

Corporate Governance Report

CORPORATE GOVERNANCE

KOMEDA Holdings Co., Ltd.

Last Update: May 29, 2026

KOMEDA Holdings Co., Ltd.

Yuichi Amari,

President and Representative Director, CEO

Contact: Administration Headquarters

General Affairs Department

TEL: 052-936-8880

Securities code: 3543

<https://komeda-holdings.co.jp/>

Note: This translation of the Corporate Governance Report is provided for reference purposes. In the event of any discrepancy, the original Japanese version shall prevail.

The corporate governance of KOMEDA Holdings Co., Ltd. ("the Company") is described below.

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

1. Basic Views

To achieve sustainable growth and increase corporate value over the medium to long term, the Company maintains good relationships with shareholders and all stakeholders, fulfills its social responsibilities as a company, and is working to strengthen its corporate governance system with the aim of establishing a legal compliance system, building an effective internal control system, and ensuring management objectivity and prompt decision-making.

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

The Company is compliant with all principles.

Disclosure Based on the Principles of the Corporate Governance Code

[Principle 1.4 Cross-Shareholdings]

The Company does not hold listed shares as cross-shareholdings.

[Principle 1.7 Related Party Transactions]

When conducting transactions with officers and major shareholders, etc., the Company obtains the approval of the Board of Directors after consulting opinions from the Audit and Supervisory Committee members, deliberating them. Transactions with a conflict of interest are also reported to the Board of Directors as appropriate to obtain approval. Furthermore, in the event of transactions between these related parties, disclosure will be made in accordance with relevant laws and regulations such as the Companies Act and the Financial Instruments and Exchange Act, as well as the rules stipulated by stock exchanges.

[Supplementary Principle 2.4 (1) Ensuring Diversity in the Promotion to Core Human Resources]

To provide customers with "an ideal space and service for KUTSUROGI" as well as to contribute to the enhancement of corporate value over the medium to long term and to the achievement of a sustainable society through its business activities, the Company addressed material issues that should be prioritized (hereinafter referred to as "materiality"). One such matter is "empowering diverse talent to grow and succeed." To achieve this, the Company will embrace diversity (diversity and inclusion) in areas such as gender, age, marital status, race, nationality, religion, and disability, and strive to create and improve a workplace environment

where a wide range of human resources can demonstrate their individuality and abilities.

The main initiatives for the above policy are as follows.

(Promoting the Advancement of Women)

In Japan, as an initiative to increase the number of female executives involved in management decision-making in the future, the Company has appointed one female executive officer and four female department heads at KOMEDA Co., Ltd., its principal subsidiary, and has also appointed two female directors at other subsidiaries. These female executives participate in important meetings, including the weekly Management Liaison Meeting and PDCA meetings, where each subsidiary discusses and shares information with the Company's directors prior to making decisions.

Furthermore, KOMEDA Co., Ltd. obtained three-star "Eruboshi" certification for the promotion of women's participation and advancement in the workplace in 2019. The ratio of women in management positions, including female store managers, in the Group at the end of the fiscal year ended February 2026 was 24.9%, exceeding the target of 23% set for the end of February 2026. The Group will continue to promote the creation of a workplace where women can actively participate and thrive.

For details on the promotion of women's participation overseas, please refer to the section "Empowering Global Human Resources" below.

(Empowering Global Human Resources)

The Company is also actively promoting the empowerment of global human resources with the aim of activating diverse human resources within the Group and addressing the anticipated future decline in the domestic working population in Japan.

Overseas, the Group has established subsidiaries in Taiwan and Indonesia to conduct business operations and has also acquired shares in POON RESOURCES PTE. LTD. through KOMEDA INTERNATIONAL HOLDINGS PTE. LTD., established in Singapore as the overseas holding company, thereby continuously expanding its business. In expanding business overseas, the Company operates in accordance with its Code of Corporate Conduct, respecting local cultures and customs, and in order to quickly and accurately grasp and flexibly respond to the diverse needs of local customers, the Company has appointed a local executive as the head of management at its Singapore operating subsidiary, and has also promoted female local executives at its Singapore and Taiwan subsidiaries.

In addition, as a domestic initiative for empowering global human resources, 55 graduates of the "KOMEDA Training Center" established in Myanmar have entered Japan and are actively working at the Group's directly-operated stores and bakery facilities. Two Myanmar nationals serve as store managers of KOMEDA's Coffee. The Company will continue to promote an environment and human resource development that enables globally-sourced employees hired domestically to be promoted to management positions in the future.

While the Company is advancing the selection and development of local management personnel, it has not set voluntary and measurable targets for the ratio of foreign nationals in management positions.

(Recruiting Diverse Human Resources)

Amid significant changes in the business environment and social demands, the Company believes that diversity of human resources is important for the sustainable expansion of its business and has been conducting mid-career recruitment of individuals with various career backgrounds. As a result, the ratio of mid-career hires among employees has remained at a high level, similar to the previous fiscal year. Therefore, while the Company has not set voluntary and measurable targets for the ratio of mid-career hires in management positions, it will continue to pursue recruitment and promotion to core positions to reflect this diversity in its management.

(Creating a Workplace Where Diverse Human Resources Can Thrive)

To achieve the mission to "Provide Deeper KUTSUROGI," under the theme of "Empowering the People for KUTSUROGI" in its Sustainability Policy, the Company has established three materiality items: " Ensuring Safe and Comfortable Workplaces," "Empowering Diverse Talent to Grow and Succeed," and " Respecting Human Rights," and is working to create a workplace environment where diverse human resources can thrive with a sense of purpose, as described in the table below.

In the fiscal year ended February 2026, the Company established "KOMEDA University" for the purpose of developing human resources who can understand the Company's mission and execute management strategies, and has been promoting the provision of opportunities to acquire cross-organizational knowledge and the systematization of level-based training programs.

Additionally, the Company continuously and regularly conducts "engagement surveys" and "stress checks" aimed at improving employee engagement, identifying issues within each department and working on improvements through dialogue. Furthermore, to create an environment where employees of the Group and FC franchisees can work at stores with peace of mind both physically and mentally, the Company has formulated a basic policy on customer harassment and has issued a "Declaration on Responding to Customer Harassment" to all stores and published it on the Company's website.

For specific details, please refer to the following URL:

<https://komeda-holdings.co.jp/english/human-rights-initiatives/>

Materiality	Details of Initiatives
Ensuring Safe and Comfortable workplaces	<ul style="list-style-type: none"> - Introduction of super-flex time and variable working hours systems - Promotion of paid leave utilization - Implementation of measures to promote the use of maternity and childcare leave - Implementation of stress checks - Implementation of occupational health and safety training
Empowering Diverse Talent to Grow and Succeed	<ul style="list-style-type: none"> - Regular review of human resource recruitment plans and development policies, human resource allocation/organizational strategies, and evaluation systems - Implementation of periodic follow-up interviews with new employees - Development of telework environment and side-job systems - Implementation of employee engagement surveys - Development of various training programs through KOMEDA University
Respecting Human Rights	<ul style="list-style-type: none"> - Implementation of harassment prevention training - Establishment and operation of harassment consultation desk (Compliance Consultation Desk) - Formulation and dissemination of the Declaration on Responding to Customer Harassment

[Principle 2.6 Roles of Corporate Pension Funds as Asset Owners]

The Group has adopted a defined contribution pension plan and therefore does not manage pension fund reserves, and there is no impact on the financial condition.

[Principle 3.1 Full Disclosure]

(1) The Group publishes its corporate philosophy, management strategy, and management plan on the Company's website. Please refer to the following URL: <https://komeda-holdings.co.jp/english/>

(2) The basic views on corporate governance are described in Section "I. 1. Basic Views" of this report.

(3) With regard to the policy and procedures for determining the remuneration of Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter referred to as "Directors"), the remuneration of each Director is determined by the Board of Directors, after deliberation by the Independent Advisory Committee (composed of four Independent Outside Directors) which serves as an advisory body to the Board of Directors, taking into account each Director's position, responsibilities, management capabilities, overall company performance, and degree of achievement of individual targets, within the limits of the total amount of remuneration for Directors as approved by resolution of the General Meeting of Shareholders. With regard to the policy and procedures for determining the remuneration of Directors who are Audit and Supervisory Committee Members (hereinafter referred to as "Audit and Supervisory Committee Members"), the remuneration of each Audit and Supervisory Committee Member is determined through consultation at the Audit and Supervisory Committee, taking into account whether they are full-time or part-time and their audit duties, within the limits of the total amount of remuneration for Audit and Supervisory Committee Members as approved by resolution of the General Meeting of Shareholders.

(4) The selection of Director candidates (excluding Directors who are Audit and Supervisory Committee Members) is determined by the Board of Directors after deliberation by the Human Resource Strategy Committee and the Independent Advisory

Committee, based on the skills matrix listing the skills expected of each Director, while keeping in mind the need to ensure diversity to the extent possible, considering the number and size of the Board of Directors, and ensuring that the candidates collectively possess a well-balanced mix of knowledge, experience, and capabilities. Furthermore, if a Director is found to have violated laws or the Articles of Incorporation, caused significant losses or operational impediments, or is otherwise deemed not to be fully fulfilling their functions, the Board of Directors will deliberate on the dismissal of the Director.

(5) Regarding the appointment and nomination of individual Directors and Audit and Supervisory Committee Members, the brief personal profiles of candidates are disclosed in the Notice of Convocation of the Ordinary General Meeting of Shareholders and the Annual Securities Report. The reasons for nominating each individual as a candidate for Director or Audit and Supervisory Committee Member are disclosed in the Notice of Convocation of the Ordinary General Meeting of Shareholders.

"Notice of Convocation of the 12th Ordinary General Meeting of Shareholders"

<https://ssl4.eir-parts.net/doc/3543/announcement3/119914/00.pdf>

[Principle 3.1 (3) Initiatives on Sustainability]

(1) The Company's basic sustainability policy is as follows.

KOMEDA is committed to addressing environmental considerations and resolving social issues in order to continue providing customers with "an ideal space and service for KUTSUROGI."

(2) The Company has established a "Sustainability Committee" chaired by the President and Representative Director, CEO, to promote sustainability activities across the organization. Positioning the Committee as a body under the direct supervision of the President and Representative Director, CEO, the Sustainability Promotion Department, serving as the secretariat, coordinates with Group companies to continuously set targets for sustainability activities, monitor progress, and evaluate achievements. In addition, reports on sustainability-related activities are made to the Board of Directors on a quarterly basis.

(3) The Company recognizes initiatives related to climate change as an important management issue and believes it is necessary to identify risks and opportunities and link them to the enhancement of medium- to long-term corporate value. Accordingly, the Company is working to reduce CO2 emissions in logistics through the decentralization of factories, promote the introduction of renewable energy at factories and stores, and conserve water, and has disclosed the impact of climate change-related risks and opportunities on the Company's business activities and earnings on the Company's website based on the framework of the TCFD recommendations.

<https://komeda-holdings.co.jp/english/sustainability/>

(4) For specific details on sustainability initiatives, please refer to the Company's website at the following URL:

<https://komedacomestruue.komeda.co.jp/>

(Investing in Human Capital)

As described in Supplementary Principle 2.4 (1), the Company has identified "Empowering diverse talent to grow and succeed." as a materiality matter and believes it is necessary to create a workplace environment where diverse human resources can demonstrate their abilities and to develop human resources. In the fiscal year ended February 2026, the Company established "KOMEDA University" as a company-wide cross-functional educational institution and implemented the development of educational frameworks and level-based training programs for nurturing next-generation leaders.

The Company will continue to promote initiatives aimed at activating diverse human resources.

(Investing in Intellectual Properties)

Approximately 95% of KOMEDA's Coffee and Okage-An stores operated by the Group are run by FC franchisees, and therefore the Company recognizes that securing trademark rights for the trademarks used at stores is an important management issue. In 2018, the Company reviewed the scope of trademark rights both domestically and overseas and filed applications for trademarks that it considered necessary to register.

The Company will continue to file and register trademarks as deemed necessary on a regular basis, taking into account the sales and potential for resale for each product.

[Supplementary Principle 4.1 (1) The Scope and Content of the Matters Delegated to Management]

Matters other than those prescribed as Board of Directors resolution matters by laws, regulations, and internal rules are delegated to Directors and other officers.

[Principle 4.8 Effective Use of Independent Directors]

The Company has appointed four Independent Outside Directors to ensure that the supervisory function of the Company's corporate activities is exercised from an objective, broad, and sophisticated perspective.

[Principle 4.9 Independence Standards for Independent Directors]

The independence criteria are described in Section "II-1 [Matters Concerning Independent Directors/Auditors] Other Matters Concerning Independent Directors/Auditors" of this report.

[Supplementary Principle 4.10 (1) Voluntary Committee on Nomination and Remuneration of Directors]

The views on the independence of composition, authority, and role of the voluntary advisory committees regarding the nomination and remuneration of Directors are as described in Section "II. 1. [Existence of Voluntary Committees Equivalent to Nomination Committee or Remuneration Committee]" of this report.

[Supplementary Principle 4.11 (1) Balance, Diversity and Size of the Board of Directors]

The Board of Directors nominates candidates for Directors from both within and outside the Company who possess extensive experience, broad insight, and high levels of expertise, and endeavors to ensure that the Board's diversity, and the overall balance of knowledge, experience, capabilities, and gender are optimized for the Company through election at the General Meeting of Shareholders.

The policy and procedures for the selection of Directors are as described in the response to Principle 3.1 (iv).

In addition, the Company has appointed as Outside Directors individuals with experience in corporate management at other companies.

The Company has prepared a skills matrix for Directors and has published it in the Reference Documents for the General Meeting of Shareholders.

[Supplementary Principle 4.11 (2) Directors' Concurrent Positions]

The status of concurrent positions held by Directors is disclosed in the section on the status of officers in the Annual Securities Report.

[Supplementary Principle 4.11 (3) Board of Directors Effectiveness Evaluation]

The Company conducts an evaluation of the effectiveness of the Board of Directors after the end of each fiscal year as an opportunity to ascertain the candid opinions of Directors regarding the activities of the Board of Directors. In the evaluation of the effectiveness of the Board of Directors meetings (a total of 19 meetings) held from March 2025 to February 2026, conducted in April 2026, an anonymous questionnaire was administered to all seven Directors (including four Outside Directors (three of whom are Audit and Supervisory Committee Members)). The questionnaire was composed of the following sections: 1) Composition of the Board of Directors, 2) Operation of the Board of Directors, 3) Agenda Items of the Board of Directors, and 4) Other matters. After the Audit and Supervisory Committee analyzed the questionnaire results, a discussion on the effectiveness of the Board of Directors was held at the extraordinary Board of Directors meeting on May 8, 2026, and it was concluded that the Company's Board of Directors is generally functioning appropriately with respect to meeting operations and basic governance functions, and that its effectiveness is ensured overall.

Furthermore, regarding the status of responses to issues identified in the effectiveness evaluation for the fiscal year ended February 2025, with respect to the composition and supervisory function of the Board of Directors, in addition to the fact that a majority of Directors on the Board are Outside Directors, quarterly opinion exchange meetings between the Audit and Supervisory Committee Members and the President and Representative Director, CEO have been established, and interviews with Directors and Executive Officers of subsidiaries within the Group by the Audit and Supervisory Committee Members have been continuously conducted, thereby establishing a system to reflect the perspectives and checks-and-balances function of the Audit and Supervisory Committee Members in management on a timely basis.

Next, regarding the development of next-generation Director candidates, the Company has promoted multiple individuals to the position of Director at subsidiaries and has advanced the implementation of specific development measures through new Director seminars, compliance training, and the utilization of level-based training programs. Additionally, practical management

capabilities have been strengthened through participation in the medium-term management plan development project. Further enhancement of the training framework is recognized as an ongoing issue to be addressed.

Furthermore, regarding the enhancement of the operations and agenda of the Board of Directors, in addition to the progress of the medium-term management plan "VALUES 2025" and key issues, a system for regular reporting and deliberation was established in the formulation of the new medium-term management plan "CONNECT 2030," achieving improvements in both the quantity and quality of discussions on medium- to long-term management issues.

Specific measures have been implemented for all issues identified in the previous fiscal year and are judged to have contributed to the improvement of the effectiveness of the Board of Directors.

On the other hand, further deepening of discussions on medium- to long-term strategic themes such as human resource strategy and global expansion; advancement of management with greater awareness of sustainability and cost of capital; and further strengthening of Group governance have been confirmed as ongoing issues to be addressed for the purpose of sustainable enhancement of corporate value going forward.

In addition, regarding the roles expected of the Board of Directors, a shared recognition was reached that the Board should further clarify the division of functions between decision-making on business execution and supervisory functions, and should promote the delegation of authority for business execution, thereby enriching strategic discussions that contribute to the supervisory function of the Board and the creation of added value for the enhancement of corporate value.

The Company will promote the following initiatives to advance the further delegation of authority for business execution to Executive Officers and other management, and to transition to a structure in which the Board of Directors focuses on supervisory functions and strategic discussions aimed at medium- to long-term enhancement of corporate value:

- Phased promotion of delegation of authority for business execution, enhancement of the effectiveness of the Board of Directors' supervisory function, and enrichment of strategic discussions
- Advancement of monitoring of the progress of each measure in the medium-term management plan, and continuous verification of the achievement status of targets for profitability and capital efficiency based on the Company's cost of capital, as well as the appropriateness of allocation of management resources including growth investments and review of the business portfolio
- Formulation and promotion of specific measures for human resource strategy and succession plans
- Deepening on discussions on growth strategies such as global expansion and DX investment
- Advancement of a governance structure and risk management across the entire Group
- Continuous examination of the optimal structure of the Board of Directors and the entire Group (including the division of roles between supervision and execution)

[Supplementary Principle 4.14 (2) Training Policy for Directors]

To enable Directors to fully fulfill their functions, the Company provides training opportunities for Directors as appropriate, utilizing training provided by the General Affairs Department, as well as training programs offered by law firms and external institutions. Training expenses are borne by the Company.

[Principle 5.1 Policy for Constructive Dialogue with Shareholders]

The Company undertakes the following initiatives to promote constructive dialogue with shareholders.

- (1) In addition to the General Meeting of Shareholders, the Company endeavors to further enhance dialogue with shareholders within a reasonable scope through individual meetings and briefing sessions.
- (2) Opinions obtained through dialogue are fed back to Directors (including Audit and Supervisory Committee Members) and relevant internal personnel, and the Company endeavors to appropriately reflect them in its corporate activities.
- (3) The Company has appointed a Director responsible for overseeing all shareholder dialogue and IR activities and has established a dedicated IR department to promote timely and appropriate disclosure of corporate information and dialogue with shareholders.
- (4) The Company has established regulations for the prevention of insider trading and ensures thorough management. In addition, the Company designates a certain period before the announcement of financial results as a silent period, during which dialogue and interviews with shareholders and investors are restricted.

[Principle 5.2 Establishing and Disclosing Business Strategies and Business Plans]

The Company has set the following financial targets as key strategies in its medium-term management plan "VALUES 2025," with the fiscal year ended February 2026 as the final fiscal year:

- | | | |
|------------------------|------------------------------------|---|
| • Growth: | EPS (Earnings per share) | Compound annual growth rate of 13% or higher |
| • Profitability: | ROIC* (Return on Invested Capital) | 11.5% or higher in the final year of the plan |
| • Financial Soundness: | Capital ratio | 40% or higher in the final year of the plan |
| • Shareholder Returns: | Total payout ratio | 50% or higher of the cumulative amount during the plan period |

*ROIC: $\text{After-tax operating profit} \div (\text{Average of interest-bearing debt (excluding lease liabilities) at the beginning and end of the period} + \text{Average of equity at the beginning and end of the period})$

The results of the medium-term management plan "VALUES 2025" have been published on the Company's website together with the medium-term management plan "CONNECT 2030" announced on April 8, 2026.

<https://komeda-holdings.co.jp/english/management-plan/>

(Initiatives Toward Management Conscious of Cost of Capital and Stock Price)

The Company calculates its cost of capital using the weighted average cost of capital (WACC). The WACC used in the goodwill impairment test in the Annual Securities Report for the fiscal year ended February 2026 was 6.57% (pre-tax discount rate of 9.56%). Furthermore, the Company adopted ROIC as a financial target to emphasize capital return and efficiency in the medium-term management plan "VALUES 2025." The actual ROIC for the fiscal year ended February 2026 was 11.8%, significantly exceeding the WACC. In addition, in the medium-term management plan "CONNECT 2030," the Company has set ROE as a key KPI and will continue to pursue management that is conscious of profitability and capital efficiency based on its cost of capital. Furthermore, based on a resolution at the General Meeting of Shareholders held on May 25, 2023, the Company has introduced a performance-linked restricted stock compensation scheme for Directors' remuneration, using KPIs (EPS average annual growth rate, ROIC, equity ratio, total shareholder return ratio, and CO2 emission reduction) from the medium-term management plan with the fiscal year ended February 2026 as the final year as performance indicators, in order to enhance the incentives of Inside Directors to realize management that is conscious of enhancing corporate value.

(Disclosure of Basic Policy and Status of Review Regarding Business Portfolio)

The main business activities of the Group are domestically operating FC (franchise) businesses and directly operated stores of full-service coffee shops primarily under the KOMEDA's Coffee and Okage-An brands, as well as operating restaurants under other brands. Overseas subsidiaries are independent business units that conduct FC businesses, operate directly operated stores, and develop restaurant businesses under their respective brands in each region, respecting local cultures and customs. As the Group primarily operates a food service chain centered on the KOMEDA's Coffee brand both domestically and internationally, the Board of Directors has not established a basic policy regarding the business portfolio at this time. However, the Company conducts brand reviews through the formulation of its management plan each fiscal year, including setting withdrawal criteria for new business formats and other new initiatives, and evaluates capital efficiency.

2. Capital Structure

Foreign Shareholding Ratio	10% or more and less than 20%
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Status of Major Shareholders

Name or Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan Ltd. (Trust account)	5,114,800	11.24
Custody Bank of Japan, Ltd. (Trust account)	2,200,000	4.83
Custody Bank of Japan, Ltd. (Trust account4)	1,325,800	2.91
JP MORGAN CHASE BANK 385781	645,394	1.42
STATE STREET BANK AND TRUST COMPANY 505001	486,163	1.07
JP MORGAN CHASE BANK 385166	421,900	0.93
JP MORGAN SECURITIES JAPAN	384,675	0.85
Komeda FC Shareholders' Association	342,800	0.75
I SHARES CORE MSCI EAFE ETF	341,700	0.75
JP MORGAN CHASE BANK 385864	328,415	0.72

Name of Controlling Shareholder, if applicable	—
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Name of Parent Company, if applicable	—
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Existence of Parent Company	None
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Supplementary Explanation	—
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3. Corporate Attributes

Listed Stock Exchange and Market Division	Tokyo: Prime, Nagoya: Premier
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Fiscal Year-End	End of February
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Business Sector	Wholesale Trade
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Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	500 or more but fewer than 1,000
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Net Sales (Consolidated) for the Previous Fiscal Year	¥10 billion or more but less than ¥100 billion
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Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	Fewer than 10
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4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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

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

1. Organizational Composition and Operation

Corporate Governance System	Company with Audit and Supervisory Committee
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Directors

Number of Directors Stipulated in Articles of Incorporation	11
Directors' Term of Office Stipulated in Articles of Incorporation	1 year (2 years for members of the Audit and Supervisory Committee)
Chairperson of the Board	President
Number of Directors	7
Election of Outside Directors	Elected
Number of Outside Directors	4
Number of Independent Directors	4

Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Hisashi Shirahata	CPA											
Chiaki Oda	Lawyer											
Tomoe Matsuda	From another company											
Eiichi Gochou	From another company								△			

*Categories for "Relationship with the Company".

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

- Person who executes business of the Company or a subsidiary
- Person who executes business or a non-executive director of a parent company
- Person who executes business of a fellow subsidiary
- Person/entity for which the Company is a major client or a person who executes business for such person/entity
- Major client of the Company or a person who executes business for such client
- Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets in addition to director/Audit and Supervisory Board Member compensation from the Company
- Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business of the corporation)
- Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to the individual only)
- Person who executes business for another company holding cross-directorships/cross-auditorships with the Company (applies to the individual only)
- Person who executes business for an entity receiving contributions from the Company (applies to the individual only)
- Other

Outside Directors' Relationship with the Company (2)

Name	Membership of Audit and Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Hisashi Shirahata	○	○	—	<p>Because he is a certified public accountant and utilizes his abundant experience and insight in accounting and finance at financial institutions, the Company has judged that he will contribute to strengthening the decision-making and supervisory functions of the Board of Directors of the Company from a standpoint independent of management.</p> <p>There is no conflict of interest with the Company.</p>
Chiaki Oda	○	○	—	<p>She has a high level of expertise, experience, and insight as a lawyer in such fields as overseas business development and M&A set forth in the Company's medium-term management plan. In addition, since she is from and lives in Nagoya, she has the perspective of a customer of KOMEDA's Coffee, as well as the above high level of experience and insight. Accordingly, the Company has judged that she will contribute to strengthening the decision-making and management supervision functions of the Board of Directors of the Company.</p> <p>There is no conflict of interest with the Company.</p>
Tomoe Matsuda	○	○	—	<p>She has been engaged for many years in work related to communication with people and has also delivered lectures on mental health as a clinical psychological counselor. She possesses extensive knowledge and experience related to "Empowering the people for KUTSUROGI," one of the Company's material issues (priority issues to be addressed through its business activities), particularly in the area of people and job satisfaction. The Company has therefore determined that she will contribute to enhancing the effectiveness of the Board of Directors' decision-making and supervisory functions.</p> <p>There is no conflict of interest with the Company.</p>
Eiichi Gochou	—	○	<p>After retiring from the position of President and Representative Director of LOTTE CO., LTD. in March 2024, he has</p>	<p>Mr. Eiichi Gochou has been involved in corporate management as Representative Director of LOTTE CO., LTD. for many years and possesses extensive knowledge and experience in business strategy, sales, and</p>

			<p>served as an Advisor to the company, retired in September 2025, but is not currently involved in any of the company's management decisions or operations. The Group and LOTTE CO., LTD. have had transactions involving the sale of products using trademark rights and the purchase of raw materials. However, the transaction amount does not exceed 0.1% of the consolidated net sales of either party and is not significant enough to affect his independence.</p>	<p>marketing measures. The Company has determined that he will contribute to the decision-making of the Board of Directors and the strengthening of the effectiveness of the supervisory function from an objective and multifaceted perspective based on this knowledge and experience, and to discussions on improving the transparency and effectiveness of the nomination and compensation determination processes for directors as a Human Resources Strategy Committee member, and an Independent Advisory Committee member.</p> <p>There is no conflict of interest with the Company.</p>
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Audit and Supervisory Committee

Composition of Audit and Supervisory Committee and Attributes of the Chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Committee Chair
Supervisory Committee	3	—	0	3	Outside Director

Appointment of Directors and/or Staff to Support the Audit and Supervisory Committee	Appointed
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In Cases Where Directors and/or Staff are Appointed to Support the Duties of the Committee

The Audit and Supervisory Committee conduct organizational audit activities utilizing the internal control system and has appointed the Internal Audit Office as the employee to assist its duties, with the authority to directly instruct the Internal Audit Office. The Internal Audit Office, as the assisting employee, is not an employee exclusively dedicated to the Audit and Supervisory Committee, and conducts internal audits based on instructions from the President. However, in the event that instructions from the President and instructions from the Audit and Supervisory Committee conflict, the instructions of the Audit and Supervisory Committee shall take priority. Furthermore, to ensure the independence of such assisting employees from Directors other than Audit and Supervisory Committee Members, the appointment, personnel transfers (including transfer destinations), personnel evaluations, and disciplinary actions of the assisting employees require the consent of the Audit and Supervisory Committee.

Cooperation Among the Audit and Supervisory Committee, Accounting Auditors and Internal Audit Department

The Company has entered into an audit agreement with Ernst & Young ShinNihon LLC to receive accounting audits. The Audit and Supervisory Committee Members, the Internal Audit Office, and the Accounting Auditor exchange information as needed and enhance mutual cooperation to ensure the legality and appropriateness of the Company's business operations.

Voluntary Established Committee(s)

Voluntary Establishment of Committee(s) Equivalent to a Nomination Committee or a Remuneration Committee	Established
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Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chairperson

	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	Independent Advisory Committee	4	0	0	4	0	0	Outside Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Independent Advisory Committee	4	0	0	4	0	0	Outside Director

Supplementary Explanation

The Independent Advisory Committee is composed of all four Independent Outside Directors of the Company to ensure transparency and objectivity. It deliberates on matters such as ensuring diversity on the Board of Directors, the selection and dismissal of Director candidates, and the remuneration of Directors, and provides recommendations from an independent standpoint in response to inquiries from the Board of Directors, in order to address the relevant principles of the Corporate Governance Code (*).

By deliberating and deciding on the selection and remuneration of Directors in accordance with the recommendations, the Board of Directors further enhances the objectivity and transparency of its decision-making and strengthens the management supervisory function of the Board of Directors.

*Principle 3.1 (iii.), Principle 3.1 (iv.), Supplementary Principle 4.1 (3), Supplementary Principle 4.2 (1), Principle 4.3, Supplementary Principle 4.3 (1), Supplementary Principle 4.3 (2), Supplementary Principle 4.3 (3), Supplementary Principle 4.11 (1)

Matters Concerning Independent Directors

Number of Independent Directors	4
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Other Matters Concerning Independent Directors/Auditors

The Company has designated all Outside Directors who meet the qualifications for independent directors as Independent Directors.

In addition, based on the requirements for independent directors established by domestic financial instruments exchanges such as the Tokyo Stock Exchange, the Company considers a person to have independence if the person does not fall under any of the following items:

1. A business executor (*1) of the Group
2. A major shareholder (a person or entity directly or indirectly holding 10% or more of the total voting rights) of the Group, or its business executor
3. An entity in which the Group directly or indirectly holds 10% or more of the total voting rights, or its business executor
4. A major client (*2) of the Group, or its business executor
5. A client for whom the Group is a major client (*3), or its business executor
6. The Group's accounting auditor or a person who is a member, etc. of the accounting auditor and is engaged in the Group's audit services
7. A consultant, accounting professional, or legal professional receiving significant monetary or other benefits (*4) from the Group other than officer remuneration (if such benefits are received by a corporation, partnership, or other organization, a person belonging to such organization)
8. A person receiving significant monetary or other benefits (*4) in the form of donations from the Group, or a business executor of a corporation or organization receiving such donations
9. A business executor of a company that accepts directors from the Group, or of its parent company or subsidiary
10. A person who fell under any of items 2 through 9 above during the past three years
11. A close relative (*6) of a person (limited to those in significant positions (*5)) who falls under any of items 1 through 10 above

*1 "Business executor" refers to executive directors, executive officers, and other employees who have been affiliated with the Group within the past 10 years.

*2 "Major client of the Group" refers to a client that has made payments to the Company of 2% or more of the Company's annual consolidated revenue in the most recent fiscal year, or a client that has extended financing to the Company of 2% or more of the Company's consolidated total assets at the end of the most recent fiscal year.

*3 "Client for whom the Group is a major client" refers to a client that has received payments from the Company of 2% or more of the client's annual consolidated revenue in the most recent fiscal year.

*4 "Significant monetary or other benefits" refers to annual benefits of ¥10 million or more other than officer remuneration in the most recent fiscal year. (If such benefits are received by a corporation, partnership, or other organization, benefits exceeding 2% of the organization's total revenue in the most recent fiscal year.) In the case of donations, this also refers to ¥10 million or more.

*5 "Person in a significant position" refers to directors (excluding outside directors), executive officers, and employees in management positions at the level of department head or above.

*6 "Close relative" refers to a spouse and relatives within the second degree of kinship.

Incentives

Implementation Status of Measures related to Incentives Granted to Directors and/or Executive Officers

Introduction of Performance-linked Remuneration Scheme

Supplementary Explanation

- In April 2023, the Company revised its officer remuneration system and, for the purpose of enhancing incentives for the sustainable improvement of the Company's corporate value and realizing longer-term value sharing with shareholders, replaced the previous stock option and stock compensation systems with a new service-condition restricted stock compensation scheme and a performance-linked restricted stock compensation scheme.

- Under the performance-linked restricted stock compensation scheme, in order to incentivize Directors (excluding Outside

Directors and Audit and Supervisory Committee Members) to achieve the targets set in the medium-term management plan, the Company has set the following performance indicators for the medium-term management plan "VALUES 2025" with the fiscal year ended February 2026 as the final year: EPS average annual growth rate, ROIC, equity ratio, and total shareholder return ratio as financial targets, and CO2 emission reduction as a non-financial target. For the medium-term management plan "CONNECT 2030" with the fiscal year ending February 2031 as the final year, the Company plans to set employee engagement score and CO2 emission reduction per unit of revenue as non-financial performance indicators.

Persons Eligible for Stock Options

Supplementary Explanation for Applicable Items

Director Remuneration

Status of Disclosure of Individual Directors' Remuneration No disclosure for any directors

Supplementary Explanation for Applicable Items

The total amount of remuneration by type for each category of Directors and Directors who are Audit and Supervisory Committee Members is disclosed in the Business Report and the Annual Securities Report.
The following are the results for the fiscal year ended February 28, 2026.

- 4 Directors Total amount of remuneration, etc.: 131 million yen (of which fixed remuneration is 65 million yen, performance evaluation standard remuneration is 44 million yen, stock-based remuneration is 22 million yen)(of which fixed remuneration for outside directors is 6 million yen.)
- 4 Directors (Audit and Supervisory Committee Members) Total amount of remuneration, etc.: 19 million yen (of which fixed remuneration: 19 million yen, performance evaluation standard remuneration: None, stock remuneration: None)

Policy on Determining Remuneration Amounts and the Calculation Methods Established

Disclosure of Policy for Determining Remuneration Amounts or Calculation Methods

The Company determines the maximum total amount of remuneration for Directors and Audit and Supervisory Committee Members, respectively, by resolution of the General Meeting of Shareholders. The remuneration of each Director is determined by the Board of Directors, taking into account each Director's position, responsibilities, scope of supervision, and peer benchmarks, as well as overall company performance and the degree of each Director's contribution to company-wide targets. The remuneration of each Audit and Supervisory Committee Member is determined through consultation at the Audit and Supervisory Committee, taking into account whether they are full-time or part-time and their audit duties. For details of the policy for determining the remuneration amounts or calculation methods for the Company's officers, please refer to "Part 4: Information on the Filing Company, 4. Corporate Governance, (4) Remuneration of Officers" in the Annual Securities Report for the fiscal year ended February 2026.
<https://komeda-holdings.co.jp/ir/securities.html>

Support System for Outside Directors

To provide necessary information accurately to Outside Directors (Audit and Supervisory Committee Members), the Company has assigned a designated staff member within the Internal Audit Office.

Statuses of Persons Who Have Retired as Representative Director and President, etc.

Information on Persons Holding Advisory Positions (*Sodanyaku, Komon, etc.*) after Retiring as Representative Director and President, etc.

Name	Job title/ position	Responsibilities	Terms and conditions of employment (Full/part time, with/without remuneration, etc.)	Date when former role as president/ CEO ended	Term

Number of Persons Holding Advisory Positions (*Sodanyaku, Komon, etc.*)
After Retiring as Representative Director and President, etc.

0

Other Matters

Okitane Usui, who retired as Representative Director and Chairman of the Company on the date of the Ordinary General Meeting of Shareholders held on May 25, 2023, subsequently served as a Senior Advisor of the Group, providing advice at the request of the Company's Directors. He retired from this position on May 31, 2025.

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

The Company is a Company with an Audit and Supervisory Committee and has established, in addition to the General Meeting of Shareholders, a Board of Directors and an Audit and Supervisory Committee as organs under the Companies Act, as well as a Compliance Committee and a Risk Management Committee as means of constructing a governance structure. Furthermore, the Company has established the "Independent Advisory Committee (composed of four Independent Outside Directors)" as an advisory body to the Board of Directors and the "Human Resource Strategy Committee (composed of four Directors (including one Outside Director))" as an advisory body to the President and Representative Director, CEO, in order to enhance the transparency and objectivity of the determination of Director candidates and Director remuneration.

The Board of Directors is composed of seven Directors (including four Outside Directors, of whom three are Audit and Supervisory Committee Members), and meets once a month in regular session and as needed on an ad hoc basis, to make important decisions for the Company and supervise the execution of duties by Directors.

The Audit and Supervisory Committee is composed of three Outside Directors. Outside Director Hisashi Shirahata is a certified public accountant and Outside Director Chiaki Oda is an attorney-at-law, and they each possess considerable knowledge of finance and accounting, and legal affairs, respectively. The Audit and Supervisory Committee Members exercise their legal authority through attendance at Board of Directors meetings, investigation of business operations and assets, and hearing of reports from Directors, employees, and the Accounting Auditor. In addition, the Audit and Supervisory Committee directly instructs the Internal Audit Office in order to conduct organizational audit activities utilizing the internal control system and receives reports on the results from the Internal Audit Office.

The Company has established the Internal Audit Office as the department responsible for internal audits, and one Internal Audit Office Manager and two dedicated assistants conduct audits of all operations of each department of the Group based on the internal audit plan approved by the President. Regarding internal audit results, after the completion of an internal audit, the audited

department head (site manager) is contacted for factual confirmation, and the internal audit results are reported to the audited department head on the spot. An internal audit report is then prepared and reported to the President. Regarding improvement of identified issues, instructions are issued in the name of the President requiring the audited department to submit an improvement plan, and business improvements are implemented. The evaluation results of the internal audit, including the status of improvements, are reported at Board of Directors meetings. In addition, the Internal Audit Office must receive direct instructions from the Audit and Supervisory Committee and report the results to it, and in the event that the instructions of the President and those of the Audit and Supervisory Committee conflict, the instructions of the Audit and Supervisory Committee shall take priority.

Regarding the Accounting Auditor, the Company has entered into an audit agreement with Ernst & Young ShinNihon LLC and receives accounting audits from an independent and fair standpoint, and engages in consultation and exchange of opinions on an ongoing basis. There are no special interests between the Company and Ernst & Young ShinNihon LLC or the certified public accountants who performed the audit engagement.

In addition to the above, regarding the Company's risk management system, the Company has established "Risk and Compliance Regulations" for the purpose of comprehensively overseeing various risks, identifying, evaluating, and preventing risks, and in the event that risks materialize, responding swiftly and accurately to minimize damage, prevent recurrence, and preserve the Company's corporate value and ensure compliance with laws and regulations. The implementation of these regulations is carried out by the Risk Management Committee and the Compliance Committee, both under the direct supervision of the President. The Risk Management Committee and the Compliance Committee are chaired by the President and composed of members appointed by the Chairperson, with the Group Human Resources and General Affairs Department of the Administration Headquarters serving as the secretariat. Meetings are held on a quarterly basis, in addition to ad hoc meetings convened by the secretariat as needed upon request to the Chairperson.

The composition and role of the Independent Advisory Committee are as described in "II-1 Voluntary Committees" of this report. The Human Resource Strategy Committee is composed of all Directors of the Company (four Directors excluding Directors who are Audit and Supervisory Committee Members (including one Outside Director)), and is an organ that deliberates and formulates recommendations on Director candidates and human resource strategies that promote the sustainable growth of the Group, in response to inquiries from the President and Representative Director, CEO. It meets, in principle, four times a year.

3. Reasons for Adoption of Current Corporate Governance System

The Company has strengthened the supervisory function of the Board of Directors by having Audit and Supervisory Committee Members, who have voting rights at the Board of Directors, participate in management decision-making. In addition, through the appointment of multiple Outside Directors and the establishment of the Human Resource Strategy Committee, Independent Advisory Committee, Sustainability Committee, Risk Management Committee, and Compliance Committee, the Company aims to strengthen the supervisory function of the Board of Directors and realize fair and highly transparent management, while also establishing a risk management system, compliance promotion system, and internal audit system. The Company has adopted the current corporate governance system based on the recognition that the soundness, efficiency, and transparency of management can be ensured through the mutual cooperation of these organs.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Facilitate Exercise of Voting Rights

	Supplementary Explanation
Early Posting of Notice of the General Shareholders Meeting	In order to allow shareholders sufficient time to review the proposals, the Company posts the notice on TDnet, the electronic voting platform, and the Company's website prior to the dispatch of the notice of convocation.
Scheduling of the General Shareholders Meeting During Non-Peak Days	As the Company's fiscal year ends in February, the Ordinary General Meeting of Shareholders is held in May each year, which does not coincide with the peak day.
Electronic Exercise of Voting Rights	The Company has introduced voting rights exercise via the internet (including smartphones).
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	The Company has participated in the electronic voting platform since the 7th Ordinary General Meeting of Shareholders (held on May 27, 2021).
Provision of Notice (or Summary of Notice) of the General Shareholders Meeting in English	The Company discloses the English version of the notice of convocation in the narrow sense and reference documents on TDnet, the electronic voting platform, and the Company's website.

2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	The Company has published its disclosure policy on the Company's website.	
Regular Investor Briefings held for Individual Investors	The Company publishes supplementary financial results materials on the Company's website on a quarterly basis.	Not Held
Regular Investor Briefings held for Analysts and Institutional Investors	The Company holds financial results briefings (for the second quarter and full-year results).	Held
Regular Investor Briefings held for Overseas Investors	Not held.	Not Held
Online Disclosure of IR Information	The Company publishes financial disclosure materials, supplementary financial results materials, etc. on the Company's website.	
Establishment of Department and/or Placement of a Manager in Charge of IR	The Company has established a dedicated IR department to conduct activities for shareholders and investors.	

3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	<p>The Company has established a "Code of Corporate Conduct" to embody the management philosophy of the Group, which explicitly states respect for the positions of each stakeholder. The "Code of Corporate Conduct" is also published on the Company's website.</p> <p>https://komeda-holdings.co.jp/code-of-conduct/</p>
Implementation of Environmental Preservation Activities and CSR Activities, etc.	<p>The Group has established a dedicated department to promote corporate sustainability activities. To realize a sustainable society and the sustainability of the KOMEDA chain, the Company has identified Materiality that considers social and business issues and is working on sustainability activities across the entire company.</p> <p>In addition, the Company continues to pursue sustainable sourcing, primarily for coffee beans as a raw material.</p> <p>Regarding the environment, the Company has implemented measures such as the installation of solar panels, the introduction of renewable energy, and forest conservation activities at "KOMEDA no Mori."</p> <p>The Company will continue to work on resolving social issues together with customers, franchise partners, and business partners, with the aim of contributing to the Sustainable Development Goals (SDGs).</p>
Formulation of Policies, etc., on Provision of Information to Stakeholders	<p>In the "Code of Corporate Conduct," the Company has established a policy on information provision stating: "We will disclose corporate information in a timely and appropriate manner, conduct management with high transparency, while paying sufficient attention to internal information management and preventing insider trading and leakage of personal information." As measures to ensure these objectives, the Company has established "Regulations for the Prevention of Insider Trading" and "Personal Information Protection Management Regulations."</p>
Other	—

IV. Matters Concerning the Internal Control System

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

With respect to the Company's internal control system, the Company has established the following basic policy on the internal control system to ensure compliance with laws and regulations and the Articles of Incorporation, and to ensure the efficiency and appropriateness of business operations.

1. System to Ensure That the Execution of Duties by Directors and Employees Complies with Laws and Regulations and the Articles of Incorporation

(1) At the Board of Directors meetings, which are held in principle once a month and on an ad hoc basis as needed, important matters related to the execution of duties that are decided by the Board of Directors shall be supervised by non-executive Outside Directors and Audit and Supervisory Committee Members to ensure compliance with laws and regulations, the Articles of Incorporation, and internal rules such as the Board of Directors Regulations.

(2) Directors, recognizing that compliance with laws and regulations and thorough adherence to corporate ethics is the foundation of management, shall proactively promote compliance based on the Risk and Compliance Regulations and the Code of Corporate Conduct.

(3) Compliance with laws and regulations and corporate ethics shall be thoroughly instilled in employees through compliance education utilizing the operation of the Risk and Compliance Regulations, training systems, and the Code of Corporate Conduct.

(4) Based on the Risk and Compliance Regulations, the Compliance Committee, which reports directly to the Representative Director, shall be convened periodically to identify matters requiring thorough implementation, and to educate and enlighten Directors and employees on compliance.

(5) Internal rules that clearly set forth lawful and proper procedures and processes for business operations shall be developed and maintained.

(6) Audits by the Internal Audit Office shall be conducted to confirm that lawful and proper business operations are being carried out.

(7) As an internal reporting system, a Compliance Consultation Desk shall be established for all compliance-related matters.

(8) The Company stipulates in its Code of Corporate Conduct that it shall not have any relationships with anti-social forces or similar groups or individuals. Furthermore, a manual for responding to anti-social forces has been established, and based on this manual, the Company shall cooperate with external specialized organizations, including the police, and respond promptly as an entire organization.

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

Information related to the execution of duties by Directors shall be appropriately preserved and managed in accordance with the Document Management Regulations, Information System Security Regulations, and other related regulations that set forth management methods, including legally mandated retention periods.

3. Regulations and Other Systems for the Management of Risk of Loss

(1) Based on the Risk and Compliance Regulations, the Risk Management Committee, which reports directly to the Representative Director, shall be convened periodically, and the Administration Headquarters shall comprehensively identify and manage the risks of the Group. The Administration Headquarters, together with the Risk Management Committee members of each department, shall examine countermeasures and endeavor to minimize risks.

(2) From the perspective of risk prevention, the Internal Audit Office shall conduct internal audits of the risk management status of each department and report the results to the Representative Director, the Audit and Supervisory Committee, and the Risk Management Committee.

4. System to Ensure the Efficient Execution of Duties by Directors

(1) The Board of Directors shall meet in principle once a month and on an ad hoc basis as needed, and shall also be able to make Board of Directors resolutions in writing in accordance with laws and regulations.

(2) The responsibilities, authorities, and basic framework of duties for each position shall be clarified through the Authority Regulations to enable prompt and proper decision-making and efficient execution of duties.

(3) A management cycle of planning, implementation, and control evaluation shall be deployed based on the basic management policies and plans for each fiscal year, which form the foundation of the medium-term management plan.

5. System to Ensure the Propriety of Business Operations Within the Corporate Group Consisting of the Company and Its Subsidiaries (hereinafter, the "Group")

(1) System for Reporting Matters Related to the Execution of Duties by Directors of Subsidiaries to the Company

1) The Company shall designate the headquarters that oversee subsidiaries in the Group Company Management Regulations, and based on these regulations, shall approve important matters or receive reports to ensure proper management of subsidiaries.

2) The Company shall receive regular reports at the Board of Directors meetings on the financial results, business conditions, and other important matters related to the execution of duties of subsidiaries.

(2) Regulations and Other Systems for the Management of Risk of Loss at Subsidiaries

1) The Risk and Compliance Regulations for risk management shall be established as common regulations with subsidiaries, and a system for comprehensive management of risks across the entire Group shall be established.

2) The Internal Audit Office of the Company shall conduct internal audits covering the entire Group.

(3) System to Ensure the Efficient Execution of Duties by Directors, etc. of Subsidiaries

1) Based on the strategies of the Group set forth in the medium-term management plan and other plans, the Administration Headquarters shall take the lead in managing and guiding subsidiaries and shall strive for the efficiency and propriety of business operations across the entire Group.

(4) System to Ensure That the Execution of Duties by Directors and Employees of Subsidiaries Complies with Laws and Regulations and the Articles of Incorporation

1) The Compliance Committee shall manage compliance at subsidiaries and establish a compliance system across the entire Group.

2) Audits by the Internal Audit Office shall be conducted to confirm whether subsidiaries are carrying out lawful and proper business operations.

3) A Compliance Consultation Desk shall be established as a Group-wide internal reporting system available to Directors and employees of subsidiaries.

6. System to Ensure the Reliability of Financial Reporting

The Group shall establish a basic policy on internal controls over financial reporting and ensure the reliability of financial reporting.

7. System to Ensure the Effective Conduct of Audits by the Audit and Supervisory Committee

(1) System Concerning Directors (Excluding Audit and Supervisory Committee Members) and Employees Who Assist the Audit and Supervisory Committee in Its Duties, Independence of Such Directors and Employees from Other Directors (Excluding Audit and Supervisory Committee Members), and Effectiveness of Instructions by the Audit and Supervisory Committee to Such Directors and Employees

1) The duties of the Audit and Supervisory Committee shall be assisted by the Internal Audit Office. The appointment, personnel transfers (including transfer destinations), personnel evaluations, and disciplinary actions of employees of the Internal Audit Office shall require the consent of the Audit and Supervisory Committee, thereby ensuring independence from Directors (excluding Audit and Supervisory Committee Members).

Employees of the Internal Audit Office should give priority to following the instructions of the Audit and Supervisory Committee when assisting in the duties of the Audit and Supervisory Committee.

3) The Audit and Supervisory Committee may independently appoint assisting employees with sufficient capability and knowledge to assist in audit operations.

4) Assisting employees need not be dedicated exclusively to this role, but the authority to instruct them shall be prioritized by the Audit and Supervisory Committee, and the appointment, personnel transfers (including transfer destinations), personnel evaluations, and disciplinary actions of such assisting employees shall require the consent of the Audit and Supervisory Committee.

(2) System for Directors (Excluding Audit and Supervisory Committee Members) and Employees of the Group to Report to the Audit and Supervisory Committee

- 1) Opportunities should be ensured for Audit and Supervisory Committee Members to attend and express opinions at important meetings other than the Board of Directors.
 - 2) Audit and Supervisory Committee Members may, as needed, access or copy important information of the Group and request explanations from Directors (excluding Audit and Supervisory Committee Members) and employees.
 - 3) Directors (excluding Audit and Supervisory Committee Members) and employees shall report to the Audit and Supervisory Committee on matters that may cause significant damage to the Group, the status of internal audit implementation, the content of reports received through the internal reporting system, and other matters deemed necessary by the Audit and Supervisory Committee.
 - 4) No person who has made a report to the Audit and Supervisory Committee or provided information to the internal reporting system shall be subjected to disadvantageous treatment for having made such report.
 - 5) The Audit and Supervisory Committee shall periodically exchange opinions with the Representative Director, the Internal Audit Office, and the Accounting Auditor, respectively.
- (3) Matters Concerning the Policy on the Treatment of Costs or Obligations Arising from the Execution of Duties by Audit and Supervisory Committee Members, Including Advance Payment or Reimbursement Procedures
- When an Audit and Supervisory Committee Member requests the Company to bear expenses incurred in the execution of their duties, the Company shall bear such expenses unless it is determined that such expenses are not necessary for the duties of the Audit and Supervisory Committee Member.

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

The Company respects, as a basic principle, the "Charter of Corporate Behavior: Implementation Guidance (10th Edition)" (May 2024) published by the Japan Business Federation (Keidanren) and the "Guidelines for Companies to Prevent Damage by Anti-social Forces" (June 2007, agreement by the Working Group of the Ministerial Meeting Concerning Measures Against Crime), and has established and operates its systems in accordance with these guidelines. With respect to policies within the corporate group, the KOMEDA Group "Code of Corporate Conduct" states that the Group shall not have any relationships with anti-social forces, and attention is drawn to this policy at major internal meetings and other occasions. Furthermore, the Company has developed a manual for responding to anti-social forces, and in the event of unreasonable demands by anti-social forces, the designated department centrally manages information and takes prompt action, including consultation with the local police and legal counsel.

In addition, officers and employees, primarily those in management-related departments, actively participate in seminars on anti-social forces organized by the police and related agencies, thereby promoting thorough awareness and gathering of information. Furthermore, in preparation for contingencies, the Company has strengthened its relationship with the consultation desk of the local police station and established an emergency response system through simulations with attorneys. The Company has also joined the Aichi Prefectural Center for the Elimination of Violence and has strengthened its cooperation framework.

With respect to screening of business partners, the basic method involves searching the internet and Nikkei Telecom for information on the individual (if the business partner is an individual) or the company and its representative (if the business partner is a corporation). For new business partners, screening is conducted at the time of commencement of the transaction. For existing business partners, screening is conducted once a year if the transaction amount is 1% or more of the total transaction amount, and once every two years if less than 1%. In any case, if concerns remain, the matter is reported to the head of the Administration Headquarters, and inquiries and consultations are made with external organizations (police, anti-organized crime promotion centers, bar associations, etc.). In addition, information on reputations and rumors is also collected from financial institutions and business partners.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
Supplementary Explanation for Applicable Items	
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2. Other Matters Concerning the Corporate Governance System

<Illustration>

