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mixi, Inc.

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<https://mixi.co.jp/en/>

This document outlines the details of mixi's corporate governance structure and policies.

I. Basic Approach to Corporate Governance, Capital Structure, Corporate Profile, and Other Basic Information

1. Basic Approach

We recognize corporate governance as a means for maximizing corporate value. As such, we reorganize our organizational structure when appropriate to accommodate the expansion of our business ventures, to manage profits and losses of each of our businesses, and to further clarify authority and responsibilities. We also focus on further enhancing the capabilities of the Board of Directors (which serves as the Company's decision-making body), of Audit & Supervisory Board members (hereinafter, "ASB members") and the Audit & Supervisory Board to monitor directors' performance of their duties, as well as on improving our internal control systems in order to prevent improprieties in business activities.

To continually increase management transparency and fairness, we appropriately present statutory disclosure documents and actively conduct IR activities using our website and other means.

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

The information below is based on the Principles of the Corporate Governance Code, as revised in June 2021.

Supplemental Principle 4-1-2: Medium-Term Management Plan

Due to the rapid pace of change in work environment and technology in the entertainment industry, mixi does not have a set medium-term management plan. However, we strive to promote understanding among shareholders and investors by regularly explaining our medium- to long-term management strategies at the General Meeting of Shareholders and through briefings on financial results.

Principle 5-2: Formulation and Announcement of Management Strategies and Plans

We recognize the importance of returning profits to shareholders, and continually aim for a sustainable increase in corporate value by investing in business development, research and development, mergers and acquisitions, and other activities necessary for future growth. We strive to keep shareholders informed of our management strategies for achieving medium- to long-term growth at the Ordinary General Meeting of Shareholders and through quarterly financial results briefings.

Disclosure Based on the Principles of the Corporate Governance Code

The information below is based on the Principles of the Corporate Governance Code, as revised in June 2021.

Principle 1-4: Cross Holding

Cross holding is not currently a part of mixi's business strategy. However, in the event that mixi does decide to engage in cross holding, it will consider both the impact on the sustainability of growth, as well as the medium- to long-term stock value, when voting on each proposal.

Principle 1-7: Transactions Between Related Parties

In regard to transactions with officers and principal shareholders (related party transactions), it is mixi's policy to pay special attention to whether the transaction has a negative effect on the soundness of the Group's management, whether the transaction is valid in light of rational judgment, and whether the terms of the transaction are appropriate in comparison with external transactions. In accordance with the Companies Act and Board Regulations, etc., transactions with conflicts of interest and competitive transactions between mixi and its directors shall be concluded only after approval by the Board of Directors, and the results of such transactions shall be reported to the Board of Directors.

Supplemental Principle 2-4-1: Ensuring Diversity in the Appointment of Core Personnel

(i) Ensuring diversity

We aim to create an organizational structure optimal for our management strategies and policies as well as our business growth. As a foundation for this, we are fostering a culture with the materialities of diversity and inclusion. Although we have not set specific ratio targets, we will continue to promote diversity.

*The ratios shown in this section are correct as of November 1, 2021.

- The appointment of women to management positions

Of all management positions, 12.1% are occupied by women. This figure rises to 18.7% when including assistant manager level positions. We intend to further increase the number of female employees in management positions through the enhancement of systems and training to realize a comfortable working environment. Thirty percent of all our employees are women, and we are promoting the use of systems that allow employees to choose how to work according to their individual environment and approach to work-life balance. Specific initiatives include the following four points.

1. In addition to the existing flextime system, we have introduced the "Shortened Working Hour and Flex System" for employees who have returned from childcare leave. This system allows employees to work shorter hours and also qualify for the flextime system, allowing them to adjust their working hours depending on their workload. As a result, the rate of employees taking childcare leave and the rate of employees returning to work after childcare leave have both remained at 100%.

2. In addition to the "Babysitter and Sick Child Care Assistance System" (subsidies for using childcare services), we introduced the "Reserve Leave System" in April 2021. This system allows employees to accumulate paid leave that remained unused for two years after being granted that can be used for reasons such as taking care of their children.

3. We continue to provide highly flexible support, such as providing a fully remote work environment for employees who are forced to take care of their children at home due to the ongoing COVID-19 situation.

4. In addition, we have maintained a percentage of more than 20% of male employees taking childcare leave. We will continue to support work styles that enable both men and women to have sufficient time and resources for their family and for childcare.

- Appointment of mid-career recruits to management positions

The percentage of our company's employees hired as mid-career recruits is very high, at 84.8%, and the percentage of managers hired as mid-career recruits is also high, at 90.7%. In addition, as we diversify our business, the number of employees hired as mid-career recruits from different industries is increasing, and we have employees with diverse backgrounds.

- The appointment of foreign nationals to management positions

The percentage of our workforce with a foreign nationality is 3.4%. Of all management positions, 1.6% are occupied by foreign nationals. This figure becomes 3.0% when including foreign nationals in assistant manager level positions. We recognize that there is room to further increase this percentage through training. Since we recruit both newly graduated recruits and mid-career recruits regardless of nationality, we do not currently provide any special support for foreign employees. As employment needs are increasing in line with the globalization of the Company's business, the Company will consider strengthening its support measures as necessary.

(ii) Human resource development policy and internal environment development policy for ensuring diversity, and the status of said policies
Specific initiatives to create an environment in which a diversity of human resources can work comfortably include the following two points.

1. All new employees are required to attend "Diversity and Inclusion Training", which encourages employees to respect each other not only in terms of gender, nationality, and cultural diversity, but also in terms of sexual orientation, gender identity, values, and lifestyle.

2. The Company's Employment Regulations also clearly state that all employees must display respect for sexual diversity. In addition to the prohibition of unwanted sexual behavior and disadvantageous treatment, we treat partners in same-sex marriages in the same manner as ordinary spouses, as defined in the section "Definition of Partnership Equivalent to Marriage", and provide the same benefits as those provided in opposite-sex marriages, such as "marriage congratulation money" and leave for celebrations/bereavement.

Principle 2-6: Performing the Role of a Corporate Pension Plan as Asset Owners

Although mixi does not have a corporate pension plan, it has introduced a defined contribution pension plan to provide stable asset formation for its employees. mixi selects financial instruments with the goal of building assets for retirement, avoiding high-risk instruments and prioritizing instruments with low fees. mixi educates employees on asset management by providing information on the performance of financial instruments on our dedicated website, as well as with educational videos on the basics of defined contribution pension plans, which provide basic knowledge of the plans and precautions to take when starting asset management.

Principle 3-1: Comprehensive Information Disclosure

(i) mixi's Management Philosophy, Management Strategies, and Management Plans

mixi's management philosophy is expressed in "Our Philosophy", "Our Mission", and "Our Values", and these are disclosed on the corporate website. mixi also strives to promote understanding among shareholders and investors by explaining its medium- and long-term management strategies through IR activities.

(ii) Basic Approach to Corporate Governance Based on Each Principle of the Corporate Governance Code
Please refer to "I. 1. Basic Approach".

(iii) Policies and Procedures for the Board of Directors in Determining the Compensation of Senior Management and Directors
Please refer to "Director Compensation" under "II. 1. Matters related to Composition and Organizational Management".

(iv) Policies and Procedures for the Board of Directors' Selection and Dismissal of Senior Management and Nomination of Director and ASB Member Candidates

The following is our policy regarding the appointment of director candidates (except outside directors).

1. Proposals for the position of directors are given considering both the diversity and appropriate size of the Board of Directors, with directors possessing a balance of the knowledge, experience, and abilities necessary to efficiently fulfill their roles and responsibilities.
2. Proposals for the position of directors who are to be in charge of business execution are given for persons who can make forward-looking, accurate, appropriate, and swift decisions and execution to help mixi achieve consistent growth and higher corporate value over the medium to long term.

Director candidates (except outside director candidates) are selected in accordance with this policy, and final decisions are made by a resolution of the Board of Directors after deliberation by the Nomination and Compensation Committee.

Nominations for outside director are given considering both the diversity and appropriate size of the Board of Directors, with directors possessing a good overall balance of knowledge, experience, and abilities.

Candidates for ASB members are nominated with the approval of the Audit & Supervisory Board. In order to ensure appropriate auditory and supervisory functions, care is taken to appoint persons who have knowledge of mixi's management and a high level of expertise and extensive experience in areas such as finance, accounting, law, and risk management.

(v) Election, Dismissal, and Nomination When the Board of Directors Elects and Dismisses Senior Management and Nominates Candidates for Directors and ASB Members Based on (iv)

The reasons for the election of individual candidates for director and ASB member positions are disclosed in convocation notices for the Ordinary General Meeting of Shareholders.

Supplemental Principle 3-1-3: Initiatives for Sustainability

(i) mixi's sustainability initiatives

1. In accordance with our corporate philosophy, we have been developing and providing various services with our stakeholders that enrich communication between loved ones such as friends and family with the goal of improving future lifestyles. In December 2021, we formulated a sustainability policy and its materialities under the statement, "We will contribute to the enrichment of society through the creation of communication services that connect hearts and minds".

2. Considering the impact on our corporate activities and stakeholders, we have established eight materialities as themes that we will implement throughout our corporate activities. As a company that produces communication services, we will create connections among people, communities, and society, and promote innovation as a source of creating value, while at the same time making sincere efforts to operate reliable services. We will also promote the reinforcement and improvement of our management foundation in terms of information security and privacy, the activities of our diverse human resources, and governance.

<Materialities> Creation of spaces and opportunity for communication, promotion of innovation, mutual prosperity with local communities, operation of wholesome IT services, safe and secure operation of sporting and other events, information security and privacy, diversity and inclusion, strengthening of governance.

3. Sustainability policies are formulated and materialities are identified mainly by corporate and team leaders, who then report to the Management Council (led by the President) and the Board of Directors. Their opinions and advice are then reflected in initiatives. We will continue to work to strengthen and improve our sustainability promotion system.

For more information on our sustainability and ESG initiatives, please refer to our website.

<https://mixi.co.jp/en/esg/>

(ii) Investment in human capital and intellectual property

In order to achieve sustainable growth, we provide a systematic training program to promote the success and growth of each employee.

Specific initiatives include the following four points.

1. We are working to visualize human resources information so that we can respond to the diversification and globalization of our business, and we have a system that helps employees find the right position for them.
2. In addition to basic training for all employees via e-learning, we have various systems to follow up on self-development, including an "optional training system" that allows employees to participate in open seminars offered by external training companies, and a "book purchase support system" that subsidizes the cost of purchasing books to support individual skill development.
3. Based on the action guidelines for management-level personnel established by the Company, we provide managers practical training in labor management and evaluation, and "management literacy training", aimed at raising their perspective, in an effort to develop core human resources.
4. More than 90% of our employees participate in weekly one-on-one meetings to build trusting relationships, and to report and discuss work progress in detail. In addition, to ensure that the one-on-one meetings serve as a place to promote the growth of their subordinates, meeting facilitators participate in regular study sessions designed to improve the quality of their meetings.

For more information on our initiatives for human resource development, please refer to our website.

<https://mixi.co.jp/en/esg/social/human>

The Company considers the securing of intellectual property rights to be an important element in ensuring a competitive advantage, and has established a system for intensively promoting measures related to intellectual property rights, including the examination of strategies related to intellectual property rights and the formulation of acquisition and management policies.

Supplemental Principle 4-1-1: Scope of Delegation to Management

The Board of Directors makes decisions on the execution of operations that are stipulated as matters to be decided by the Board of Directors in the Board Regulations and the Regulations on Administrative Authority. For other individual executions, decisions are delegated to the Management Council and the President and Representative Director, etc., in accordance with the Regulations on Administrative Authority.

Principle 4-9: Criteria and Qualifications for Determining Independence of Independent Outside Directors

Based on a reasonable amount of research by mixi and the criteria for judging independence prescribed by the Tokyo Stock Exchange, mixi deems its outside officers and outside officer candidates to have sufficient independence as long as they do not fall into any of the following categories.

1. Business executives of mixi or one of mixi's subsidiaries
2. Business executives of counterparties of mixi that exceed the transaction standard set by mixi (Note 1)
3. Consultants, accountants, or jurists that receive large amounts of cash or other assets aside from officer compensation (Note 2)
If the recipient is a corporate body or organization, then this refers to members of that corporate body or organization
4. Principal shareholders of mixi (Note 3) and their business executives
5. Business executives of major lenders and banks that work with mixi
6. Business executives of mixi's book runners
7. Business executives of auditing firms that work with mixi
8. Close relatives of individuals that fall into categories 1-3 (Note 4)
9. Individuals that fell into categories 1-7 within the past 3 years

Note 1: "Counterparties of mixi that exceed the transaction standard set by mixi" means counterparties whose transactions with mixi exceed 2% of mixi's consolidated net sales.

Note 2: The value of "large amounts of cash or other assets aside from officer compensation" is an amount more than or equal to 10 million JPY for individuals, or an amount more than or equal to 2% of their consolidated net sales for corporate bodies or organizations.

Note 3: In accordance to Article 163, Paragraph 1 of the Financial Instruments and Exchange Act, "principal shareholders of mixi" means any shareholder that holds voting rights (excluding those specified by a Cabinet Office Ordinance in consideration of the manner of acquisition, holding thereof, or other circumstances) exceeding 10 percent of the voting rights held by all shareholders, whether held in their own name or that of another person, or under a fictitious name.

Note 4: "Close relative" means any relative up to the second degree.

Supplemental Principle 4-11-1: Policy on the Overall Balance of Knowledge, Experience, and Abilities, Diversity, and Size of the Board of Directors

The following is our policy regarding the appointment of director candidates (except outside directors).

1. Proposals for the position of directors are given considering both the diversity and appropriate size of the Board of Directors, with directors possessing a balance of the knowledge, experience, and abilities necessary to efficiently fulfill their roles and responsibilities.
2. Proposals for the position of directors who are to be in charge of business execution are given for persons who can make forward-looking, accurate, appropriate, and swift decisions and execution to help mixi achieve consistent growth and higher corporate value over the medium to long term.

Director candidates (except outside director candidates) are selected in accordance with this policy, and final decisions are made by a resolution of the Board of Directors after deliberation by the Nomination and Compensation Committee.

Please refer to the skill matrix on the Company's website for more details regarding the knowledge and experience possessed by each director and ASB member.

<https://mixi.co.jp/en/esg/governance/appointment/index.html>

Supplemental Principle 4-11-2: Status of Concurrent Positions of Directors and ASB members

The status of concurrent positions of Directors, ASB members, and candidates is disclosed annually in the convocation notice of the Ordinary General Meeting of Shareholders and the Annual Securities Report.

Supplemental Principle 4-11-3: Analysis and Evaluation of the Effectiveness of the Board of Directors

The Company conducts yearly self-evaluation and analysis of the effectiveness of its Board of Directors with the aim of enhancing its capabilities and maximizing corporate value.

■ FY2021 Board of Directors effectiveness evaluation:

Between December 2020 and January 2021, a survey was conducted among all directors and ASB members. We ensured anonymity by having an external organization record the results. The results of the survey were analyzed, discussed, and evaluated at the provisional Board of Directors Meeting held in March 2021.

Survey focus points

- Composition of the Board of Directors
- Management of the Board of Directors
- Quality of the Board of Directors' discussions
- How to monitor the Board of Directors
- Director and ASB member support systems
- Director and ASB member training
- Discussions with shareholders (investors)

■ Analysis/evaluation of Board of Directors effectiveness survey results:

The responses to the questionnaire were generally positive and respondents believe that the Board of Directors' effectiveness as a whole is adequately ensured. Highly evaluated points have been listed below:

- Sufficient time is allotted for deliberations
- Discussions are held openly and constructively without rigid formalities
- [Outside officers] feel that their opinions are properly reflected in decisions

Along with the above points, the effectiveness of the Board of Directors has been rated more favorably overall when compared to the previous fiscal year; its effectiveness is confirmed to be continuously improving through proactive measures.

■ Current fiscal year initiatives for improving the effectiveness of the Board of Directors:

Based on evaluations of the Board of Directors from the previous fiscal year, the Board of Directors and Secretariat of the Board of Directors have worked on the following points:

- Management improvements for the Board of Directors

Documents for Board of Directors Meetings are distributed earlier to allow directors ample time to examine proposals. By making deliberations at Management Council meetings, points of discussion are clarified and information necessary for decisions can be prepared before Board of Directors Meetings, resulting in meaningful discussions. In addition, resolutions made by the Management Council, the content of their discussions, and the status of executions are reported by director members of the Management Council when relevant to best ensure informed decision-making at Board of Directors Meetings.

- Feedback collection through discussions with shareholders (investors)

The director in charge reports on the state of discussions with shareholders (investors) when appropriate, sharing shareholder (investor) feedback at Board of Directors Meetings.

■ Future initiatives:

We plan to continue improving the management of the Board of Directors and recognize the importance of strengthening discussions regarding governance and medium- and long-term strategies.

Using the results of this evaluation, we will continue striving to improve the effectiveness of the Board of Directors as a whole.

Principle 4-14-2: Policy on Director and ASB Member Training

mixi requires newly appointed internal directors to attend outside training courses on corporate governance, risk management, legal affairs and intellectual property, and labor issues.

In addition, directors and ASB members are able to attend outside training courses at the Company's expense as needed.

Principle 5-1: Policy on Constructive Dialogue with Shareholders

The Company believes that it is important to engage in constructive dialogue with shareholders and investors in order to achieve sustainable growth and enhance corporate value over the medium to long term, and is taking the following measures:

- mixi has always placed importance on communicating with shareholders in order to build a relationship of trust, and the director and general manager of the IR department actively accept interviews.
- mixi has established an IR department, and related departments work together to exchange information and promote internal cooperation.
- In order to promote constructive dialogue with shareholders and investors, mixi has implemented the following initiatives and is working to enrich discussions:
 - Quarterly financial results briefings by the President and Representative Director and the directors in charge
 - Individual meetings with domestic and overseas investors
 - Extensive information disclosure on mixi's website for domestic and overseas investors
- The IR department compiles opinions and requests obtained through dialogue and regularly provides feedback and shares information with the President and Representative Director and the Board of Directors
- In the course of dialogue, mixi manages insider information appropriately in accordance with our Information Disclosure Rules and Insider Trading Management Rules

2. Capital Structure

Foreign stock ownership percent:	20% - 30%
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Major Shareholders

Name	Shares Held	Percentage
Kenji Kasahara	33,001,900	43.78%
The Master Trust Bank of Japan, Ltd. (trust account)	3,587,000	4.76%
THE BANK OF NEW YORK MELLON 140051 (Standing proxy: Mizuho Bank, Ltd.)	2,978,000	3.95%
Custody Bank of Japan, Ltd. (trust account)	1,757,700	2.33%
STATE STREET BANK AND TRUST COMPANY 505038 (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch)	1,678,102	2.23%
THE BANK OF NEW YORK 133612 (Standing proxy: Mizuho Bank, Ltd.)	1,460,600	1.94%
Koki Kimura	1,200,000	1.59%
BNYM AS AGT/CLTS 10 PERCENT (Standing proxy: MUFG Bank, Ltd.)	918,100	1.22%
NORTHERN TRUST CO.(AVFC) SUB A/C NON TREATY (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch)	763,966	1.01%
STATE STREET BANK AND TRUST COMPANY 505103 (Standing proxy: Mizuho Bank, Ltd.)	701,554	0.93%

Controlling shareholder (excluding the parent company)	—
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Parent company	None
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Additional Information

1. Status of Major Shareholders is correct as of March 31, 2021.

2. In the Updated Report on Large Shareholders dated September 7, 2020, which is available for public inspection, it is stated that Baillie Gifford & Company and its joint holder Baillie Gifford Overseas Limited held the following shares as of August 31, 2020. However, because mixi is unable to confirm the number of shares actually held as of March 31, 2021, they are not included in the above list of major shareholders. (Large shareholder / Number of shares, etc. held / Percent of shares, etc. held)
Baillie Gifford & Company/4,333,100 shares/5.54%.
Baillie Gifford Overseas Limited/1,774,400 shares/2.27%

3. Basic Company Information

Stock exchange listing and market classification	Tokyo, First Section
End of fiscal year	March
Industry	Service
Consolidated employees at the end of the most recent fiscal year	Over 1,000
Consolidated net sales for the most recent fiscal year	More than 100 billion yen, but less than 1 trillion yen
Number of consolidated subsidiaries at the end of the most recent fiscal year	More than 10 subsidiaries, but less than 50 subsidiaries

4. Guidelines on measures to protect minority shareholders in transactions with controlling shareholders

5. Other matters that may have a significant impact on corporate governance

II. Status of Management Control Organization and Other Corporate Governance Systems Related to Management Decision-Making, Execution and Supervision

1. Matters related to Composition and Organizational Management

System organization	Company with an audit and supervisory board
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Directors

Number of directors as decided by the Articles of Incorporation	9
Term of office for directors as decided by the Articles of Incorporation	1 year
Chairperson of the Board of Directors	President
Number of directors	9
Appointment of outside directors	Appointed
Total number of outside directors	3
Of total number of outside directors, those designated as independent officers	3

Outside Director Relationships with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Satoshi Shima	From another company								△			
Naoko Shimura	Lawyer								○			
Masuo Yoshimatsu	From another company											

*Categories for "Relationship with the Company"

- The director presently falls or has recently fallen under the category
 - △ The director fell under the category in the past
 - A close relative of the director presently falls or has recently fallen under the category
 - ▲ A close relative of the director fell under the category in the past
- a. Executive of the Company or one of its subsidiaries
 - b. Non-executive director or executive of a parent company of the Company
 - c. Executive of a fellow subsidiary company of the Company
 - d. Party whose major client or supplier is the Company or an executive thereof
 - e. Major client or supplier of the Company or an executive thereof
 - f. Consultant, accountant or jurist who receives a large amount of monetary consideration or other assets from the Company besides compensation as a director
 - g. Principal shareholder of the Company (or an executive of the said principal shareholder if the shareholder is a legal entity)
 - h. Executive (the director themselves) of a client or supplier company of the Company (which does not fall under categories d, e, or f)
 - i. Executive (the director themselves) of a company, between which and the Company outside directors/ASB members are mutually appointed
 - j. Executive (the director themselves) of a company or organization that receives donations from the Company
 - k. Other

Relationship with the Company (2)

Name	Independent Officer	Supplemental Information	Reason for Appointment
Satoshi Shima	○	<p>In the past, Satoshi Shima was involved in the execution of business at SoftBank Corp., a business partner of the Company, but is not currently involved in the execution of business at SoftBank Corp.</p>	<p>In addition to experience as a member of the House of Representatives, Satoshi Shima possesses from their past career an abundance of insights and achievements related to corporate activities. With this in mind, we recognize their satisfactory performance in areas including managerial decision-making and the supervision of business executions.</p> <p>The Company's Board of Directors selected Satoshi Shima to continue as an outside director for their decision-making ability and ability to supervise managerial matters to promote further growth of the Group.</p> <p>As they do not fall into any of the categories for determining independence stipulated by the Company or the Tokyo Stock Exchange, the Company has determined that there is no risk of conflict of interest with general shareholders and has designated them as an independent officer.</p>
Naoko Shimura	○	<p>Naoko Shimura is engaged in business execution at Nishimura & Asahi.</p> <p>Nishimura & Asahi is a business partner of the Company. The total amount of fees paid by the Company to this law firm for the fiscal year ended March 31, 2021 was less than 2% of consolidated net sales.</p>	<p>Naoko Shimura possesses specialist knowledge and abundant experience in relation to law and compliance matters that they cultivated as a lawyer. We recognize their satisfactory performance in utilizing these qualities to contribute to further strengthening the Company's Board of Directors' supervisory functions.</p> <p>The Company's Board of Directors selected Naoko Shimura to continue as an outside director for their legal expertise and to improve the effectiveness of Board of Director decision-making and supervision from an independent standpoint and promote further growth of the Group. Although until now they have only engaged in corporate management as an outside director or outside ASB member, we believe that they can perform their duties as an outside director for the reasons above.</p> <p>As they do not fall into any of the categories for determining independence stipulated by the Company or the Tokyo Stock Exchange, the Company has determined that there is no risk of conflict of interest with general shareholders and has designated them as an independent officer.</p>
Masuo Yoshimatsu	○	-	<p>With his global business management experience, including managing two companies listed on the Tokyo Stock Exchange, Masuo Yoshimatsu possesses an abundance of insights and achievements related to corporate activities. With this in mind, we recognize their satisfactory performance in areas including managerial decision-making and the supervision of business executions.</p> <p>The Company's Board of Directors selected Masuo Yoshimatsu to continue as an outside director for their decision-making ability and ability to supervise on managerial matters to promote further growth of the Group.</p> <p>As they do not fall into any of the categories for determining independence stipulated by the Company or the Tokyo Stock Exchange, the Company has determined that there is no risk of conflict of interest with general shareholders and has designated them as an independent officer.</p>

Voluntary establishment of committee(s) corresponding to nomination committee or remuneration committee

Established

Committee's Name, Composition, and Attributes of Chairperson

	Name	Total Members	Full-time Members	Internal Directors	Outside Directors	Outside Experts	Other	Committee chair (Chairperson)
Committee Corresponding to Nomination Committee	Nomination and Compensation Committee	5	0	2	3	0	0	Internal Director
Committee Corresponding to Compensation Committee	Nomination and Compensation Committee	5	0	2	3	0	0	Internal Director

Additional Information

We have established a Nomination and Compensation Committee consisting of all outside directors, the President and Representative Director, and the director overseeing HR operations. The objective of the committee is to strengthen transparency and objectivity by obtaining the opinions and advice of outside directors before the Board of Directors deliberates matters related to individual nomination proposals and compensation of directors (excluding outside directors).

Composition of the Nomination and Compensation Committee: 2 internal directors and 3 outside directors

Chairperson: Koki Kimura

Committee Member: Hiroyuki Osawa

Committee Member: Satoshi Shima (outside director)

Committee Member: Naoko Shimura (outside director)

Committee Member: Masuo Yoshimatsu (outside director)

The scope of deliberations of the Nomination and Compensation Committee is as follows:

- (1) Nominations for and appointments of director candidates along with HR policy proposals
- (2) Basic policy proposals for the director compensation system
- (3) Compensation condition proposals for directors (including calculation method)
- (4) Specific compensation proposals for individual directors (including calculation method)
- (5) Other matters requested by the President and Representative Director

The Nomination and Compensation Committee has met twice so far this fiscal year to make decisions regarding director nominations, compensation amount for individual directors, director compensation structure, and director compensation policy. The Company recognizes that there is room for improvement in how compensation was determined by the Nomination and Compensation Committee this fiscal year and plans to improve on it.

Audit & Supervisory Board Members

Establishment of Audit & Supervisory Board	Established
Maximum Number of ASB Members Stipulated in Articles of Incorporation	5
Number of ASB Members	4

Cooperation Among Audit & Supervisory Board, Accounting Auditors, and Internal Audit Departments

In addition to hearing quarterly audit reports from accounting auditors, the ASB members regularly hold meetings with accounting auditors to exchange opinions and information, and collaborate with accounting auditors by requesting reports as necessary. ASB members and the Internal Audit Division work closely together to enhance the effectiveness and efficiency of auditing by exchanging opinions and information on auditing plans, auditing status, auditing results and other related matters. In addition, accounting auditors, ASB members, and the Internal Audit Division exchange opinions and information in a three-way audit.

Appointment of Outside ASB Members	Appointed
Number of Outside ASB Members	4
Number of Outside ASB Members Designated as Independent Officers	4

Outside Director Relationships with the Company (1)

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Takako Kato	From another company													
Yuichiro Nishimura	From another company													
Hiroyuki Wakamatsu	Certified public accountant													
Nozomi Ueda	Lawyer													

*Categories for "Relationship with the Company"

- The ASB member presently falls or has recently fallen under the category
 - △ The ASB member fell under the category in the past
 - A close relative of the ASB member presently falls or has recently fallen under the category
 - ▲ A close relative of the ASB member fell under the category in the past
- a. Executive of the Company or its subsidiaries
 - b. Non-executive director or accounting advisor of the Company or one of its subsidiaries
 - c. Non-executive director or executive of a parent company of the Company
 - d. ASB member of a parent company of the Company
 - e. Executive of a fellow subsidiary company of the Company
 - f. Party whose major client or supplier is the Company or an executive thereof
 - g. Major client or supplier of the Company or an executive thereof
 - h. Consultant, accountant, or jurist who receives a large amount of monetary consideration or other assets from the Company besides compensation as a director
 - i. Principal shareholder of the Company (or an executive of the said principal shareholder if the shareholder is a legal entity)
 - j. Executive (the ASB member themselves) of a client or supplier company of the Company (which does not fall under f, g, or h)
 - k. Executive (the ASB member themselves) of a company, between which and the Company outside directors/ASB members are mutually appointed
 - l. Executive (the ASB member themselves) of a company or organization that receives donations from the Company
 - m. Other

Relationship with the Company (2)

Name	Independent Officer	Supplemental Information	Reason for Appointment
Takako Kato	○	-	Takako Kato was appointed as an outside ASB member because they are trusted to perform auditing due to their many years of finance and accounting experience. As they do not fall into any of the categories for determining independence stipulated by the Company or the Tokyo Stock Exchange, the Company has determined that there is no risk of conflict of interest with general shareholders and has designated them as an independent officer.
Yuichiro Nishimura	○	-	Yuichiro Nishimura was appointed as an outside ASB member because they can utilize their specialized knowledge and experience in the fields of human resources and general affairs to strengthen the Company's auditing system. As they do not fall into any of the categories for determining independence stipulated by the Company or the Tokyo Stock Exchange, the Company has determined that there is no risk of conflict of interest with general shareholders and has designated them as an independent officer.
Hiroyuki Wakamatsu	○	-	Hiroyuki Wakamatsu was appointed as an outside ASB member because the Company trusts them to perform audits due to their specialized knowledge and experience as a certified public accountant and tax accountant. As they do not fall into any of the categories for determining independence stipulated by the Company or the Tokyo Stock Exchange, the Company has determined that there is no risk of conflict of interest with general shareholders and has designated them as an independent officer.
Nozomi Ueda	○	-	Nozomi Ueda was appointed as an outside ASB member because they can utilize their specialized knowledge and experience as an attorney to strengthen the Company's auditing system. As they not fall into any of the categories for determining independence stipulated by the Company or the Tokyo Stock Exchange, the Company has determined that there is no risk of conflict of interest with general shareholders and has designated them as an independent officer.

Independent Officers

Number of independent officers

7

Other Matters Related to Independent Officers

Incentives

Implemented incentive policy types

Stock options

Supplemental Information

The Company awards stock options that can only be used after a set period or retirement as a form of stock-based compensation to directors (excluding outside directors) for the purpose of promoting initiatives that improve medium- to long-term corporate value and sharing value with shareholders.

Stock option eligibility

Internal directors and employees

Supplemental Information

The Company awards stock options to directors (excluding outside directors) and corporate officers for the purpose of promoting initiatives that improve medium- to long-term corporate value and sharing value with shareholders.

Director Compensation

Disclosure status	Partial
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Supplemental Information

Officer compensation for directors and ASB members for FY 2021 has been listed below. The Company does not have a retirement benefit system in place.

Total for directors (excluding outside directors): 526 million yen

ASB Members (excluding outside ASB members): Not eligible

Outside Officers: 57 million yen

Policy on determining compensation amounts and calculation methods	Established
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Disclosure of Policy on Determining Compensation Amounts and Calculation Methods

The following is our policy regarding compensation for directors.

- Basic Policy

Our basic policy for director compensation is to provide a sound incentive for continuous growth by establishing an appropriate ratio between cash compensation and stock compensation.

- Compensation System

Based on this policy, compensation for directors (excluding outside directors) consists of two components: monthly cash compensation and stock compensation (stock options) issued annually after an Ordinary General Meeting of Shareholders.

More specifically, compensation can be categorized as base compensation, stock-based compensation, or performance-based compensation. Base compensation consists of cash compensation; stock-based compensation consists of stock options; performance-based compensation gives the recipient the choice of either monthly cash compensation or stock compensation (stock options) issued annually after the Ordinary General Meeting of Shareholders. The ratio between base compensation and stock-based compensation favors stock-based compensation. Compensation proposals are determined by the company's past results and shared compensation data of companies listed on the Tokyo Stock Exchange compiled by specialist companies, discussed by the Nomination and Compensation Committee, then voted on by the Board of Directors.

To maintain their independent status, compensation for outside directors consists of monthly cash compensation only.

Furthermore, there is no retirement benefits system for directors.

Calculating compensation:

Methodology for determining director compensation is as follows:

- Compensation for directors (excluding outside directors)

The level of base compensation and stock-based compensation is determined by factors including representation authority and the director's position. Stock options that can only be used after a set period or retirement are issued as a form of stock-based compensation for the purpose of improving medium- to long-term corporate value and sharing value with shareholders. Performance-based compensation is determined by first considering the director's position, a comprehensive evaluation of their department's performance in the previous period and their personal contribution to their department's performance, as well as the company's performance as a whole. The base amount for performance compensation (based on the director's base compensation) is multiplied by a performance coefficient to determine the final amount of performance compensation.

Performance evaluations are based on both company and department sales and operating income, comparing actual results against forecasts, and YoY change.

- Compensation for outside directors

The amount of cash compensation awarded is determined by the director's position using compensation data of companies listed on the Tokyo Stock Exchange compiled by specialist companies.

Decision process:

In order to protect objectivity and transparency, the compensation system and decision process for directors (excluding outside directors) is discussed by the Nomination and Compensation Committee (consisting of all outside directors, the Representative Director, and the director in charge of personnel affairs) and voted on by the Board of Directors.

The decision on compensation for individual directors is made by resolution of the Board of Directors. For directors other than outside directors, the Nomination and Compensation Committee must deliberate before a resolution is adopted by the Board of Directors.

At the Ordinary General Meeting of Shareholders held on June 28, 2016, it was decided that compensation for directors, including monthly remuneration and stock options, shall not exceed 1 billion JPY per year (and no more than 100 million JPY for outside directors).

As their role as ASB members is to audit for compliance with laws and regulations, compensation for ASB members consists of cash compensation only.

Outside Director and Outside ASB Member Support System

For Board of Directors Meetings, meeting materials are provided in advance to outside directors and outside ASB members with expectations that they will be able to utilize their expertise and knowledge related to management supervision and auditing.
To support the work of ASB members, the Company has established the Audit & Supervisory Board Division and assigned ASB staff.

2. Business Executions, Auditing and Supervision, Nomination, and Calculating Compensation (Overview of the Current Corporate Governance System)

(1) Corporate Governance System

The Company's management decision-making, business execution, and supervisory functions are as follows.

- Board of Directors

The Board of Directors has nine members, consisting of six internal directors (currently without female directors) and three outside directors (including one female director). In principle, Board of Directors' meetings are held once monthly, constituting a system that allows speedy and efficient decision-making. To clarify the managerial responsibilities of directors and create a management system that is able to respond swiftly to changes in the management environment, the term of service for directors is prescribed as one year.

- Management Council

The Management Council conducts key discussions and decision-making related to business operations. In principle, Management Council meetings are held once a week but may be held whenever necessary. Furthermore, necessary information from Management Council meetings is shared with outside officers.

- Audit & Supervisory Board

We are a company with an Audit & Supervisory Board as stipulated in Japan's Companies Act. Our Audit & Supervisory Board has four outside members (including two female ASB members), two of whom are full-time (including one female ASB member), and in principle meets once monthly. Audits are conducted based on a yearly plan. The results of audits are reported and deliberated in meetings of the Audit & Supervisory Board, which offers appropriate advice to the directors. Overall audits of the Company are conducted in coordination with internal auditors, the Internal Auditing Division, and accounting auditors.

- Nomination and Compensation Committee

We have established a Nomination and Compensation Committee consisting of all outside directors, the President and Representative Director, and the director overseeing HR operations. The objective of the committee is to strengthen transparency and objectivity by obtaining the opinions and advice of outside directors before the Board of Directors deliberates matters related to individual nomination proposals and compensation of directors (excluding outside directors).

(2) Internal audits and audits by ASB Members

As an organizational structure for internal audits, the Company has established an Internal Audit Division directly under the Board of Directors with seven staff members. The Internal Audit Division conducts internal audits and reports on the results, as well as investigates and reports on the status of improvement of matters pointed out by internal audits, to the Board of Directors and the Audit & Supervisory Board. Through these activities, the Division strives to prevent the occurrence of improper transactions and improve the efficiency of business operations for the Company, thereby contributing to the development of the Company through the improvement of the Company's business performance and law-abiding management. In addition to holding regular meetings of the Audit & Supervisory Board, ASB members attend meetings of the Board of Directors and other important meetings within the Company, and investigate the Company's assets and business operations to fully audit the execution of duties by directors and prevent misconduct, including violations of laws, regulations, and the Articles of Incorporation. In addition, ASB members regularly exchange opinions and information with the Internal Audit Division to ensure the effective functionality of internal controls.

The Internal Audit Division reports the status of internal audits to the Audit & Supervisory Board and meets with them periodically to exchange opinions and information. ASB members share information with accounting auditors by listening to reports on audit results from the accounting auditors on a quarterly basis and requesting reports from accounting auditors as necessary. In addition, ASB members take measures to enhance the effectiveness and efficiency of audits, such as deepening the exchange of opinions with accounting auditors on matters that ASB members consider particularly important for the audit of the financial statements for the fiscal year under review, and requesting reports on the audit plan, audit implementation status, audit results, etc.

(3) Accounting Auditor Status

The Company has entered into an audit agreement with PricewaterhouseCoopers Aarata LLC as its auditing firm. The firm conducts accounting audits in accordance with the Companies Act and the Financial Instruments and Exchange Act. Certified public accountants are listed below:

Designated firm representative Yoshihisa Chiyoda

Designated firm representative Noriko Umeki

3. Reasons for Choosing the Current Corporate Governance System

The Company has an Audit & Supervisory Board and has established a management system that enables appropriate business executions and prompt decision-making through the appointment of outside directors and the establishment of the Management Council.

The Company has adopted this current system with the belief that the appointment of highly independent outside directors and outside ASB members will ensure transparency in management and strengthen supervisory functions.

III. Status of Implementation of Measures Concerning Shareholders and Other Concerned Parties

1. Policies for Vitalizing the General Meetings of Shareholders and Facilitating the Exercise of Voting Rights

	Additional Information
Early release of convocation notices for the General Meeting of Shareholders	Notices are released one business day before the legal deadline.
Avoiding crowded meeting dates	22nd Ordinary General Meeting of Shareholders held on June 25, 2021.
Online exercise of voting rights	Voting rights can be exercised online via computer, cell phone, or smartphone.
Initiatives to improve the voting environment for institutional investors exercising their voting rights through electronic platforms.	Established.
Provision of (summarized) convocation notices in English	A summarized English version of the convocation notice are posted on the Company website.
Other	Convocation notices are posted on the Company website. The Company also announced the voting results in an extraordinary report dated June 28, 2021.

2. IR Activities

	Additional Information	Explanation from the Representative
Regular briefings for analysts and institutional investors	After quarterly financial results are released, the Company holds a financial results briefing for analysts and institutional investors.	Established
Regular briefings for overseas investors	Regular briefings are held quarterly via conference call, etc. with overseas investors. Overseas IR activities are conducted several times a year, providing opportunities for direct visits.	None
Posting IR materials on the Company website	The Company has established an "IR Information" page < https://mixi.co.jp/en/ir > on its website, where it posts information on financial results, other regularly disclosed materials, quarterly securities reports (Japanese only), materials for financial results briefings, and videos of financial results briefings.	
Establishment of an IR department and representative	The Company's IR activities are handled by a dedicated IR department under Corporate Promotion Operations.	

3. Measures to Ensure Due Respect for Stakeholders

	Additional Information
Formulation of policies, etc. for providing information to stakeholders	Stipulated in the Company's Code of Ethics.

IV. Internal Control Systems, etc.

1. Basic Policy for Our Internal Control System and its Development

- Basic Policy for Our Internal Control System

Based on our basic policy for the development of our internal control system described below, we believe it is essential to maintain proper corporate governance and develop a system for effective and efficient corporate activities, ensuring the reliability of financial reports, and complying with laws and regulations. We will fulfill our social mission by working to improve and strengthen the functions of our internal control system. The Company will continue to ensure the appropriateness of its operations and make continuous improvements to build a more effective internal control system.

1. System to ensure that execution of their duty by directors and employees of the Company and its subsidiaries (hereinafter, "the Group") follow laws and regulations.

(1) A common Code of Ethics for the Group that emphasizes the importance of compliance. The content of the Code of Ethics is shared with all directors and employees through information systems and education.

(2) The Group shall strive to ensure the proper execution of business by directors and employees by developing business processes and internal regulations and by strengthening the Internal Audit Division's systems for evaluation and monitoring.

(3) An internal reporting system as a check against the violation of laws, regulations, or the Articles of Incorporation, to prevent scandals; a system to exclude antisocial forces.

(4) In the event that a violation of laws, regulations, or the Articles of Incorporation or a situation posing the risk of such an event occurs, the Group shall promptly ascertain relevant information and address the situation.

2. System for the storage and management of information related to the execution of duties by Group directors

The Group shall establish a system to appropriately and safely store and manage personal information, important trade secrets, and information related to the execution of duties by directors by establishing regulations for information management, identifying important documents, and clarifying storage methods.

3. Rules and other systems for managing the risk of loss for the Group

The Group shall establish regulations to identify and manage various risks surrounding the Group, with a goal to develop and strengthen the systems necessary for risk management. In addition to positioning the President and Representative Director as the person with the highest responsibility for the risk management promotion system, the Company appoints a director or corporate officer to take charge of risk and compliance (hereinafter referred to as the "Risk Management Officer") and assist the President and Representative Director. The Risk Management Committee is headed by the Risk Management Officer, and identifies and evaluates risks related to the business conducted by the Group and strives to reduce such risks. The committee must respond promptly and appropriately in the case of emergency.

4. System to ensure that the execution of duties by Group directors is carried out efficiently

(1) In order to clarify the authority of directors and the specifics of their duties, the Group shall endeavor to maintain the efficiency of the execution of duties by Group directors by establishing regulations concerning authority and the division of duties, and implementing an information sharing system.

(2) The Company shall prepare a financial forecast for each fiscal year and set targets for the Group based on the current business environment and expected changes to it. Each department of the Company and each Group company must implement various measures to achieve such targets. In addition, the Company's Board of Directors shall receive monthly reports on the financial performance of the entire Group, and verify the achievement status of the targets of each department of the Company and each Group company.

5. System to maintain the appropriateness of business operations in the Group

(1) The Company shall establish a department to manage Group companies and monitor the progress of the business of the Group companies and the execution of duties by the directors and other personnel in accordance with Group company management regulations.

(2) The Company shall ensure the President and Representative Director, each director, and each chief general manager report information regarding the business status of their Company division or Group company on a regular basis, and will provide prompt and appropriate guidance and advice on important matters when necessary.

(3) The Company's Internal Audit Division shall conduct internal audits of Group companies based on internal auditing regulations in compliance with laws, the Articles of Incorporation, and other internal regulations.

6. Matters concerning employees requested by the Company ASB members to assist with duties

In order to assist ASB members in their duties, the Company shall, at the request of the Audit & Supervisory Board or ASB members, establish a department (hereinafter referred to as the "Audit & Supervisory Board Division") to assist ASB members in their duties and appoint employees to assist ASB members. ASB members may instruct such employees on matters necessary for audits.

7. Ensuring the independence of employees assisting with ASB member duties from Company directors and ensuring the effectiveness of Company ASB members' instructions to such employees

(1) Employees who are to assist ASB members in their duties shall follow only the instructions of ASB members in performing such duties, and shall not receive instructions from Company directors or employees.

(2) The appointment, performance evaluation, and transfer of employees who are to assist ASB members in their duties shall be decided after hearing the opinions of the Audit & Supervisory Board.

8. System for Company directors and employees to report to Company ASB members

(1) ASB members shall attend important meetings, such as Board of Directors Meetings and Management Council meetings to receive explanations from directors and employees.

(2) ASB members shall inspect important documents and other materials and will be able to request explanations from directors and employees as necessary.

(3) Directors and employees shall immediately report any information that may have a significant impact on the Company's management or business performance to ASB members.

9. System for Group directors, ASB members, employees, and persons who receive reports from said persons to report to Company ASB members

A means for directors and employees of each Group company to report to Company ASB members through the internal reporting system shall be established. In addition, persons who receive whistle-blowing reports other than ASB members shall promptly and appropriately report to Company ASB members.

10. System to ensure that persons who have made reports under items 8 and 9 are not treated unfairly for having made such reports

With respect to Group director and employee reports to Company ASB members, the Company shall maintain the confidentiality of report contents in accordance with laws and regulations, the internal reporting system, etc., and shall prohibit any unfair treatment of the reporter.

11. Policies related to the processing of expenses incurred in the execution of Company ASB member duties
 In accordance with Article 388 of the Companies Act, in the event that an ASB member requests prepayment of expenses in connection with the performance of his or her duties, etc., the Company shall promptly comply with such request, except in cases where it is deemed unnecessary for the performance of said duties. In addition, in cases where ASB members deem it necessary for the execution of their duties, the Company shall allow necessary audit expenses, such as requesting opinions and advice from attorneys-at-law, patent attorneys, certified public accountants, certified tax accountants and other outside experts.

12. Other systems to ensure the effectiveness of Company ASB member audits
- (1) The directors and employees of the Group shall cooperate with the audits of ASB members in order to deepen their understanding of audits and maintain the effectiveness of the auditing system.
 - (2) ASB members shall exchange opinions with directors and accounting auditors on a regular basis, and shall cooperate with the Internal Audit Division to conduct effective audits.
 - (3) The Group shall establish a system to ensure the effectiveness of audits that, at the request of ASB members, may include interviews with the President and Representative Director, directors, and chief general managers, liaison meetings with outside directors, regular meeting opportunities with chief general managers and representative directors of subsidiaries, and the exchange of opinions and information between ASB members and accounting auditors.

Internal Control System

Internal systems are established based on the basic policies of our internal control system.
 The Group has established a code of ethics that emphasizes the importance of compliance and ensures that all officers and employees are fully aware of what that entails through an education and information system. In addition, the Group has established an internal reporting system as a check against activities that are illegal or go against our Articles of Incorporation and to prevent scandals, and has prepared a system to exclude antisocial forces.

For our information management system, we have established rules for information management, clarified denotation for important documents and how they should be stored, and created a system for safely saving and managing personal information, important business secrets, and information regarding director work activities.

2. Basic Policy and Framework for the Exclusion of Antisocial Forces

Basic Policy for the Exclusion of Antisocial Forces

It is company policy to eliminate any relationship with antisocial forces and groups that threaten social order and safety, and not to give in to any unreasonable demands.

Framework for the Exclusion of Antisocial Forces

Based on the above policy, the Company has established a Code of Ethics and Regulations Concerning the Exclusion of Antisocial Forces, which clearly state the Company's resolute rejection of any connection with antisocial forces and clearly stipulate that the Company shall not promote the activities of antisocial forces or groups, including stipulations that prohibit the provision of funding to antisocial forces or groups. The Company has established a department as an internal system to respond to unreasonable demands from antisocial forces and to take systematic action, as well as to request consultation and support from the National Police Agency, the Metropolitan Police Department, lawyers, and outside consulting companies. In addition, the Company prepares and disseminates manuals and provides appropriate education and training to directors and employees.

V. Other

1. Measures Against Corporate Takeovers

Anti-Takeover Measures	None
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Supplemental Information

2. Other Matters Concerning Corporate Governance Systems

1. Our stance and policy on timely disclosure
 We believe that timely and appropriate disclosure of information to shareholders, investors, local communities, and other stakeholders will promote greater understanding of the Company, allowing proper evaluation of the Company. We are always working to improve our internal systems to ensure that we can disclose corporate information in a timely, accurate, and fair manner from the perspective of our stakeholders.

We also ensure that our officers and employees are educated on subjects such as insider trading and information subject to timely disclosure through internal training programs both when they join the Company and annually.

2. Internal system for the timely disclosure of corporate information
 To ensure thorough internal management of corporate information and appropriate and timely disclosures, several specialized departments have been set up under the direction and supervision of the management and company-wide initiatives have been launched. In order to improve the accuracy and content of disclosure materials, we have established a system in which multiple departments mutually check each other's work while confirming the quality of our internal control system through regular internal audits. We also have accounting auditors regularly conduct quality and legality checks of our accounting information. In addition, the Company's management and specialized departments have established a system in which they collect and report timely and appropriate information that follows our disclosure guidelines from our subsidiaries, which is then disclosed if deemed necessary.

3. Procedure for timely disclosure

- (1) Of information regarding important decisions and occurrences
 The director in charge of IR business operations works alongside the IR and Legal Affairs departments to analyze information reported by each of the Company's departments and the Group's companies. They then follow the guidelines for timely disclosure, determining whether information needs to be disclosed, what exactly to disclose, the method of disclosure, then disclosing the information promptly.

As a result, any important matters determined subject to timely disclosure are reported to the Management Council or President and Representative Director, then is presented to the Board of Directors (directly depending on the level of importance), and is promptly disclosed upon approval by the Board of Directors.

(2) Of information regarding financial results

The Accounting department shall consult with accounting auditors and outside experts as necessary to make a report regarding carefully examined financial results materials (consolidated financial results and quarterly financial results) for the director in charge of IR business operations and, upon approval of the Board of Directors, promptly disclose the information.

4. Method of timely disclosure

The Company discloses corporate information without delay via TDnet and EDINET and also distributes disclosure materials to the press. In addition, the Company posts publicly disclosed corporate information on its website and otherwise strives to provide timely, accurate and fair updates to all shareholders and investors.

Diagram of Our Corporate Governance System

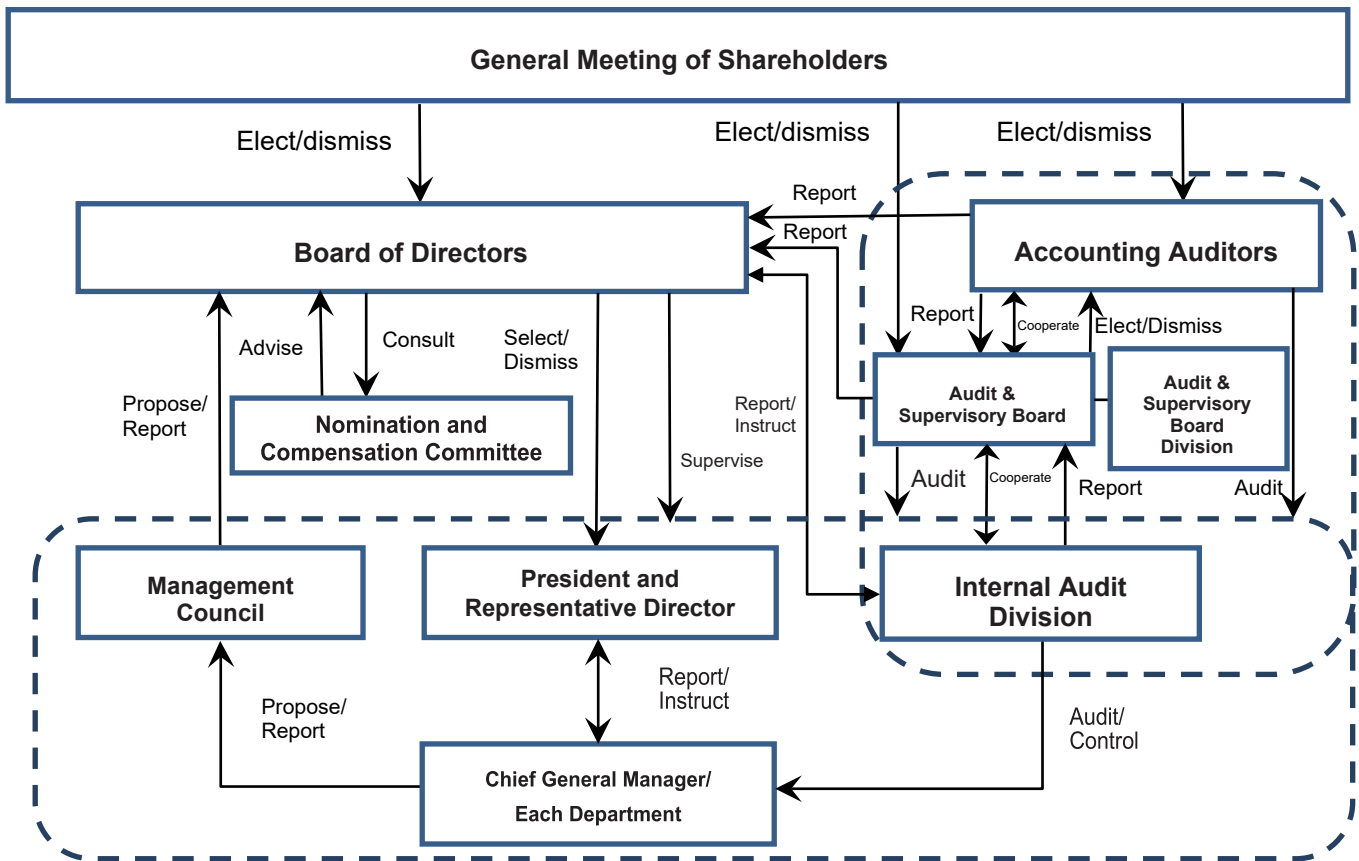


Diagram of Our Timely Disclosure System

