

Latest Update: December 16, 2025

ZOZO, Inc.

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Securities Code: 3092

<https://corp.zozo.com/en/>

Corporate governance at ZOZO, Inc. (hereinafter, referred to as “the Company” or “we”) is as follows.

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

1. Basic View

The Company Group's basic management policy is to continuously enhance corporate value and foster smooth relationships with all stakeholders, including shareholders, by maintaining a focus on soundness, transparency, efficiency, and speed in management. To achieve this policy, we will enhance corporate governance centered on the Board of Directors and the Audit and Supervisory Committee.

【Reasons for Non-Compliance with the Principles of the Corporate Governance Code】 UPDATE

The Company executes all principles of the Corporate Governance Code. (updated on December 16, 2025)

【Disclosure Based on the Principles of the Corporate Governance Code】 UPDATE

Principles of the Corporate Governance Code are disclosed in “Our Initiatives in Relation to the Corporate Governance Code” under the “Governance” section on the “Sustainability” page of the Company’s website.

“Governance”

https://corp.zozo.com/en/sustainability/governance/gov_corp/

“Our Initiatives in Relation to the Corporate Governance Code”

https://corp.zozo.com/en/sustainability/files/pdf/202512_e_cgc.pdf

Matters related to “Promotion and disclosure of dialogue with shareholders” are described under Principle 5-1 and Supplementary Principles 5-1①, 5-1②, and 5-1③ in “Our Initiatives in Relation to the Corporate Governance Code.”

【Action to Implement Management that is Conscious of Cost of Capital and Stock Price】

Content of Disclosure	Update on initiatives
English Disclosure	Available
Date of Update UPDATE	December 16, 2025

We have adopted Return on Equity (ROE) as a key management indicator to promote efficient management. With due consideration given to maintaining a ROE level of approximately 30%, we closely monitor and forecast key management indicators to ensure sustainable business growth and development. Specific target figures are disclosed in our annual management plans.

In response to the request from the Tokyo Stock Exchange based on the “Action to Implement Management that is Conscious of Cost of Capital and Stock Price” announced on March 31, 2023, we periodically analyze the current situation and conduct future projections, and we will continue to allocate management resources appropriately.

- Background, current challenges, response policy, and specific action plan

As for profit return to shareholders, our group has a basic policy for deliberating and implementing profit return by balancing retained earnings through comprehensive consideration of business performance, financial status, future business, and investment plans.

With regard to Return on Equity (ROE), which we regard as one of our key management indicators, we have consistently maintained a level that exceeds the external benchmark of 30%. However, due to the accumulation of retained earnings and the resulting increase in shareholders' equity, we anticipate a gradual decline in this indicator as a measure of capital efficiency. In light of our future business and investment plans, we believe that pursuing further improvements in financial soundness beyond the current level may lead to a deterioration in capital efficiency. Accordingly, we have adopted a policy of proactively returning surplus capital to shareholders. We will continue to repurchase our own shares, taking into consideration share price trends and stock liquidity, with the aim of achieving a total shareholder return ratio of over 80% on a cumulative basis over the medium- to long-term (approximately five-year average).

In addition to increasing dividends and share buybacks, we are conducting fundamental initiatives to ensure sustainable growth. We will continuously review our business portfolio, allocate management resources appropriately, and monitor stock market valuations through the Board of Directors and Management Meetings. Furthermore, we will disclose key metrics, such as Gross Merchandise Value by business segment, operating profit, capital investment, and ROE trends, to foster a shared understanding with shareholders and investors regarding the qualitative and quantitative foundations for achieving our management plan.

- Implementation of initiatives

In response to the current challenges outlined above, we have implemented the following initiatives:

1. Repurchase of shares

Total number of acquired shares: 6,541,500 shares

Total acquisition cost: 9,999,854,450 yen

Period of acquisition: May 1, 2025 to July 31, 2025

2. Cancellation of treasury shares

Total number of cancelled shares: 9,390,171 shares

(1.04% of the total number of shares outstanding before the cancellation)

Cancellation date: May 9, 2025

Moving forward, we will continue to consider and implement initiatives aimed at achieving capital returns that exceed capital costs and ensure sustainable growth.

2. Capital Structure

Foreign Shareholding Ratio	More than 20%, less than 30%
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【Status of Major Shareholders】

Name / Company Name	Number of Shares Owned (Shares)	Percentage (%)
Z Intermediate Holdings Corporation	152,952,900	51.51
THE MASTER TRUST BANK OF JAPAN, Ltd. (Trust Account)	41,531,100	13.99
Custody Bank of Japan, Ltd. (Trust Account)	15,238,800	5.13
STATE STREET BANK AND TRUST COMPANY 505001	5,361,963	1.81
NORTHERN TRUST CO. (AVFC) RE NON TREATY CLIENTS ACCOUNT	4,129,437	1.39
Yusaku Maezawa	3,970,147	1.34
JP MORGAN CHASE BANK 385632	3,904,492	1.31
STATE STREET BANK WEST CLIENT - TREATY 505234	3,391,051	1.14
STATE STREET BANK AND TRUST COMPANY 505103	3,322,066	1.12
JPMorgan Securities Japan Co., Ltd.	3,017,028	1.02

Controlling Shareholders (Excluding Parent Company)	———
Parent Company	LY Corporation (TSE Securities Code:4689)

Supplementary Explanation

- The parent company is Z Intermediate Holdings Corporation, which holds 152,952,900 shares of the Company.

3. Corporate Attributes

Name of Stock Exchange and Market Segment	Tokyo Stock Exchange, Prime Market
Fiscal Year-End	End of March
Type of Business	Retail Trade
Number of Employees (consolidated) as of the End of the Fiscal Year	More than 1,000
Sales (consolidated) as of the End of the Fiscal Year	More than 100 billion yen, less than 1 trillion yen

Number of Consolidated Subsidiaries as of the End of the Fiscal Year

Less than 10

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

The Company established the “Guideline to ensure the fairness of transactions with the parent company group” to protect minority shareholders in transactions with the controlling shareholders. The Company operates businesses following the guideline above.

In that guideline, the Company establishes a policy that transactions with controlling shareholders shall comply with laws and regulations and should not be subject to terms unreasonably advantageous or disadvantageous to the Company Group compared to similar transactions conducted with a third party. Likewise, the transactions shall be reasonably determined considering the terms of contracts and market prices in dealings with other companies. These are executed after careful deliberation on the feasibility and terms of transactions, ensuring that they do not violate the rights of minority shareholders.

The Board of Directors comprises three Executive Directors and eight non-executive Directors (including six independent Outside Directors), totaling eleven members, with independent Outside Directors accounting for a majority of the Board members. In addition, if the Board of Directors does not have a majority of independent Directors, the Company endeavors to establish a special committee consisting of independent Directors to deliberate and review important transactions and actions with the controlling shareholder.

The Company believes that it has sufficient independence from the controlling shareholder through the initiatives outlined above.

5. Other Special Circumstances Which May Have a Material Impact on Corporate Governance

- Parent company’s group management philosophy and directions

(1) Group management philosophy and directions

Our parent company, LY Corporation, has several listed subsidiaries and affiliates and is committed to its company mission, "Create an amazing life platform that brings WOW! to our users." through the operation of various businesses. The parent company group values the uniqueness of its group companies and aims to create synergies and continue to evolve and grow together with them while ensuring their independence, maximizing the group's corporate value.

The parent Company aims to establish a stable capital alliance relationship with the goal of increasing the corporate value of both companies while considering the interests of minority shareholders. In other words, the parent company will form a capital alliance between the two companies with the aim of building a strong alliance relationship through a business alliance based on the capital alliance. Specifically, the business alliance is aimed at the expansion and evolution of the fashion e-commerce business of both companies, such as sending users from the media of LY Corporation to the Company, opening ZOZOTOWN in "Yahoo! JAPAN Shopping" and Yahoo! JAPAN Auction" within "LYC Commerce".

We will continue to maintain our independence and autonomy as a listed company while pursuing synergies with the parent company group to contribute to the enhancement of corporate value for both the Company and the entire group.

- Policies and measures to ensure independence from the parent company, which is necessary from the viewpoint of protecting minority shareholders

(1) Measures to ensure the effectiveness of the governance system of listed subsidiaries at the parent Company

The parent company recognizes the importance of enhancing its listed subsidiaries and affiliates' corporate value over the medium-to long-term and maximizing the common interests of all shareholders, including minority shareholders and the Company. With this perspective in mind, the parent company stipulates that it shall exercise its voting rights on proposals made by its listed subsidiaries and affiliates.

In addition, the parent company has established an "Affiliated Company Management Guideline" to manage its investees, as well as important decisions made at subsidiaries and affiliated companies, including group companies, that are subject to prior approval by the parent company. However, with respect to listed subsidiaries and affiliates, the parent company does not require prior approval that would affect the independence of those companies and takes care to ensure that it does not unfairly constrain each company's decision-making.

In addition, the parent company's Outside Directors regularly meet with the Outside Directors of the listed subsidiaries to ensure that the parent company does not unfairly constrain each company's decision-making.

(2) Ensuring independence from the parent company

The Company has appointed two individuals as Directors from LY Corporation and is receiving advice and recommendations from them for business operations based on their rich experience and broad knowledge cultivated in the internet service industry. Regarding ensuring independence from parent companies, the following is clearly stated: a) the Company is able to make management decisions without operational restrictions from the parent company, b) the parent company respects management decisions of the Company on matters relating to employment, human resources and working conditions, c) Directors from the parent company shall not participate in board resolutions where special interests are involved. Through these restrictions and regulations, the Company believes that independence from parent companies is ensured to a certain extent.

II. Business Management and Other Corporate Governance Structures regarding Decision-making, Execution of Business, and Supervision of Management

1. Organizational Composition and Operation

Corporate Governance Structure	Company with an Audit and Supervisory Committee
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【Directors】

Maximum Number of Directors Stipulated in Articles of Incorporation	19
Term of Office Stipulated in the Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	11
Election of Outside Directors	Elected
Number of Outside Directors	6
Number of Independent Directors	6

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company										
		a	b	c	d	e	f	g	h	i	j	k
Taro Saito	From another company											
Takako Kansai	From another company											
Takuya Oikawa	From another company											
Hiroko Igarashi	From another company											
Junko Utsunomiya	From another company											
Kumiko Nishiyama	From another company											

* Categories for "Relationship with the Company"

* "○" means "the Director presently falls or has recently fallen under the category; "△" means "the Director fell under the category in the past."

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

a. Person who executes the business of the listed company or a subsidiary

b. Person who executes the business or a non-executive Director of a parent company

c. Person who executes the business of a sister company

d. Party for which the listed company is a major client, or an executive thereof

e. Major client of the listed company, or an executive thereof

f. Consultant, accounting expert, or legal expert who receives significant amounts of cash or other assets in addition to the

remuneration from the listed company

g. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes the business of the corporation)

h. Executive (the individual only) of a business counterparty of the listed company that does not fall under any of categories d, e, or f

i. Executive (the individual only) of an entity with which there is a mutual appointment of outside officers

j. Executive (the individual only) of an organization to which the listed company makes donations

k. Others

Outside Directors' Relationship with the Company (2)
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Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Taro Saito	○	---	Based on Mr. Saito's extensive experience and broad insight into branding and communication design, the Company requests him to provide advice on the Company's overall management. In addition, we expect him to supervise management and strengthen corporate governance, primarily by advising on the formulation of management strategies and decision-making regarding business execution, participating in the nomination and remuneration decision-making process, and supervising conflicts of interest, leveraging his extensive experience and broad perspective. The Company assumed that there was no risk of conflict of interest with general shareholders since he did not fall under any of the items a~k above, so he is designated as an Independent Officer.

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Takako Kansai	○	———	Based on Ms. Kansai's extensive experience and broad perspective in both business and technology within the internet service industry, the Company requests that she supervise the Company's management and provide advice on overall management to contribute to strengthening corporate governance. In addition, we expect her to provide advice on the formulation of management strategies and decision-making regarding business execution, to lead the nomination/remuneration decision-making process, and to oversee potential conflicts of interest, leveraging her extensive experience and broad perspective. We also expect her to supervise management and contribute to the enhancement of corporate governance. The Company assumed that there was no risk of conflict of interest with general shareholders since she did not fall under any of the items a~k above, so she is designated as an Independent Officer.
Takuya Oikawa	○	———	Based on Mr. Oikawa's extensive experience and broad perspective in product and engineering management of IT and internet-related systems, the Company requests him to supervise the Company's management and provide advice about the entire management in order to contribute to strengthening corporate

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
			governance. In addition, we expect him to supervise management and strengthen corporate governance, mainly by providing advice on formulating management strategies and decision-making on business execution, leading the nomination/ remuneration decision-making process, supervising conflicts of interest, leveraging his extensive experience and broad perspective. The Company assumed that there was no risk of conflict of interest with general shareholders since he did not fall under any of the items a~k above, so he is designated as an Independent Officer.
Hiroko Igarashi	○	---	Ms. Igarashi is a certified public accountant and had been engaged in duties as the head of the accounting group at other companies. We believe that she has considerable knowledge of finance and accounting and will be able to appropriately perform her duties in the audit of the Company. She has not been directly involved in the management of the Company except for serving as an Outside Officer. However, for the reasons stated above, the Company believes that she will be able to perform her duties as an Audit and Supervisory Committee Member appropriately. The Company assumed that there was no risk of conflict of interest with general

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
			shareholders since she did not fall under any of the items a~k above, so she is designated as an Independent Officer.
Junko Utsunomiya	○	----	Ms. Utsunomiya Has considerable knowledge of corporate legal affairs from a professional standpoint as a lawyer; the Company judged that she would be able to perform her duties in the Company's audits properly. She has not been directly involved in the management of the Company except for serving as an Outside Officer. However, for the reasons stated above, the Company believes that she will be able to perform her duties as an Audit and Supervisory Committee Member appropriately. The Company assumed that there was no risk of conflict of interest with general shareholders since she did not fall under any of the items a~k above, so she is designated as an Independent Officer.
Kumiko Nishiyama	○	----	Ms. Nishiyama is a certified public accountant engaged in sustainability-related duties, and we believe that she has a broad range of knowledge and is capable of appropriately performing her duties in the Company's audits. She has not been directly involved in the management of the Company except for serving as an Outside Officer. However, for the

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
			<p>reasons stated above, the Company believes that she will be able to perform her duties as an Audit and Supervisory Committee Member appropriately. The Company assumed that there was no risk of conflict of interest with general shareholders since she did not fall under any of the items a~k above, so she is designated as an Independent Officer.</p>

【Audit and Supervisory Committee】

Composition of the Committee and Attributes of the Chairperson

	Total Number of Committee Members	Full-time Members	Inside Directors	Outside Directors	Chairperson
Audit and Supervisory Committee	3	1	0	3	Outside Director

Establishment of a System for Directors and Employees to Assist the Audit and Supervisory Committee in Its Duties

Established

Matters Concerning the Independence of Such Directors and Employees from the Executive Directors

The Corporate Division assists the Audit and Supervisory Committee in its duties. During the period designated by the Audit and Supervisory Committee for such assistance, the authority to direct the designated employees shall be transferred to the Audit and Supervisory Committee, and the Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be independent of the Audit and Supervisory Committee.

Cooperation among Audit and Supervisory Committee Members, Accounting Auditors, and Internal Audit office

Audit and Supervisory Committee Members audit the status of compliance with the internal regulations, laws, and regulations, and the appropriateness of business operations following the basic audit plan. The audit is conducted by inspecting various minutes, approved documents, contracts, and records of various transactions, interviewing related parties, and attending audits with the Accounting Auditor. In addition, all Audit and Supervisory Committee Members participate in the monthly Board Meeting of the Company and express opinions as needed. The full-time member participates in important meetings to audit the execution of the Directors' duties. They also request business reports from subsidiaries to understand the status of their operations and assets.

Internal audits are conducted by the Internal Audit Office, which directly reports to the President and Representative Director; the Internal Audit Office investigates the execution of operations and the management system of the Company and its subsidiaries and affiliates according to the "Guideline for Internal Audit" established by the Company. It confirms the status of compliance with laws and regulations, articles of incorporation, and internal regulations to enhance appropriate business execution, rationalization, and efficiency of operations. As for cooperation between internal audits, audits by Audit and Supervisory Committee Members and accounting audits, and the relationship between audits and the Internal Control Division, the Internal Audit Office, Audit and Supervisory Committee, and Accounting Auditor share the information on their audit plans and

the progress of audits and exchange ideas so that they can cooperate to increase the effectiveness and efficiency of audits.

【Voluntarily Established Committees】

Voluntarily Established Committee(s) Corresponding to the Nomination Committee or Remuneration Committee	Established
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Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee, and the Committee Chair (Chairperson)

	Committee's Name	Total Number of Committee Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Others	Committee Chair (Chairperson)
Nomination Committee	Nomination and Remuneration Consultatory Committee	5	0	2	3	0	0	Outside Director
Remuneration Committee	Nomination and Remuneration Consultatory Committee	5	0	2	3	0	0	Outside Director

Supplementary Explanation

The Nomination and Remuneration Consultatory Committee, an advisory body under the Board of Directors and chaired by the independent Outside Director, is established. The committee's purpose is to strengthen the independence, objectivity, and accountability of the Board of Directors' function to determine the nomination and remuneration of Directors.

・ Structure of Nomination and Remuneration Consultatory Committee

The committee comprises five members: all independent Outside Directors, one Director dispatched from the parent company, and one Executive Director. The independent Outside Director chairs it.

The Nomination and Remuneration Consultatory Committee is composed as follows:

Taro Saito, Outside Director (Chairperson)
Takako Kansai, Outside Director
Takuya Oikawa, Outside Director
Kotaro Sawada, Representative Director, President & CEO
Makoto Hide, Director (non-executive)

(1) Activity Status

The Committee held 5 meetings for the fiscal year ended March 2025, and all committee members attended each meeting.

(2) Major items discussed

- Discussion on topics to be deliberated by the Nomination and Remuneration Consultatory Committee for the fiscal year ended March 31, 2025
- Evaluation feedback for all Directors
- Interim feedback interviews with Executive Directors
- Discussion on the establishment of KPIs for short-term incentive remuneration for Executive Directors
- Discussion on the CEO succession plan

【Independent Officers】

Number of Independent Officers

6

Other Matters Concerning Independent Officers

All Outside Directors qualified as independent Officers are designated as independent Officers.

【Incentives】

Incentive Policies for Directors

Performance-linked compensation

Supplementary Explanation of Applicable Matters

As to the remuneration/compensation system for the Directors (who are not the Audit and Supervisory Committee Members), the Nomination and Remuneration Consultatory Committee, an advisory body under the Board of Directors, which mainly consists of Outside Directors, established the remuneration/ compensation system for Executive Directors among the Board of Directors based on the committee's discussions and reports. Remuneration/ compensation is paid for efforts to achieve short-term and medium- to long-term business results and increases in corporate value. This scheme promotes a medium- to long-term sustainable increase in corporate value and functions as a sound incentive.

The remuneration/ compensation consists of fixed remuneration and performance-linked compensation. Fixed remuneration consists solely of cash, while performance-linked compensation comprises a cash bonus and stock compensation. The ratio of performance-linked compensation exceeds the percentage of fixed remuneration, and among the performance-linked compensation, the proportion of stock compensation shall be more than a cash bonus.

Recipients of Stock Options

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Supplementary Explanation of Applicable Matters

None.

【 Remuneration/ Compensation for Directors】

Status of Disclosure of Remuneration/ Compensation of Respective Directors	No disclosure of remuneration/ compensation of respective Directors
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Supplementary Explanation of Applicable Matters

- Total remuneration/ compensation paid to Directors (amount paid to Outside Directors) for the fiscal year ended March 31, 2025: 417 million yen (21 million yen)
- Total remuneration/ compensation by type
 - Basic remuneration: Fixed remuneration: 165 million yen (21 million yen)
 - Performance-linked compensation: Bonuses: 72 million yen (-)
 - Non-monetary compensation: Restricted stock: 179 million yen (-)
- Number of Directors to be paid: 7 (including 4 Outside Directors)
- Although there were eight Directors (including three Outside Directors) as of the end of the fiscal year, the number of recipients stated above differs because two Directors served without remuneration, and the count includes one Outside Director who retired at the 26th General Meeting of Shareholders.
- The performance indicators used to calculate bonuses include the Gross Merchandise Value and consolidated operating profit. The reason for using these performance indicators is that the Gross Merchandise Value and consolidated operating profit imply growth potential and profitability of the Group's business.
- Performance-linked restricted stock is granted to Directors as non-monetary compensation. The performance indicators used as the basis for calculating the value of restricted stock were "stock price growth rate," "consolidated operating profit," and "ESG evaluation indicators." The reason for selecting the stock price growth rate is to provide an incentive to achieve the sustainable enhancement of our corporate value and to further align interests with our shareholders. The consolidated operating profit was chosen because we consider it an important indicator of the profitability of the Group's business operations. The ESG evaluation indicators were selected to provide an incentive to promote ESG-oriented management.

Policy on Determining Remuneration/ Compensation Amounts and Calculation Methods Thereof	Established
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Disclosure of Policy on Determining Remuneration/ Compensation Amounts and Calculation Methods

Matters concerning the policy to determine the details of respective remuneration/compensation for Directors who are not Audit and Supervisory Committee Members

i. Purposes of remuneration/ compensation

Remuneration/ compensation for Directors consists of fixed remuneration (cash remuneration) and performance-linked compensation (cash bonus/stock compensation). They are paid for efforts to achieve short-term, and medium- to long-term business results and increases in corporate value. The results are measured based on the Company's management strategy to promote a medium- to long-term sustainable increase in corporate value and function as a sound incentive.

ii. Level of remuneration/ compensation

After establishing a group of companies as a benchmark for remuneration, a certain level and composition of remuneration/ compensation are prepared so that the Company can ensure and retain excellent human resources over competitors in terms of business and recruiting, assuming that the remuneration is attractive for current and prospective officers and their candidates.

iii. Composition of remuneration/ compensation

The ratio of performance-linked compensation exceeds the percentage of fixed remuneration, and among the performance-linked compensation, the proportion of stock compensation shall be more than a cash bonus. The Company's policy is to pay only fixed remuneration to non-executive Directors, which includes Outside Directors, of the Board of Directors (excluding Directors who are the Audit and Supervisory Committee Members).

a. Cash remuneration

Fixed remuneration is determined according to the title and duty of the eligible persons and paid during their term of office.

b. Cash bonus (short-term incentive remuneration)

Cash bonus represents performance-linked compensation based on the achievement of the short-term performance goal for each fiscal year. The Gross Merchandise Value, an indicator of potential business growth, and consolidated operating profit, an indicator of profitability, are designated as criteria for the payment of remuneration. A specific payment amount is determined based on the achievement of a performance goal set out in the single-year plan and the title and duty of the eligible persons, and is periodically paid during the term of office.

c. Stock compensation (medium- to long-term incentive compensation)

Stock compensation represents performance-linked compensation for promoting the management that focuses on medium- to long-term increases in corporate value/shareholder value, and stock with restrictions on transfer is granted to the eligible persons. The ratio to release the restrictions on transfer is determined based on the continuous service of the Company's Board of Directors, the Company's stock price growth rate for three fiscal years (compared with those of a group of about 27 benchmark companies), consolidated operating profit, and the valuation score granted by the ESG rating provider that the Company determines. Fundamentally, the stock is annually granted to eligible persons according to their titles and duties.

iv. Matters concerning the determination of the details of remuneration/ compensation for respective Directors

The Nomination and Remuneration Consultatory Committee examines the draft and its consistency with the policy from various perspectives. The Board of Directors also believes that the draft complies with the policy for determination and fundamentally respects the report from the committee.

v. Other significant matters concerning the determination of the remuneration/ compensation of respective Directors

For stock compensation, the provision is established that the Company acquires all or a part of the stocks allocated to the eligible Directors without charge in the event the relevant Directors resigns before the expiration

of the period of transfer restriction for reasons other than reasons the Board of Directors thinks due and other cases that the relevant Directors commit events, such as specific illegal activities. In addition, the provision is established for making the applicable Directors return all or a part of stocks with restrictions on transfer or cash equivalent to the Company without charge when certain events are identified, including errors in the figures providing a basis for calculating the ratio of releasing the restrictions on transfer, and the Company considers the above return due.

In addition, the remuneration of Directors who are Audit and Supervisory Committee Members is determined by discussion among the Audit and Supervisory Committee Members within the limit of the total amount of remuneration for Directors who are Audit and Supervisory Committee Members as resolved at the General Meeting of Shareholders.

【Supporting System for Outside Directors】

The Corporate Division supports Outside Directors. In addition, the full-time Audit and Supervisory Committee Member exchanges information with other Audit and Supervisory Committee Members in a timely manner.

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

(a) Structure of the Board of Directors

The company's Board of Directors makes decisions on important management issues related to business execution, supervises the execution of Directors' duties, and strives to ensure the transparency, efficiency, and fairness of the decision-making process. The total number of Directors is eleven (including six Outside Directors).

The Board of Directors holds a regular monthly meeting and an extraordinary meeting as needed. The meetings were held 19 times in the fiscal year ended March 31, 2024, and 15 times in the fiscal year ended March 31, 2025. Based on the provisions of Paragraph 1 of Article 427 of the Companies Act, the Company agreed with eight non-executive Directors to limit their liabilities for compensation under Paragraph 1 of Article 423 of the Companies Act to the extent provided by laws and regulations if they act in good faith and are not grossly negligent.

To enhance business execution and supervisory structure, the Company established the Nomination and Remuneration Consultatory Committee, an advisory body under the Board of Directors, chaired by an independent Outside Director. The committee's purpose is to strengthen the independence, objectivity, and accountability of the Board of Directors' function to determine the nomination and remuneration of Directors.

(b) Audit and Supervisory Committee

The Audit and Supervisory Committee, consisting of three members, audits daily activities that include monitoring the operation of the Board of Directors and the execution of duties by the Directors. All Audit and Supervisory Committee Members are treated as Outside Directors. The Company's Audit and Supervisory Committee Members are a lawyer and certified public accountants. They monitor management using their own experience and records. The Audit and Supervisory Committee meeting is held monthly as a rule.

The Audit and Supervisory Committee Members participate in the Ordinary General Meeting of Shareholders and Board Meetings and perform the statutory exercise of rights, including receipt of reports from Directors,

Executive Officers, employees, and the Accounting Auditor. Also, a full-time committee member conducts effective monitoring, including participation in important conference bodies, such as Management Meetings, Compliance Committee, audits based on interviews with sections and visits to subsidiaries for auditing, and provides opinions contributing to an increase in the soundness of the management of the Company during daily audit work. Additionally, the members actively exchange opinions with the Accounting Auditor, Internal Audit Office, and the Directors of subsidiaries and share information with Audit and Supervisory Board Members of our parent company, SoftBank Group, Corp., to perform effective and efficient audit work.

(c) Management Meeting

The Management Meeting consists of Directors who are not Audit and Supervisory Committee Members and Executive Officers, and Outside Directors, General Managers, a full-time Audit and Supervisory Committee Member, and the Representative Director of subsidiaries, and persons in charge of matters to be discussed join the meeting as observers. In principle, the Management Meeting is held twice a month to conduct resolutions, deliberations, and reports based on the authority approval standards. In addition, the Management Meeting members discuss business reports based on the management policy, related information, analysis of that information, information sharing between departments, business plans and directions related to the entire business, and issues each business unit addresses, especially matters that should be discussed across the organization. A Management Meeting is held to facilitate the decision-making process for the Representative Director and other decision-makers, based on the authority approval standards.

(d) Nomination and Remuneration Consultatory Committee

The Company established the Nomination and Remuneration Consultatory Committee to express opinions to the Board of Directors on the nomination and remuneration of Directors. The Nomination and Remuneration Consultatory Committee consists of five members, all Independent Outside Directors, one Director dispatched from the parent company, and one Executive Director, and it is chaired by an Outside Director. By the Nomination and Remuneration Consultatory Committee regulations established by the Board of Directors, the Nomination and Remuneration Consultatory Committee proposes its opinions about the remuneration and bonuses of Executive Directors and related matters, after the deliberation of topics such as an agenda regarding the appointment and dismissal of Directors at the General Meeting of shareholders, the appointment and dismissal of the Representative Director, President & CEO, succession plans for the Representative Director, President & CEO, business performance of each fiscal year and its contribution.

(e) Internal Audit Office

In cooperation with Audit and Supervisory Committee Members and the Accounting Auditor, the Internal Audit Office strives to improve the effectiveness and efficiency of the internal control and compliance system by conducting interviews and on-site surveys of each business division based on the annual internal audit plan.

(f) Auditing Firms

a. Name of the auditing firm

Deloitte Touche Tohmatsu Limited.

b. Certified Public Accountants who conducted the audit

Atsushi Numata

Hisashi Okuda

c. Composition of assistants relevant to audit activities

Audit assistants engaged in accounting audits consist of 4 certified public accountants and 23 others.

3. Reasons for Adopting the Current Corporate Governance Structure

The Company Group's basic management policy is to continuously enhance corporate value and foster smooth relationships with all stakeholders, including shareholders, by maintaining a focus on soundness, transparency, efficiency, and speed in management. The Group adopted the corporate governance structure centered on the Board of Directors and the Audit and Supervisory Committee to achieve the policy.

The total number of Directors is eleven, and non-executive Directors is eight (including six Outside Directors). They appropriately express opinions to the Management members from an external perspective while objectively supervising the Management members and Directors. To enhance the functions of the Board of Directors, the Nomination and Remuneration Consultatory Committee, an advisory body under the Board of Directors chaired by an independent Outside Director, is established. The committee's purpose is to strengthen the independence, objectivity, and accountability of the Board of Directors' function to determine the nomination and remuneration of Directors.

Three Audit and Supervisory Committee Members are appointed, and all are Outside Directors. The Company designated all Outside Directors, including Audit and Supervisory Committee Members, as independent Officers to the Tokyo Stock Exchange. They exchange opinions with the Management members and express their opinions appropriately from an external perspective, fulfilling their corporate governance roles and responsibilities. Based on the above, we believe that the objectivity and neutrality of the management oversight function are sufficiently ensured.

III Implementation of Measures for Shareholders and Other Stakeholders

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

	Supplementary Explanations
Early Notification of General Meeting of Shareholders	The Notice of Convocation of the 27th Ordinary General Meeting of Shareholders was dispatched on June 6, 2025. It was subject to electronic provision measures and opened to public inspection at the Tokyo Stock Exchange on June 4, 2025, before the dispatch date.
Scheduling of the General Meeting of Shareholders on Off-Peak Days	We schedule the General Meeting of Shareholders on a date that avoids the concentration days, so that more shareholders can attend.
Electronic Exercise of Voting Rights	Electronic exercise of voting rights by the internet is allowed so that more shareholders can exercise their voting rights.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance the Environment for Institutional Investors to Exercise Voting Rights	The Company participates in the electronic voting platform for institutional investors to improve their convenience.
Provision of Notice (or Summary of Notice) of Convocation of the General Meeting of Shareholders in English	Notice of Convocation of the General Meeting of Shareholders is translated into English, and it is available on the Company's website.
Others	The Company accelerates account settlement work to ensure early disclosure before dispatching the convocation notice. In addition, we have introduced the virtual-only General Meeting of Shareholders to enable shareholders from distant locations to "attend virtually" the meeting.

2. Status of IR Activities

	Supplementary Explanations	Explanation by the Representative
Provision and Publication of Disclosure Policy	The disclosure policy is available on the Company's website.	
Regular Financial Results Briefing for Analysts and Institutional Investors	The financial results briefing is held quarterly.	Exist

Regular Financial Results Briefing for Overseas Investors	Considering the ratio of overseas investors, the following information is available in English: financial results briefing materials, notice of convocation of the General Meeting of Shareholders, quarterly financial results overview, and other information. We are also offering simultaneous interpretation for live streaming of the financial results briefing and global conference calls.	Exist
Online Disclosure of IR Information	The following information is available on the Company's website: Financial statements, quarterly financial statements, financial results briefing materials for analysts, securities reports, quarterly reports, and other materials for timely disclosure.	
Department and Manager in Charge of IR	The Corporate Planning Office, Strategic Planning and Development Department, oversees IR. Details regarding the organizational framework and activities related to IR are described under General Principle 5, Principle 5-1, and Supplementary Principles 5-1①, 5-1②, and 5-1③ in "Our Initiatives in Relation to the Corporate Governance Code."	

3. Status of Measures to Ensure Respect for Stakeholders

	Supplementary Explanations
Implementation of Environmental Preservation Activities, CSR Activities, etc.	<p>We believe that proactively addressing ESG (Environment, Society, Governance) issues will lead to sustainable coexistence and co-prosperity with our stakeholders and society. After identifying 19 materialities with internal/ external stakeholders, we have established "Four Key Actions" and KPIs in line with our Sustainability Statement, "Fashion Connects and Leads us to a Sustainable Future", based on the result.</p> <p>We aim to empower people to realize their potential through the power of fashion and technology, and we are committed to achieving both sustainable growth as a company and addressing social issues, while fulfilling our social responsibilities.</p>

【Sustainability Statement】

Under our Sustainability Statement “Fashion Connects and Leads Us to a Sustainable Future,” the Company aims to create a new fashion world that connects fashion and technology, solve global issues in an innovative way with all related people, and improve the environment and society.

【Four Key Actions】

The Company has established the following Four Key Actions to realize the Sustainability Statement, and a sustainable society and environment.

①Providing the sustainable and unexplored services created together with our business partners

We aim to address environmental and social issues by delivering safe, secure, sustainable, and exciting services through the use of technology and by collaborating and co-creating with all stakeholders, including business partners.

②Realization of workplaces and communities where everyone can live their lives with a smile by promoting DE&I

We aim to realize a fair and just world where everyone can live with respect and smiles in their own way by promoting a work environment that values diversity and contributing to the revitalization of local communities and supporting the next generation of people collaborating with stakeholders, especially in industry, government, and academia.

③Contributing to a prosperous planet by reducing environmental impact

We aim to realize a sustainable environment on Earth by working with our stakeholders to solve natural environmental issues and reduce environmental impact.

④Maintain and improve correct management and a strong management system by strengthening governance

We will maintain and improve a sound and flexible management system, aiming for highly transparent, effective, and prompt management by strengthening corporate governance, risk management, and privacy security, among other areas.

*For more information on sustainability, please see the following

	website: https://corp.zozo.com/en/sustainability/
Implementation of Policies on Information Provision to Stakeholders	The Company provides the information to all stakeholders, focusing on promptness, accuracy, fairness, and continuity, following related laws and regulations, such as Financial Instruments and Exchange Laws and regulations stipulated by the Tokyo Stock Exchange.
Others	<p>The Company is committed to creating a future where fashion connects people from all over the world and brings them joy, in line with its corporate philosophy, “Inspire the world. Deliver joy every day.” To achieve this vision, the Company practices diversity management and encourages all employees to pursue their work in ways that best suit them.</p> <p>Given the nature of the fashion business, many employees are passionate about fashion, and the Company has developed a unique corporate culture that allows everyone to express their individuality through fashion and respects each other’s diversity. The Company has established the mindset of ZOZO staff, “Imagine the unexpected. Chart the unexplored.”, “Make a difference every day” and “With love”. This is the philosophy of our working style (ZOZO WORKSTYLE). Additionally, to support flexible work styles tailored to the diverse career perspectives and lifestyles of each employee, we have established HR systems, benefit programs, and working arrangements, and we also disclose related key performance indicators (KPIs) and their results.</p> <p>This approach promotes diversity in managers and core human resource positions, encompassing differences beyond those of gender, nationality, and career stage. By fostering an environment that supports human resource development, the Company expects to achieve growth in both its business operations and its employees’ capabilities.</p> <ul style="list-style-type: none"> • Internal policy on developing a diverse and inclusive workplace environment <p>The Company promotes diversity management and builds a structure that enables employees to mutually understand diversity in terms of gender, sexual orientation, gender identity, nationality, and values, and supports a variety of work styles that suit individual lifestyles. The definition of spouse, as outlined in the Company’s internal regulations, includes same-sex partners. This enables our employees to enjoy the benefit of the Company’s welfare programs, such as monetary rewards and holidays for congratulations and condolences, regardless of the gender of the partner. To promote</p>

accurate awareness and understanding of LGBTQ+ issues among ZOZO Group employees, we have been conducting e-learning programs. In June 2024, during Pride Month, we made donations to organizations supporting the LGBTQ+ community and expressed our endorsement of a campaign advocating for marriage equality (legalization of same-sex marriage) in Japan. These workplace initiatives for LGBTQ+ inclusion have been recognized, and we were awarded the highest “Gold” rating as well as the “Rainbow” certification under the PRIDE Index 2024.

The initiatives also include foreign nationals and religions. When the Company needs to take action regarding nationality and religion, such as accommodating prayer space requests from employees, it examines the response and considers the appropriate course of action in each case.

The acquisition rate of childcare leave stood at 100% for female employees and 70.5% for full-time male employees (as of March 2025). The percentage of women returning to work after maternity and childcare leave is extremely high, at 100% (as of March 2025). We are committed to creating a comfortable work environment for employees working while raising children, regardless of gender.

- Human resource development policy for advancing diversity and inclusion

To enhance the internal environment for human resource development, the Company offers various training opportunities for all employees, including non-management staff and managers, thereby improving the learning environment and promoting diversity. Training is provided to acquire the basic knowledge necessary for business operations. Periodic feedback is conducted for managers according to the criteria for assuming the position, aiming to enhance both vertical and horizontal cooperation among managers. Additionally, the Company supports employees in work styles that suit their family background or life stages and plans to further improve the human resource strategy and human capital system to increase medium- to long-term corporate value.

- Initiatives for the promotion of women’s participation and advancement

To further promote the participation and advancement of female employees, the Company established and is implementing a general employer action plan based on the Act on Promotion of Women’s Participation and Advancement in the Workplace. The Company’s

employee gender ratio is 42.0% female employees and 58.0% male employees (as of March 2025). The ratio of female managers equivalent to or higher than managers is 24.2% (as of March 2024), which is significantly higher than the national average of 12.7%.* We will further promote this action following a general employer action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace.

*The national average of the ratio of female managers is based on the "FY 2022 Basic Survey on Equal Employment" by the Ministry of Health, Labor and Welfare.

- Initiatives for the employment of people with disabilities

We have employees with disabilities at a rate of 3.35% (as of March 2025), which is higher than the legally mandated rate. They belong to various departments, including administration, customer support, and development. By considering each individual's unique disabilities, we aim to be a company where people with and without disabilities can express their individuality and participate in their way.

- Promotion of foreign nationals to core human resources:

The Company has group companies in the United States, New Zealand, Vietnam, China, the United Kingdom, and other countries, and appoints foreign nationals as Directors of each group company. We promote the appropriate use of human resources with respect for diversity, regardless of their nationality, when business strategies require individuals with experience in overseas business.

- Promotion of mid-career workers to core human resources:

In FY 2024, the Company hired 65 mid-career workers (42 males and 23 females). Most of the Executive Directors and Officers are mid-career professionals, and many mid-career workers are appointed to core managerial positions. The Company promotes the appropriate and effective use of human resources while respecting diversity, regardless of whether they are new graduates or mid-career professionals.

IV Matters Related to the Internal Control Systems

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

The Company established the “Basic Policy on Internal Control Systems” to ensure appropriate business operations in accordance with the provisions of the Companies Act and its enforcement regulations, and approved it at the Board Meeting. This policy is outlined below.

1. Systems to ensure that the execution of duties by Directors and employees complies with laws, regulations, and the Articles of Incorporation

- ① To ensure that the execution of duties by Directors and employees complies with laws and regulations, conforms to corporate ethics, and fulfills their social responsibilities, the Company established the Compliance Committee, chaired by the President and Representative Director, to deliberate on important compliance-related matters. The Company strives to develop and operate compliance systems to prevent acts that violate laws, regulations, etc., which could constitute violations and inappropriate transactions, and to enhance its system for legal and regulatory compliance among Directors and employees.
- ② An internal whistleblowing system (helpline) is established to enable Company Directors and employees to report acts they suspect may violate laws, regulations, internal rules, etc., to quickly discover and rectify inappropriate actions. Matters reported to the helpline are investigated by the Compliance Committee. When it is revealed that rectification is necessary, the Compliance Committee swiftly decides on corrective and preventive measures and implements them.
- ③ The Company takes necessary measures to prevent a person from being treated disadvantageously because the person made the whistle-blow outlined in the preceding paragraph.
- ④ The Internal Audit Office examines the compliance structure, investigates any issues concerning laws, regulations, or the Articles of Incorporation, and reports the results to the Board of Directors and the Audit and Supervisory Committee Members.
- ⑤ The Board of Directors reviews the compliance structure periodically to identify issues and make relevant improvements.
- ⑥ The Audit and Supervisory Committee audits this internal control system in light of its efficacy and functions and strives swiftly to identify and rectify any issues.

2. Systems related to the storage and management of information on the execution of Directors' duties

- ① Information on the execution of Directors' duties is managed and stored appropriately by recording it in written documents or electromagnetic media, following laws, regulations, and internal guidelines.
- ② The Full-time Audit and Supervisory Committee Member can view such information anytime.

3. Guidelines and other structures related to the management of risks of losses by the Company

- ① The person responsible for supervising risk management in the Company is the Representative Director, President. Accordingly, Directors, Executive Officers, General Managers, and VPs of related departments identify and assess various risks based on the Risk Management Guideline and take necessary measures to avoid, mitigate, or transfer risks.
- ② The Internal Audit Office audits the status of risk management in each organization and reports results to the Board of Directors and the Audit and Supervisory Committee.

③ The Board of Directors periodically reviews the risk management structure to identify issues and make necessary improvements.

4. Systems for ensuring that Directors' duties are executed efficiently

① The roles and responsibilities of Directors and individual sections are defined clearly by preparing documents such as the Board of Directors Guideline, Organizational Guideline, Guideline on Division of Responsibilities, and Job Authority Guideline. In addition, the Board of Directors Guideline specifies matters that should be submitted to the Board of Directors and the scope of decisions that each Director may make to ensure that the duties of Directors are executed efficiently.

② The President and Representative Director drafts annual management plans based on the Budget Management Guideline and obtains approval from the Board of Directors. Directors in charge of individual sections make decisions on practical measures and efficient business execution systems for their sections based on the plans approved.

③ The President and Representative Director reports periodically to the Board of Directors on the progress of the annual management plan. The Board of Directors analyses any impediments to measures implemented and efficient business execution structure and seeks to make necessary improvements.

5. Systems for ensuring the appropriate business operations of the Company Group, which consists of the Company and its subsidiaries (hereinafter, referred to as the "Group")

① One or more of the Directors or Auditors are dispatched from the Company to a subsidiary to monitor, supervise, or audit the execution of the duties of subsidiary Directors. The Corporate Division and the Finance and Accounting Division oversee the subsidiary's business management, compliance structure, risk management structure, and other matters related to subsidiary business administration, in accordance with the Subsidiary Management Guideline. While respecting the autonomy of subsidiary management, the Company receives periodic reports on the status of the subsidiary business and approves important matters from the subsidiary as appropriate.

② The Internal Audit Office conducts an internal audit on the status of the management of subsidiaries and their business activities.

6. Structures regarding employees assigned to assist the Audit and Supervisory Committee Members in the execution of their duties, and matters related to ensuring the efficacy of the execution of duties of such employees and their independence from Directors who are not Audit and Supervisory Committee Members

① When an Audit and Supervisory Committee Member has requested the assignment of one or more employees to assist in their duties, the Board of Directors may, through consultation with the Audit and Supervisory Committee Member, appoint such employees to assist the member. Authority to direct such employees shall be delegated to the Audit and Supervisory Committee Members during the period of such assistance as specified by them, and those employees should not be subject to instruction or orders from Directors (excluding Directors who are Audit and Supervisory Committee Members) during the period.

② The prior consent of the Audit and Supervisory Committee shall be required before any personnel transfer, HR evaluation, or disciplinary action regarding an employee assisting an Audit and Supervisory Committee Member.

7. Structure for reporting by Group Directors (excluding Directors who are Audit and Supervisory Committee

Members of the Company) and employees to Audit and Supervisory Committee Members and other systems related to reporting to them.

① Group Directors (excluding Directors who are Audit and Supervisory Committee Members of the Company) and employees shall report to Audit and Supervisory Committee Members, following laws, regulations, and internal guidelines, on matters that could cause serious harm to the Company; matters recognized to be improper acts or severe violations of laws, regulations, or the Articles of Incorporation; important matters submitted to the Board of Directors and decisions at the Board Meeting; important accounting policies or accounting standards and changes therein; the state of implementation of internal auditing; important monthly reports and other important matters.

② The Company takes necessary measures to prevent people who made a report from being treated disadvantageously because that person made a report, as outlined in the preceding paragraph.

8. Other structures to ensure the efficacy of audits by Audit and Supervisory Committee Members

① To ascertain the status of important decision-making processes and execution of duties, Audit and Supervisory Committee Members may attend the Board Meeting, the Management Meeting, and other important meetings, view important documents related to business execution, such as applications for approval, and demand an explanation of matters from Directors and employees.

② Audit and Supervisory Committee Members ensure the efficacy of audits through autonomy and authority, following the Audit and Supervisory Committee Guideline and the Audit and Supervisory Committee Auditing Standards. They also manage systems for effective audits in close cooperation with the Internal Audit Office and the Accounting Auditor.

③ The President and Representative Director meet periodically with the Audit and Supervisory Committee Members to exchange opinions and maintain close communication regarding topics that the Company should address, the status of maintaining the environment for auditing by the Audit and Supervisory Committee Members, important topics related to auditing, and other matters.

④ Payment is made promptly in response to procedures for advance payment or reimbursement of costs arising from the execution of the duties of the Audit and Supervisory Committee Members and other demands for payment of costs or obligations arising in the execution of their duties.

9. Structure for the exclusion of antisocial forces

The Company eliminates any relations with antisocial forces or groups that pose threats to social order or sound business activities and resists any improper demands or similar matters resolutely and systematically, cooperating with outside experts, including the police and company attorneys.

10. Structure for ensuring the reliability of financial reporting

To ensure the reliability of financial reporting, the internal control system related to financial reporting is developed, maintained, and operated to ensure it functions effectively.

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

The Company Group's basic policy is to eliminate any transactions with antisocial forces and organizations that threaten the social order and the sound activities of companies and to cooperate with external specialists or organizations, such as the police and company attorneys, while taking a firm stance toward responding to unfair

demands in an organized manner. To prevent any relationship with antisocial forces, the Legal Department of the Group conducts surveys before commencing transactions with new suppliers, new subcontractors, etc. We also implemented procedures to conduct another survey by external investigative organizations following the criteria we established. By implementing these procedures, we have created a system to commence transactions. In addition, we conduct surveys of existing business partners at least once a year to ensure that we can collect information on an ongoing basis.

V Others

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
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Supplementary Explanation of Applicable Matters

None.

2. Other Matters Concerning Corporate Governance Structure **UPDATE**

Corporate governance structure

- The diagram of the corporate governance structure is attached at the end of the report.

Timely disclosure system

(1) Provision and operation of a timely disclosure system:

a. Initiatives for the provision of a timely disclosure system

The Company will comply with the Financial Instruments and Exchange Act, other relevant laws and regulations, and the rules on timely disclosure (hereinafter referred to as the "Rules on Timely Disclosure") stipulated by the Tokyo Stock Exchange while ensuring prompt, accurate, fair, and continuous disclosure to all stakeholders. Furthermore, even for information that does not fall under the Rules on Timely Disclosure, the Company's policy is to appropriately disclose such information in a prompt, accurate, and fair manner, in accordance with the spirit of timely disclosure, if it is considered to have a significant impact on investors' investment decisions.

(Status of the organization in charge of timely disclosure)

We designate the Information Management Supervisor and the division in charge of information management as follows. The Information Management Supervisor is responsible for managing important inside information within the Company Group, communicating with the stock exchange, and overseeing the timely disclosure of inside information. The division in charge of information management, under the supervision of the Information Management Supervisor, conducts timely disclosure operations.

Information Management Supervisor: Director, Executive Vice President

Division in charge of information management: Corporate Planning Office, Strategic Planning And Development Department

(Structure to collect material information)

The Company Group ensures comprehensive collection of information that may be subject to disclosure (including decisions, facts occurred, and financial information) by appropriately informing Officers and employees of matters that constitute important facts, in accordance with internal guidelines (Guideline for Insider Trading Management).

In addition, when Officers or employees obtain inside information in the course of their duties, they are required

to report it without delay to the Information Management Supervisor, after which the information is communicated to the division in charge of information management, thereby establishing a framework for promptly consolidating such information. Furthermore, the Information Management Supervisor strives to identify important inside information, including financial information, by gathering information from various reports at the Management Meeting, which is in principle held twice a month.

In addition, with respect to significant decisions or facts occurred at subsidiaries that may become subject to disclosure, the Company has established an operational flow whereby the subsidiary reports such matters to the Company immediately when they arise, thereby ensuring a structure that allows for swift and appropriate information consolidation across the entire Group.

(Operation of timely disclosure)

For information obtained that may become subject to disclosure, the division in charge of information management examines whether disclosure is required in light of the “Rules on Timely Disclosure” by the Tokyo Stock Exchange. The results of this review are reported to the Information Management Supervisor, who then verifies the appropriateness of such results.

The division in charge of information management takes the lead in preparing disclosure materials. In preparing such materials, the division works closely with the Finance and Accounting Division and other relevant divisions to organize the content and strives not only to ensure accuracy, but also to provide clear and legally compliant information that is appropriate and sufficient to support investors’ decision-making.

For information deemed to require timely disclosure, if the information constitutes decisions, disclosure is made following a resolution of the Board of Directors or other relevant body. In the case of financial information, disclosure is made after approval by the Board of Directors or in accordance with the internal authority delegation standards, and after confirmation by the Information Management Supervisor.

With respect to facts occurred or information that does not fall under “Rules on Timely Disclosure” but is considered to have a significant impact on investors’ investment decisions, disclosure is made after approval based on the internal authority delegation standards and confirmation by the Information Management Supervisor. In addition, if urgent disclosure is required due to significant facts occurred or other material events, the Company has established a structure that enables immediate disclosure based on the judgment of the Representative Director, President.

(The means of timely disclosure)

With respect to timely disclosure, once a decision regarding information disclosure has been made, the division in charge of information management registers the relevant information with the Timely Disclosure network (TDnet), an electronic disclosure system provided by the Tokyo Stock Exchange, and carries out the disclosure.

After publication on TDnet, the same information is posted on the Company’s corporate website to ensure that information is provided fairly to all stakeholders.

(Monitoring of the timely disclosure system)

The proper operation of the timely disclosure system within the Company Group is monitored through periodic audits conducted by the Internal Audit Office, which review compliance with the Guideline for Insider Trading Management as well as the appropriateness of timely disclosure practices performed by the division in charge of information management.

In addition, the Audit and Supervisory Committee Members, who serve as Outside Directors, oversee the operation of the Board of Directors and the execution of duties by Directors. The full-time Audit and Supervisory Committee Member also attends the Management Meeting as an observer, thereby establishing a structure that enables comprehensive monitoring of the entire process—from information gathering related to timely disclosure through to decision-making at the Board of Directors.

(In-house training system for timely disclosure)

For the Company Group to appropriately conduct timely disclosure, it is essential to maintain a structure in which important inside information subject to disclosure is reliably consolidated by the Information Management Supervisor. Achieving this requires that all Officers and employees, including those of Group companies, fully understand the importance of timely disclosure and the management of inside information.

From this perspective, our Group provides training and education, as necessary, on the handling and management of various types of important inside information. Through these initiatives, we ensure thorough awareness of the basic rules for information management, prevention of information leaks and improper use, and the structure and methods of timely disclosure.

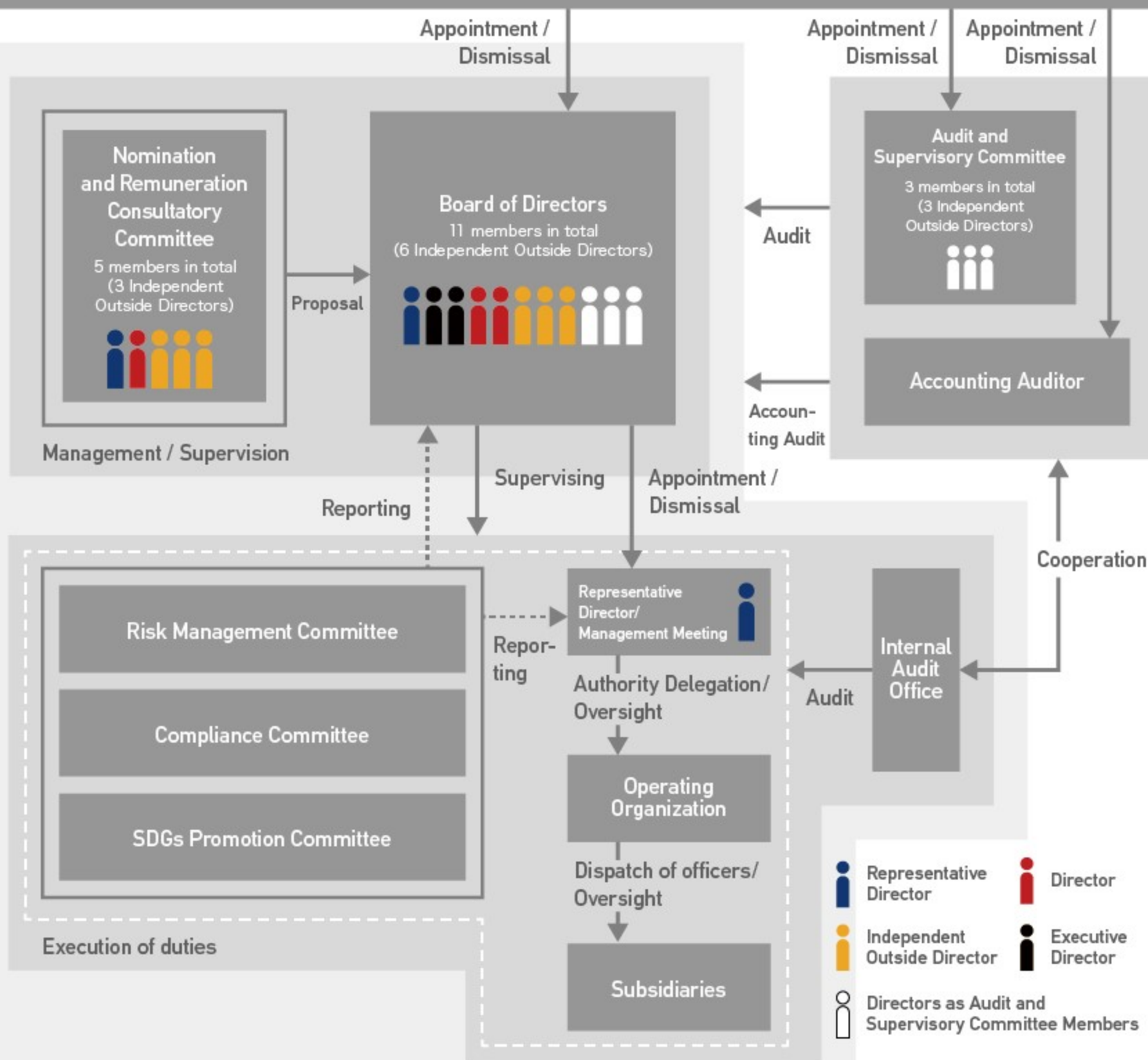
b. Procedure for timely disclosure

A diagram illustrating the timely disclosure procedures described in a. is provided in the attached figure.

DISCLAIMER:

This document is a summary translation of the Japanese version. All readers are recommended to refer to the original Japanese version for complete information. The Japanese version shall prevail in case of any discrepancy, errors, and/or omissions.

General Meeting of Shareholders



• Chart of the timely disclosure system

