apply, and after approval by the Group Management Meeting, we divide them into three phases according to their number of years since establishment and monitor them based on quantitative criteria appropriate to each phase. If the criteria are not met, we will consider measures such as setting conditions for continuation, or alternatively sale, merger, or dissolution, and make a decision at the Group Management Meeting or the board of directors. As a result, in fiscal year 2025, we divested and liquidated two companies and consolidated two others.

As for the establishment of new companies, we are identifying investment areas in line with our capital allocation policy. This will promote a healthy cycle of business creation, enhance accountability both within and outside the Group, and enable us to flexibly reallocate our business portfolio. We aim to improve profits and ROE by allocating business resources to growth areas as appropriate. Ultimately, we will link this to the enhancement of corporate value and the realization of our mission.

#### Operational Process for the Business Continuity Criteria



### Efforts for risk reduction

#### Risk management

We have established Group Risk Management Regulations and set up the Group Risk Management Committee, a body that oversees and manages risks in an integrated and effective manner to promote risk management across the entire Group.

In fiscal year 2025, considering broader societal trends, we identified and addressed the following priority risks from among those common to the entire Group.

Priority risks
Risk of data breaches, including client information, due to information security deficiencies
Risks associated with the inappropriate use of generative AI, such as personal data leaks, data tampering, intellectual property infringement, spread of misinformation, and perpetuation of unintended bias
Risk of natural disasters and other incidents impacting executives and employees, as well as business operations

The use of generative AI, which has been evolving at an accelerated pace in recent years, entails risks such as personal data leaks, data tampering, intellectual property infringement, spread of misinformation, and perpetuation of unintended bias. To avoid or mitigate these risks, we are working to develop, operate, and continuously review guidelines for the use of generative AI, as well as to raise awareness and implement technical measures.

#### Strengthening compliance

The Group Risk Management Committee and relevant departments work together to promote compliance initiatives across the entire Group. In particular, strengthening the compliance awareness of our executives is a cornerstone of our reinforced governance structure. To this end, we have implemented measures such as providing re-training to reinforce compliance and enhancing our internal audit system.

As an initiative to enhance knowledge and awareness of compliance, we also provide a variety of training programs, including harassment prevention, LGBT issues, and unconscious bias for all newly appointed managers; compliance sessions for all new graduates; and compliance tests for all Group executives and employees.